



CARRY

W E A L T H HOLDINGS LIMITED

恒 富 控 股 有 限 公 司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 643)

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年 度 報 告
Annual Report

*We Carry quality apparel with
A Wealth of Human Resources*



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CARRY WEALTH HOLDINGS LIMITED

manufactures and trades garment products for internationally renowned brand names and engages in securities investment. The Group has production facilities in Mainland China.

Headquartered in Hong Kong, Carry Wealth Holdings Limited has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 2000.

The Chinese name of the Company means “enduring prosperity”. The Group is committed to maximizing the return of its shareholders for their ongoing support.

恒富控股有限公司為多個國際知名品牌生產及買賣成衣產品並從事證券投資。本集團於中國大陸有生產設施。

恒富控股有限公司的總部設於香港，於二零零零年在香港聯合交易所有限公司主板上市。

本公司取名恒富，喻意「恒久富足」。本集團致力爭取最佳回報，回饋一直鼎力支持本集團的股東們。

Corporate Information 公司資料

Executive Directors

Mr. Li Haifeng (*Chairman and Chief Executive Officer*)
Mr. Wang Ke (*Vice President*)

Independent Non-Executive Directors

Mr. Yau Wing Yiu
Mr. Zhang Zhenyi
Ms. Zheng Xianzhi

Audit Committee

Mr. Yau Wing Yiu (*Committee Chairman*)
Mr. Zhang Zhenyi
Ms. Zheng Xianzhi

Remuneration Committee

Mr. Yau Wing Yiu (*Committee Chairman*)
Mr. Wang Ke
Mr. Zhang Zhenyi
Ms. Zheng Xianzhi

Nomination Committee

Mr. Li Haifeng (*Committee Chairman*)
Mr. Yau Wing Yiu
Mr. Zhang Zhenyi
Ms. Zheng Xianzhi

Investment Committee

Mr. Li Haifeng (*Committee Chairman*)
Mr. Wang Ke

Company Secretary

Mr. Chiu G Kiu Bernard

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22nd Floor, Prince's Building
Central, Hong Kong

執行董事

李海楓先生 (*主席及行政總裁*)
王科先生 (*副總裁*)

獨立非執行董事

邱永耀先生
張振義先生
鄭先智女士

審核委員會

邱永耀先生 (*委員會主席*)
張振義先生
鄭先智女士

薪酬委員會

邱永耀先生 (*委員會主席*)
王科先生
張振義先生
鄭先智女士

提名委員會

李海楓先生 (*委員會主席*)
邱永耀先生
張振義先生
鄭先智女士

投資委員會

李海楓先生 (*委員會主席*)
王科先生

公司秘書

趙之翹先生

核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師
香港中環
太子大廈22樓

Corporate Information 公司資料

Principal Bankers

China CITIC Bank International Limited
Standard Chartered Bank

Principal Share Registrar and Transfer Agent

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM 12, Bermuda

Branch Share Registrar and Transfer Agent in Hong Kong

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

Registered Office

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Head Office and Principal Place of Business in Hong Kong

Suite 2001, 20/F
Shui On Centre
6-8 Harbour Road
Wanchai, Hong Kong
Tel: (852) 2310 8180
Fax: (852) 2310 8797

Website

www.carrywealth.com

E-mail Address

info@carrywealth.com

Stock Code

643

Board Lot Size

10,000 shares

主要往來銀行

中信銀行(國際)有限公司
渣打銀行

主要股份登記及過戶處

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM 12, Bermuda

香港股份登記及過戶分處

卓佳雅柏勤有限公司
香港皇后大道東183號
合和中心54樓

註冊辦事處

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

總辦事處及香港主要營業地點

香港灣仔
港灣道6-8號
瑞安中心
20樓2001室
電話：(852) 2310 8180
傳真：(852) 2310 8797

網站

www.carrywealth.com

電子郵箱

info@carrywealth.com

股份代號

643

每手買賣單位

10,000股股份

Information for Shareholders and Investors 股東及投資者資訊

Results Announcement Date

Interim results

23 August 2019 (Friday)

Annual results

27 March 2020 (Friday)

Financial Calendar

Deadline for lodging share transfer documents for entitlement to attend and vote at Annual General Meeting

18 May 2020 (Monday)

at 4:30 p.m.

Closure of register of members

19 May 2020 (Tuesday) to

22 May 2020 (Friday)

Annual General Meeting

22 May 2020 (Friday)

at 10:00 a.m.

Shareholder Enquiries

Any matters relating to your shareholding, such as transfer of shares, change of address, loss of share certificates, should be addressed to the Branch Share Registrar and Transfer Agent in Hong Kong, contact details of which are set out as follows:

Tricor Abacus Limited
Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2890 9350

業績公布日期

中期業績

二零一九年八月二十三日 (星期五)

全年業績

二零二零年三月二十七日 (星期五)

財務日誌

如欲有權出席股東週年大會並於會上投票，遞交股份過戶文件之限期

二零二零年五月十八日 (星期一)

下午四時三十分

暫停股份過戶登記

二零二零年五月十九日 (星期二)至

二零二零年五月二十二日 (星期五)

股東週年大會

二零二零年五月二十二日 (星期五)

上午十時正

股東查詢

如有任何有關閣下持有股份之事宜，包括股份過戶、更改地址、遺失股票等，敬請聯絡香港股份登記及過戶分處，聯絡資料如下：

卓佳雅柏勤有限公司
香港皇后大道東183號
合和中心54樓
電話：(852) 2980 1333
傳真：(852) 2890 9350

Financial Highlights 財務摘要

FIVE YEAR FINANCIAL SUMMARY

Results

五年財務摘要

業績

Year ended 31 December 截至十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	331,722	328,513	244,590	123,105	120,695
Loss attributable to equity holders of the Company	本公司權益持有人應佔虧損	(14,825)	(50,615)	(29,956)	(49,719)	(37,983)

Assets and liabilities

資產及負債

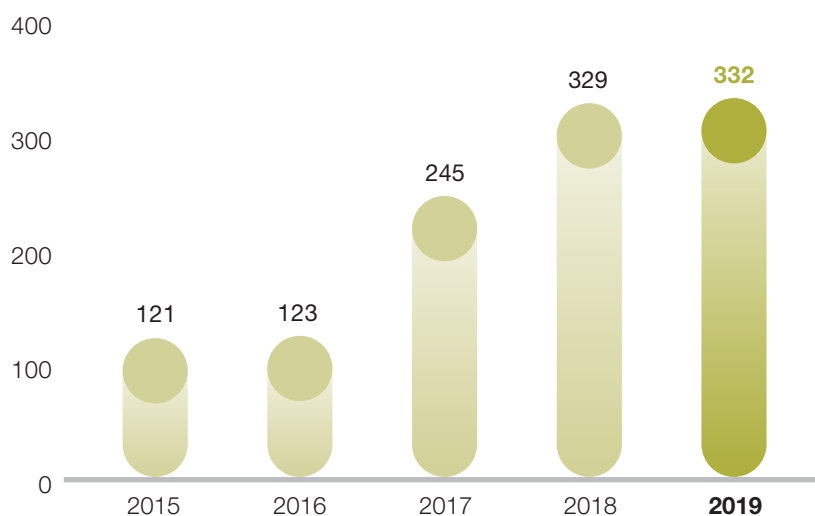
As at 31 December 於十二月三十一日

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total assets	總資產	229,940	243,015	276,553	268,305	315,102
Total liabilities	總負債	(78,635)	(82,261)	(74,109)	(40,112)	(34,474)
Total equity	總權益	151,305	160,754	202,444	228,193	280,628

Financial Highlights 財務摘要

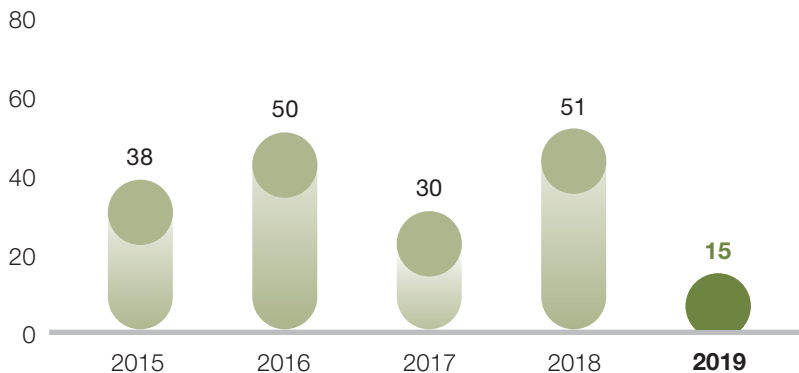
REVENUE 收益

HK\$ million
百萬港元



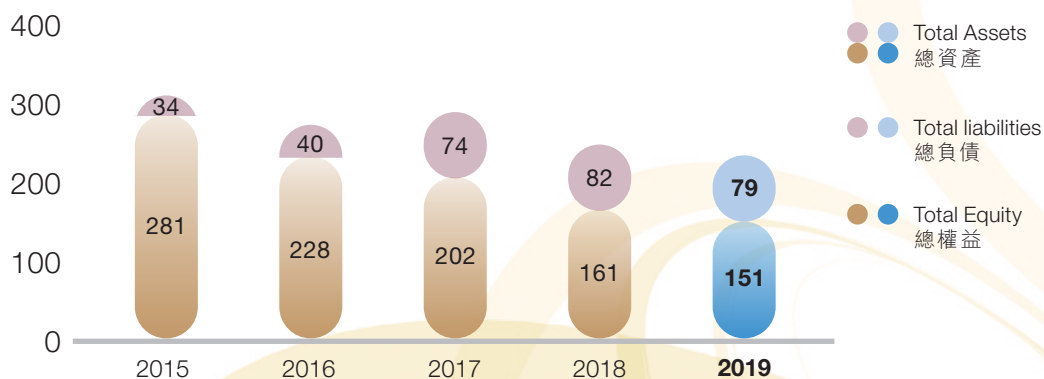
LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY 本公司權益持有人應佔虧損

HK\$ million
百萬港元



TOTAL ASSETS, TOTAL LIABILITIES AND TOTAL EQUITY 總資產、總負債及總權益

HK\$ million
百萬港元



Financial Highlights 財務摘要

		2019 二零一九年 HK'000 千港元	2018 二零一八年 HK'000 千港元	Changes 變化幅度
Operating results	經營業績			
Revenue	收益	331,722	328,513	1.0%
Gross profit	毛利	44,872	39,649	13.2%
Loss attributable to equity holders of the Company	本公司權益持有人應佔虧損	<u>(14,825)</u>	<u>(50,615)</u>	<u>-70.7%</u>
Financial position at year end	於年終之財務狀況			
Properties, plant and equipment	物業、廠房及設備	65,655	65,697	-0.1%
Cash and cash equivalents	現金及現金等值項目	47,600	71,084	-33.0%
Net current assets	流動資產淨值	87,305	97,732	-10.7%
Total assets	總資產	229,940	243,015	-5.4%
Borrowing	貸款	-	5,682	-100.0%
Total liabilities	總負債	78,635	82,261	-4.4%
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔之資本及儲備	<u>151,305</u>	<u>160,754</u>	<u>-5.9%</u>
Per share information	每股資料			
Basic and diluted loss per share (Hong Kong cents)	每股基本及攤薄虧損 (港仙)	(1.81)	(6.19)	-70.8%
Capital and reserves attributable to the Company's equity holders per share (Hong Kong cents)	每股由本公司權益持有人應佔之資本及儲備 (港仙)	<u>18.5</u>	<u>19.7</u>	<u>-6.1%</u>
Ratio analysis	比率分析			
Profitability	盈利水平			
Gross profit margin	毛利率	13.5%	12.1%	1.4%
Net loss margin	淨虧損率	-4.5%	-15.4%	10.9%
Return on the Company's equity holders	本公司權益持有人資金回報	<u>-9.8%</u>	<u>-31.5%</u>	<u>21.7%</u>
Liquidity	流動狀況			
Current ratio	流動比率	2.4	2.4	0.0%
Gearing ratio	資本負債比率	<u>N/A不適用</u>	<u>-40.7%</u>	<u>NA</u>
Operating efficiency	經營效益			
Inventory turnover period (days)	存貨周轉 (日數)	67	70	-4.3%
Trade receivable turnover (days)	貿易應收款項周轉 (日數)	40	37	8.1%
Trade payable turnover (days)	貿易應付款項周轉 (日數)	<u>45</u>	<u>49</u>	<u>-8.2%</u>

Chairman's Statement 主席報告

On behalf of the board (the "Board") of Directors (the "Directors") of Carry Wealth Holdings Limited (the "Company", together with its subsidiaries, the "Group"), I hereby present the Annual Report of the Group for the year ended 31 December 2019.

Since early 2019, trade policy uncertainty, geopolitical tensions, and idiosyncratic stress in key emerging market economies continued to weigh on global economic activity. In the context of synchronously slowing global economic growth, the United States ("US") economy expanded modestly but grew at a slower pace in 2019. It is forecasted to grow 2.3% in 2019, well below the 2.9% growth rate in 2018. On the whole, the loose monetary policy is the main driver of the moderate expansion of the US economy. Robust consumer spending and tight labor market are the important cornerstones supporting the growth of the US economy and the uncertainty of trade policy remains the biggest downside risk to the US economy. In addition, In the face of "America first", the European Union not only paid the price of economic growth decline, but also frequently faced tariff threats from the US, and even "tit for tat" with the US in the world trade organization. The global growth trajectory reflects a sharp decline followed by a return closer to historical norms for a group of underperforming and stressed emerging market and developing economies (including Brazil, India, Mexico, Russia, and Turkey). The growth profile also relies on relatively healthy emerging market economies maintaining their robust performance even as advanced economies and China continue to slow gradually toward their potential growth rates.

In advanced economies, with the completion of the leadership transition of the European Union's major institutions, the European Union, injected with new political momentum, has once again reached a key "crossroads". The European central bank has been cutting interest rates and restarting its bond-buying program since September 2019, aiming to create a relatively loose environment for the euro zone and "seek stability" at a time of uncertainty about the global economy.

本人謹代表恒富控股有限公司（「本公司」，連同其附屬公司，統稱為「本集團」）董事（「董事」）會（「董事會」）提呈本集團截至二零一九年十二月三十一日止年度之年度報告。

自二零一九年以來，由於貿易政策的不確定性、地緣政治緊張局勢以及主要新興市場經濟體的特有緊張態勢持續拖累了全球經濟活動。在全球經濟增長同步放緩的大環境下，美國（「美國」）經濟於二零一九年溫和擴張但增速放緩，增速預測為2.3%，大幅低於二零一八年的2.9%。總體上看，寬鬆的貨幣政策是美國經濟溫和擴張的主要動力，強勁的消費支出和緊張的勞動力市場是支撐美國經濟增長的重要基石，貿易政策不確定性仍是美國經濟面臨的最大下行風險。此外，面對「美國優先」，歐盟不僅付出了經濟增長下滑的代價，還動輒受到美國關稅威脅，甚至多次與美國在世界貿易組織中「針鋒相對」。全球增長軌跡顯示急劇下降後，一系列表現不佳和承壓的新興市場和發展中經濟體（包括巴西、印度、墨西哥、俄羅斯和土耳其）增速回升並接近歷史標準的水平。全球增長情況也依賴於相對健康的新興市場經濟體維持其強勁的表現，儘管先進經濟體和中國繼續向其潛在增速逐步放緩。

在先進經濟體，隨著歐盟主要機構領導班子完成換屆，注入了新政治動力的歐盟再次走到了一個關鍵「十字路口」。歐洲央行自二零一九年九月份起宣佈降息並重啟購債計畫，意圖為歐元區創造一個相對寬鬆的環境，在全球經濟走勢不甚明朗之時「求穩待變」。

Chairman's Statement 主席報告

On the positive side, market sentiment has been boosted by tentative signs that manufacturing activity and global trade are bottoming out, a broad-based shift toward accommodative monetary policy, intermittent favorable news on US-China trade negotiations, diminished fears of a no-deal Brexit, and the economic ramifications of social unrest and geopolitical tensions remaining contained.

Despite the trade tensions and policy uncertainty, our sales team's tremendous and fruitful efforts have enabled the Group's garment manufacturing and trading segment to achieve an increase in revenue from the US market of 3.7% to HK\$190.6 million for the year, with total revenue amounting to HK\$331.8 million, slightly increased from HK\$329.5 million in 2018.

In respect of the securities investment segment, the resources that were collected before will be used for the Group's business diversifications, with the principal goal of generating sustainable long-term returns. Segment loss totalled HK\$5.6 million versus a segment loss of HK\$8.0 million in the same period last year.

Our openness to explore opportunities has enabled us to diversify from our traditional business, and we are also actively exploring and investing in new businesses that show good development potential.

從積極方面上來看，製造業活動和全球貿易正在觸底反彈的初步跡象，貨幣政策全面向寬鬆態勢轉變，中美貿易磋商不時出現利好消息，市場對英國“無協議退出歐盟”的擔心減弱，以及社會動盪和地緣政治緊張局勢對經濟的影響仍然可控均提升了市場情緒。

儘管貿易緊張和政策的不確定性，於本年度，得益於我們銷售團隊之不懈努力，來自本集團的成衣製造及貿易分部的美國市場收益增加3.7%至一億九千零六十萬港元，總收益達三億三千一百八十萬港元，較二零一八年之三億二千九百五十萬港元輕微增長。

在證券投資分部方面，我們已變現大部分股票收益將用於本集團的業務多元化發展，旨在產生長期可持續回報。該分部虧損五百六十萬港元，而去年同期分部虧損為八百萬港元。

對探索新機遇持開放態度令我們得以在傳統業務之外實現多元化發展，我們亦積極開發及投資具良好發展潛力之新業務。

GOING FORWARD

China and the US formally signed the phase-one of the trade agreement in January 2020. However, the outbreak of the coronavirus continues to make the situation unstable and unpredictable, but we believe that the lessons learned during the SARS outbreak in 2003 will help governments around the world respond quickly and effectively to contain the outbreak. Economic growth is likely to return to the pattern experienced during the SARS outbreak, and the short-term adjustment is expected to be dramatic, but when the situation stabilizes and improves, the global recovery will be equally marked.

Therefore, in the garment manufacturing and trading business, we will continue to actively explore and develop the European and American markets. Meanwhile, we remain focusing on health care industry in all parts of the world, and the diversification of our business is one of the directions for the development of the Company. For the equity investment portion, we will continue to monitor market conditions and replenish our portfolio as appropriate. With our strong financial strength, dedicated staff and experienced management team, we are confident that our long-term goal of sustainable development will be achieved.

APPRECIATION

At this time, I would like to extend my sincerest appreciation to my fellow Directors and the entire workforce of the Company for their commitment, diligence and contributions to the Group during the past year. I wish to also express my gratitude to all of our customers, suppliers, business partners and shareholders for their unwavering support.

Li Haifeng
Chairman

27 March 2020

展望

中美兩國於二零二零年一月正式簽署了第一階段貿易協定，然而，冠狀病毒疫情的爆發令局勢持續不穩定且難以預測，但我們相信二零零三年SARS病毒爆發期間所汲取的教訓有助於全球各國政府迅速採取有效的應對措施，以遏止疫情。經濟增長很可能會重現在SARS病毒爆發期間所經歷的模式，預料短期的調整將會劇烈，但當局勢穩定並改善時，全球經濟復甦將同樣顯著。

因此，在成衣製造及貿易業務方面，我們將繼續積極開拓和發展歐美市場。與此同時，全球各地區的健康醫療行業也為我們所密切關注，業務的多元化是本公司發展的方向之一。就股權投資部分而言，我們將繼續監察市況並適時補充投資組合。憑藉我們良好的財務實力、盡心盡力之員工及具豐富經驗之管理團隊，我們相信未來長期持續發展之目標將得以實現。

致謝

本人藉此機會衷心感謝本公司董事全人及全體員工在過去一年對本集團的不懈努力、盡忠職守及熱心貢獻。本人亦謹此感謝各客戶、供應商、業務夥伴及股東多年來始終如一的支持。

主席
李海楓

二零二零年三月二十七日

Management Discussion and Analysis 管理層討論及分析

RESULTS AND BUSINESS REVIEW

For the year ended 31 December 2019, the Group's revenue amounted to HK\$331.7 million (2018: HK\$328.5 million) and gross profit was HK\$44.9 million (2018: HK\$39.6 million). Loss attributable to equity holders was HK\$14.8 million (2018: HK\$50.6 million). The basic and diluted loss per share were both at 1.81 HK cents (2018: both 6.19 HK cents).

During the year under review, global economy was clouded by intensified trade war between US and Mainland China, political uncertainties related to Brexit and the geopolitical tensions in the Middle East. Signs of economic slowdown were seen in the Eurozone and US markets. The global garment manufacturing and trading business was facing fierce competitions and operating under a gloomy conditions. In views of the risk of potential tariffs, most of the Group's customers stop or hesitate to source garment products from Mainland China. However, thanks for the committed efforts of the Group's staff and the strategic decision taken early on to develop overseas production sites, the Group was not only able to shift existing production orders from Mainland China to overseas for those customers who were concerned about the possibility of extra tariffs and the Group also managed to capture additional orders with better profit margins. Under these challenging markets, the Group's revenue from the garment manufacturing and trading business still managed to increase to HK\$331.8 million (2018: HK\$329.5 million), and gross profit margin increased by 1.2% to 13.5% (2018: 12.3%), with gross profit amounting to HK\$44.9 million (2018: HK\$40.6 million).

業績及業務回顧

截至二零一九年十二月三十一日止年度，本集團之收益為三億三千一百七十萬港元（二零一八年：三億二千八百五十萬港元），而毛利為四千四百九十萬港元（二零一八年：三千九百六十萬港元）。權益持有人應佔虧損為一千四百八十萬港元（二零一八年：五千零六十萬港元），每股基本及攤薄虧損均為1.81港仙（二零一八年：均為6.19港仙）。

於回顧年度內，全球經濟因美國與中國大陸之貿易戰加劇、與英國脫歐有關之政治不明朗因素及中東地緣政治緊張局勢而蒙上陰霾，歐元區及美國市場均見經濟放緩跡象。全球成衣製造及貿易業務正面臨激烈競爭及在暗淡環境下營運。鑑於潛在關稅風險，本集團大部分客戶停止自中國大陸採購成衣產品或對此持猶豫態度。然而，憑藉本集團員工努力不懈及早前作出發展海外生產基地之策略決定，本集團不僅能為擔憂可能產生額外關稅之該等客戶之現有於中國大陸的生產訂單轉移至海外，且本集團亦能夠取得具有更佳利潤率之額外訂單。在該等挑戰重重之市場下，本集團來自成衣製造及貿易業務之收益仍能增加至三億三千一百八十萬港元（二零一八年：三億二千九百五十萬港元），而毛利率增加1.2%至13.5%（二零一八年：12.3%），毛利為四千四百九十萬港元（二零一八年：四千零六十萬港元）。

Management Discussion and Analysis 管理層討論及分析

The global stock markets faced with uncertainties and challenges during the year under review. Their performance went through ups and downs of the Sino-US trade talk, the slowing down of manufacturing activities, Brexit event risk and the transition of US interest rate cycles. The inverted US yield curve occurred some points during the year had triggered recession concerns. However, with the swift response by major central banks including Federal Reserve to apply loose monetary measures to stabilize the economy. Coupled with the phase 1 trade deal reached between US and Mainland China in December 2019, most of the stock markets rebounded in the fourth quarter of 2019. As a result, the Hang Seng Index (“HSI”) increased by 9.1%, closing at 28,189 points in 2019 (2018: 25,845 points). For the year ended 31 December 2019, the Group’s securities investment business recorded negative revenue and gross loss of HK\$0.04 million (2018: HK\$1.0 million).

During the year under review, the ratio of selling expenses to revenue from garment manufacturing and trading was increased by 0.6% to 2.5% (2018: 1.9%) mainly due to more shipping costs incurred for garments produced in Cambodia. The administrative expenses amounted to HK\$54.1 million (2018: HK\$52.3 million).

With regard to the Group’s investment in an associate, the management of the associate had put their best efforts to solve the incomplete accounting records issues for the financial year ended 31 December 2018 and to pursue the claims against the former founder of the associate’s subsidiary (the “Subsidiary”). Having learnt from lawyers’ advice that it was difficult to recover damages from the former founder of the Subsidiary, the management and board of directors of the associate considered it was in the best interest to dispose the Subsidiary. Thereafter, the management of the associate had approached a number of third parties’ buyers but fail to secure offers except an offer from the former founder of the Subsidiary. Having considered the costs and benefits in resolving the 2018 incomplete accounting records issues and based on the valuation report about the fair value of the Subsidiary, the management and the board of directors of the associate agree to enter a sale and purchase agreement with the former founder of the Subsidiary for a consideration of USD0.4 million to dispose all their interests in the Subsidiary. During the year under review, the Group had successfully recovered HK\$3.5 million from the associate for the bad debt loans provided in last financial year. Based on the management account of the associate, the associate was a net liabilities company and it did not have material assets. The Group believe it was unlikely to have further recovery even filing a winding up petition against the associate. At the same time, the management of the associate was considering to deregister the associate after the financial year ended 31 December 2019.

於回顧年度內，全球股票市場面臨不明朗因素及挑戰，其表現在中美貿易談判、製造業活動之放緩、英國脫歐事件之風險及美國利率週期轉變中經歷了起伏。美國收益率曲線於年內之若干時間點出現倒掛觸發對經濟衰退之憂慮，然而，主要中央銀行（包括美國聯邦儲備局）迅速採取寬鬆貨幣措施應對藉以穩定經濟；再加上美國與中國大陸於二零一九年十二月達成第一階段貿易協議，令大部分股票市場均於二零一九年第四季度反彈。因此，恒生指數（「恒生指數」）於二零一九年上升9.1%，收市報28,189點（二零一八年：25,845點）。截至二零一九年十二月三十一日止年度，本集團之證券投資業務錄得負收益及毛損四萬港元（二零一八年：一百萬港元）。

於回顧年度內，銷售開支佔成衣製造及貿易之收益比率增加0.6%至2.5%（二零一八年：1.9%），主要由於在柬埔寨生產成衣產生較多之付運成本所致。行政開支為五千四百一十萬港元（二零一八年：五千二百三十萬港元）。

就本集團於一間聯營企業之投資而言，該聯營企業之管理層已盡力解決截至二零一八年十二月三十一日止財政年度之不完整帳目記錄事宜及向該聯營企業之附屬公司（「該附屬公司」）之前創辦人追討申索。該聯營企業之管理層及董事會在獲律師告知難以向該附屬公司之前創辦人收回賠償下，彼等認為出售該附屬公司符合最大利益。其後，該聯營企業之管理層已與若干第三方買家接洽，惟除該附屬公司前創辦人之報價外，未能取得任何報價。考慮到解決二零一八年不完整帳目記錄事宜之成本及裨益以及根據有關該附屬公司公允值之估值報告，該聯營企業之管理層及董事會同意與該附屬公司之前創辦人訂立買賣協議，以代價為四十萬美元出售其於該附屬公司中之全部權益。於回顧年度內，本集團已成功就上一個財政年度已計提壞帳之貸款從該聯營企業收回三百五十萬港元。根據該聯營企業之管理帳目，該聯營企業為一間淨負債公司且其並無重大資產。即使對該聯營企業提出請盤呈請，本集團相信不太可能有任何進一步款項收回。與此同時，該聯營企業之管理層正考慮於截至二零一九年十二月三十一日止財政年度後將該聯營企業撤銷註冊。

Segmental Analysis

a) *Garment manufacturing and trading segment*

During the year under review, the Group's factory in Heshan, Mainland China accounted for 69.7% (2018: 98.7%) of the garment production for overseas export, with the remaining 30.3% (2018: 1.3%) was produced by subcontracted factories in Cambodia.

Influenced by Trump's tariffs policy to force countries such as Mainland China, Mexico and Eurozone to correct the trade imbalance, US economy was fluctuating during the year under review. However, with the stimulative effects of the rate cuts in this year working their way through the economy, the unemployment was maintained near to a 50-year low, inflation was under control and data showed that US GDP remained at a moderate growth rate. Meanwhile, the Group's US customers are highly cost sensitive and started to sourcing garment products from regions free from extra tariff risk. Seizing this opportunity, the Group securing more orders by offering production base in Cambodia rather than the Group's Mainland China factory. As a result, revenue from US customers increased by 3.7% to HK\$190.6 million (2018: HK\$183.8 million), accounting for 57.5% (2018: 55.8%) of the segment revenue for the year ended 31 December 2019.

In the Eurozone, data reflected the regions' economic growth was slowing down in the first six months of 2019. With the continued monetary stimulus policy implemented by European Central Bank and the victory of Conservative Party's in the UK elections on 12 December 2019 signalling a clearer Brexit roadmap, the regions' economy got a soft rebound and had a modest growth in the last quarter of 2019. But customers' confidence and consumption sentiment still take time to recover. Meanwhile, in order to reduce the negative impact of Sino-US trade tensions and maintain a stable supply chains, the European customers tend to source their garment products from all over the world. Facing with fierce competition and challenging markets, revenue from European customer dropped to HK\$95.8 million (2018: HK\$102.5 million) for the year ended 31 December 2019 and accounted for 28.9% (2018: 31.1%) of the segmental revenue.

分部分析

a) *成衣製造及貿易分部*

於回顧年度內，本集團69.7%（二零一八年：98.7%）出口海外的成衣之生產由位於中國大陸鶴山市之工廠負責，而餘下30.3%（二零一八年：1.3%）則由柬埔寨的分包工廠生產。

受特朗普強制中國大陸、墨西哥及歐元區等國家糾正貿易不平衡之關稅政策所影響，美國經濟於回顧年度內一直波動。然而，隨著本年度內降息對整體經濟發揮刺激作用，失業率維持於接近50年低位，通貨膨脹受到控制，而數據亦顯示美國GDP保持溫和增長率。與此同時，本集團的美國客戶對成本高度敏感，並開始從並無額外關稅風險的地區採購成衣產品。本集團把握此機遇，透過提供柬埔寨生產基地（而非本集團於中國大陸之廠房）而獲得更多訂單。因此，於截至二零一九年十二月三十一日止年度，來自美國客戶之收益增加3.7%至一億九千零六十萬港元（二零一八年：一億八千三百八十萬港元），佔分部收益57.5%（二零一八年：55.8%）。

於歐元區，數據反映該地區經濟增長於二零一九年首六個月放緩。隨著歐洲中央銀行持續實施貨幣刺激政策，以及保守黨於二零一九年十二月十二日的英國大選中獲勝顯示更清晰之英國脫歐路線圖，該地區經濟於二零一九年最後一季出現輕微反彈及溫和增長。然而，客戶信心及消費情緒仍然需要時間恢復。與此同時，為減低中美貿易緊張局勢之負面影響及維持穩定之供應鏈，歐洲客戶傾向於全球採購成衣產品。面對競爭激烈及充滿挑戰之市場，於截至二零一九年十二月三十一日止年度，來自歐洲客戶之收益下跌至九千五百八十萬港元（二零一八年：一億零二百五十萬港元），佔分部收益28.9%（二零一八年：31.1%）。

All in all, with gloomy markets, revenue from the garment manufacturing and trading segment only slightly increased to HK\$331.8 million (2018: HK\$329.5 million) and had a segment loss of HK\$0.8 million (2018: segment profit of HK\$1.1 million).

b) *Securities investment segment*

During the year under review, Hong Kong stock markets got a fluctuating performance. Owing to the optimistic expectation of Sino-US trade negotiations early in the year, HSI rose up and reached to the 2019 peak of 30,280 points in April 2019. However, the unexpected breakdown of the Sino-US discussions in May 2019 and the Hong Kong social unrest started since June 2019 had negatively affect investors' sentiments. HSI was highly volatile in the second half and dropped to the lowest level of 25,281 points in the third quarter of 2019. To prevent the slowdown in global economic growth, major central banks including Mainland China and US choose to implement additional monetary measures. The effectiveness of these monetary policies gradually mattered and in the final quarter of 2019, both Hong Kong and Mainland China stock markets benefited and their performance were improved. In particular, the reaching of phase 1 trade agreement between US and Mainland China in December 2019 help to alleviate market worries about trade tensions and improve investors' confidence. As a result, HSI increased by 9.1% when compared with 2018, closing at 28,189 points in 2019 (2018: 25,848 points). For the year ended 31 December 2019, the Group's securities investment business recorded a fair value loss of HK\$0.2 million (2018: HK\$1.2 million) and a segment loss of HK\$5.6 million (2018: HK\$8.0 million).

In view of the fluctuating stock performance during the year, the Group continue to adopt a conservative strategy in conducting its securities investment business. As at 31 December 2019, the Group's financial asset at fair value through profit or loss amounted to HK\$2.2 million (31 December 2018: HK\$2.3 million), which comprised of one (31 December 2018: one) Hong Kong listed corporation that had been held since 2017.

總括而言，由於市場不景氣，來自成衣製造及貿易分部之收益只輕微增長至三億三千一百八十萬港元（二零一八年：三億二千九百五十萬港元），並錄得分部虧損八十萬港元（二零一八年：分部溢利一百一十萬港元）。

b) *證券投資分部*

於回顧年度內，香港股票市場表現波動。由於年初對中美貿易談判之樂觀預期，恒生指數攀升，並於二零一九年四月達至二零一九年之最高位30,280點。然而，中美談判於二零一九年五月意外破裂及香港自二零一九年六月起之社會動盪均對投資者情緒產生負面影響。恒生指數於下半年大幅波動，並於二零一九年第三季度跌至最低位25,281點。為防止全球經濟增長放緩，中國大陸及美國等主要中央銀行選擇實施額外的貨幣措施。該等貨幣政策漸見成效，於二零一九年最後一季，香港及中國大陸股票市場均受惠於該等政策，表現有所改善。特別是於二零一九年十二月美國與中國大陸達成第一階段貿易協議有助減輕市場對貿易緊張局勢的憂慮及增加投資者信心。因此，恒生指數較二零一八年上升9.1%，於二零一九年報收28,189點（二零一八年：25,848點）。截至二零一九年十二月三十一日止年度，本集團之證券投資業務錄得公允值虧損二十萬港元（二零一八年：一百二十萬港元）及分部虧損五百六十萬港元（二零一八年：八百萬港元）。

鑑於年內股票表現波動，本集團於進行證券投資業務時繼續採取保守策略。於二零一九年十二月三十一日，本集團按公允值計入損益帳之金融資產為二百二十萬港元（二零一八年十二月三十一日：二百三十萬港元），其包含自二零一七年起持有的一間（二零一八年十二月三十一日：一間）香港上市企業。

LIQUIDITY AND FINANCIAL RESOURCES

Adopting a conservative financial management approach, the Group continues to maintain a healthy financial position. As at 31 December 2019, the Group's cash and cash equivalents was HK\$47.6 million (31 December 2018: HK\$71.1 million). Working capital represented by net current assets amounted to HK\$87.3 million (31 December 2018: HK\$97.7 million) of which HK\$2.2 million (31 December 2018: HK\$2.3 million) was a Hong Kong listed equity stock. The Group's current ratio was 2.4 (31 December 2018: 2.4).

As at 31 December 2019, the Group had no bank borrowings. As at 31 December 2018, bank borrowings comprised term loans of HK\$5.7 million which were repayable within one year and were denominated in Renminbi. As at 31 December 2018, the gearing ratio of the Group, which is calculated as net debt (total borrowings less cash and cash equivalents) divided by capital and reserves attributable to the Company's equity holders, was -40.7%.

CAPITAL EXPENDITURE

For the year under review, the Group incurred a total capital expenditure of HK\$0.4 million (2018: HK\$8.4 million), which was mainly for additions of office equipment.

FOREIGN EXCHANGE EXPOSURE

The Group's sales are principally transacted in US dollars. With a factory in Mainland China and offices in Hong Kong and Mainland China, operating expenses of the Group are primarily denominated in Hong Kong dollars and Renminbi with some expenses in US dollars. The Group is mainly exposed to US dollar exchange risk arising from sales transactions involving its garments. As the Hong Kong dollar is pegged to the US dollar, exposure of the Group to foreign exchange risk is minimal.

The Group will closely monitor fluctuation of US dollar exchange rates and, if necessary, will enter into forward exchange contracts to reduce currency exchange fluctuation risks.

流動資金及財務資源

本集團秉持審慎之財務管理方法，得以繼續保持健全之財務狀況。於二零一九年十二月三十一日，本集團之現金及現金等值項目為四千七百六十萬港元（二零一八年十二月三十一日：七千一百一十萬港元）。營運資金（即流動資產淨值）為八千七百三十萬港元（二零一八年十二月三十一日：九千七百七十萬港元），其中二百二十萬港元（二零一八年十二月三十一日：二百三十萬港元）為香港上市股本證券。本集團之流動比率為2.4（二零一八年十二月三十一日：2.4）。

於二零一九年十二月三十一日，本集團並無銀行貸款。於二零一八年十二月三十一日，銀行貸款包括須於一年內償還並以人民幣計值的定期貸款五百七十萬港元。於二零一八年十二月三十一日，本集團之資本負債比率（按債務淨額（總貸款減現金及現金等值項目）除以本公司權益持有人應佔之資本及儲備計算）為-40.7%。

資本開支

於回顧年度內，本集團產生之資本開支總額為四十萬港元（二零一八年：八百四十萬港元），主要用作添置辦公室設備。

外匯風險

本集團之銷售主要以美元交易。本集團於中國大陸設有一間廠房，並於香港及中國大陸設有辦事處，其經營開支主要以港元及人民幣結算，部份開支亦以美元結算。本集團主要面對由涉及成衣銷售之交易所引致之美元匯率風險。由於港元與美元掛鈎，故本集團面對外匯風險較低。

本集團將會密切監察美元匯率的波動情況，並於有需要時訂立遠期外匯合約以減低貨幣匯兌波動的風險。

CREDIT POLICY

Consistent with prevailing industry practice, the Group's business was transacted on an open account basis with its long-standing customers during the year under review. The credit ratings of customers are constantly reviewed and their respective credit limits will be adjusted, as and when necessary.

CHARGES ON ASSETS

As at 31 December 2019, the Group had no charges on assets. As at 31 December 2018, the Group's land use rights of HK\$5.4 million and buildings of HK\$28.4 million in Heshan, Mainland China were pledged as security for the Group's bank borrowings.

CONTINGENT LIABILITIES

As at 31 December 2019 and 2018, the Group had no contingent liabilities.

HUMAN RESOURCES AND REMUNERATION POLICIES

The Group provides a harmonious and professional working environment to employees as their commitment and expertise are critical to the long-term success of its business. It also offers employees rewarding careers and provides them with a variety of training programmes aimed at enhancing their professionalism. The Group remunerates employees according to prevailing market practices, individual experience and performance. To attract and retain high-calibre employees, it also offers discretionary bonuses and share options based on the performance of the individual as well as the Group.

As at 31 December 2019, the Group has a total of 756 (31 December 2018: 879) full-time employees in Mainland China and Hong Kong.

信貸政策

與現時行業慣例相符，本集團於回顧年度內與已建立長遠穩定關係之客戶以記帳形式進行業務交易。本集團定期審閱客戶之信貸評級，並於有需要時調整彼等之個別信貸額。

資產抵押

於二零一九年十二月三十一日，本集團並無資產抵押。於二零一八年十二月三十一日，本集團位於中國大陸鶴山市之土地使用權五百四十萬港元及樓宇二千八百四十萬港元被抵押作本集團銀行貸款之擔保。

或然負債

於二零一九年及二零一八年十二月三十一日，本集團並無或然負債。

人力資源及薪酬政策

本集團為僱員提供和諧及專業之工作環境，其業務之長期成功全賴僱員之竭誠投入工作及其專業技能。本集團給予僱員具價值之事業及提供旨在加強其專業技能之不同培訓課程。本集團僱員薪酬福利乃根據現行市場慣例及按其個人經驗與表現而釐定。為吸引及挽留高質素僱員，本集團亦按個別僱員之表現及本集團之業績授予酌情花紅及購股權。

於二零一九年十二月三十一日，本集團在中國大陸及香港共僱用756名（二零一八年十二月三十一日：879名）全職僱員。

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Board has overall responsibility for the Group's environmental, social and governance ("ESG") strategy. The Board is responsible for ensuring that there are appropriate and effective risk management and internal control systems in place to mitigate ESG-related risks and to meet stakeholders' needs and expectations. The Group's ESG management team is assigned key responsibilities, including monitoring the implementation of ESG strategic plans, alerting the Board of any potential ESG-related risks, reporting to the Board about the effectiveness of the ESG system and reviewing stakeholders' needs and expectations.

The Group operates two business segments: garment manufacturing and trading, and securities investment. The Group's factory in Heshan, Guangdong Province, Mainland China contributed 69.7% of the garment manufacturing and trading revenue for the year ended 31 December 2019 and 740 employees were employed for the garment manufacturing and trading business as at 31 December 2019. The Hong Kong office, which had 16 employees as at 31 December 2019, was mainly responsible for the securities investment business and for providing supporting services for the Group. The two business segments as well as the Hong Kong office had complied with all relevant laws and regulations in relation to environmental and social aspects of their business for the year ended 31 December 2019. The Group understands that a better future for society depends on everyone's participation and contribution. It encourages employees, customers, suppliers and stakeholders to participate in environmental protection and social activities that can benefit the community as a whole.

The Group maintains strong relations with its employees, and has continued to increase co-operation with suppliers. The Group provides high-quality products and services to customers, thereby helping to ensure the sustainable development of its business.

環境、社會及企業管治

作為一間負責任的企業，本集團致力維持最高之環境及社會標準，以確保其業務可持續發展。董事會對本集團之環境、社會及管治（「環境、社會及管治」）策略承擔整體責任。董事會負責確保設立合適及有效之風險管理及內部監控系統，從而降低環境、社會及管治相關風險，以達致持份者之需求及預期。本集團之環境、社會及管治管理團隊肩負包括監察環境、社會及管治策略計劃之實施、警示董事會任何潛在環境、社會及管治相關風險，向董事會報告有關環境、社會及管治系統成效及審查持份者之需求及預期在內之主要職責。

本集團經營兩個業務分部：成衣製造及貿易以及證券投資。本集團位於中國大陸廣東省鶴山市之廠房於截至二零一九年十二月三十一日止年度貢獻成衣製造及貿易收益之69.7%，而成衣製造及貿易業務於二零一九年十二月三十一日已僱用740名僱員。香港辦事處於二零一九年十二月三十一日有16名僱員，其主要負責證券投資業務及為本集團提供支援服務。截至二零一九年十二月三十一日止年度，此兩個業務分部以及香港辦事處已遵守與其業務之環境層面及社會層面有關之所有相關法律及法規。本集團明白，有賴所有人的參與及貢獻才能改善社會成就美好將來，亦因此鼓勵僱員、客戶、供應商及持份者參與環境保護及社會活動，惠及整個社區。

本集團與其僱員維持緊密關係，並繼續增加與其供應商之間的合作。本集團並為其客戶提供優質產品及服務，從而有助於確保其業務之可持續發展。

Having taken into consideration stakeholders' major concerns and in view of the materiality of the garment manufacturing and trading business, the Group had decided to include the said business, which is conducted at its Heshan factory, in its ESG report for the year ended 31 December 2019. The factory is required to undergo a stringent environmental audit and is continuously monitored by local government departments. An annual inspection on the Heshan manufacturing plant is performed by Heshan Environmental Protection Bureau. In the reporting year, the Heshan manufacturing plant complied with all relevant environmental laws and regulations. All Heshan factory employees had been recruited under employment agreements with terms in compliance with relevant laws and regulations. Furthermore, the factory had complied with all relevant occupational health and safety laws and regulations imposed by authorities in Mainland China. With a safe working environment and regular occupational safety training provided for all employees, there were no work-related fatalities at the production facilities for the year ended 31 December 2019. A full 2019 ESG report is being prepared with reference to Appendix 27 of the Environmental, Social and Governance Reporting Guide pertaining to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), and will be published on the Group's and the Stock Exchange's websites within three months after the publication of the 2019 Annual Report.

OUTLOOK

Owing to major central banks around the world are taking looser approach on the money supply, most mainstream forecasters initially expect that the global economy is poised for a modest rebound in 2020. However, the recent outbreak of the novel coronavirus around the world have created demand and supply shocks. Its impact on global economy depends on whether the virus will be faded out in near term.

經考慮持份者之關注重點及重要性，本集團決定將其鶴山工廠從事成衣製造及貿易業務載入其截至二零一九年十二月三十一日之環境、社會及管治報告。該工廠須經地方政府部門進行嚴格環境審核及持續監察。鶴山環保局會對鶴山製造工廠進行年度審查。於報告年度，鶴山製造工廠已遵守所有相關環境法律及法規。於鶴山工廠工作之所有僱員已遵照相關法律及法規之條款訂立之僱傭協議而招聘。此外，該工廠已遵守中國大陸政府實施的所有相關職業健康及安全法律及法規。憑藉安全的工作環境及為全體僱員舉行定期職業安全培訓，截至二零一九年十二月三十一日止年度，生產場所並無發生與工作有關的死亡事故。完整之二零一九年環境、社會及管治報告乃參考香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄二十七環境、社會及管治報告指引而編製，並將於二零一九年年報刊發後三個月內刊載於本集團及聯交所之網站。

前景

鑑於全球主要中央銀行均採取較寬鬆之貨幣供應政策，故大部分主流預測師最初均預期全球經濟將有望於二零二零年溫和反彈。然而，最近在世界範圍內爆發的新型冠狀病毒引起了供需衝擊。它對全球經濟的影響取決於該病毒是否會在短期內消失。

Management Discussion and Analysis 管理層討論及分析

In US, its economic performance in 2020 is difficult to predict. The travel bans implemented on countries including Eurozone countries to slowdown the spread of the novel coronavirus does not only affect the apparel consumptions. It also trigger a worry of economy recession. Meanwhile, most US companies are still concerned about the trade tensions with Mainland China and the coming result of the 2020 presidential election. Continuing good economic data will be surely favourable for Trump's re-election. If the US economy goes downhill in 2020, Trump will most likely bring forward more trade wars against countries including Mainland China which will surely affect economic growth and customer sentiments.

As for the Eurozone, it is believe that the regions' economy will be challenging in 2020. Although the worst of Brexit uncertainty may be over, both Britain and the Eurozone officials still need to sort out key issues such as the tariff rates. Meanwhile, the uncertain economic impacts regarding the trade negotiations between US and Eurozone and the outbreak of novel coronavirus in the regions may also negatively affect the consumer confidence and consumption.

Although the phase one trade agreement between the US and Mainland China was signed on 16 January 2020, the US still keep existing tariffs on imports from Mainland China until the two countries reach a phase two deal. It is generally believe the trade war is far from over. In order to foster the business growth for the garment manufacturing and trading business, the Group is exploring to establish self-owned garment production facilities in South East Asia countries and expect to have flexibility in meeting customer needs, counteract the rising production costs in Mainland China and minimise the negative business impacts from the recent novel coronavirus outbreak.

於美國，其二零二零年經濟表現難以預測。對包括歐元區內的國家實施旅遊禁令以減緩新型冠狀病毒之傳播不僅影響了服裝消費，也引發了對經濟衰退的擔憂。大部分美國公司仍憂慮與中國大陸之貿易緊張局勢及即將舉行之二零二零年總統大選結果。持續向好經濟數據無疑將對特朗普連任有利。倘美國經濟於二零二零年下行，則特朗普將很可能對中國大陸等國家發起更多貿易戰，並將肯定影響經濟增長及客戶情緒。

就歐元區而言，相信該地區的經濟將於二零二零年面臨挑戰。儘管英國脫歐之最壞不明朗因素可能結束，惟英國及歐元區官員仍須解決關稅稅率等主要議題。同時，有關美國與歐元區之間貿易談判之不確定經濟影響及該地區新型冠狀病毒爆發亦可能對消費者信心以及消費意慾產生負面影響。

儘管美國與中國大陸已於二零二零年一月十六日簽署第一階段貿易協議，惟美國仍然保持對中國大陸進口貨品徵收現有關稅，直至兩國達成第二階段協議為止，普遍認為貿易戰仍還未結束。故為促進成衣製造及貿易業務的業務增長，本集團正探索於東南亞國家建立自有成衣生產設施，並預期可靈活地應付客戶需求、抵銷中國大陸不斷上升之生產成本以及減低近期新型冠狀病毒爆發所帶來的負面業務影響。

As for the Hong Kong stock market, its performance is highly correlated to the economic development in Mainland China as well as outcome of the continue Sino-US trade negotiations. In 2019, Mainland China's GDP only grew by 6.1% which is the lowest growth rate for 29 years. There are rising concerns about the mounting local government debts, the continued contraction of the manufacturing industry and the weakening customer consumptions. The recent novel coronavirus had added to Mainland China slowing economy and the 2020 GDP will likely slip to 5.6%. Coupled with the social and political unrest in Hong Kong started since June 2019, it had weigh on Hong Kong economy and sap investors' confidence. It is expected Hong Kong stock market will still have a fluctuating performance in 2020. As a result, the Group will continue to take a cautious approach with regard to its securities investment business.

In view of the novel coronavirus outbreak started in January 2020 and later spread all over the world, nearly all business operations and industries are affected. To minimise the operation impacts, the Group has implemented a series of precautionary and control measures across the region. However, it still bring certain uncertainties to the Group's operating environment. The Group is closely monitoring the development of the outbreak and depends on the escalation and duration of the epidemic, the Group will consider to execute more stringent costs control and further streamline its operations.

Looking ahead, we will continue to execute the established business. The Group pledged to seek and evaluate every opportunity and will strive to achieve long-term sustainable growth in order to maximise returns to its shareholders.

就香港股票市場而言，其表現與中國大陸經濟發展及持續中美貿易談判結果高度相關。於二零一九年，中國大陸GDP僅增長6.1%，為29年內的最低增長率。地方政府債務攀升、製造業持續收縮及疲弱客戶消費導致憂慮增加，而近期新型冠狀病毒令中國大陸正在放緩的經濟百上加斤，二零二零年GDP將可能下滑至5.6%。加上香港自二零一九年六月起的社會及政治動盪，對香港經濟帶來壓力及削弱投資者的信心。預期於二零二零年，香港股票市場的表現將仍然波動。因此，本集團將繼續就其證券投資業務採取審慎態度。

鑑於新型冠狀病毒爆發於二零二零年一月並其後蔓延到世界各地，幾乎所有業務營運和行業都受到影響。為了最大程度地降低營運影響，本集團已在各地區實施了一系列預防和控制措施。但是，這仍然給集團的經營環境帶來不確定性。本集團會密切監察疫情的發展，並視疫情的上升和持續時間而考慮實行更嚴格的成本控制並進一步簡化其運作。

展望未來，本集團將繼續進行既有業務。本集團承諾尋求及評估每個機會，並將爭取達致長期可持續增長，以盡量提高其股東之回報。

Corporate Governance Report 企業管治報告

The Board is committed to maintaining high standards of corporate governance to safeguard the interests of all shareholders of the Company and to enhance corporate value. The Company continuously reviews and improves the corporate governance practices and standards of the Group to ensure that business activities and decision making processes are regulated in a proper manner.

CORPORATE GOVERNANCE PRACTICES

The Board is of the view that the Company has complied with all the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31 December 2019, except for certain deviations as explained in this report.

THE BOARD OF DIRECTORS

Board Composition

The Board is led by the Chairman and currently comprises two executive Directors and three independent non-executive Directors as follows:

Executive Directors

Mr. Li Haifeng (*Chairman and Chief Executive Officer*)
Mr. Wang Ke (*Vice President*)

Independent Non-Executive Directors

Mr. Yau Wing Yiu
Mr. Zhang Zhenyi
Ms. Zheng Xianzhi

董事會致力維持高水平之企業管治，藉以保障本公司全體股東利益及提高企業價值。本公司持續檢討及改善本集團之企業管治常規及標準，藉以確保業務活動及決策過程受到適當規管。

企業管治常規

董事會認為於截至二零一九年十二月三十一日止年度內，本公司一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治守則（「企業管治守則」）之所有守則條文，除本報告所述的偏離外。

董事會

董事會之組成

董事會由主席領導，現由下列兩名執行董事及三名獨立非執行董事組成：

執行董事

李海楓先生（*主席及行政總裁*）
王科先生（*副總裁*）

獨立非執行董事

邱永耀先生
張振義先生
鄭先智女士

The Board possesses a balance of skill and experience which is appropriate for the requirements of the business of the Group. A balanced composition of executive and non-executive directors also generates a strong independent element on the Board, which can exercise independent judgement effectively and make decision objectively for the best interests of the Company.

Save for those as disclosed in the section headed “Directors’ Biographical Details” as set out on pages 45 to 48 of this Annual Report, there is no relationship (including financial, business, family or other material or relevant relationship) among members of the Board.

During the year, four Board meetings were held to approve annual and interim results, review the business operations, risk management and internal control systems. The attendance records of directors are set out on page 33 of this Annual Report.

Chairman and Chief Executive Officer

According to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Li Haifeng has assumed both the roles of chairman and chief executive officer of the Company since 1 April 2017. The Board is of the view that the balance of power and authority is ensured by its operations which comprises experienced and high caliber individuals with a highly independent element. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Company to execute business strategies and decisions efficiently.

Independent Non-executive Directors

During the year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing one-third of the Board with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. All independent non-executive Directors have confirmed their independence and the Company considers that they are independent in accordance with the independent guidelines set out in Rule 3.13 of the Listing Rules.

董事會具備適合本集團業務所需之技能及經驗。執行董事及非執行董事之均衡組成，亦使董事會具備強大之獨立元素，以便有效率地進行獨立判斷及客觀地作出決策，以符合本公司之最佳利益。

除於本年度報告第45頁至第48頁之「董事簡歷」一節內所披露者外，董事會各成員之間概無任何關係（包括財政、業務、家族或其他重大或相關關係）。

於年內，董事會曾舉行四次董事會會議，以審批全年及中期業績、檢討本集團之業務運作及風險管理與內部監控系統，董事之出席記錄載於本年度報告第33頁。

主席及行政總裁

根據企業管治守則第A.2.1條，主席及行政總裁之職務應予區分，並不應由同一人同時擔任。李海楓先生自二零一七年四月一日起兼任本公司之主席及行政總裁之職務，董事會認為董事會由擁有豐富經驗及才幹、兼具獨立元素之人士所組成，故其運作已足以確保權力與職權之平衡。董事會相信，此架構有利於穩健及貫徹領導，令本公司可有效地作出商業決策。

獨立非執行董事

於年內，董事會一直符合上市規則的規定，委任至少三名獨立非執行董事（人數佔董事會成員三分之一），當中至少一名具備合適的專業資格或會計或相關的財務管理專業知識。全體獨立非執行董事均已確認其獨立性，根據上市規則第3.13條所載列的獨立指引，本公司認為彼等均具有獨立性。

Appointments and Re-election of Directors

The Board is empowered under the Company's Bye-laws to appoint any person as Director either to fill a casual vacancy on or as an additional member of the Board. The selection criteria are mainly based on the professional qualification and experience of the candidate and the recommendations of the Nomination Committee. All Directors are engaged on service contracts for a term of three years. A newly appointed director must retire and be re-elected at the first general meeting after his/her appointment.

At each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation. Every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire every year will be those who have been the longest in office since their last re-election or appointment. As such, no Director has a term of appointment longer than three years. A retiring Director shall be eligible for re-election.

Board and Management

To enable all Directors to make informed decisions in the Board meetings and to discharge their duties and responsibilities, appropriate, complete and reliable information prepared by the management are provided in a timely manner. All Directors are kept informed on a timely basis of major changes that may affect the Group's business, including relevant rules and regulations. To reinforce independence, the Board and each Director can have separate and independent access to the management of the Company if additional information is required. To further assist the Directors to discharge their duties to the Company, the Board has also established a written procedure to enable Directors to seek independent professional advice at the Company's expenses.

委任及重選董事

董事會獲本公司之章程細則授權委任任何人士為董事，以填補臨時空缺或成為董事會新成員。甄選因素主要以候選人之專業資格及經驗以及提名委員會之建議為基準。全體董事均按服務合約委聘，為期三年。新委任董事須於彼獲委任後首個股東大會上退任及膺選連任。

本公司於每屆股東週年大會上，三分之一在任董事（或倘其數目並非三或三之倍數，則必須為最接近但不少於三分之一之人數）須輪值退任。每名董事須至少每三年輪值退任一次。每年退任董事為自上次重選或任職時間最長者。因此，概無董事之委任任期超過三年。退任董事將符合資格膺選連任。

董事會及管理層

管理層須適時提供由彼等編製之適合、完整及可靠資訊，以確保全體董事於董事會會議上作出知情決定及履行彼等之職務及職責。若有可能影響本集團業務的重大變動（包括相關法例及法規），本公司將會適時知會全體董事。為增強獨立性，董事會及各董事可於需要更多資訊時自行透過獨立途徑接觸本公司之管理層。為進一步協助董事對本公司履行彼等之職務，董事會亦已設立一套書面程序，使董事可尋求獨立專業意見，費用由本公司支付。

In order to have a clear principle in relation to the matters specifically reserved to the Board for decisions, functions between the Board and the management are formalized. The Board has established a written guideline determining which issues require a decision of the Board and those delegated to the management. Matters reserved to the Board for decision include the making of significant financial and legal commitments, mergers and acquisitions, material asset acquisitions or disposals, the change of share capital, the approval of financial reporting, budgeting, management succession and representation to shareholders. The management is responsible for the day-to-day running of the Group. The management is required to submit reports on the operations to the Board on a regular basis and make recommendations to the Board on the development of major projects or business proposals and their respective implementation. The Board is of the view that such division of responsibilities can enhance the corporate governance of the Company.

The Board considers that corporate governance should be the collective responsibility of Directors and delegated the corporate governance duties to the Audit Committee which include:

- to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct applicable to employees and Directors; and
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

為就特別須董事會作決定之事項提供明確原則，董事會及管理層之職能已予界定。董事會已訂立一份書面指引，釐定須由董事會決定及授權予管理層之議題。須董事會作決定之事項包括重要財務及法律承擔、合併及收購、重大資產收購或出售、更改股本、審批財務報告、編訂預算、管理層繼任及向股東作出陳述等。管理層負責本集團之日常營運。管理層須定期向董事會呈交營運報告，並就發展主要項目或業務計劃書及彼等各自之落實情況向董事會提出建議。董事會認為，如此職責劃分可增強本公司之企業管治。

董事會認為企業管治應屬董事的共同責任，且彼等授予審核委員會的企業管治職能包括：

- 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- 檢討及監察董事及本公司高級管理層的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察適用於僱員及董事的行為守則；及
- 檢討本公司遵守企業管治守則的情況及企業管治報告的披露資料。

Directors' Continuous Professional Development

To develop and refresh the knowledge and skills, all Directors have participated in continuous professional development and provided the Company their training records for the year ended 31 December 2019 which are summarized as follows:

董事之持續專業發展

為發展並更新其知識及技能，全體董事已參與持續專業發展並向本公司提供彼等截至二零一九年十二月三十一日止年度培訓之記錄，概述如下：

Read materials and/or attended seminars on responsibility of directors and other relevant topics
閱讀有關董事職責及其他相關題目的資料及/或出席相關研討會

Directors

董事

Executive Directors

執行董事

Mr. Li Haifeng

李海楓先生

✓

Mr. Wang Ke

王科先生

✓

Non-Executive Director

非執行董事

Mr. Lee Sheng Kuang, James

李勝光先生

(Ceased appointment on 1 April 2019)

(於二零一九年
四月一日終止委任)

✓

Independent Non-Executive Directors

獨立非執行董事

Mr. Yau Wing Yiu

邱永耀先生

✓

Mr. Zhang Zhenyi

張振義先生

✓

Ms. Zheng Xianzhi

鄭先智女士

✓

Directors' Securities Transactions

董事證券交易

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

本公司已採納一套有關董事進行證券交易之行為守則，其規定標準不低於上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）。經向本公司全體董事作出特定查詢後，全體董事均已確認，彼等於年內已符合標準守則及本公司有關董事進行證券交易之行為守則所載之規定標準。

Details of the Directors' interests in the shares of the Company as at 31 December 2019 are set out on pages 49 to 50 of this Annual Report.

The Board has also established a written guideline on no less exacting terms than the Model Code for employees of the Company or director or employee of the Company's subsidiaries or holding company who are likely to possess inside information in relation to the Group or securities of the Company. No incident of non-compliance was noted by the Company in 2019.

Directors' Liability Insurance

Appropriate insurance cover has been arranged by the Company in respect of legal action against its Directors and officers of the Company.

BOARD COMMITTEES

Audit Committee

The Board set up the Audit Committee in 2000 with specific written terms of reference which deal clearly with its authority and duties. The terms of reference of Audit Committee are available on the websites of the Company and the Stock Exchange. The principal duties of the Audit Committee include reviewing the Group's financial reporting, the external auditor's independence, risk management, internal controls and corporate governance issues and making recommendations to the Board.

The Audit Committee currently comprises three members, namely Mr. Yau Wing Yiu (Committee Chairman), Mr. Zhang Zhenyi and Ms. Zheng Xianzhi, all Audit Committee members are independent non-executive Directors.

有關董事於二零一九年十二月三十一日擁有本公司股份之權益之詳情已載於本年度報告第49頁至第50頁。

董事會亦已就可能擁有所關於本集團或本公司證券之內幕資料之本公司僱員或本公司之附屬公司或控股公司之董事或僱員訂立一套書面指引，其規定標準不低於標準守則。本公司於二零一九年並不知悉任何不遵守書面指引之事件。

董事責任保險

本公司已就針對董事及高級管理人員之法律訴訟安排適當保險。

董事委員會

審核委員會

董事會於二零零零年成立審核委員會，書面職權範圍已闡明其權力與職務。審核委員會之職權範圍在本公司及聯交所網站可供查閱。審核委員會主要職責包括審閱本集團之財務報告、外聘核數師之獨立性、風險管理、內部監控及企業管治事宜，並向董事會提出建議。

審核委員會目前由三名成員組成，即邱永耀先生（委員會主席）、張振義先生及鄭先智女士，所有審核委員會成員均為獨立非執行董事。

Corporate Governance Report 企業管治報告

During the year, the Audit Committee held four meetings and the attendance records of members are set out on page 33 of this Annual Report. The major work performed by the Audit Committee during the year included, amongst other things, the following:

- making recommendation to the Board on the appointment or re-appointment of the external auditors and approved their terms of engagement;
 - reviewing the effectiveness of the audit process in accordance with the applicable standards;
 - reviewing the change in accounting standards and assessment of potential impacts on the Group's financial statements;
 - reviewing the interim and annual financial statements and the related results announcements;
 - discussing the risk management and internal control systems with management including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions;
 - overseeing and monitoring the operation of Risk Management and Steering Committee ("RMSC") such as reviewing the quarterly and annual report or any ad hoc report;
 - reviewing the revised terms of reference of RMSC;
 - reviewing the revised terms of reference of the Audit Committee;
 - reviewing the Company's policies and practices on corporate governance and made recommendations to the Board; and
 - reviewing the Company's compliance with the CG Code.
- 於年內，審核委員會曾舉行四次會議，成員之出席記錄載於本年度報告第33頁。於年內，審核委員會履行的主要工作（其中包括）如下：
- 就委任或續聘外聘核數師向董事會提出建議，並審批其聘用條款；
 - 按適用標準檢討審計過程之有效性；
 - 審閱會計準則之變動，以及評估對本集團財務報表之潛在影響；
 - 審閱中期及全年財務報表，以及相關業績公布；
 - 與管理層商討風險管理及內部監控系統，包括本集團在會計、內部審核及財務匯報職能方面之資源、員工資歷及經驗、以及員工培訓課程及有關預算是否足夠；
 - 監督及監察風險管理督導委員會（「風險管理督導委員會」）之運作，包括審閱季度及年度報告或任何特別的報告；
 - 審閱風險管理督導委員會經修訂之職權範圍；
 - 審閱審核委員會經修訂之職權範圍；
 - 檢討本公司之企業管治政策及常規，並向董事會提出建議；及
 - 檢討本公司遵守企業管治守則的情況。

Remuneration Committee

The Board set up the Remuneration Committee in 2005 with specific written terms of reference which deal clearly with its authority and duties. The terms of reference of Remuneration Committee are available on the websites of the Company and the Stock Exchange. The principal duties of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration policy and structure for Directors and senior management, reviewing and making recommendations to the Board on the remuneration packages of all Directors and senior management with reference to corporate goals and objectives resolved by the Board from time to time and ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration.

The Remuneration Committee currently comprises four members, namely Mr. Yau Wing Yiu (Committee Chairman), Mr. Wang Ke, Mr. Zhang Zhenyi and Ms. Zheng Xianzhi. Except for Mr. Wang Ke who is an executive Director, all Remuneration Committee members are independent non-executive Directors.

During the year, one meeting was held by the Remuneration Committee to review the revised terms of reference of the Remuneration Committee. The attendance records of members are set out on page 33 of this Annual Report.

The remuneration of each of the Directors was determined in accordance with the remuneration policy. The main principles of remuneration policy of the Company are:

- to retain and motivate executive Directors and senior management by linking their compensation with performance as measured against corporate objectives;
- to align executive Directors' and senior management's remuneration with shareholders' interests; and
- to ensure that no Director or senior management or any of his/her associate is involved in deciding his/her own remuneration.

薪酬委員會

董事會於二零零五年成立薪酬委員會，書面職權範圍已闡明其權力與職務。薪酬委員會之職權範圍在本公司及聯交所網站可供查閱。薪酬委員會主要職責包括檢討董事及高級管理人員之薪酬政策及架構並向董事會提出建議，參考董事會不時議決之企業目標及宗旨，檢討全體董事及高級管理人員之薪酬待遇並向董事會提出建議，以及確保任何董事或其任何聯繫人不得參與釐定其本人之薪酬。

薪酬委員會目前由四名成員組成，即邱永耀先生（委員會主席）、王科先生、張振義先生及鄭先智女士。除王科先生為執行董事外，薪酬委員會全體成員均為獨立非執行董事。

於年內，薪酬委員會曾舉行一次會議，以審閱薪酬委員會經修訂之職權範圍。成員之出席記錄載於本年度報告第33頁。

每位董事之薪酬根據薪酬政策而釐定。本公司薪酬政策之主要原則包括：

- 為挽留及激勵執行董事及高級管理人員，將彼等之薪酬與按企業目標之表現掛鉤；
- 將執行董事及高級管理人員之薪酬與股東利益達成一致；及
- 確保並無董事或高級管理人員或其任何聯繫人士參與釐定其本人之薪酬。

When fixing the remuneration packages of executive Directors, considerations have been given to the qualifications and experience of the executive Directors, their duties and responsibilities with and contributions to the Group, the level of directors' remuneration of other comparable listed companies in Hong Kong, the Group's performance and the prevailing market condition. The principal elements of the remuneration packages of executive Directors include salary, director's fee, double pay, discretionary bonus and share options.

Details of the remuneration of each Director, on a named basis, are disclosed in Note 13 to the consolidated financial statements on pages 114 to 116 of this Annual Report. Reimbursement is provided for out-of-pocket expenses incurred (including traveling and hotel expenses) in connection with the performance of Directors' duties.

Nomination Committee

The Board set up the Nomination Committee in 2012 with specific written terms of reference which deal clearly with its authority and duties. The terms of reference of Nomination Committee are available on the websites of the Company and the Stock Exchange. The principal duties of the Nomination Committee include reviewing the structure, size, composition and diversity of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, formulating, reviewing and implementing the nomination policy, selection criteria and nomination procedures for identification, selection and nomination for the Director for the Board's approval and making recommendations to the Board on appointment or re-appointment of Directors.

The Nomination Committee currently comprises four members, namely Mr. Li Haifeng (Committee Chairman), Mr. Yau Wing Yiu, Mr. Zhang Zhenyi and Ms. Zheng Xianzhi. Except for Mr. Li Haifeng who is an executive Director, all Nomination Committee members are independent non-executive Directors.

訂立執行董事之薪酬待遇時，已考慮該等執行董事之資歷及經驗、彼等之職務及職責和對本集團之貢獻、香港其他同類型上市公司之董事薪酬水平、本集團之業績及現行市場情況。本公司執行董事薪酬待遇之主要元素包括薪金、董事袍金、雙糧、酌情花紅及購股權。

有關以記名方式列明每名董事薪酬之詳情，於本年度報告第114頁至第116頁之綜合財務報表附註13內披露。彼等亦可獲償付一切於履行董事職務時所產生之實報實銷費用（包括差旅及酒店費用）。

提名委員會

董事會於二零一二年成立提名委員會，書面職權範圍已闡明其權力與職務。提名委員會之職權範圍在本公司及聯交所網站可供查閱。提名委員會主要職責包括檢討董事會的架構、人數、組成及董事會成員多元化，並就任何為配合本公司策略而擬對董事會作出的變動向董事會提出建議，制定、檢討及實施有關物色、甄選及提名出任董事人選的提名政策、甄選準則及提名程序供董事會批准及就董事委任或續任向董事會提出建議。

提名委員會目前由四名成員組成，即李海楓先生（委員會主席）、邱永耀先生、張振義先生及鄭先智女士。除李海楓先生為執行董事外，提名委員會全體成員均為獨立非執行董事。

During the year, one meeting was held by the Nomination Committee and the attendance records of members are set out on page 33 of this Annual Report. The major work performed by the Nomination Committee during the year included, amongst other things, the following:

- to review the structure, size, composition and diversity of the Board;
- to assess the independence of the independent non-executive Directors;
- to consider and make recommendations to the Board on the re-election of Directors at the annual general meeting; and
- to review the revised terms of reference of the Nomination Committee.

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board.

In designing the Board's composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Board has also adopted a nomination policy which sets out the selection criteria and nomination procedures to identify, select and recommend candidates for Directors. When evaluating and selecting candidates for directorships, the Board will consider criteria include the board diversity policy, qualifications, character and integrity and such other perspectives appropriate to the Company's business.

於年內，提名委員會曾舉行一次會議而成員之出席記錄載於本年度報告第33頁。於年內，提名委員會履行的主要工作（其中包括）如下：

- 檢討董事會架構、人數、組成及董事會成員多元化；
- 評核獨立非執行董事的獨立性；
- 考慮及就於股東周年大會上重選董事向董事會提出建議；及
- 審閱提名委員會經修訂之職權範圍。

董事會已採納董事會成員多元化政策，列載為達致董事會成員多元化之方針。

本公司在設定董事會成員組合時，會從多個方面考慮董事會成員多元化，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、知識及服務任期。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

董事會已採納提名政策，列出識別、甄選及推薦候選人擔任董事時的甄選準則及提名程序。在評估及甄選候選人擔任董事時，董事會將考慮準則包括董事會成員多元化政策、資格、品格與誠實以及適用於本公司業務的其他各項因素。

Investment Committee

The Board set up the Investment Committee in 2014 with specific written terms of reference which deal clearly with its authority and duties. The primary role of the Investment Committee include reviewing and approving the investment policy and monitoring the securities investment business as it deems proper to meet the latest development of the Group or changes in the securities market.

The Investment Committee currently comprises of two executive Directors, namely Mr. Li Haifeng (Committee Chairman) and Mr. Wang Ke.

During the year, one meeting was held by the Investment Committee and the attendance records of members are set out on page 33 of this Annual Report. The major work performed by the Investment Committee during the year included, amongst other things, the following:

- reviewing the investment policy including objectives and strategies that direct investment activities;
- overseeing investment activities of the Group and controlling the associated risk levels to assure adherence to the investment policy; and
- monitoring the performance of the investment portfolio and considered the appointment of the external investment professionals.

投資委員會

董事會於二零一四年成立投資委員會，書面職權範圍已闡明其權力與職務。投資委員會之主要角色包括按其認為合適時審閱及批准投資政策及監察證券投資業務，以配合本集團之最新發展及證券市場之變化。

投資委員會目前由兩名執行董事組成，即李海楓先生（委員會主席）及王科先生。

於年內，投資委員會曾舉行一次會議而成員之出席紀錄載於本年度報告第33頁。於年內，投資委員會履行的主要工作（其中包括）如下：

- 審閱投資政策，包括指引投資活動之目的及策略；
- 監督本集團之投資活動及控制相關風險程度以確保遵循投資政策；及
- 監察投資組合之表現及考慮委任外聘投資專材。

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance of individual Board member in Board meetings, Board Committees meetings and general meeting for the year ended 31 December 2019 is set out in the table below:

董事及委員會成員之出席記錄

截至二零一九年十二月三十一日止年度，個別董事會成員於董事會、董事委員會及股東大會之出席記錄載於下表：

	No. of meetings attended/No. of meetings held 出席/舉行會議次數					
	Board Meetings 董事會	Audit Committee Meetings 審核委員會	Remuneration Committee Meeting 薪酬委員會	Nomination Committee Meeting 提名委員會	Investment Committee Meeting 投資委員會	General Meeting 股東大會
<i>Executive Directors</i> 執行董事						
Mr. Li Haifeng 李海楓先生	4/4	N/A 不適用	N/A 不適用	1/1	1/1	1/1
Mr. Wang Ke 王科先生	4/4	N/A 不適用	1/1	N/A 不適用	1/1	1/1
<i>Non-Executive Director</i> 非執行董事						
Mr. Lee Sheng Kuang, James (Ceased appointment on 1 April 2019) 李勝光先生 (於二零一九年四月一日終止委任)	1/1	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
<i>Independent Non-Executive Directors</i> 獨立非執行董事						
Mr. Yau Wing Yiu 邱永耀先生	4/4	4/4	1/1	1/1	N/A 不適用	1/1
Mr. Zhang Zhenyi 張振義先生	4/4	4/4	1/1	1/1	N/A 不適用	1/1
Ms. Zheng Xianzhi 鄭先智女士	4/4	4/4	1/1	1/1	N/A 不適用	1/1

Apart from regular Board meetings, the Chairman also held meetings with independent non-executive Directors without the presence of executive Directors during the year.

除定期董事會會議外，在執行董事未列席的情況下，主席亦與獨立非執行董事於年內舉行了一次會議。

RESPONSIBILITY FOR PREPARATION AND REPORTING OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group in accordance with statutory requirements and applicable accounting standards. The Directors will select suitable accounting policies and apply them consistently, make judgements and estimates that are prudent, fair and reasonable and prepare the financial statements on a going concern basis. The Board aims to present a balanced, clear and understandable assessment of the Group's position and prospects in presenting annual and interim reports, inside information announcements and other financial disclosures required under the Listing Rules as well as the information required to be disclosed pursuant to statutory requirements.

The statement of the auditor of the Company regarding their reporting responsibilities for the financial statements of the Group is set out on pages 57 to 63 of this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks that the Group is willing to take in achieving its strategic objectives, and has the ultimate responsibility to maintain a sound and effective risk management and internal control systems for the Group and review their effectiveness so as to safeguard the shareholders' investment and the Group's assets and ensure strict compliance with relevant laws, rules and regulations. The Audit Committee is also responsible for reviewing the effectiveness of the risk management and internal control systems, ensuring strict compliance with relevant rules and regulations as well and reporting to the Board.

編製及呈報財務報表之責任

董事確認彼等編製本集團財務報表之責任，而該等財務報表乃根據法定要求及適用會計準則編製。董事將選用合適會計政策及貫徹運用、作出審慎、公平及合理之判斷及估計，並按持續經營為基準編製財務報表。於呈列年度報告及中期報告、內幕消息公布及根據上市規則規定須予披露之其他財務資料，以及根據法例規定須予披露的資料，董事會致力對本集團的情況及前景作出平衡、清晰及易於理解的評估。

本公司核數師就彼等有關本集團之財務報表之呈報責任所作之聲明載於本年度報告第57頁至第63頁內。

風險管理及內部監控

董事會有責任評估及確定就達致本集團策略目標而願意承擔風險的性質及程度，並負上維持本集團風險管理及內部監控的穩健制度及審閱其成效之最終責任，以保障股東之投資、本集團之資產及確保嚴格遵守有關法律、規則及條例。審核委員會亦有責任審閱風險管理及內部監控之效能，同時確保嚴格遵守相關規則及條例，並向董事會報告。

In line with last year, the Group's risk management and internal control systems are based on the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of Treadway Commission in the US in 2013 ("2013 COSO Framework") and Internal Control and Risk Management – A Basic Framework issued by the Hong Kong Institute of Certified Public Accountants which are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The RMSC, with management from different business units, has assisted the Board and Audit Committee in discharging their duties in risk management and internal control functions by drafting an annual internal audit plan, ensuring a smooth audit checking on the Group business operations according to the audit plans designed and reporting to the Board and/or Audit Committee any potential risks facing the Group in a timely manner.

The Group understands that risk management and internal control systems are not merely about policies and manuals, but about people and the actions they take at every level of the Group. To support all employees in ever-changing markets, regular training is provided to strengthen their awareness of risk and capability to manage risks. During the year, the Board together with the Audit Committee, reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, and were satisfied with the results of the review.

All in all, the Board continues to enhance and oversee the Group's risk management and internal control systems with the support of the Audit Committee and RMSC. Below are the review process and results regarding the Group's risk management and internal control systems for the year ended 31 December 2019.

一如往年，本集團之風險管理及內部監控系統乃參考Committee of Sponsoring Organizations of Treadway Commission於二零一三年在美國發佈之《內部控制整體框架》（「二零一三年COSO框架」）及香港會計師公會發佈之《內部控制及風險管理－基本框架》而形成。該等系統旨在管理而非消除未能達成業務目標之風險而設，並只能就重大的失實陳述或損失作出合理而非絕對之保證。RMSC由來自不同部門的管理層組成，通過起草年度內部審核計劃，協助董事會和審核委員會履行風險管理和內部控制職能，確保對本集團業務營運的內審工作根據內審計劃順利進行，並及時向董事會和／或審核委員會報告本集團面臨的任何潛在風險。

本集團認為風險管理及內部監控系統不僅有關政策及手冊，亦關乎本集團各層級人士及其採取之行動。為支持所有僱員適應不斷變化之市場，本集團向其提供常規培訓以加強其風險意識及風險管理能力。於年內，董事會及審核委員會一同審閱本集團在會計、內部審核及財務匯報職能方面之資源、員工資歷及經驗，以及員工培訓課程及有關預算是否足夠，並對本次審閱結果表示滿意。

總而言之，董事會在審核委員會及風險管理督導委員會之支持下繼續加強及監管本集團之風險管理及內部監控系統。以下為本集團截至二零一九年十二月三十一日止年度之風險管理及內部監控系統之審核過程及結果。

Review of Risk Management and Internal Control Systems

RMSC designed, implemented and monitored the Group's risk management and internal control systems by considering the five integrated components of 2013 COSO Framework, namely, control environment, risk assessment, control activities, information and communication and monitoring activities.

During the risk assessment process, RMSC identified the significant risks facing the Group. A risk matrix report was prepared which prioritised risks according to the likelihood of their occurrence and the significance of their impact on the business of the Group.

Following the review and endorsement of the risk matrix report by the Audit Committee and the Board, RMSC developed an annual internal audit plan to evaluate the effectiveness of the Group's risk management and internal control systems. RMSC investigated and assessed what internal control procedures were to be executed to ensure the identified significant risks were managed within the acceptable level. These internal control procedures covered material controls designed to provide reasonable assurance as to the achievement of the Group's objectives including financial, operational and compliance controls. A monthly independent internal audit was performed by RMSC members to test and evaluate whether the selected internal controls were effective. During the year, RMSC members had performed internal audit on the Group's business cycles including foreign currency exchange, fixed assets and equipment, garment pricing, revenue, purchase, information management, human resources, payroll as well as cash payment.

In addition, each existing business segment was required to perform assessment on the effectiveness of its risk management and internal control systems on an annual basis. The assessment questionnaire sets out key factors in each of the five integrated components of 2013 COSO Framework.

風險管理及內部監控系統審核

經考慮二零一三年COSO框架下之五個互相關連之元素，即監控環境、風險評估、監控活動、信息的溝通與交流以及對活動之監察，風險管理督導委員會設計、執行並監察本集團之風險管理及內部監控系統。

於風險評估過程中，風險管理督導委員會確定本集團面臨之重大風險。風險管理督導委員會編製出一份風險矩陣報告，根據出現風險之可能性及其對本集團業務之影響重大程度列出優先級別。

於審核委員會及董事會審查及認可風險矩陣報告後，風險管理督導委員會制定出一份年度內部審核計劃，以評估本集團風險管理及內部監控系統之有效性。風險管理督導委員會調查及評估實施之內部監控程序，以確保在可予接受之範圍內管理已識別之重大風險。該等內部監控程序已涵蓋重大監控，旨在為實現本集團之目標提供合理保證，包括財務、運作及合規之監控。風險管理督導委員會成員每月進行獨立之內部審核，以測試及評估選擇之內部監控是否有效。於年內，風險管理督導委員會成員已對本集團之商業週期進行內部審核，包括外匯兌換、固定資產採購及設備、成衣定價、收益、採購、信息技術管理、人力資源、工資及現金支付。

此外，各現有業務分部須每年評估其風險管理及內部監控系統之有效性。評估問卷列出二零一三年COSO框架之五個互相關連元素之關鍵因素。

With the assessment questionnaires from each business segment, monthly, quarterly and annual reports from RMSC, the Audit Committee closely monitored the effectiveness of the Group's risk management and internal control systems and reported to the Board on an ongoing basis.

For the year ended 31 December 2019, both the Audit Committee and the Board were not aware of any material internal control defects and were satisfied that the risk management and internal control systems of the Group have been effective and adequate. Regarding the qualified opinion issued by the Company's auditor for the investment in an associate, it revealed that there are internal control weaknesses in the associate's systems. The Company would like to supplement that the Company has no effective control over the associate. RMSC members had put their best endeavours to assist the management of the associate to improve its internal control systems and asking the board of the associate to engage professionals to conduct a review of the internal control systems and procedures and to make recommendations accordingly. Except the qualified opinion for the investment in an associate, there is no other significant areas of concerns that might affect shareholders were identified.

Procedures and Internal Controls for the Handling and Dissemination of Inside Information

The Company formulated the inside information policy as a guideline to handle and disseminate inside information in order to ensure the Group is in compliance with the regulatory requirements. The inside information policy contains a strict prohibition on unauthorised use of inside information and sets out, inter alia, establishment of the inside information identification, reporting and disclosure protocol and procedures. For the year ended 31 December 2019, inside information was disseminated in accordance with the inside information policy and the applicable laws and regulations.

藉著各業務分部之評估問卷、風險管理督導委員會月度報告、季度報告及年度報告、審核委員會密切監察本集團風險管理及內部監控系統之有效性，並持續向董事會匯報。

截至二零一九年十二月三十一日止年度，審核委員會及董事會並不知悉任何重大內部監控缺陷，並信納本集團之風險管理及內部監控系統有效且足夠。有關本公司核數師就一間聯營企業之投資所發表的保留意見，其顯示該聯營企業之系統存在內部監控弱項。本公司謹此補充本公司對該聯營企業並無有效控制。風險管理督導委員會成員已盡力協助該聯營企業之管理層改進其內部監控系統，並要求該聯營企業之董事會聘請專業人士審查其內部監控系統及程序，並據此提出建議。除了對一間聯營企業之投資的保留意見外，並沒發現其他可能影響股東的重要關注事項。

處理及發布內幕消息之程序及內部監控

本公司已制定內幕消息政策作為處理及發布內幕消息之指引，以確保本集團符合監管規定。內幕消息政策包括嚴格禁止未經授權使用內幕消息，以及載列（其中包括）設置內幕消息識別、報告及披露協議及程序。截至二零一九年十二月三十一日止年度，內幕消息乃根據內幕消息政策及適用法律及法規發布。

AUDITOR'S REMUNERATION

PricewaterhouseCoopers is the external auditor of the Company. For the year ended 31 December 2019, the external auditor received the following remuneration for audit and non-audit services provided to the Group:

		HK\$'000 千港元
Audit services	審計服務	1,490
Non-audit services	非審計服務	
Taxation services	稅務服務	51
		<u>1,541</u>

The Audit Committee received written confirmation from the external auditor on its independence and objectivity as required by the Hong Kong Institute of Certified Public Accountants.

COMPANY SECRETARY

The Company has appointed Ms. Lau Yee Wa ("Ms. Lau") of Tricor Services Limited, an external service provider, as the company secretary of the Company since 5 January 2018. Her primary contact person at the Company is Mr. Chiu G Kiu Bernard ("Mr. Chiu"), Deputy Chief Financial Officer of the Company.

Ms. Lau has tendered her resignations as the Company's company secretary and Mr. Chiu has taken up the position with effect from 1 April 2019.

All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters.

核數師酬金

羅兵咸永道會計師事務所為本公司之外聘核數師。截至二零一九年十二月三十一日止年度，外聘核數師已就向本集團提供之審計及非審計服務收取下列酬金：

	HK\$'000 千港元
審計服務	1,490
非審計服務	
稅務服務	51
	<u>1,541</u>

審核委員會已接獲外聘核數師就其獨立性及客觀性發出之書面確認書，表示其已符合香港會計師公會之規定。

公司秘書

本公司於二零一八年一月五日起委任卓佳專業商務有限公司（對外服務提供者）之劉綺華女士（「劉女士」）為本公司之公司秘書。趙之翹先生（「趙先生」，本公司之副首席財務官），為彼於本公司之主要聯絡人。

劉女士已離任本公司之公司秘書，而趙先生已取代該職務，自二零一九年四月一日生效。

所有董事均可就企業管治、董事會常規及事宜，向公司秘書徵詢意見及尋求服務。

COMMUNICATION WITH SHAREHOLDERS

In order to maintain an on-going dialogue with shareholders of the Company, shareholders of the Company are encouraged to attend annual general meeting of the Company at which the Chairman of the Board and the chairmen of the Board committees are pleased to answer questions related to the Group's business.

To promote effective communication, the Company has adopted a shareholders communication policy which aims at ensuring the shareholders of the Company are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable shareholders of the Company to exercise their rights in an informed manner, and to allow shareholders of the Company to engage actively with the Company. The Company also maintains a corporate website at www.carrywealth.com in order to disseminate information on a timely basis and the published information will be maintained at the above website for at least five years.

To maintain a balance between meeting expectations of the shareholders of the Company and prudent capital management, the Company has also adopted a dividend policy which sets out the basic principles and considerations factors in determining the distribution of the dividends by the Board. Under the dividend policy, the Company may declare and distribute dividends to the shareholders, provided that the Group records a profit and that the declaration and distribution of dividend does not affect the Group's normal operations, the distribution and payment of dividend shall be subject to the requirements under the Bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) and all applicable laws and regulations. In proposing distribution of dividends, the Board will consider the factors include the actual and expected financial performance of the Group, general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group and any other factors that the Board deems appropriate.

與股東溝通

為與本公司股東保持持續對話，茲鼓勵本公司股東出席本公司之股東週年大會，而董事會主席及各董事委員會主席均樂意解答與本集團業務有關之提問。

為促進有效的溝通，本公司已採納股東通訊政策，該政策旨在確保本公司股東可適時取得全面、相同及容易理解的本公司資料，一方面使本公司股東可在知情的情況下行使其權力，另一方面也讓本公司股東與本公司積極溝通。本公司亦設有公司網站 www.carrywealth.com，以適時發放資料，而已公布之資料將於上述網站保留最少五年。

為維持滿足本公司股東的期望與審慎的資本管理之間的平衡，本公司亦採納了股息政策，列載董事會決定股息分派的基本原則及考慮因素。根據股息政策，倘本集團錄得溢利且宣派及派發股息不影響本集團的正常營運，本公司可向股東宣派及派發股息，股息的分派及支付須遵守根據本公司之章程細則，百慕達1981年公司法（經修訂）及所有適用法律及法規的規定。在建議派發股息時，董事會將考慮的因素包括本集團的實際及預期財務表現，總體經濟狀況及可能對本集團的業務或財務表現及狀況產生影響的其他內部或外部因素及任何董事會認為合適的其他因素。

SHAREHOLDERS' RIGHTS

Shareholders to Convene a Special General Meeting and Putting Forward Proposals at General Meeting

According to the Bye-laws of the Company, shareholders' holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, can by written requisition to the Board or the company secretary of the Company to convene a special general meeting for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition. In compliance with the requirements of the Listing Rules, any annual general meeting, and general meeting at which the passing of a special resolution is to be considered shall be called by at least 20 clear business days' notice, whilst others may be called by at least 10 clear business days' notice.

To further enhance the minority shareholders' right, all resolutions at any general meeting are decided on poll and such practice has been adopted since 2005. The chairman of any general meetings ensures that the shareholders are informed of the detailed procedures for conducting a poll by way of making the explanation at the commencement of the general meetings. The chairman of general meetings also ensures full compliance with the requirements about voting by poll contained in the Listing Rules and the Bye-laws of the Company.

股東權利

股東召開股東特別大會及於股東大會上提出議案

根據本公司之章程細則，任何於發出要求當日持有有權於本公司股東大會上投票之本公司繳足股本不少於十分之一的股東，可向董事會或本公司公司秘書作出書面要求召開股東特別大會，以處理該等要求列明之任何事項，而有關大會須於發出有關要求後兩個月內舉行。為符合上市規則之規定，任何股東週年大會以及用以考慮通過特別決議案之股東大會須以至少足20個營業日之通知召開，而其他股東大會則須以至少足10個營業日之通知召開。

為進一步提高少數股東之權利，任何股東大會上之一切決議案均以投票方式表決，此常規自二零零五年起已採納。任何股東大會主席須確保已透過於股東大會開始時作出詳細闡釋之方式，使股東知悉以投票方式表決之程序。股東大會主席亦須確保全面符合上市規則及本公司之章程細則中有關以投票方式表決之規定。

Shareholders to Propose a Person for Election as a Director

The procedures for a shareholder to propose a person for election as a Director can be found on the website of the Company. Shareholders representing not less than one-twentieth of the total voting rights of all shareholders having at the date of the requisition a right to vote at the general meeting or who are no less than 100 shareholders can submit a written requisition to the Board or the company secretary of the Company to propose a resolution relating to other matters at a general meeting. The written requisition must state the resolution, accompanied by a statement of not more than one thousand words with respect to the matter referred to in the proposed resolution or the business to be dealt with at the general meeting and contain the signatures of all the requisitionists (which may be contained in one document or in several documents in like form). Such requisition must be deposited at the Company's registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda not less than six weeks before the general meeting in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition and be accompanied by a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement given by the requisitionists to all shareholders in accordance with the requirements under the applicable laws and rules.

Shareholders' enquiries

Specific enquiries or suggestions by shareholders can be sent in writing to the Board at the Company's principal place of business in Hong Kong or by email to the Company (info@carrywealth.com). In addition, shareholders can contact Tricor Abacus Limited, the Hong Kong branch share registrar and transfer agent of the Company, if they have any enquiries about their shareholdings and entitlement to dividend. Relevant contact details are set out on page 5 of this Annual Report.

CONSTITUTIONAL DOCUMENTS

There were no changes in the Company's constitutional documents during the year.

股東提名人選參選董事

股東提名人選參選董事之程序可於本公司網站上瀏覽。於發出要求當日，擁有於股東大會上投票權利之全體股東總投票權不少於二十分之一之股東或不少於一百名股東，可向董事會或公司秘書提呈書面要求以於股東大會上提呈有關其他事宜之決議案。書面要求須列明決議案，連同一份不多於一千字有關所提呈決議案提述之事宜或將於股東大會上處理之事務並由全體作出要求之人士簽署（可載於一份文件或多份相符格式之文件內）之陳述書。倘作出須發出決議案通知之要求，則有關要求須於股東大會不少於六個星期前送達本公司之註冊辦事處，地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda；倘屬任何其他要求，則須於股東大會不少於一個星期前送達，並須連同一筆用於支付本公司根據適用法例及規則規定而向全體股東送達決議案通知及傳閱作出要求人士提交之陳述書所產生開支之合理且足夠款項。

股東查詢

倘股東有特別查詢或建議，可致函本公司之香港主要營業地點予董事會或電郵至本公司(info@carrywealth.com)。此外，股東如有任何有關其股份及股息之查詢，可以聯絡本公司的香港股份登記及過戶分處卓佳雅柏勤有限公司，有關聯絡詳情載於本年報第5頁。

憲章文件

於年內，本公司之憲章文件並無變動。

Report of the Directors 董事會報告

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in Note 30 to the consolidated financial statements. An analysis of the Group's performance for the year by operating segment is set out in Note 5 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2019 is set out on pages 12 to 21 under "Management Discussion and Analysis" of this Annual Report.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated income statement on page 64. The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 6 of this Annual Report.

BANK BORROWING

Particulars of the Group's borrowing and pledged assets are set out in Note 25 to the consolidated financial statements.

董事會提呈其報告，連同本集團截至二零一九年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。主要附屬公司之業務載於綜合財務報表附註30。本集團於本年度之業績按營運分部之分析載於綜合財務報表附註5。

業務回顧

本集團截至二零一九年十二月三十一日止年度之業務回顧載於本年度報告第12頁至第21頁「管理層討論及分析」一節。

業績及股息

本集團之本年度業績載於第64頁之綜合收入表。董事不建議派付截至二零一九年十二月三十一日止年度之末期股息（二零一八年：無）。

五年財務摘要

本集團於過去五個財政年度之業績與資產及負債摘要載於本年度報告第6頁。

銀行貸款

本集團之貸款及抵押資產之詳細資料載於綜合財務報表附註25。

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

(i)	Purchases	採購	
	– the largest supplier	– 最大供應商	19.2%
	– five largest suppliers in aggregate	– 五大供應商合計	68.6%
(ii)	Sales	銷售	
	– the largest customer	– 最大客戶	99.4%
	– five largest customers in aggregate	– 五大客戶合計	100%

None of the Directors, their close associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the issued shares of the Company) had an interest in the major suppliers or customers.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in Note 26 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company had no reserve (31 December 2018: Nil) available for distribution as computed in accordance with the Companies Act 1981 of Bermuda (as amended). However, the Company's share premium account in the amount of HK\$217,761,000 as at 31 December 2019 (31 December 2018: HK\$217,761,000) may be distributed in the form of fully paid bonus shares, subject to the shareholders' approval of the Company and compliance with provision of the Companies Act 1981 of Bermuda (as amended) and the Bye-laws of the Company.

Movements in the reserves of the Group and of the Company during the year are set out in Notes 27 and 32(a) to the consolidated financial statements.

主要供應商及客戶

本集團主要供應商及客戶於年內所佔之採購及銷售百分比如下：

本公司董事、彼等之緊密聯繫人士或任何股東（據董事所知於本公司已發行股份數目中擁有5%以上權益者）概無於主要供應商或客戶中擁有權益。

股本

於本年度內，本公司股本變動之詳情載列於綜合財務報告附註26。

可供分派儲備

根據一九八一年百慕達公司法（經修訂）計算，本公司於二零一九年十二月三十一日並無儲備可供分派（二零一八年十二月三十一日：無）。然而，本公司股本溢價賬於二零一九年十二月三十一日錄得二億一千七百七十六萬一千港元（二零一八年十二月三十一日：二億一千七百七十六萬一千港元），在獲得本公司股東同意及符合一九八一年百慕達公司法（經修訂）條款及本公司之章程細則情況下，可以繳足紅股的形式進行分配。

於年內，本集團及本公司儲備之變動情況載於綜合財務報表附註27及32(a)。

DIRECTORS

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

Mr. Li Haifeng (*Chairman and Chief Executive Officer*)

Mr. Wang Ke (*Vice President*)

Mr. Lee Sheng Kuang, James*

- ceased appointment on 1 April 2019*

Mr. Yau Wing Yiu#

Mr. Zhang Zhenyi #

Ms. Zheng Xianzhi #

* Non-Executive Director

Independent Non-Executive Director

In accordance with bye-law 87 of the Company's Bye-laws, Mr. Wang Ke and Ms. Zheng Xianzhi shall retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Mr. Yau Wing Yiu, Mr. Zhang Zhenyi and Ms. Zheng Xianzhi are independent non-executive Directors and all of them were appointed for a three-year term. The Board has received annual confirmations of independence from each of the independent non-executive Directors pursuant to Rules 3.13 of the Listing Rules and as at the date of this Annual Report still considers them to be independent.

董事

於年內及截至本報告之日期，本公司之董事如下：

李海楓先生（主席及行政總裁）

王科先生（副總裁）

李勝光先生*

於二零一九年四月一日終止委任

邱永耀先生#

張振義先生#

鄭先智女士#

* 非執行董事

獨立非執行董事

根據本公司之章程細則第87條，王科先生及鄭先智女士須輪值退任，並符合資格亦願意於即將舉行之股東週年大會上膺選連任。

邱永耀先生、張振義先生及鄭先智女士均為獨立非執行董事，其委任期皆為三年。董事會已經收到各獨立非執行董事根據上市規則第3.13條就其獨立性作出年度確認，並於本年度報告日期，彼等仍被視作具獨立性。

DIRECTORS' BIOGRAPHICAL DETAILS

Mr. Li Haifeng

Chairman and Chief Executive Officer

Mr. Li Haifeng (former name as 李海峰), aged 49, was appointed as the Chairman and an executive director of the Company in June 2011 and is the Chairman of both the Nomination Committee and Investment Committee of the Company. He was also appointed as a Chief Executive Officer of the Company in April 2017. Mr. Li is the sole director of Dragon Peace Limited, a substantial shareholder of the Company. He is responsible for overall corporate and business development and strategic direction of the Group, and provides leadership for the board of directors of the Company. Mr. Li has extensive experience in information technology and waste water treatment industries. He is currently an executive director and a vice president of Beijing Enterprises Water Group Limited ("BEWG") (a company listed on the main board of the Stock Exchange, stock code: 371) and the chairman of the supervisory committee of BEWG Environmental Group Co., Ltd., a wholly owned subsidiary of BEWG, and is mainly responsible for both the PRC and overseas water markets. Mr. Li is also a non-executive director of Beijing Enterprises Urban Resources Group Limited (a company listed on the main board of the Stock Exchange; stock code: 3718). Mr. Li holds a Bachelor degree in Law from the Faculty of Law in Peking University in 1992.

董事簡歷

李海楓先生

主席及行政總裁

李海楓先生(前度名字為李海峰), 49歲, 於二零一一年六月獲委任為本公司主席兼執行董事及現為本公司提名委員會及投資委員會之主席。彼亦於二零一七年四月獲委任為本公司之行政總裁。李先生亦為本公司主要股東Dragon Peace Limited之唯一董事。彼負責本集團之整體企業及業務發展以及策略方針, 並領導本公司之董事會。李先生於資訊科技及污水處理行業擁有豐富經驗。彼現為北控水務集團有限公司(「北控水務」)(一家於聯交所主板上市之公司, 股份代號: 371)之執行董事兼副總裁, 並為北控中科成環保集團有限公司(北控水務之全資附屬公司)之監事會主席, 主要負責中國及海外水務市場。李先生亦是北控城市資源集團有限公司的非執行董事(一家於聯交所主板上市之公司, 股份代號: 3718)。李先生於一九九二年獲得北京大學法律學系法學學士學位。

Mr. Wang Ke
Vice President

Mr. Wang Ke, aged 35, has been appointed as an executive director and vice president of the Company since March 2018 and is a member of each of the Remuneration Committee and Investment Committee of the Company. He is currently a non-executive director of Kong Sun Holdings Limited (a company listed on the main board of the Stock Exchange, stock code: 295). Mr. Wang has over nine years of experience in the field of investment. From August 2010 to August 2011, he was an investment manager in China Kingho Energy Group Co., Ltd. Mr. Wang also held a position as an investment manager in China Gas Holdings Limited (a company listed on the main board of the Stock Exchange, stock code: 384), during the period of January 2014 to August 2014. He was a senior vice president at Pohua JT Management Limited from 2014 to 2016. Mr. Wang has been a director of Magic Assets Limited, a company providing investment and finance consultancy services, since February 2015. He holds a Master of Arts in Global Business Management from the City University of Hong Kong.

Mr. Yau Wing Yiu
Independent Non-Executive Director

Mr. Yau Wing Yiu, aged 53, was appointed as an independent non-executive director of the Company in July 2011 and is the chairman of both the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company. He has extensive experience in financial management, corporate finance and investment. Mr. Yau was the partner and chief financial officer of AID Partners Capital Limited which is a private equity investment fund. Mr. Yau also worked for various listed companies in Hong Kong and overseas and a number of international investment banks. He was an executive director, independent non-executive director and chief financial officer of China Everbright Water Limited (formerly known as HanKore Environment Tech Group Limited), whose shares are listed on the Singapore Exchange Securities Trading Limited (stock code: U9E). Mr. Yau is a member of both American Institute of Certified Public Accountant and Hong Kong Institute of Certified Public Accountant. He holds a Master Degree of Business Administration in Finance from The Hong Kong University of Science and Technology, Graduate School of Business and a BA (Hons) in Business Studies from The City University of Hong Kong.

王科先生
副總裁

王科先生，35歲，由二零一八年三月起獲委任為本公司之執行董事及副總裁，並分別為薪酬委員會及投資委員會之成員。彼現為江山控股有限公司（一間於聯交所主板上市公司，股份代號：295）之非執行董事。王先生於投資領域擁有逾九年之經驗。由二零一零年八月至二零一一年八月，彼於中國慶華能源集團有限公司擔任投資經理。王先生亦自二零一四年一月至二零一四年八月期間，於中國燃氣控股有限公司（一間於聯交所主板上市公司，股份代號：384）擔任投資經理。彼於二零一四年至二零一六年，為保華嘉泰管理有限公司之高級副總裁。由二零一五年二月起，王先生為 Magic Assets Limited 之董事，該公司提供投資及財務顧問服務。彼持有香港城市大學環球企業管理文學碩士學位。

邱永耀先生
獨立非執行董事

邱永耀先生，53歲，於二零一一年七月獲委任為本公司獨立非執行董事，並為本公司審核委員會及薪酬委員會之主席及提名委員會之成員。彼於財務管理、企業融資及投資方面擁有豐富經驗。邱先生曾為私人股本投資基金 AID Partners Capital Limited 之合夥人兼財務總監。邱先生亦曾於多間香港及海外上市公司及多間國際投資銀行任職。彼曾擔任中國光大水務有限公司（前稱為 HanKore Environment Tech Group Limited，其股份於新加坡證券交易所有限公司上市；股份代號：U9E）之執行董事、獨立非執行董事及財務總監。邱先生均為美國註冊會計師協會及香港會計師公會之會員。彼持有香港科技大學商學院金融專業工商管理碩士學位，以及香港城市大學商業榮譽學士學位。

Mr. Zhang Zhenyi

Independent Non-Executive Director

Mr. Zhang Zhenyi, aged 39, was appointed as an independent non-executive director of the Company in March 2017 and is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Zhang has been appointed as the Deputy Chief Financial Officer of Mason Group Holdings Limited (a company listed on the main board of the Stock Exchange, stock code: 273) in January 2020. From January 2018 to February 2020, he was an executive director, chief financial officer, authorized representative of Wan Kei Group Holdings Limited ("Wan Kei Group") (a company listed on the main board of the Stock Exchange, stock code: 1718), and re-designated to a non-executive director of Wan Kei Group from March 2020. He was appointed as an independent director of Jiangsu Protruly Vision Technology Group Co., Ltd. in July 2018 (a company listed on the Shanghai Stock Exchange, stock code: 600074). Mr. Zhang has extensive experience in financial, risk and investment management. Prior to that, he served as the finance in charge and project in charge of an automobile group in PRC and a consulting firm listed on the Stock Exchange. Mr. Zhang obtained a Master Degree of Business Management from University of Science and Technology Beijing in 2011, he holds qualifications as a Certified Public Accountant, Senior International Finance Manager and Senior Accountant in the PRC. Mr. Zhang is a fellow member of the Chartered Institute of Management Accountants and holds certificates of Chartered Global Management Accountant certificate and certificate of independent director of the Shanghai Stock Exchange.

張振義先生

獨立非執行董事

張振義先生，39歲，於二零一七年三月獲委任為本公司獨立非執行董事，並分別為本公司審核委員會、薪酬委員會及提名委員會之成員。張先生於二零二零年一月獲委任為茂宸集團控股有限公司（一家於聯交所主版上市之公司，股份代號：273）之副首席財務官。彼於二零一八年一月至二零二零年二月擔任宏基集團控股有限公司（「宏基集團」）（一家於聯交所主版上市之公司，股份代號：1718）之執行董事、首席財務官及授權代表，自二零二零年三月調任為宏基集團之非執行董事。彼於二零一八年七月獲委任為江蘇保千里視像科技集團股份有限公司（一家於上海證券交易所上市之公司，股份代號：600074）之獨立董事。張先生在財務、風險及投資管理方面擁有豐富工作經驗。在此之時，張先生曾於中國一個汽車集團及一間於聯交所上市之顧問公司擔任財務負責人及專案負責人。張先生於二零一一年於北京科技大學取得工商管理碩士學位，擁有中國註冊會計師、高級國際財務管理師及高級會計師資格。張先生為CIMA特許管理會計師公會資深會員，持有全球特許管理會計師證書及上海證券交易所獨立董事資格證書。

Ms. Zheng Xianzhi

Independent Non-Executive Director

Ms. Zheng Xianzhi, aged 36, was appointed as an independent non-executive director of the Company in June 2017 and is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. She has over ten years of experience in the legal field practicing both as an attorney in New York and a registered foreign lawyer in Hong Kong. Ms. Zheng worked in Commerce & Finance Law Offices in Beijing and was responsible for mergers and acquisitions and initial public offerings. She was also an International Legal Project Manager of Skadden, Arps, Slate, Meagher & Flom LLP and had been in charge of various legal and compliance works for listed companies including Chinese state-owned enterprises and investment banks. She is currently a registered foreign lawyer of an international law firm in Hong Kong and was admitted to The People's Republic of China Bar and New York State Bar Association. Ms. Zheng holds a Bachelor of Law from North China University of Technology in the PRC as well as a Master of Law from both University of International Business and Economics in the PRC and Duke University in the United States of America.

CHANGE IN INFORMATION OF A DIRECTOR

The change in the information of a Director, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is as follows:

Name of Director
董事姓名

Details of Change
變動詳情

Mr. Zhang Zhenyi

張振義先生

Appointed as Deputy Chief Financial Officer of Mason Group Holdings Limited (a company listed on the main board of the Stock Exchange, stock code: 273) in January 2020.

於二零二零年一月獲委任為茂宸集團控股有限公司（一家於聯交所主板上市之公司，股份代號：273）之副首席財務官。

Re-designated from an executive director to a non-executive director of Wan Kei Group and resigned as the Chief Financial Officer of Wan Kei Group and ceased to be the authorised representative of Wan Kei Group from 1 March 2020.

自二零二零年三月一日起，由宏基集團之執行董事調任為非執行董事，並辭任宏基集團之首席財務官及不再擔任宏基集團之授權代表。

鄭先智女士

獨立非執行董事

鄭先智女士，36歲，於二零一七年六月獲委任為本公司獨立非執行董事，並分別為本公司審核委員會、薪酬委員會及提名委員會之成員。彼在法律界具備逾十年之經驗，並於紐約為執業律師及於香港為註冊海外律師。鄭女士曾於北京通商律師事務所工作，負責處理合併、收購及首次公開招股事宜。彼亦曾為世達國際律師事務所之國際法律項目經理，負責處理上市公司法律及合規之工作，包括中國國營企業及投資銀行。彼現為香港一家國際律師事務所之註冊海外律師及獲得中華人民共和國律師公會及紐約律師公會之資格。鄭女士於中國之北方工業大學持有法律學士學位，並同時於中國對外經濟貿易大學及美國之杜克大學取得法律碩士學位。

董事資料之變動

根據上市規則第13.51B(1)條規定，茲披露本公司董事資料之變動如下：

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Company's Bye-laws, Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to the Directors. Such provisions were in force during the year ended 31 December 2019 and remained in force as of the date of this report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at 31 December 2019, the interests of the Directors and chief executives of the Company in the shares of the Company as recorded in the register required to be kept by the Company under section 352 of Part XV of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

除上文所披露者外，概無其他資料須根據上市規則第13.51B(1)條而須予披露。

董事之服務合約

擬於即將舉行之股東週年大會上重選連任之董事，概無與本公司訂立任何本公司不能於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

獲准許的彌償條文

根據本公司的章程細則，董事因執行職務或受託之職責或據稱職責或因就此而作出、贊同作出或沒有作出之任何行動而將會或可能承擔或蒙受之所有訴訟、成本、押記、虧損、損害及開支獲得以本公司之資產及溢利作出之彌償保證及免受損害，惟本彌償保證不延伸至任何與董事之任何欺詐或不誠實行為有關之任何事項。該等條文於截至二零一九年十二月三十一日止年度期間生效，並於本報告日期繼續生效。

董事及最高行政人員於本公司或本公司的任何指明企業或任何其他相聯法團之股份、相關股份及債權證之權益及／或淡倉

於二零一九年十二月三十一日，本公司董事及最高行政人員於本公司之股份，擁有須記入根據證券及期貨條例（「證券及期貨條例」）第XV部第352條本公司須予備存之登記冊，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須通知本公司及聯交所之權益如下：

Report of the Directors 董事會報告

Long positions in the ordinary shares of HK\$0.10 each in the share capital of the Company

於本公司股本中每股面值0.10港元之普通股之好倉

Name of Director 董事姓名	Capacity 身份	Number of shares held 持有股份數目			Percentage of issued share capital 佔已發行股本百分比
		Personal interests 個人權益	Corporate interests 公司權益	Total interests 總權益	
Mr. Li Haifeng 李海楓先生	Interest of a controlled corporation 受控制法團之權益	-	404,944,690 (Note) (附註)	404,944,690	49.50
	Beneficial owner 實益擁有人	9,664,706	-	9,664,706	1.18
Mr. Yau Wing Yiu 邱永耀先生	Beneficial owner 實益擁有人	698,235	-	698,235	0.08

Note: The shares were held by Dragon Peace Limited, which was wholly owned by Mr. Li Haifeng.

附註：該等股份由Dragon Peace Limited持有，而該公司則由李海楓先生全資擁有。

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executives of the Company or their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or 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 otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上述所披露者外，於二零一九年十二月三十一日，概無本公司董事及最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權證中，擁有須記入根據證券及期貨條例第352條須予備存的登記冊，或根據標準守則須通知本公司及聯交所的任何權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed in the sections headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION" and "SHARE OPTION SCHEME" herein, at no time during the year was the Company or any of its subsidiaries, its parent company or any subsidiary of its parent company a party to any arrangement to enable the Company's Directors or their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries, its parent company or any subsidiary of its parent company was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors had any interest in a business (other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or any member of the Group) which is considered to compete or is likely to compete, either directly or indirectly, with the businesses of the Group.

董事購買股份或債權證之權利

除本年度報告「董事及最高行政人員於本公司或本公司的任何指明企業或任何其他相聯法團之股份、相關股份及債權證之權益及／或淡倉」及「購股權計劃」兩節所披露者外，於本年度內任何時間，本公司或其任何附屬公司、其母公司或其母公司的任何附屬公司概無參與訂立任何安排，使本公司董事或彼等各自之配偶或未滿十八歲的子女可藉購買本公司或任何其他法人團體之股份或債權證而獲得利益。

董事於重要交易、安排及合約的權益

本公司或其任何附屬公司、其母公司或其母公司的任何附屬公司於本年度結束或於本年度任何時間內，概無訂立任何與本集團業務有關之任何重要交易、安排及合約，導致董事及其關連實體直接或間接擁有重大權益。

董事於競爭業務之權益

於年內，概無董事於被視為與本集團業務構成直接或間接競爭或可能構成競爭的業務中持有任何權益（並不包括董事獲委任為有關公司之董事以代表本公司及／或本集團任何成員公司權益之業務）。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, as recorded in the register kept by the Company under section 336 of the SFO, the Company had been notified of the following person (other than the Directors and chief executive of the Company) who had interests in the shares and/or underlying shares of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Long positions in the ordinary shares of HK\$0.10 each in the share capital of the Company

Name of shareholder 股東名稱	Capacity 身份	Number of ordinary shares 普通股 股份數目	Percentage of issued share capital 佔已發行 股本百分比
Dragon Peace Limited	Beneficial owner 實益擁有人	404,944,690 (Note) (附註)	49.50

Note: The shares were held by Dragon Peace Limited, which was wholly owned by Mr. Li Haifeng. These interests were duplicated with the interests of Mr. Li Haifeng as disclosed in the section headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION".

Save as disclosed above, as at 31 December 2019, the Company had not been notified of any other person (other than the Directors and chief executive of the Company) who had an interest or short positions in the shares and/or underlying shares of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

主要股東在本公司股份及相關股份之權益及／或淡倉

於二零一九年十二月三十一日，記錄於本公司按證券及期貨條例第336條備存之名冊所載，本公司已獲以下人士（本公司董事或最高行政人員除外）通知其於本公司股份及／相關股份中持有權益，而須根據證券及期貨條例第XV部第2及第3分部向本公司披露：

於本公司股本中每股面值0.10港元之普通股之好倉

附註：該等股份由Dragon Peace Limited全資持有，而該公司則由李海楓先生全資擁有。此等權益與「董事及最高行政人員於本公司或本公司的任何指明企業或任何其他相聯法團之股份、相關股份及債權證之權益及／或淡倉」一節所披露李海楓先生之權益重複。

除上文所披露者外，於二零一九年十二月三十一日，本公司並無接獲任何其他人士（本公司董事或最高行政人員除外）通知，表示其於本公司股份及／相關股份中持有權益或淡倉，而須根據證券及期貨條例第XV部第2及第3分部向本公司披露，或須記錄於本公司按證券及期貨條例第336條備存之名冊。

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there is sufficient public float of the Company's securities as required under the Listing Rules as at the date of this Annual Report.

SHARE OPTIONS SCHEME

On 22 May 2012, the shareholders of the Company approved the adoption of a share option scheme (the "Scheme"). A summary of the principal terms of the Scheme, as disclosed in accordance with the Listing Rules is as follows:

(i) Purpose

The purpose of the Scheme is to enable the Company to grant options to participants as incentives or rewards for their contribution or potential contribution to the Company and/or any of the subsidiaries.

(ii) Qualifying participants

Any person being an employee, director (including executive director, non-executive director or independent non-executive director), consultant, representative, professional adviser, customer, business partner, joint venture partner, strategic partner, landlord or tenant of, or any supplier or provider of goods or services to, the Company or any subsidiary, and any trustee(s) of a discretionary trust of which one or more beneficiaries belong to any of the abovementioned category(ies) of persons.

(iii) Maximum number of shares

The total number of shares available for issue under the Scheme is 80,470,023 which is 9.83% of the issued share capital of the Company as at the date of this Annual Report.

足夠公眾持股量

據本公司可公開獲取之資料以及據董事所知，於本年度報告日期，本公司之證券符合上市規則所規定之足夠公眾持股量規定。

購股權計劃

於二零一二年五月二十二日，本公司股東批准採納購股權計劃（「該計劃」）。按照上市規則須予披露之該計劃主要條款概要如下：

(i) 目的

該計劃之目的為使本公司可向參與者授出購股權，以鼓勵或回饋彼等對本公司及／或任何附屬公司作出或可能作出之貢獻。

(ii) 合資格參與人士

本公司或任何附屬公司之僱員、董事（包括執行董事、非執行董事或獨立非執行董事）、顧問、代表、專業顧問、客戶、業務夥伴、合營夥伴、策略性夥伴、業主或租客或向本公司或任何附屬公司提供貨品或服務之任何供應商或提供者及任何酌情信託之受託人（該信託之一位或多位受益人須隸屬上述任何一種類別之人士）之任何人士。

(iii) 最高股份數目

根據該計劃可予發行之股份總數為80,470,023股股份，相當於本年度報告日期本公司已發行股本之9.83%。

(iv) Maximum entitlement of each qualifying participant

No qualifying participant shall be granted any options which, if exercised in full, would result in such person's maximum entitlement exceeding 1% of the aggregate number of shares for the time being issued and issuable under the Scheme in the 12-month period up to and including the proposed grant date unless such grant is approved in advance by the shareholders in general meeting.

No qualifying participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates shall be granted any options, which, if exercised in full, would result in the shares issued and issuable to such person under the Scheme in the 12-month period up to and including the proposed grant date for such options, unless such grant of options is approved in advance by the shareholders of the Company in general meeting:

- (a) representing in aggregate over 0.1% of the number of shares then in issue; and
- (b) having an aggregate value, based on the closing price of the shares as stated in the Stock Exchange's daily quotations sheets on each relevant date on which the grant of such options is made to such person under the relevant scheme, in excess of HK\$5 million.

(v) Option period

In respect of any particular option, such period commencing on the date of grant or such later date as the directors may decide and expiring on such date as the directors may determine, such period not to exceed 10 years from the date of grant.

(iv) 每位合資格參與者可獲授權益上限

倘若授予合資格參與者之購股權於截至建議授出日期(包括當日)止12個月期間獲全面行使,將導致該人士可獲授權益上限超逾當時根據該計劃已發行股份及可發行股份總數之1%,則該合資格參與者不獲授予購股權,惟獲股東於股東大會上預先批准者除外。

如合資格參與者為本公司之主要股東或獨立非執行董事或任何彼等各自之聯繫人士及符合以下情況,均不得獲授購股權(惟購股權授予已經本公司股東在股東大會上預先批准者除外):根據該計劃,已經及將會授予該等人士之購股權獲全面行使後將導致已經及將予發行股份之數目於截至及包括預計授出日期止前12個月期間(包括授出日期):

- (a) 合計超逾已發行股份數目0.1%; 及
- (b) 根據相關購股權計劃,每次授出購股權予該人士之有關日期於聯交所之每日報價表所列之股份收市價計算,總值超逾五百萬港元。

(v) 購股權有效期

就任何特定之購股權而言,有效期由授出日期或董事決定之較後日期起計,及至董事決定之日期屆滿,惟該有效期由授出購股權日期起計不得超逾十年。

(vi) Acceptance of offer

An offer of the grant of an option shall remain open for acceptance for a period of 30 days from the date of the letter containing the grant. An offer of the grant of the option shall be regarded as having been accepted when the duplicate of the grant letter duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company.

(vii) Subscription price

The subscription price in respect of any particular option shall be such price as the Board may determine at the date of grant of the relevant option but shall be at least the highest of:

- (a) The closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day;
- (b) The average closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and
- (c) The nominal value of the Company's shares.

(viii) The remaining life of the Scheme

The directors shall be entitled at any time within 10 years commencing on 22 May 2012 to offer the grant of an option to any qualifying participants.

No share options were outstanding as at 1 January 2019 and 31 December 2019. No share options were granted, exercised, cancelled or lapsed during the year.

EQUITY-LINKED AGREEMENT

Save as disclosed in the section headed "SHARE OPTION SCHEME" in this Annual Report, no equity-linked agreements that will or may result in the Company issuing shares, or that require the Company to enter into any agreements that will or may result in the Company issuing shares, were entered into by the Company during the year or subsisted at the end of the year.

(vi) 接納建議

接納授出購股權建議之開放期，由發出載有授出購股權之函件之日期起計，為期三十日。本公司一經收到由獲授人正式簽署載有授出函件副本連同付予本公司1.00港元之款項作為授出購股權之代價後，授出購股權建議即被視作已獲接納。

(vii) 認購價

任何特定購股權之認購價為董事會於授出相關購股權日期時所釐定之價格，惟不可少於下列三項之最高者：

- (a) 於購股權授出當日（其須為營業日），本公司股份在聯交所每日報價表所列之收市價；
- (b) 本公司股份在緊接授出購股權日期前五個營業日在聯交所每日報價表所列之平均收市價；及
- (c) 本公司股份之面值。

(viii) 該計劃尚餘有效期

董事有權於二零一二年五月二十二日起計十年內隨時向任何合資格參與者建議授出購股權。

於二零一九年一月一日及二零一九年十二月三十一日，並無尚未行使之購股權。於年內，概無購股權獲授出、行使、註銷或失效。

權益掛鈎協議

除於本年度報告「購股權計劃」一節所披露者外，於年內或年度結束時，本公司概無訂立或存在任何股票掛鈎協議將會或可導致本公司發行股份，或規定本公司訂立任何協議將會或可導致本公司發行股份。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the Laws of Bermuda.

MANAGEMENT CONTRACTS

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

CORPORATE GOVERNANCE

The Company's corporate governance practices are set out in the Corporate Governance Report on pages 22 to 41 of this Annual Report.

ENVIRONMENTAL AND SOCIAL MATTERS

The Company's compliance with the relevant provisions set out in the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Listing Rules for the financial year ended 31 December 2019 will be set out in a standalone Environmental, Social and Governance Report and published on the Group's and the Stock Exchange's websites.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment in the forthcoming Annual General Meeting.

On behalf of the Board
Wang Ke
Executive Director

Hong Kong, 27 March 2020

購買、出售或贖回本公司之上市證券

於年內，本公司及其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

優先認股權

本公司之章程細則或百慕達法例均無優先認股權之規定。

管理合約

年內並無訂立或存在有關本公司整體或任何重大部份業務之管理及行政合約。

企業管治

本公司之企業管治常規載於本年度報告第22頁至第41頁之企業管治報告。

環境及社會事宜

本公司於截至二零一九年十二月三十一日止財政年度遵守上市規則附錄二十七所載《環境、社會及管治報告指引》的相關條文將載於一份獨立環境、社會及管治報告並於本公司及聯交所之網站刊載。

核數師

本財務報表已經由羅兵咸永道會計師事務所審核，該核數師任滿退任，並表示願意於即將舉行之股東週年大會應聘連任。

代表董事會
執行董事
王科

香港，二零二零年三月二十七日

Independent Auditor's Report 獨立核數師報告



羅兵咸永道

TO THE SHAREHOLDERS OF CARRY WEALTH HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

QUALIFIED OPINION

What we have audited

The consolidated financial statements of Carry Wealth Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 64 to 144, which comprise:

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

Our qualified opinion

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

致恒富控股有限公司股東

(於百慕達註冊成立的有限公司)

保留意見

我們已審計的內容

恒富控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第64至144頁的綜合財務報表,包括:

- 於2019年12月31日的綜合資產負債表;
- 截至該日止年度的綜合收入表;
- 截至該日止年度的綜合全面收入表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流轉表;及
- 綜合財務報表附註,包括主要會計政策概要。

我們的保留意見

我們認為,除了在本報告中「保留意見的基礎」部分所述事項的可能影響外,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2019年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

BASIS FOR QUALIFIED OPINION

As set out in Note 15 to the consolidated financial statements, the Group has a 41.45% equity interest in Exellar Limited ("Exellar") which is accounted for as an associate under the equity method. The Group's management relied on the financial information provided by management of Exellar to account for the result of Exellar shared by the Group. However, during the year ended 31 December 2018, management of Exellar did not have full access to the books and records of its subsidiary, United Resources Group Pte Ltd ("URG"), and therefore they were not able to provide a set of complete and accurate accounting records of Exellar to the Group. As set out in our auditor's report dated 29 March 2019 on the Group's consolidated financial statements for the year ended 31 December 2018, we have previously qualified our opinion because we were unable to obtain sufficient appropriate audit evidence on the carrying value of the investment in and loans to Exellar which were both carried at HK\$Nil as at 31 December 2018, and the Group's share of loss of associate of HK\$26,065,000 and the impairment loss in respect of the loans to an associate of HK\$5,445,000 for the year ended 31 December 2018.

In September 2019, Exellar disposed of its entire interests in URG for a consideration of US\$400,000 (equivalent to approximately HK\$3,100,000). In October 2019 and December 2019, Exellar partially repaid its loan due to the Group of US\$447,000 (equivalent to approximately HK\$3,462,000). On 16 January 2020, the directors of Exellar has resolved to commence the process of deregistration of Exellar.

For the year ended 31 December 2019, the Group recorded a reversal of impairment loss of HK\$3,462,000 for its loans to Exellar and did not share any result from Exellar. The interest in and loan to Exellar were stated at HK\$Nil as at 31 December 2019.

As at the date of this report, management of Exellar were still unable to recover the missing accounting records for the year ended 31 December 2018 and we were unable to obtain sufficient appropriate audit evidence in respect of the carrying value of the investment in and loans to the associate as at 31 December 2018. Any adjustments to the opening balances of the investment in and loans to the associate as at 1 January 2019 would have a significant consequential effect on the share of result of HK\$Nil and reversal of impairment loss for loans to the associate of HK\$3,462,000 recognised for the year ended 31 December 2019. There were no other satisfactory audit procedures that we could perform to determine whether any adjustments were necessary in respect of the balances of the investment in and loans to the associate as at 1 January 2019 (both of HK\$Nil) and the Group's share of result of the associate and reversal of impairment loss for loans to the associate and the related disclosures for the year ended 31 December 2019.

保留意見的基礎

誠如綜合財務報表附註15所載，貴集團擁有合毅國際風險諮詢有限公司（「合毅國際」）之41.45%股權，並以按權益法為該聯營企業入帳。貴集團管理層依賴合毅國際管理層提供的財務資料將貴集團分佔合毅國際的業績入帳。然而，合毅國際管理層在截至二零一八年十二月三十一日年度中無法完全採得其附屬公司United Resources Group Pte Ltd（「URG」）的帳簿和記錄，故無法向貴集團提供合毅國際一套完整及準確之會計帳簿。誠如日期為二零一九年三月二十九日的核數師報告有關貴集團截至二零一八年十二月三十一日止年度的綜合財務報表所載，我們之前出具保留意見誠因我們無法獲得充足及適當的審計證據有關於二零一八年十二月三十一日於聯營企業之投資之餘額以及於二零一八年十二月三十一日提供予合毅國際之貸款的帳面值均為零及截至二零一八年十二月三十一日止年度貴集團分佔聯營企業之虧損26,065,000港元及就提供予聯營企業貸款之減值虧損5,445,000港元。

於二零一九年九月，合毅國際出售其於URG的全部權益，代價為400,000美元（相等於約3,100,000港元）。於二零一九年十月及二零一九年十二月，合毅國際向貴集團償還了部分貸款447,000美元（相當於約3,462,000港元）。於二零二零年一月十六日，合毅國際之董事議決展開注銷合毅國際的註冊流程。

截至二零一九年十二月三十一日止年度，貴集團就向合毅國際的貸款錄得減值虧損撥回3,462,000港元，並無分佔合毅國際的任何業績。於二零一九年十二月三十一日，於合毅國際之權益及貸款列值為零港元。

截至本報告發布之日，合毅國際管理層仍無法收復截至二零一八年十二月三十一日止年度之缺失會計記錄，而我們亦無法獲得充足及適當的審計證據有關於二零一八年十二月三十一日於聯營企業之投資之餘額以及於二零一八年十二月三十一日提供予聯營企業之貸款的帳面值。對聯營企業於二零一九年一月一日的期初結餘之投資和貸款作任何調整將對於截至二零一九年十二月三十一日止年度分佔零港元業績及貸款減值虧損撥回3,462,000港元產生重大影響。並無可執行的替代審計程式可供我們執行，以釐定是否需對聯營企業於二零一九年一月一日的投資和貸款餘額（均為零港元）及貴集團截至二零一九年十二月三十一日止年度分佔聯營企業之業績及聯營企業之貸款減值虧損撥回及相關披露作出任何調整。

Independent Auditor's Report 獨立核數師報告

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter identified in our audit is related to impairment assessment of properties, plant and equipment and right-of-use assets.

Key Audit Matter 關鍵審計事項

Impairment assessment of properties, plant and equipment and right-of-use assets 物業、廠房及設備及使用權資產的減值評估

Refer to Notes 4, 14 and 17 to the consolidated financial statements.
請參閱綜合財務報表附註4、14及17

The carrying value of properties, plant and equipment and right-of-use assets attributable to the Group amounted to HK\$79,784,000 as at 31 December 2019, comprised of buildings, land use rights and other fixed assets, amounting to HK\$54,319,000, HK\$8,903,000, and HK\$16,562,000, respectively.

於二零一九年十二月三十一日，貴集團應佔物業、廠房及設備及使用權資產的帳面值為79,784,000港元，其中54,319,000港元、8,903,000港元及16,562,000港元分別為樓宇、土地使用權及其他固定資產。

我們已根據香港會計師公會頒布的《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。

我們相信，我們所獲得的審計證據能充足及適當地為我們的保留意見提供基礎。

獨立性

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。除了「保留意見的基礎」部分所述事項外，我們確定以下事項為需要在報告中溝通的關鍵審計事項。

我們在審計中識別的關鍵審計事項是關於物業、廠房及設備及使用權資產的減值評估。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

Our procedures in relation to management’s impairment assessment of properties, plant and equipment and right-of-use assets included the following:

我們評估管理層對物業、廠房及設備及使用權資產減值評估的程序包括：

- assessed the appropriateness of valuation methodology applied in the valuation report (“Report”) for land use rights prepared by the independent external valuation expert;
- 評估獨立外聘估值專家編製土地使用權估值報告（「報告」）時所應用估值方法的適當性；
- assessed the qualification, independence and reputation of the independent external valuation expert;
- 評估獨立外聘估值專家的資格、獨立性及聲譽；

Key Audit Matter 關鍵審計事項

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

Impairment assessment of properties, plant and equipment and right-of-use assets (Continued) 物業、廠房及設備及使用權資產的減值評估 (續)

For the year ended 31 December 2019, the Group recorded an operating loss of HK\$13,881,000 (2018: HK\$24,126,000). Management considers this as an indicator of impairment, triggering a need to perform an impairment assessment of the Group's properties, plant and equipment and right-of-use assets.

截至二零一九年十二月三十一日止年度，貴集團錄得經營虧損13,881,000港元（二零一八年：24,126,000港元）。管理層認為此乃減值迹象，引致需評估貴集團物業、廠房及設備及使用權資產之減值。

Buildings are revalued annually and carried at fair value, hence management considered there to be no impairment. Management determined the recoverable amount of land use rights classified under right-of-use assets carried at amortised cost, with the assistance from an independent external valuation expert. Management also assessed the recoverable amount of the office premises classified under right-of-use assets with reference to the excess of market value and carrying amount of the land use rights. For the remaining non-current assets, other than plant and equipment and leasehold improvements with individually immaterial carrying values, management determined the recoverable amount by benchmarking against the price quotation of comparable assets in the second hand market. Based on management's assessment, no impairment on the carrying value of the Group's properties, plant and equipment and right-of-use assets was necessary.

樓宇每年重估並按公允價值列帳，因此管理層認為不存在減值。管理層在獨立外聘估值專家的協助下確定被分類為使用權資產以攤銷成本列帳的土地使用權之可收回金額。管理層還參照了土地使用權之市場價和帳面值之差異來評估被分類為使用權資產的辦公室的可收回金額。對於剩餘的非流動資產，除單獨非重大帳面價值之廠房和設備以及租賃裝修外，管理層通過與二手市場中可比資產的市場報價相比較來確定可收回金額。根據管理層的評估，本集團物業、廠房及設備及使用權資產的帳面值不需要減值。

This area was of most significance to our audit due to the significance of the non-current assets to the Group's consolidated balance sheet, and the fact that management's assessment of the recoverable amount of land use rights involved significant judgement based on observable market data.

上述方面對我們的審計而言最為重要，此乃由於非流動資產對貴集團的綜合資產負債表而言屬重大，且管理層對土地使用權可收回金額的評估涉及對可觀察市場數據作出重大判斷。

- compared the key observable market data used in the Report with independent source data; and
- 對比報告內所用關鍵可觀察市場數據與獨立來源的數據；及
- in relation to the recoverable values of other assets used by management, we checked, on a sample basis, the market price quotations for comparable assets identified by management to the relevant source. We also compared, on a sample basis, the key specifications, including the model, year of manufacture, equipment and modifications of the comparable properties, plant and equipment with those owned by the Group to assess the suitability of the comparison. We also performed our own internet search, on a sample basis, on the market values of similar properties, plant and equipment.
- 就管理層使用的其他資產的可收回價值，我們以抽樣方式檢查管理層向相關來源確定的可比資產的市場報價。我們亦在抽樣的基礎上比較了主要規格，包括模型、製造年份、設備及可比較物業、廠房及設備的改裝，以及本集團擁有的物業，以評估比較的適用性。我們還在樣本的基礎上，對類似物業、廠房及設備的市場價值進行了自己的互聯網搜索。

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

根據所執行的程序，我們認為管理層對物業、廠房及設備及使用權資產的減值評估已獲現有證據的支持。

OTHER INFORMATION

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate audit evidence about the balances of the investment in and loans to an associate both stated at HK\$Nil as at 1 January 2019 and the Group's share of result of the associate and the reversal of provision for impairment loss in respect of the loans to an associate for the year ended 31 December 2019. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

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

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

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

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，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。如上文「保留意見的基礎」部分所述，我們無法對聯營企業於二零一九年一月一日的投資和貸款餘額為零港元及 貴集團截至二零一九年十二月三十一日止年度分佔聯營企業之業績及就聯營企業之貸款減值虧損撥回獲取充足和適當的審計證據。因此，我們無法就與此事項有關的其他信息是否存在重大錯誤陳述作出結論。

董事就綜合財務報表須承擔的責任

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

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

董事須負責監督 貴集團的財務報告過程。

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

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

As part of an audit in accordance with HKSA's, we exercise professional judgment 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.

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。我們僅按照百慕達一九八一年《公司法》第90條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

Independent Auditor's Report 獨立核數師報告

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計證據，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。

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Hin Gay Gabriel.

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

我們還向董事提交聲明，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。

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

出具本獨立核數師報告的審計項目合夥人是陳顯基先生。

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 27 March 2020

羅兵咸永道會計師事務所
執業會計師
香港，2020年3月27日

Consolidated Income Statement 綜合收入表

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

		Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	5	331,722	328,513
Cost of sales	銷售成本	7	(286,850)	(288,864)
Gross profit	毛利		44,872	39,649
Other gains – net	其他收益 – 淨額	6	283	211
Reversal of impairment loss/ (impairment loss) on loans to an associate	就授予一間聯營企業之 貸款減值虧損 撥回 / (減值虧損)	15	3,462	(5,445)
Selling expenses	銷售開支	7	(8,394)	(6,238)
Administrative expenses	行政開支	7	(54,104)	(52,303)
Operating loss	經營虧損		(13,881)	(24,126)
Finance income	融資收入	8	252	394
Finance expense	融資開支	8	(1,196)	(818)
Finance expense – net	融資開支 – 淨額		(944)	(424)
Share of result of an associate	應佔一間聯營企業之業績	15	–	(26,065)
Loss before income tax	除所得稅前虧損		(14,825)	(50,615)
Income tax expense	所得稅開支	9	–	–
Loss for the year attributable to equity holders of the Company	本公司權益持有人 應佔年度虧損		(14,825)	(50,615)
Loss per share attributable to the equity holders of the Company for the year	年內由本公司權益 持有人應佔之每股虧損			
– Basic and diluted loss per share (HK cents)	– 每股基本及攤薄虧損 (港仙)	10	(1.81)	(6.19)

The above consolidated income statement should be read in conjunction with the accompanying notes.

上述綜合收入表應與附註一併閱覽。

Consolidated Statement of Comprehensive Income 綜合全面收入表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss for the year	年度虧損	(14,825)	(50,615)
Other comprehensive income:	其他全面收入：		
<i>Item that will not be reclassified subsequently to profit or loss</i>	<i>其後不可重新分類至損益帳之項目</i>		
Revaluation gain, net of tax:	重估收益，扣除稅項：		
– properties, plant and equipment	– 物業、廠房及設備	4,445	10,505
<i>Item that may be reclassified to profit or loss</i>	<i>可重新分類至損益帳之項目</i>		
Currency translation differences	匯兌差額	931	(1,580)
Other comprehensive income for the year, net of tax	年度其他全面收入，扣除稅項	5,376	8,925
Total comprehensive loss for the year attributable to equity holders of the Company	本公司權益持有人應佔年度全面虧損總額	(9,449)	(41,690)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述綜合全面收入表應與附註一併閱覽。

Consolidated Balance Sheet 綜合資產負債表

As at 31 December 2019 於二零一九年十二月三十一日

		Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Properties, plant and equipment	物業、廠房及設備	14(a)	65,655	65,697
Right-of-use assets	使用權資產	14(b)	14,129	–
Investment in an associate	於一間聯營企業之投資	15	–	–
Investment in a joint venture	於一間合營企業之投資	16	–	–
Land use rights	土地使用權	14(b) & 17	–	9,145
Deposits and other receivable	按金及其他應收款項	20	724	–
Total non-current assets	總非流動資產		80,508	74,842
Current assets	流動資產			
Inventories	存貨	19	45,356	59,829
Trade and other receivables	貿易及其他應收款項	20	54,299	34,923
Financial asset at fair value through profit or loss	按公允值計入損益帳之 金融資產	21	2,177	2,337
Cash and cash equivalents	現金及現金等值項目	22	47,600	71,084
Total current assets	總流動資產		149,432	168,173
Total assets	總資產		229,940	243,015
EQUITY	權益			
Share capital	股本	26	81,804	81,804
Other reserves	其他儲備	27	221,693	216,317
Accumulated losses	累計虧損		(152,192)	(137,367)
Total equity	總權益		151,305	160,754

Consolidated Balance Sheet 綜合資產負債表

As at 31 December 2019 於二零一九年十二月三十一日

		Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	14(b)	3,207	–
Deferred income tax liabilities	遞延所得稅負債	23	13,301	11,820
Total non-current liabilities	總非流動負債		16,508	11,820
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	24	60,166	64,759
Lease liabilities	租賃負債	14(b)	1,961	–
Borrowing	貸款	25	–	5,682
Total current liabilities	總流動負債		62,127	70,441
Total liabilities	總負債		78,635	82,261
Total equity and liabilities	總權益及負債		229,940	243,015

The consolidated financial statements on pages 64 to 144 were approved by the Board of Directors on 27 March 2020 and were signed on its behalf.

第64頁至第144頁的綜合財務報表已由董事會於二零二零年三月二十七日批核，並代表董事會簽署。

Li Haifeng
李海楓
Chairman
主席

Wang Ke
王科
Executive Director
執行董事

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

上述綜合資產負債表應與附註一併閱覽。

Consolidated Statement of Changes in Equity 綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔			
		Share Capital 股本 HK\$'000 千港元	Other reserves (Note 27) 其他儲備 (附註27) HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2018	於二零一八年一月一日 結餘	81,804	207,392	(86,752)	202,444
Comprehensive loss Loss for the year	全面虧損 年度虧損	-	-	(50,615)	(50,615)
Other comprehensive income/(loss)	其他全面收入/(虧損)				
Revaluation gain, net of tax: - Properties, plant and equipment	重估收益·扣除稅項: - 物業、廠房及設備	-	10,505	-	10,505
Currency translation differences	匯兌差額	-	(1,580)	-	(1,580)
Total other comprehensive income	其他全面收入總額	-	8,925	-	8,925
Total comprehensive income/(loss)	全面收入/(虧損)總額	-	8,925	(50,615)	(41,690)
Balance at 31 December 2018	於二零一八年 十二月三十一日結餘	81,804	216,317	(137,367)	160,754

Consolidated Statement of Changes in Equity 綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔			
		Share Capital	Other reserves (Note 27) 其他儲備 (附註27)	Accumulated losses	Total
		股本 HK\$'000 千港元	其他儲備 (附註27) HK\$'000 千港元	累計虧損 HK\$'000 千港元	總計 HK\$'000 千港元
Balance at 1 January 2019	於二零一九年一月一日 結餘	81,804	216,317	(137,367)	160,754
Comprehensive loss Loss for the year	全面虧損 年度虧損	-	-	(14,825)	(14,825)
Other comprehensive income Revaluation gain, net of tax: - Properties, plant and equipment	其他全面收入 重估收益，扣除稅項： - 物業、廠房及設備	-	4,445	-	4,445
Currency translation differences	匯兌差額	-	931	-	931
Total other comprehensive income	其他全面收入總額	-	5,376	-	5,376
Total comprehensive income/(loss)	全面收入／(虧損)總額	-	5,376	(14,825)	(9,449)
Balance at 31 December 2019	於二零一九年 十二月三十一日結餘	81,804	221,693	(152,192)	151,305

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述綜合權益變動表應與附註一併閱覽。

Consolidated Cash Flow Statement 綜合現金流轉表

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

		Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流轉			
Net cash (used in)/generated from operations	經營(所用)/產生之淨現金	28	(18,555)	3,253
Interest paid	已支付利息		(1,196)	(818)
			(19,751)	2,435
Net cash (used in)/generated from operating activities	經營活動(所用)/產生之現金淨額			
Cash flows from investing activities	投資活動之現金流轉			
Purchase of properties, plant and equipment	購置物業、廠房及設備		(432)	(5,077)
Proceeds from disposal of properties, plant and equipment	出售物業、廠房及設備所得款項		170	4
Other loan repayment from a third party	給予一位第三方其他貸款之償還		-	11,423
Loans to an associate	貸款予一間聯營企業		(1,246)	(5,217)
Loan repayments from an associate	給予一間聯營企業貸款之償還		4,708	-
Investment in an associate	於一間聯營企業之投資		-	(1,004)
Interest received	已收利息		252	394
			3,452	523
Net cash generated from investing activities	投資活動產生之現金淨額			
Cash flows from financing activities	融資活動之現金流轉			
Proceeds from bank borrowings	銀行貸款所得款項		5,682	17,857
Repayments of bank borrowings	銀行貸款之償還		(11,364)	(17,857)
Principal elements of lease payments	租賃付款之本金部份		(1,503)	-
			(7,185)	-
Net cash used in financing activities	融資活動所用之現金淨額			
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目之淨(減少)/增加		(23,484)	2,958
Cash and cash equivalents at beginning of the year	年初現金及現金等值項目		71,084	67,456
Exchange differences	匯兌差額		-	670
Cash and cash equivalents at end of the year	年終現金及現金等值項目	22	47,600	71,084

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

上述綜合現金流轉表應與附註一併閱覽。

Notes to the Consolidated Financial Statements 綜合財務報表附註

1 GENERAL INFORMATION

Carry Wealth Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) manufacture and trade garment products and engage in securities investment. The Group has production facilities in Mainland China.

The Company is a limited liability company incorporated in Bermuda and is listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

These consolidated financial statements are presented in thousands of Hong Kong dollars (“HK\$’000”), unless otherwise stated.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), a collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretation issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings (Notes 2.8 and 14(a)) and financial asset at fair value through profit or loss (Notes 2.10 and 21), which are carried at fair value.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

1 一般資料

恒富控股有限公司（「本公司」）及其附屬公司（統稱為「本集團」）生產及買賣成衣產品以及從事證券投資。本集團於中國大陸有生產設施。

本公司是一間於百慕達註冊成立的有限公司，並於香港聯合交易所有限公司上市。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

除另有說明外，此等綜合財務報表均以千港元為呈列單位。

2 編製基準及主要會計政策概要

編製此等綜合財務報表所採納之編製基準及主要會計政策載於下文。除另有說明外，此等政策已於所有呈報年度貫徹應用。

2.1 編製基準

本集團之綜合財務報表乃按照香港財務報告準則（「香港財務報告準則」），此統稱包含香港會計師公會（「香港會計師公會」）頒布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」）和詮釋及香港公司條例第622章之披露要求而編製。有關綜合財務報表乃根據歷史成本法而編製，並就重估之樓宇（附註2.8及14(a)）及按公允值計入損益帳之金融資產（按公允值列帳）（附註2.10及21）而予以修訂。

編製符合香港財務報告準則之綜合財務報表時須作出若干關鍵會計估算。同時，在應用本集團會計政策之過程中，需要管理層行使其判斷。涉及須作出更多判斷或更複雜之範疇，或對綜合財務報表而言屬重大之假設及估計之範疇於附註4中披露。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.1 Basis of preparation (Continued)***(a) New and amended standards adopted by the Group*

The following new and amendments to standards and interpretation have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2019:

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

The Group had to change its accounting policies as a result of adopting HKFRS 16. The impacts are disclosed in Note 2.2. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 編製基準及主要會計政策概要 (續)**2.1 編製基準 (續)***(a) 本集團已採納之新訂及經修訂準則*

本集團已於二零一九年一月一日或之後開始之財政年度首次採納以下各項新訂準則及詮釋，以及對準則及詮釋之修訂：

香港財務報告準則第9號之修訂	香港財務報告準則第16號	香港會計準則第19號之修訂	香港會計準則第28號之修訂	香港財務報告準則二零一五年至二零一七年之週期年度改進	香港(國際財務報告詮釋委員會) – 詮釋第23號	具負補償的預付款項特徵 租賃 計劃修訂、縮減或結算 於聯營企業及合營企業之長期權益 香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂 所得稅處理之不確定性
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本集團已於採納香港財務報告準則第16號後更改其會計政策。有關影響於附註2.2披露。上文列示之其他大多數修訂並未對過往期間確認之金額產生任何影響，且預期不會對當期或未來期間產生任何重大影響。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards not yet adopted

The following new and amended accounting standards have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group:

Amendments to HKFRS 3
香港財務報告準則第3號之
修訂

Amendments to HKFRS 10 and
HKAS 28
香港財務報告準則第10號及
香港會計準則第28號之修訂

Conceptual Framework for
Financial Reporting 2018
二零一八年財務報告概念框架

HKFRS 17
香港財務報告準則第17號

Amendments to HKAS 1 and
HKAS 8
香港會計準則第1號及
香港會計準則第8號之修訂

Amendments to HKAS 39,
HKFRS 7 and HKFRS 9
香港會計準則第39號、
香港財務報告準則第7號及
香港財務報告準則第9號之
修訂

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

Definition of a Business
業務之定義

Sale or Contribution of Assets between an Investor
and its Associate or Joint Venture
關於投資者與其聯營企業或
合營企業之間資產出售或出資

Revised Conceptual Framework for Financial
Reporting
經修訂財務報告概念框架

Insurance Contracts
保險合同

Definition of Material
重大之定義

Interest Rate Benchmark Reform
基準利率改革

**Effective for
accounting
periods beginning
on or after
於下列日期或之後
開始的會計期間生效**

1 January 2020
二零二零年一月一日

To be determined
待定

1 January 2020
二零二零年一月一日

1 January 2021
二零二一年一月一日

1 January 2020
二零二零年一月一日

1 January 2020
二零二零年一月一日

2 編製基準及主要會計政策概要 (續)

2.1 編製基準 (續)

(b) 尚未採納之新訂及經修訂準則

本集團並無提早採納於二零一九年十二月三十一日報告期間已頒佈之下列非強制性新訂及經修訂會計準則：

Effective for
accounting
periods beginning
on or after
於下列日期或之後
開始的會計期間生效

1 January 2020
二零二零年一月一日

To be determined
待定

1 January 2020
二零二零年一月一日

1 January 2021
二零二一年一月一日

1 January 2020
二零二零年一月一日

1 January 2020
二零二零年一月一日

預計該等準則不會對實體於當期或未來報告期間以及可見未來之交易有重大影響。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

HKFRS 16 “Leases”

This note explains the impact of the adoption of HKFRS 16 “Leases” on the Group’s financial statements.

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the adoption of HKFRS 16 are therefore recognised in the opening consolidated balance sheet on 1 January 2019. The new accounting policies are disclosed in Note 2.25.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of HKAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4%.

(i) Practical expedients applied

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

- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases

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

2 編製基準及主要會計政策概要 (續)

2.2 會計政策之變動

香港財務報告準則第16號「租賃」

本附註說明採納香港財務報告準則第16號「租賃」對本集團財務報表之影響。

本集團已自二零一九年一月一日起追溯採納香港財務報告準則第16號，但並未就二零一八年報告期間重列比較資料，誠因按照該準則內之特定過渡性條文所允許。因此，採納香港財務報告準則第16號產生之重新分類及調整於二零一九年一月一日之期初綜合資產負債表內確認。

於採納香港財務報告準則第16號後，本集團對先前根據香港會計準則第17號「租賃」原則分類為「經營租賃」之租賃確認租賃負債。該等負債按剩餘租賃付款之現值計量，使用於二零一九年一月一日之承租人之遞增借貸利率貼現。於二零一九年一月一日應用於租賃負債之承租人之遞增借貸利率之加權平均值為4%。

(i) 所應用之可行權宜方法

於首次應用香港財務報告準則第16號時，本集團已使用以下該準則所允許之可行權宜方法：

- 於二零一九年一月一日剩餘租期少於12個月之經營租賃入帳為短期租賃

本集團亦已選擇不重新評估一份合約在首次應用日期時是否租賃或是否包含租賃。取而代之，就於過渡日期之前訂立之合約，本集團依據其應用香港會計準則第17號及詮釋第4號「釐定安排是否包括租賃」作出之評估。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.2 Changes in accounting policies (Continued)***HKFRS 16 “Leases” (Continued)**(ii) Measurement of lease liabilities*

As at 31 December 2018, the Group had non-cancellable operating lease commitments of HK\$952,000 and these commitments were related to short-term leases which would be recognised on a straight-line basis as expense in profit or loss. Accordingly, no lease liabilities would be recognised as at 1 January 2019.

(iii) Measurement of right-of-use assets

The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated balance sheet as at 31 December 2018.

(iv) Impact on consolidated financial statements

The types of assets recognised as right-of-use assets are disclosed in Note 14(b) to the consolidated financial statements.

The change in accounting policy affected the following items in the consolidated balance sheet on 1 January 2019:

Consolidated balance sheet (extract)	綜合資產負債表 (摘錄)	At 31 December 2018	At 1 January 2019
		As originally presented 於二零一八年十二月三十一日 原呈列 HK\$'000 千港元	Restated 於二零一九年一月一日 重列 HK\$'000 千港元
Non-current assets	非流動資產		
Land use rights	土地使用權	9,145	–
Right-of-use assets	使用權資產	–	9,145

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

2 編製基準及主要會計政策概要 (續)**2.2 會計政策之變動 (續)***香港財務報告準則第16號「租賃」 (續)**(ii) 對租賃負債之計量*

於二零一八年十二月三十一日，本集團擁有不可撤銷經營租賃承擔952,000港元，該等承擔與短期租賃有關，按直線法於損益內確認為開支。因此，於二零一九年一月一日並無確認租賃負債。

(iii) 對使用權資產之計量

使用權資產按相等於租賃負債之金額計量，並經與於二零一八年十二月三十一日之綜合資產負債表所確認租賃有關之任何預付款項或應計租賃付款之金額調整。

(iv) 對綜合財務報表之影響

已確認為使用權資產之資產類型於綜合財務報表中附註14(b)披露。

會計政策變動對下列於二零一九年一月一日之綜合資產負債表之項目之影響：

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

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principles of consolidation and equity accounting

2.3.1 Subsidiaries

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

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

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

2.3.2 Associate

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investment in an associate is accounted for using the equity method of accounting (Note 2.3.4), after initially being recognised at cost.

2.3.3 Joint arrangement

Under HKFRS 11 "Joint Arrangements", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Investment in joint ventures are accounted for using the equity method (Note 2.3.4), after initially being recognised at cost in the consolidated balance sheet.

2 編製基準及主要會計政策概要 (續)

2.3 綜合帳目原則及權益會計法

2.3.1 附屬公司

附屬公司指本集團擁有控制權的所有實體(包括結構性實體)。當本集團自參與實體業務而承擔取得其可變回報的風險或享有可變回報的權利，並有能力透過其對實體活動的主導權影響該等回報時，則本集團控制該實體。附屬公司於控制權轉移至本集團當日起全面綜合入帳，並於終止控制權當日起不再綜合入帳。

本集團採用收購會計法將業務合併入帳(參見附註2.4)。

集團內公司間之交易、集團公司之結餘及交易未變現收益均會對銷。未變現虧損亦會對銷，除非該交易提供已轉讓資產減值的證據。附屬公司的會計政策已在需要時作出調整，以確保與本集團所採納會計政策一致。

2.3.2 聯營企業

聯營企業為本集團對其有重大影響但不擁有控制權或共同控制權的所有實體。於一般情況下，本集團擁有介乎20%至50%的投票權。於初步按成本確認後，於聯營企業的投資採用權益會計法(附註2.3.4)入帳。

2.3.3 合營安排

根據香港財務報告準則第11號「合營安排」，在合營安排之投資歸類為合營經營或合營企業。該等分類視乎每名投資者之合約權利及責任而非合營安排之法律結構。

於初步按成本於綜合資產負債表確認後，於合營企業的投資採用權益法(附註2.3.4)入帳。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principles of consolidation and equity accounting (Continued)

2.3.4 Equity accounting

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.9.

2.4 Business combinations

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

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

2 編製基準及主要會計政策概要 (續)

2.3 綜合帳目原則及權益會計法 (續)

2.3.4 權益會計法

根據權益會計法，投資初步按成本確認，其後進行調整以於損益確認本集團應佔被投資方收購後溢利或虧損並於其他全面收入確認本集團應佔被投資方其他全面收入的變動。已收或應收聯營企業及合營企業的股息確認為投資帳面值扣減。

倘本集團應佔以權益入帳投資的虧損等於或超過其於該實體的權益（包括任何其他無抵押長期應收款項），則本集團不會確認進一步虧損，除非已代表另一實體承擔責任或作出付款。

本集團與其聯營企業及合營企業之間交易的未變現收益按本集團於該等實體的權益予以對銷。未變現虧損亦會予以對銷，除非該交易提供已轉讓資產減值的證據。以權益入帳之被投資方的會計政策已在需要時作出調整，以確保與本集團所採納會計政策一致。

權益入帳投資的帳面金額根據附註 2.9 所述政策進行減值測試。

2.4 業務合併

本集團採用收購會計法將所有業務合併入帳，不論是否已收購權益工具或其他資產。收購一間附屬公司轉讓的代價包括：

- 所轉讓資產的公允值；
- 被收購業務之前擁有人所產生負債；
- 本集團已發行股本權益；
- 或然代價安排產生之任何資產或負債之公允值；及
- 附屬公司任何先前存在的股本權益的公允值

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Business combinations (Continued)

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

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

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

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

2.5 Separate financial statements

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

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

2 編製基準及主要會計政策概要 (續)

2.4 業務合併 (續)

在業務合併中所購買的可識別資產以及所承擔的負債及或有負債，首先以其於收購日期的公允值計量（少數例外情況除外）。本集團以逐項收購基準，按公允值或按非控制性權益所佔被收購實體可識別資產淨值的比例確認於被收購實體的任何非控股權益。

購買相關成本於產生時支銷。

所轉讓代價、被收購實體的任何非控制性權益金額，及於被收購實體先前的任何股本權益於收購日期的公允值超出所收購可識別資產淨值的公允值時，其差額以商譽列帳。倘該等款項低於所收購業務的可識別資產淨值的公允值，則差額將直接於損益中確認為議價購買。

倘現金代價的任何部分遞延結算，則未來應付款項將貼現為交換日期的現值。所使用的貼現率為該實體的增量借貸利率，即根據可比條款及條件可從獨立融資人獲得類似借貸的利率。或然代價分類為權益或財務負債。分類為財務負債的金額其後將重新按公允價值計量，而公允價值變動於損益中。

倘業務合併分階段進行，則收購方先前持有的被收購方股本權益於收購日期的帳面值於收購日期重新按公允值計量。任何因該項重新計量產生的收益或虧損於損益中確認。

2.5 獨立財務報表

於附屬公司的投資按成本減減值列帳。成本包括直接應佔投資成本。附屬公司的業績由本集團根據已收及應收股息列帳。

當收取於附屬公司投資的股息時，如股息高於該附屬公司於宣派股息期間的全面收入總額，或如該等投資於獨立財務報表內的帳面值高於綜合財務報表內被投資方資產淨值（包括商譽）的帳面值，則須對該等投資進行減值測試。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Segment reporting

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

2.7 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

All foreign exchange gains and losses are presented in the consolidated income statement within "administrative expenses".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the consolidated income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets are included in other comprehensive income.

2 編製基準及主要會計政策概要 (續)

2.6 分部報告

營運分部以與提供予主要營運決策者的內部報告相同的方式報告。董事會被識辨為主要營運決策者，負責分配營運分部的資源及評估分部表現，並作出策略性決定。

2.7 外幣換算

(a) 功能及呈列貨幣

本集團各實體之財務報表所列之項目，乃按該實體經營所在地之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以港元呈列，而港元亦為本公司之功能貨幣及本集團之呈列貨幣。

(b) 交易及結餘

外幣交易按交易或項目重新估值當日之匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在綜合收入表確認。

所有匯兌盈虧乃於綜合收入表之「行政開支」呈列。

非貨幣性金融資產及負債（例如按公允值計入損益帳之權益）之匯兌差額將於綜合收入表確認為公允值盈虧的一部份。非貨幣性金融資產的換算差額計入其他全面收入。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation (Continued)

(c) Group companies

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

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

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the consolidated income statement, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2 編製基準及主要會計政策概要 (續)

2.7 外幣換算 (續)

(c) 集團公司

海外業務(當中並無持有高通脹經濟體系之貨幣)之功能貨幣倘有別於呈列貨幣,其業績及財務狀況須按如下方式兌換為呈列貨幣:

- (i) 每份呈報的資產負債表所列資產及負債按其結算日之收市匯率換算;
- (ii) 每份收入表及全面收入表內的收入及開支按平均匯率換算(除非該平均匯率並非在有關交易日期當日通行匯率累積影響之合理估計內,則在該情況下,收支於有關交易日期當日換算);及
- (iii) 所有由此而產生之匯兌差額均於其他全面收入確認。

在編製綜合帳目時,換算任何海外實體投資淨額以及換算被指定為此等投資的對沖項目的借款及其他金融工具而產生的匯兌差額,均於其他全面收入確認。當出售海外業務或償付構成投資淨額之一部分之任何借貸時,相關的匯兌差額於綜合收入表重新歸類為銷售的部分收益或虧損。

收購海外業務時產生之商譽及公允價值調整乃作為該海外業務之資產及負債處理,並按收市匯率換算。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Properties, plant and equipment

Buildings, comprising mainly factories and offices, are shown at fair value, as determined by directors based on valuations by external independent valuers which are performed on an annual basis, less subsequent depreciation for land and buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to the fixed asset revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fixed asset revaluation reserve through other comprehensive income and all other decreases are expensed in the consolidated income statement.

Properties, plant and equipment are depreciated at rates sufficient to write off their cost or valuation to their residual values over their estimated useful lives on a straight-line basis. The principal annual rates are as follow:

Buildings	Lower of 5% or estimated useful life
Leasehold improvements	Shorter of lease term or estimated useful life
Plant and machinery	10% to 40%
Furniture, office equipment, vessel and motor vehicles	10% to 40%

2 編製基準及主要會計政策概要 (續)

2.8 物業、廠房及設備

樓宇主要包括工廠及辦公室，由董事根據外聘獨立估值師之年度估值以公允值列帳減土地及樓宇之其後折舊。於重估日期之任何累計折舊，與資產帳面總值對銷，而淨額則重列至資產的重估金額。所有其他廠房及設備，乃按歷史成本減累計折舊及減值虧損列帳。

歷史成本包括收購該項目直接產生之開支。其後成本只有在與該項目相關之未來經濟利益有可能流入本集團而該項目之成本能可靠計算時，才能包括在資產之帳面值或確認為獨立資產（如合適）。所有其他維修及保養費用，於其產生之財務年度於綜合收入表扣除。

土地及樓宇重估之帳面值增值部份乃計入權益中之固定資產重估儲備。用以抵銷同一項資產以往增值之減值乃直接扣減其他全面收入中之固定資產重估儲備，所有其餘減值則於綜合收入表支銷。

物業、廠房及設備折舊率需足以按直線法，根據該等資產之估計可使用年期撇銷其成本或估值至其餘值。主要年率如下：

樓宇	5%或估計可使用年期（以較低者為準）
租賃裝修	租期或估計可使用年期（以較短者為準）
廠房及機器	10%至40%
傢俬、辦公室設備、船舶及汽車	10%至40%

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Properties, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains – net" in the consolidated income statement.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings through other comprehensive income.

2.9 Impairment of investments in subsidiaries, an associate and a joint venture and other long-term non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2 編製基準及主要會計政策概要 (續)

2.8 物業、廠房及設備 (續)

於每個報告期末，本集團會審閱資產餘值及可使用年期，並作出調整（如合適）。

若資產的帳面值大於其估計可收回價值，該資產的帳面值須即時撇減至其可收回價值。

出售盈虧乃透過將所得款項與帳面值比較而釐定，並在綜合收入表之「其他收益－淨額」內確認。

倘若出售重估資產，計入其他儲備之金額將透過其他全面收入轉撥至保留盈利。

2.9 於附屬公司、聯營企業、合營企業及其他長期非金融資產之投資減值

沒有確定可使用年期之商譽和無形資產無需作攤銷，但需進行年度減值測試，如果事件或情況變化表明它們可能已減值，則需更頻繁地進行測試。每當其他事件或情況變化表明賬面價值可能無法收回時，應對其他資產進行減值測試。倘資產之帳面值超出其可收回款額，超出之款項將作減值虧損確認。可收回款額為資產公允值減出售成本或使用價值之較高者。就評估減值而言，資產按可分開識別現金流量之最低級別（現金產生單位）分組。倘商譽以外之非金融資產已減值，須於每個隨後的報告日期審查其可能出現之減值撥回。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Investments and other financial assets

2.10.1 Classification

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

- those to be measured subsequently at fair value through profit or loss (“FVPL”), and
- those to be measured at amortised cost.

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

For assets measured at fair value (including equity investments held for trading), gains and losses will be recorded in the consolidated income statement.

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

2.10.2 Recognition

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2.10.3 Measurement

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

2 編製基準及主要會計政策概要 (續)

2.10 投資及其他金融資產

2.10.1 分類

本集團將其金融資產分類為以下計量類別：

- 隨後按公允價值計量計入損益帳（「按公允價值計入損益帳」），及
- 按攤銷成本計量。

分類取決於實體管理金融資產的業務模式和現金流轉的合同條款。

對於按公允價值計量的資產（包括持作交易的權益投資），收益及虧損將計入綜合收入表。

僅當本集團管理這些資產的業務模式發生變化時，本集團才會對債務投資進行重新分類。

2.10.2 確認

常規買賣金融資產乃於交易日（即本集團承諾購買或出售資產的日期）確認。當從投資收取現金流轉之權利屆滿或轉移及本集團大致轉移其擁有權之一切風險及回報時，金融資產即終止確認。

2.10.3 計量

於初始確認時，本集團按金融資產的公允價值加上（倘為並非以公允價值計入損益帳的金融資產）直接歸屬於收購該金融資產的交易成本計量。按公允價值計入損益帳之金融資產之交易成本於損益內列支。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Investments and other financial assets (Continued)

2.10.3 Measurement (Continued)

Debt instruments

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

Equity instruments

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

Changes in the fair value of financial assets at FVPL are recognised in “revenue” in the consolidated income statement.

Transaction costs of financial assets at FVPL are expensed in the consolidated income statement.

2.10.4 Impairment

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

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

2 編製基準及主要會計政策概要 (續)

2.10 投資及其他金融資產 (續)

2.10.3 計量 (續)

債務工具

債務工具其後按攤銷成本計量，因為它們是為收取合約現金流轉而持有的，而這些現金流轉僅代表本金和利息的支付。這些金融資產的利息收入採用實際利率方法計入融資收入。終止確認產生的任何收益或虧損直接計入損益帳，並以「其他收益-淨額」連同匯兌收益及虧損列報。減值虧損於綜合收入表中以獨立項目列示。

權益工具

本集團隨後計量所有權益投資按公允值計入。當本集團管理層選擇在其他全面收入中列示權益工具之公允值收益及虧損，則在終止確認該投資時，公允值收益及虧損不會隨後重新分類為損益。於本集團收取股息之權利確立時，此等投資之股息繼續於損益帳中確認為收益。

按公允值計入損益帳之金融資產之公允值變動，在綜合收入表中確認為「收益」。

按公允值計入損益帳之金融資產之交易成本於綜合收入表內列支。

2.10.4 減值

本集團按預期基準評估與按攤銷成本計量的債務工具相關的預期信貸虧損。所採用的減值方法取決於信貸風險是否顯著增加。

就貿易應收款項而言，本集團採用香港財務報告準則第9號所准許的簡化方法，該方法規定預期全期虧損將於初步確認應收款項時確認，詳情見附註3.1(b)。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.12 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Cost is determined using the first-in, first-out (FIFO) method. The cost comprises materials, direct labour, and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. It excludes borrowing costs. 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.

2.13 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30-60 days and therefore are all classified as current. If collection of other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method. See Note 20 for further information about the Group's accounting for trade and other receivables and Note 3.1(b) for a description of the Group's impairment policies.

2 編製基準及主要會計政策概要 (續)

2.11 抵銷金融工具

當具有可合法強制執行之權利將已確認金額對銷，且有意按淨額基準結算或同時變現資產及結算負債時，金融資產及負債予以抵銷，並於綜合資產負債表以淨值報告。本集團未訂立不符合抵銷標準但仍允許相關帳目於若干情況下（如破產或終止合約）抵銷之安排。

2.12 存貨

原料、半製成品及製成品以成本值及可變現淨值兩者的較低者入帳。購入存貨之成本扣除回扣及折扣後釐定。成本乃按先入先出（「先入先出」）法釐定。成本包括原材料、直接勞工及適當比率的可變及固定間接費用開支，後者按正常營運能力分配。其不包括貸款成本。可變現淨值是在日常業務過程中的估計售價減估計完成成本及作出銷售的估計所需成本。

2.13 貿易及其他應收款項

貿易應收款項指就於日常業務過程中出售貨品或履行服務而應收客戶之款項。貿易應收款項通常應於三十至六十日內結算，因此均分類為即期。預期於一年或以內（或於正常業務經營週期（如較長））收回之其他應收款項分類為流動資產，否則呈列為非流動資產。

貿易及其他應收款項初步按公允值確認，其後以實際利率方法按攤銷成本計算，並扣除減值撥備。本集團持有貿易應收款項之目的是收取合約現金流轉，因此其後以實際利率方法按攤銷成本計量。有關本集團貿易及其他應收款項的會計處理，詳情見附註20以及有關本集團減值政策的說明，詳情見附註3.1(b)。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Cash and cash equivalents

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents include cash on hand, deposits held at call with bank and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.15 Share capital

Ordinary shares are classified as equity.

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

2.16 Trade and other payables

Trade and other payables represented liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities unless payment is not due within 12 months after the reporting period.

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

2.17 Borrowings

Borrowing is initially recognised at fair value, net of transaction costs incurred. Borrowing is subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 編製基準及主要會計政策概要 (續)

2.14 現金及現金等值項目

就於綜合現金流轉表呈列而言，現金及現金等值項目包括手頭現金、活期存款以及其他期限短、流動性強且易於轉換為已知金額現金的投資，該等投資的原始投資期限不超過三個月且價值變動風險不顯著。

2.15 股本

普通股被分類為權益。

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款項的減少（扣除稅項）。

2.16 貿易及其他應付款項

貿易及其他應付款項指於財務年度末前就提供予本集團之貨品及服務應承擔但尚未償付之負債。除非彼等在報告期後十二個月內尚未到期，否則呈列為流動負債。

貿易及其他應付款項初步按公允值確認，其後以實際利率方法按攤銷成本計算。

2.17 借貸

借貸初步按公允值（扣除已產生的交易成本）確認，其後按攤銷成本列帳。扣除交易成本後之所得款項及贖回金額出現差額，則於貸款期內以實際利率方法在損益內確認。

除非本集團有無條件權利將負債結算日期遞延至報告期末後至少十二個月，否則貸款將被劃分為流動負債。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.19 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 編製基準及主要會計政策概要 (續)

2.18 借貸成本

直接歸屬於收購、興建或生產合資格資產的一般及特定借貸成本，在完成及準備該資產以作其預定用途或銷售所必要的期間內予以資本化。合資格資產指必須經一段長時間準備以作其預定用途或銷售的資產。

就特定借貸，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借貸成本中扣除。

其他借貸成本在其產生期間支銷。

2.19 當期及遞延所得稅

期內所得稅開支或抵免指根據各司法權區的適用所得稅率按即期應課稅收入支付的稅項，而有關所得稅率經暫時差額及未使用稅務虧損所致的遞延稅項資產及負債變動調整。

(a) 當期所得稅

當期所得稅開支根據本集團之附屬公司營運及產生應課稅收入之國家於結算日已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款確定撥備。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Current and deferred income tax (Continued)

(b) Deferred income tax

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 編製基準及主要會計政策概要 (續)

2.19 當期及遞延所得稅 (續)

(b) 遞延所得稅

遞延所得稅以負債法，就資產及負債之稅基與其於綜合財務報表內之帳面值所產生之暫時差額全部確認。然而，倘遞延所得稅負債來自對商譽的初步確認，則不予確認；若遞延所得稅來自在交易（不包括業務合併）中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅損益，則不作記帳。遞延所得稅乃按結算日已頒佈或實質頒佈，及預期於相關遞延所得稅資產變現或遞延所得稅負債結清時適用之稅率（及法例）釐定。

遞延所得稅資產僅在未來應課稅金額將出現可利用該等暫時差額及虧損時予以確認。

倘本集團能控制撥回暫時差額的時間及該等差額很可能不會於可見將來撥回，則不會就海外業務投資帳面值與稅基之間的暫時差額確認遞延稅項負債及資產。

(c) 抵銷

倘若存在可依法強制執行的權利將即期稅項資產與即期稅項負債抵銷，及倘遞延所得稅資產及負債與同一稅務機構徵收之所得稅相關，則可將遞延所得稅資產與負債抵銷。倘實體有可依法強制執行抵銷權利且有意按淨值基準清償或同時變現資產及清償負債時，則即期稅項資產與稅項負債抵銷。

即期及遞延稅項於損益中確認，惟有關於其他全面收入或直接於權益確認的項目除外。於此情況下，稅項亦分別於其他全面收入或直接於權益確認。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Employee benefits

(i) Employee leave entitlement and long service payment

Liabilities for employee entitlements to annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

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

(ii) Pension obligations

The group companies in Hong Kong participate in a mandatory provident fund scheme. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The group companies in Mainland China participate in defined contribution retirement benefit plans organised by relevant government authorities for its employees in Mainland China and contribute to these plans based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans. The contributions are recognised as employee benefit expenses when they are due.

(iii) Bonus plans

The Group recognises a liability and an expense for bonuses, based on performance and takes into consideration the segment result. The Group recognises a provision where contractually obliged or where there is a post practice that has created a constructive obligation.

2 編製基準及主要會計政策概要 (續)

2.20 僱員福利

(i) 僱員休假權益及長期服務金

僱員直至報告期末之服務獲確認享有年假(預期在僱員提供相關服務期間結束後12個月內悉數結算),並按結算有關負債之預期金額計量。負債於綜合資產負債表內呈列為即期僱員福利責任。

僱員之病假及產假權益於休假時方予確認。

(ii) 退休金責任

本集團在香港之公司參加了強制性公積金計劃。定額供款計劃為本集團向一個獨立實體支付固定供款之一個退休金計劃。倘該基金並無持有足夠資產,向所有僱員就其在當期及以往期間之僱用服務支付福利,則本集團亦無法定或推定責任作出進一步供款。

本集團在中國大陸的公司每月按僱員薪金的一定比例(根據政府有關部門的規定不超過最高固定貨幣金額)向中國相關政府機構組織的退休福利計劃進行供款。政府機構承諾承擔根據該等計劃應付所有現有及未來退休僱員的退休福利責任。對該供款於到期時確認為僱員福利開支。

(iii) 獎金計劃

本集團根據表現以及考慮分部業績予以確認獎金的負債及開支。本集團就合約責任或有後期實施而建立之推定責任,確認撥備。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Employee benefits (Continued)

(iv) Termination benefits

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

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for the future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2 編製基準及主要會計政策概要 (續)

2.20 僱員福利 (續)

(iv) 離職福利

離職福利在本集團於正常退休日期前終止僱用或當僱員接受自願遣散以換取此等福利時應予支付。本集團於以下日期(以較早者為準)確認離職福利：(a)於本集團不能取消提供該等福利時；及(b)實體確認任何有關重組成本(在香港會計準則第37號之範圍內)並涉及支付離職福利款項時。在提出要約以鼓勵自願離職之情況下，離職福利乃根據預期接受要約之僱員人數計量。在報告期末後超過十二個月到期支付之福利應貼現為現值。

2.21 撥備

倘本集團需就過去事件承擔現有法律或推定責任而很可能導致資源流出以抵償責任，而有關金額能可靠地估計時，則確認有關撥備。不用就日後經營虧損確認撥備。

倘出現多項類似責任，解除責任需要資源流出的可能性乃經整體考慮債務類別後釐定。即使同類責任中任何一項需要資源流出的可能性甚低，仍須確認撥備。

撥備乃按於報告期末管理層對清償當前責任所需支出的最佳估計的現值計量。釐定現值使用之貼現率為反映市場當前對貨幣時間價值的評估及該責任特定風險的稅前利率。因時間流逝而增加的撥備確認為利息開支。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Revenue and other income

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from the sales of goods is the fair value of the consideration received or receivable for the sales of goods in the ordinary course of the Group's activities. It is recognised when control of the products has transferred, which generally coincides with the time when shipment is made, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

Net gains/(losses) from security trading arise from the disposal and remeasurement of financial instruments at FVPL and is included in "Revenue". All transactions related to securities trading are recorded in the consolidated financial statements based on trade dates. Accordingly, only those trade dates falling within the accounting year have been taken into account.

Dividend income is recognised when the rights to receive payment is established.

2.23 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2 編製基準及主要會計政策概要 (續)

2.22 收益及其他收入

如下所述，本集團於收益金額能可靠計量、未來經濟利益可能將流入實體及本集團的各項活動符合特定標準時確認收益。本集團根據過往業績，並於計及客戶類別、交易類別及各項安排之特性後作出估計。

出售貨品之收益指本集團日常業務活動過程中就出售貨品之已收或應收代價之公允值。其於產品控制權轉移時確認，一般與付運時同時發生，以及沒有可能影響客戶對產品接受程度的未履行責任。收益於扣除增值稅、退貨、回佣及折扣並抵銷本集團內銷售額後列示。

證券買賣之收益／(虧損)淨值乃來自按公允值計入損益帳之金融工具出售及重新計量，並計入「收益」中。所有與證券買賣有關之交易按交易日期記錄於綜合財務報表。因此，僅於會計年度內之交易日計入該等交易。

股息收入乃於可收取股息之權利確認時入帳。

2.23 利息收入

計算利息收入是以實際利率應用於金融資產之帳面總額，但期後變為信貸減值之金融資產除外。對於信貸減值之金融資產，實際利率適用於金融資產之帳面淨值(扣除虧損準備後)。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.25 Leases

As explained in Note 2.2, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in Note 2.2.

Until 31 December 2018, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

2 編製基準及主要會計政策概要 (續)

2.24 每股盈利

每股基本盈利

每股基本盈利之計算方法為：

- 歸屬於公司擁有人之溢利，不包括普通股以外之任何支付權益成本，除以
- 於財政年度內已發行普通股之加權平均數，就年內發行之普通股之紅利元素作出調整以及並不包括庫存股份。

每股攤薄盈利

每股攤薄盈利調整釐定每股基本盈利時所使用之數字以計及：

- 與潛在攤薄普通股有關之利息及其他融資成本之除所得稅後影響；及
- 假設所有潛在攤薄普通股換股，則將為已發行之額外普通股加權平均數。

2.25 租賃

如附註2.2所述，本集團已更改其作為承租人的租賃會計政策。下述對新政策和附註2.2所述變化的影響進行了說明。

直至二零一八年十二月三十一日，凡擁有權的大部分風險及回報沒有轉移給本集團作為承租人的租賃，均列作經營租賃。經營租賃的付款（扣除出租人給予的任何優惠）在租賃期內以直線法自損益扣除。

自二零一九年一月一日起，租賃在租賃資產可供本集團使用當日被確認為使用權資產和相應的負債。

合同可能包含租賃和非租賃組合。本集團選擇不將租賃和非租賃組合分開，而是將其作為單一租賃組合進行會計處理。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Leases (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and makes adjustments specific to the lease.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 編製基準及主要會計政策概要 (續)

2.25租賃 (續)

產生自租賃的資產及負債初步按現值基準計量。租賃負債包括以下租賃付款的現值淨額：

- 固定付款（包括本質上固定之付款），減任何應收租賃優惠
- 根據一項指數或利率計算的可變租賃付款，於使用開始日之指數或利率進行初始計量
- 預期將由本集團根據剩餘價值保證支付的金額
- 購買選擇權的行使價（倘可合理地確定本集團會行使該選擇權）；及
- 終止租賃的罰款（倘租賃條款反映本集團行使該選擇權）。

根據合理確定的延期選擇支付的租賃款也包括在負債計量中。

租賃付款額按照租賃內含利率貼現。如果無法確定該利率（此情況普遍存在於本集團租賃中），則應採用承租人的遞增借款利率，即個別承租人為在類似經濟環境以及類似條款、保證和條件下獲得使用權資產價值相近的資產所借入資金而必須支付的利率。

為釐定遞增借款利率，本集團使用個別承租人最近獲得的第三方融資為出發點作出調整以反映自獲得第三方融資以來融資條件的變動並進行特定於租約的調整。

租賃付款於本金及融資成本之間作出分配。融資成本在租賃期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Leases (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its buildings that are presented within properties, plant and equipment, it has chosen not to do so for the right-of-use offices held by the Group.

Payments associated with short-term leases of vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.26 Dividend distribution

Dividend distribution to the Company's equity holders is recognised as a liability in the Group's consolidated financial statements in the year in which the dividends are approved by the Company's shareholders.

2.27 Government grant

Grant from the government is recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

2 編製基準及主要會計政策概要 (續)

2.25租賃 (續)

使用權資產按成本計量，包括以下各項：

- 租賃負債的初步計量金額
- 於開始日期或之前所作的任何租賃付款減任何已收租賃優惠
- 任何初始直接費用，以及
- 恢復費用。

使用權資產一般按資產的可使用年期與租賃期兩者之中較短者以直線法進行折舊。倘本集團合理確定行使採購選擇權，則使用權資產於相關資產的可使用年期內予以折舊。本集團對物業、廠房及設備中呈列的樓宇進行重估，但對於本集團持有的辦公室使用權則不予重估。

與汽車有關的短期租賃及低價值資產的所有租賃相關的付款以直線法於損益確認為開支。短期租賃指租賃期為12個月或以下的租賃。

2.26 股息分派

分派予本公司權益持有人之股息於本公司股東批准之年度於本集團綜合財務報表中確認為負債。

2.27 政府補助

倘能夠合理確定將收到政府的補助及本集團將符合所有附帶條件，則政府補助將按其公允值確認。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 Related parties

A related party is a person or entity that is related to the Group.

- (i) A person or a close member of that person's family is related to the Group if that person:
 - (1) has control or joint control over the Group;
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Company or its parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (3) Both entities are joint ventures of the same third party.
 - (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (5) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

2 編製基準及主要會計政策概要 (續)

2.28 關聯方

關聯方為與本集團有關聯之個人或實體。

- (i) 倘屬以下人士，則該人士或該人士之近親與本集團有關聯：
 - (1) 控制或共同控制本集團；
 - (2) 對本集團有重大影響力；或
 - (3) 為本公司或其母公司之主要管理層成員。
- (ii) 倘符合下列任何條件，則該實體與本集團有關聯：
 - (1) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關聯）。
 - (2) 一間實體為另一實體之聯營企業或合營企業（或另一實體為集團旗下成員公司之聯營企業或合營企業之成員公司）。
 - (3) 兩間實體均為同一第三方之合營企業。
 - (4) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
 - (5) 實體為報告實體或與報告實體有關聯之實體就僱員利益設立之離職福利計劃。倘報告實體本身屬有關計劃，提供資助之僱主亦與報告實體有關聯。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 Related parties (Continued)

- (ii) An entity is related to the Group if any of the following conditions applies: (Continued)
- (6) The entity is controlled or jointly controlled by a person identified in (i).
- (7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity.
- (8) The entity (or any member of the group which the entity is a part) provides key management personnel services to the Company or its parent.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group has factories and offices in Hong Kong and Mainland China. Operating expenses of the Group are primarily denominated in HK\$ and Renminbi ("RMB"), whereas the Group's revenue from sale of goods are principally denominated in United States dollar ("US\$"). The Group is exposed to foreign exchange risk arising from the translation of US\$ to HK\$.

In the opinion of the directors, the HK\$ is reasonably stable against the US\$ under the Linked Exchange Rate System, and accordingly, no sensitivity analysis with respect to the US\$ is performed.

2 編製基準及主要會計政策概要 (續)

2.28 關聯方 (續)

- (ii) 倘符合下列任何條件，則該實體與本集團有關聯：(續)
- (6) 實體受(i)內所識別人士控制或共同控制。
- (7) (i)(1)內所識別人士對實體有重大影響力或屬該實體之主要管理層成員。
- (8) 該實體（或該實體所屬的集團之其他成員）提供關鍵管理人員服務予本公司或其母公司。

3 財務風險管理

3.1 財務風險因素

本集團活動面臨各種財務風險：市場風險（包括外匯風險、價格風險及現金流轉及公允值利率風險）、信貸風險及流動資金風險。本集團之整體風險管理計劃集中於金融市場不可預測之特性，並尋求盡量減低對本集團財務表現之潛在不利影響。

(a) 市場風險

(i) 外匯風險

本集團於香港及中國大陸均有工廠及辦事處。本集團之經營開支主要以港元及人民幣（「人民幣」）列值，而本集團之銷售貨品收益則主要以美元（「美元」）列值。因此，本集團面對美元兌港元所產生之外匯風險。

董事認為，根據聯繫匯率制度，港元兌美元相對穩定，因此並無就美元進行敏感度分析。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The Group has foreign operations, whose net assets expose the Group to foreign currency translation risks.

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

As at 31 December 2019, if HK\$ had strengthened/weakened by 5% (2018: 5%) against RMB with all other variables held constant, the Group's net assets at the year end would have been HK\$2,951,000 (2018: HK\$3,633,000) lower/higher, mainly as a result of foreign currency translation differences on translation of the foreign operations in Mainland China.

(ii) Price risk

The Group is exposed to equity securities price risk arises from equity investments held by the Group and classified on the consolidated balance sheet as financial asset at FVPL (Note 21). The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio, in accordance with the limits set by the Group.

The Group's equity investments for trading purpose are publicly traded or quoted in Hong Kong.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

本集團擁有海外業務，該等業務之資產淨值承受外幣匯兌風險。

在中國大陸的業務，大部分交易以人民幣列值。人民幣兌換為外幣需遵守中國政府頒佈的外匯管制條例。人民幣匯率於一年下來有所波動。於本年度並無採用金融工具作對沖目的。本集團正密切監察人民幣的貨幣兌換風險，並尋求任何機會以減輕人民幣貨幣兌換風險。

於二零一九年十二月三十一日，若港元兌人民幣升值／貶值5%（二零一八年：5%），而所有其他可變因素保持不變，則本集團於年終之資產淨值減少／增加2,951,000港元（二零一八年：3,633,000港元），此乃主要由於換算中國大陸海外業務而產生之外匯差額所致。

(ii) 價格風險

本集團面對因持有於綜合資產負債表分類為按公允值計入損益帳之金融資產（附註21）之股本投資而產生之股本證券價格風險。本集團並無商品價格風險。為管理自股本證券投資產生之價格風險，本集團根據本集團所設之限制分散其組合。

本集團作買賣用途之股本投資於香港作公開買賣或報價。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Price risk (Continued)

As 31 December 2019, if the listed price, quoted price or fair value of each equity investment classified as financial asset at FVPL has appreciated/depreciated by 10% (2018: 10%), with all other variables held constant, the Group's loss for the year would have been HK\$218,000 (2018: HK\$234,000) lower/higher, mainly as a result of unrealised gains/losses on equity securities classified as financial asset at FVPL.

(iii) Cash flow and fair value interest rate risk

As at 31 December 2019 and 2018, the Group does not have floating rate interest-bearing bank deposits and borrowings.

(b) Credit risk

Credit risk of the Group mainly arises from cash and cash equivalents and security investments with banks and financial institutions, as well as credit exposures to customers such as trade receivables and other counterparties. The carrying amounts of these balances in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets.

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables; and
- other financial assets at amortised cost

The Group's bank deposits are placed with banks and financial institutions which are highly reputable with multinational presences. Investment transactions are executed with financial institutions with sound credit ratings and the Group does not expect any significant counterparty risk. Management does not expect any losses from non-performance by these banks and financial institutions as they have no default history in the past.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 價格風險 (續)

於二零一九年十二月三十一日，倘每隻被分類為按公允值計入損益帳之金融資產之股本投資之牌價、報價或公允值增值／貶值10%（二零一八年：10%），而所有其他變數保持不變，本集團之年度虧損將減少／增加218,000港元（二零一八年：234,000港元），主要由於分類為按公允值計入損益帳之金融資產之股本證券之未變現收益／虧損。

(iii) 現金流轉及公允值利率風險

於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團並無按浮動利率計息之銀行存款及貸款。

(b) 信貸風險

本集團之信貸風險主要來自現金及現金等值項目及金融機構之存款及證券投資以及向客戶提供之信貸，包括貿易應收款項及其他應收款項。此等於綜合資產負債表內之款項之帳面值乃本集團有關金融資產之最高信貸風險。

本集團兩類金融資產受預期信貸虧損模型影響：

- 貿易應收款項；及
- 按攤銷成本計量之其他金融資產

本集團之銀行存款存於知名跨國銀行及金融機構。證券交易乃由信貸評級良好之金融機構執行，本集團不預期有任何重大交易對手風險。管理層並不預期會因該等銀行及金融機構不能履行合約而產生任何虧損，此乃由於彼等於過往並無違約記錄。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Trade receivables

For trade receivables, the Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2019 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as impairment losses within other operating expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

The expected credit loss for trade receivables not yet due is close to zero and an expected credit loss rate of approximately 0.03% – 0.24% (2018: 0.03% – 0.23%) for trade receivables past due, the impact of the expected loss is assessed to be immaterial and no loss allowance is needed under the expected credit loss model.

(ii) Other financial assets at amortised cost

The Group applies a 12-month expected credit loss on other financial assets at amortised cost. Management considered among other factors, analysed historical pattern and concluded that the expected credit loss for other financial assets at amortised cost to be immaterial as the credit risk is assessed as low.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 貿易應收款項

就貿易應收款項而言，本集團採用香港財務報告準則第9號簡化法計量預期信貸虧損，即就所有貿易應收款項計提全期預期虧損撥備。為計量預期信貸虧損，貿易應收款項已按共享信貸風險特徵及逾期天數分組。

預期信貸虧損率是基於分別在2019年12月31日前之36個月之銷售支付概況以及此期間相應的歷史信貸虧損釐定。為反映現時及前瞻性之宏觀經濟因素信息對客戶結清應收款項能力之影響，而對過往的虧損率進行調整。

貿易應收款項於並無合理收回期望時撇銷。貿易應收款項之減值虧損於其他經營開支內列作減值虧損。其後收回前期已撇銷之金額將記入同一項目。

尚未到期之貿易應收款項之預期信貸虧損接近於零以及逾期貿易應收款項之預期信貸虧損率約為0.03%至0.24% (2018: 0.03%-0.23%)。由於評估預期虧損並無重大影響，因此在預期信貸虧損模型下不需要進一步的虧損撥備。

(ii) 按攤銷成本計量之其他金融資產

本集團於按攤銷成本計量之其他金融資產應用12個月預期信貸虧損。管理層考慮了其他因素，分析了過往的模式並得出結論認為按攤銷成本計量之其他金融資產之預期信貸虧損並不重大，因為信貸風險評估為低。

3 FINANCIAL RISK MANAGEMENT (Continued)**3.1 Financial risk factors (Continued)***(c) Liquidity risk*

The Group meets its day to day working capital requirements, capital expenditure and financial obligations through cash inflow from operating activities and issue of new shares.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

		Within 1 year 一年內 HK\$'000 千港元	Between 2 and 5 years 2至5年之間 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2019	於二零一九年 十二月三十一日			
Trade and other payables	貿易及其他應付款項	60,166	–	60,166
Lease liabilities	租賃負債	2,129	3,290	5,419
		62,295	3,290	65,585
As at 31 December 2018	於二零一八年 十二月三十一日			
Trade and other payables	貿易及其他應付款項	64,759	–	64,759
Borrowing	貸款	5,889	–	5,889
		70,648	–	70,648

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holders, return capital to equity holders, issue new shares or sell assets to reduce debt.

3 財務風險管理 (續)**3.1 財務風險因素 (續)***(c) 流動資金風險*

本集團透過經營活動之現金流入額及發行新股應付日常營運資金所需、資本開支及財務責任。

下表分析本集團之金融負債，根據由結算日至合約到期日之剩餘期間按照相關之到期組別進行分析。下表披露之金額為合約未貼現現金流轉。由於貼現之影響不大，故此在十二個月內到期之結餘相等於其帳面值。

3.2 資本管理

本集團的資金管理政策，是保障本集團能繼續營運，以為股東提供回報和為其他權益持有人提供利益，同時維持最佳的資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整支付予股東之股息數額、向權益持有人分派的資本返還、發行新股或出售資產以減低債務。

3 FINANCIAL RISK MANAGEMENT (Continued)**3.2 Capital management (Continued)**

The Group monitors its capital on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated balance sheet.

Cash and cash equivalents (Note 22)	現金及現金等值項目(附註22)
Less: Borrowing (Note 25)	減: 貸款(附註25)
Lease liabilities (Note 14(b))	租賃負債(附註14(b))
Net cash	現金淨值
Total capital	總權益
Gearing ratio	資本負債比率

The Group maintained a net cash position as at 31 December 2019 and 2018, hence the gearing ratio is not applicable. There was no changes in the Group's approach to capital management during the year.

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2019 and 2018 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (level 3).

3 財務風險管理(續)**3.2 資本管理(續)**

本集團根據資本負債比率對資本進行監控。資本負債比率乃按債務淨額除以資本總額計算。債務淨額按借貸總額減現金及現金等值項目。資本總額是以綜合資產負債表所列權益計算。

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash and cash equivalents (Note 22)	47,600	71,084
Less: Borrowing (Note 25)	-	(5,682)
Lease liabilities (Note 14(b))	(5,168)	-
Net cash	42,432	65,402
Total capital	151,305	160,754
Gearing ratio	N/A	N/A

本集團於二零一九年及二零一八年十二月三十一日維持現金淨額狀況。年內，本集團之資本管理方法並無任何變動。

3.3 公允值之估值

下表載列按計量公允值所用估值技術輸入資料等級分析本集團於二零一九年十二月三十一日及二零一八年十二月三十一日按公允值列帳之金融工具。所輸入資料按以下三個公允值等級分類：

- 相同資產或負債於交投活躍市場之報價(未經調整)(第一級)。
- 除第一級之報價外，可直接(即如價格)或間接(即由價格衍生)觀察的資產或負債的輸入值(第二級)。
- 資產或負債的輸入資料並非依據可觀察的市場數據(即不可觀察輸入資料)(第三級)。

3 FINANCIAL RISK MANAGEMENT (Continued)**3.3 Fair value estimation (Continued)**

At 31 December 2019 and 2018, financial instruments at FVPL held by the Group were as follows:

Assets

Financial asset at FVPL
– Trading securities

資產

按公允值計入損益帳之金融資產
– 交易證券

Level 1	
第一級	
2019	2018
二零一九年	二零一八年
HK\$'000	HK\$'000
千港元	千港元

2,177

2,337

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The carrying values of the Group's other financial assets, which are deposits, trade and other receivables and cash and cash equivalents and financial liabilities, which are trade and other payables and lease liabilities approximate their fair values due to their short maturities.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

3 財務風險管理 (續)**3.3 公允值之估值 (續)**

於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團所持有按公允值計入損益帳之金融工具如下：

於第一級之金融工具

於交投活躍市場買賣之金融工具公允值乃根據結算日之市場報價列帳。當報價可即時和定期從證券交易所、交易商、經紀、業內人士、定價服務者或監管代理獲得，而該等報價代表按公平交易基準進行之實際和常規市場交易時，該市場被視為交投活躍。本集團持有金融資產之市場報價為當時之買盤價。此等工具包括在第一級。

由於在短期內到期，本集團之其他金融資產（即按金、貿易及其他應收款項及現金及現金等值項目）及金融負債（即貿易及其他應付款項及租賃負債）之帳面值與其公允值相若。

於第二級之金融工具

沒有於交投活躍市場買賣之金融工具（如場外衍生工具）之公允值乃採用估值技術釐定。此等估值技術儘量利用可觀察市場數據（如有），儘量少依賴實體之特定估算。倘計算金融工具之公允值所需之所有重大輸入資料屬可觀察，則該金融工具列入第二級。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group's buildings classified under properties, plant and equipment are carried at fair value at reporting period end. Details of the fair value measurement of these land and buildings are disclosed in Note 14(a).

During the year ended 31 December 2019, there were no transfer of financial instruments between levels 1, 2 and 3 (2018: same).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Income taxes and deferred tax

The Group is subject to income taxes in Hong Kong and Mainland China. Significant judgement is required in determining the provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences are recognised as the management of the Group considers it is probable that future taxable profits will be available against which temporary differences or tax losses can be utilised. Where the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets in the period in which such estimates have been changed.

3 財務風險管理 (續)

3.3 公允值之估值 (續)

於第三級之金融工具

倘一項或多項重大輸入資料並非根據可觀察市場數據，則該金融工具列入第三級。

本集團分類為物業、廠房及設備之樓宇乃於報告期末按公允值列帳。該等土地及樓宇之公允值計量之詳情於附註14(a)披露。

截至二零一九年十二月三十一日止年度第一級、第二級和第三級之間沒有金融工具的轉移(二零一八年:相同)。

4 關鍵會計估算及判斷

編製財務報表須使用會計估算，根據定義，該等估算很少等於實際結果。管理層亦需對本集團應用會計政策作出判斷。

估算及判斷會被持續評估，其乃以過往經驗及其他因素為基準，包括在目前情況下可能對實體產生財務影響且相信為合理之預期日後事件。

(a) 所得稅及遞延稅項

本集團須繳納香港及中國大陸之所得稅。釐定所得稅撥備時需要作出重大判斷。本集團按照會否出現額外到期稅項之估計確認預期稅項審計事宜所產生之負債。倘若該等事宜之最終稅項結果與初始記錄金額不同，則有關差額將會影響作出決定期間之當期及遞延所得稅資產及負債。

有關若干臨時差額之遞延稅項資產，乃於本集團管理層認為日後可能會出現應課稅溢利以用作抵銷臨時差額或稅項虧損時確認。倘若該等預期與原來估計有差異，該等差額將影響期間所確認之遞延稅項資產，因有關估計已更改。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Useful lives, residual values and depreciation of properties, plant and equipment

Management determines the estimated useful lives, residual values and related depreciation charges for its properties, plant and equipment. This estimate is based on the historical experience of the actual useful lives of properties, plant and equipment of similar nature and functions. The management of the Group will increase the depreciation charge where useful lives are less than previously estimated lives, it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in the future period.

(c) Impairment of properties, plant and equipment and right-of-use assets

The Group assesses annually whether properties, plant and equipment and right-of-use assets exhibit any indications of impairment. The recoverable amounts, if required, are determined based on value-in-use calculations or market valuations. These calculations require the use of judgment and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset value may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to dispose or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates, could materially affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated income statement.

4 關鍵會計估算及判斷 (續)

(b) 物業、廠房及設備之可使用年期、剩餘價值及折舊

管理層就其物業、廠房及設備決定估計可使用年期、剩餘價值及相關折舊開支。此項估計乃按照性質及用途相似之物業、廠房及設備之實際可使用年期之過往經驗而作出。本集團管理層將於可使用年期少於過往之估計年期時增加折舊開支，撤銷或撇減技術上陳舊或非策略性而已遭廢棄或出售的資產。實際經濟年期或會與估計可使用年期有所不同；實際剩餘價值亦可能會與估計剩餘價值有所不同。定期審閱可導致可予折舊年期及剩餘價值有所更改，從而導致未來期間之折舊開支有所更改。

(c) 物業、廠房及設備及使用權資產之減值

本集團每年評估物業、廠房及設備及使用權資產有否減值跡象。可收回金額（如有規定）乃根據使用價值計算方法或市場估值釐定。該等計算需要作出判斷及估計。

管理層釐定資產減值須運用判斷，尤其為評定：(i)是否已出現可能顯示有關資產價值或無法收回之事件；(ii)可收回金額（即公允值減出售成本或估計繼續在業務中使用資產所帶來之未來現金流轉現值淨額二者之較高者）是否足以支持資產帳面值；及(iii)編製現金流轉預測所用之主要假設是否恰當，包括該等現金流轉預測是否以適當利率貼現。管理層於評估減值時選擇之假設（包括貼現率）若有所變化，或會對減值測試所用之現值淨額帶來重大影響，從而影響本集團之財務狀況及經營業績。倘預測表現及所得之未來現金流轉預測出現重大不利變動，則可能須於綜合收入表中計提減值開支。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Buildings in properties, plant and equipment carried at valuation

Buildings in properties, plant and equipment, comprise mainly factories and offices, are shown at fair values determined by directors based on valuations performed by external independent valuers on an annual basis. In arriving at the valuations, significant judgement, assumptions and economic estimates have to be made. The key assumptions applied in the fair value measurement of the buildings are disclosed in Note 14(a).

(e) Impairment of trade receivables

The loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past collection history of each customer, existing market conditions as well as forward looking estimates at the end of each reporting period.

5 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in garment manufacturing and trading and securities investment.

Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors.

The chief operating decision-maker has been identified as the board of directors of the Group. Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to assess performance and allocate resources. The chief operating decision-maker considers the business principally from the operations nature, with two segments identified: garment manufacturing and trading segment and securities investment segment.

4 關鍵會計估算及判斷 (續)

(d) 物業、廠房及設備中按估值列帳之樓宇

物業、廠房及設備中之樓宇主要包括工廠及辦公室，並由董事根據外聘獨立估值師之年度估值以公允值列帳。於釐定估值時，須作出重大判斷、假設及經濟估計。應用於樓宇之公允值計量之主要假設於附註14(a)中披露。

(e) 貿易應收款項之減值

貿易應收款項之虧損撥備乃基於有關違約風險及預期虧損率之假設。本集團使用判斷作出該等假設及選擇減值計算的輸入數據，乃根據每個客戶過往之收款記錄，現有市場狀況以及各報告期末的前瞻性估算。

5 收益及分部資料

本集團主要從事成衣製造及貿易以及證券投資。

營運分部按照與向董事會提供之內部報告一致之方式報告。

主要營運決策者被識辨為本集團董事會。管理層乃根據經主要營運決策者審閱之報告(用於評估表現及分配資源)釐定營運分部。主要營運決策者主要從營運性質考慮業務，並識辨兩個分部：成衣製造及貿易分部以及證券投資分部。

5 REVENUE AND SEGMENT INFORMATION (Continued)

The board of directors assesses the performance of the operating segments based on a measure of adjusted operating results. This measurement basis represented operating loss excluding material gain or loss which is capital in nature or of non-recurring nature such as impairment.

The Group recognises all of its revenue at a point in time for the years ended 31 December 2019 and 2018 and there is no contract assets nor contract liabilities as at 31 December 2019 and 2018.

Revenue recognised during the year is as follows:

5 收益及分部資料 (續)

董事會根據經調整經營業績基準評估營運分部之表現。此評估基準代表經營虧損不包括屬資本性質或非經常性質之重大收益或虧損(如減值)。

本集團於截至二零一九年及二零一八年十二月三十一日止年度之時間點內確認其所有收益，並且於二零一九年及二零一八年十二月三十一日並無合約資產或合約負債。

於年內確認之收益如下：

		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
Garment manufacturing and trading:	成衣製造及貿易：		
Sale of garment products	銷售成衣產品	331,167	328,625
Sale of scrap materials	銷售廢棄物料	595	881
		331,762	329,506
Securities investment:	證券投資：		
Fair value loss on financial asset at FVPL	按公允值計入損益帳之 金融資產公允值虧損	(160)	(1,181)
Dividend income from listed equity securities	自上市股本證券之股息收入	120	188
		(40)	(993)
		331,722	328,513

5 REVENUE AND SEGMENT INFORMATION
(Continued)

5 收益及分部資料 (續)

The segment information for the year ended and as at 31 December 2019 by business segment is as follows:

截至二零一九年十二月三十一日止年度及於二零一九年十二月三十一日，按業務分部劃分之分部資料如下：

		Garment manufacturing and trading segment 成衣製造及 貿易分部 HK\$'000 千港元	Securities investment segment 證券投資分部 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益	331,762	(40)	331,722
Reportable segment results	可報告分部業績	(780)	(5,644)	(6,424)
Other gains – net	其他收益 – 淨額			283
Corporate administrative expenses	企業行政開支			(11,202)
Reversal of impairment loss on loans to an associate	就授予一間聯營企業之 貸款減值虧損撥回			3,462
Operating loss	經營虧損			(13,881)
Finance income	融資收入			252
Finance expense	融資開支			(1,196)
Loss before income tax	除所得稅前虧損			(14,825)
Income tax expense	所得稅開支			–
Loss for the year	年度虧損			(14,825)
		Garment manufacturing and trading segment 成衣製造及 貿易分部 HK\$'000 千港元	Securities investment segment 證券投資分部 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Reportable segment assets	可報告分部資產	190,507	4,151	194,658
Unallocated corporate assets	不能分攤之企業資產			35,282
Total assets	總資產			229,940

Notes to the Consolidated Financial Statements 綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION (Continued)

The segment information for the year ended and as at 31 December 2018 by business segment is as follows:

5 收益及分部資料 (續)

截至二零一八年十二月三十一日止年度及於二零一八年十二月三十一日，按業務分部劃分之分部資料如下：

		Garment manufacturing and trading segment 成衣製造及 貿易分部 HK\$'000 千港元	Securities investment segment 證券投資分部 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益	329,506	(993)	328,513
Reportable segment results	可報告分部業績	1,072	(8,020)	(6,948)
Other gain – net	其他收益 – 淨額			211
Corporate administrative expenses	企業行政開支			(11,944)
Impairment loss on loans to an associate	就授予一間聯營企業之 貸款減值虧損			(5,445)
Operating loss	經營虧損			(24,126)
Finance income	融資收入			394
Finance expense	融資開支			(818)
Share of result of an associate	應佔一間聯營企業之業績			(26,065)
Loss before income tax	除所得稅前虧損			(50,615)
Income tax expense	所得稅開支			–
Loss for the year	年度虧損			(50,615)
		Garment manufacturing and trading segment 成衣製造及 貿易分部 HK\$'000 千港元	Securities investment segment 證券投資分部 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Reportable segment assets	可報告分部資產	189,206	6,337	195,543
Unallocated corporate assets	不能分攤之企業資產			47,472
Total assets	總資產			243,015

Segment liabilities are measured in the same way as in the consolidated financial statements. These liabilities are allocated based on the operations of the segment.

分部負債按與綜合財務報表相同的方式計量。此等負債根據分部經營而分配。

5 REVENUE AND SEGMENT INFORMATION (Continued)

One (2018: one) external garment manufacturing and trading customer contributed more than 10% revenue of the Group.

5 收益及分部資料(續)

一名(二零一八年:一名)外部成衣製造及貿易客戶佔本集團收入逾10%。

		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
Customer A	客戶A	327,406	319,682

The following table sets out information about the geographical location of the Group's revenue and non-current assets. In presenting the geographical information, segment revenue is based on the geographical location of external customers and segment non-current assets are based on the geographical location of the assets.

下表載列有關本集團收益及非流動資產之地理位置資料。呈列地域資料時，分部收益乃基於外部客戶之地理位置，而分部非流動資產則基於資產之地理位置。

		Revenue		Non-current assets	
		收益		非流動資產	
		2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
United States of America	美國	190,600	183,775	-	-
Mainland China	中國大陸	-	-	68,777	67,989
Europe	歐洲	95,812	102,507	-	-
Hong Kong	香港	14,215	13,206	11,731	6,853
Rest of the World	世界其他地區	31,095	29,025	-	-
		331,722	328,513	80,508	74,842

6 OTHER GAINS – NET**6 其他收益—淨額**

		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
Gains/(losses) on disposal of properties, plant and equipment	出售物業、廠房及設備之收益/(虧損)	166	(576)
Government subsidies	政府補助	35	-
Other	其他	82	787
		283	211

Notes to the Consolidated Financial Statements 綜合財務報表附註

7 EXPENSES BY NATURE

Operating loss is stated after charging/(crediting) the following:

7 按性質分類之開支

經營虧損經已扣除／(計入)下列各項呈列如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw materials used	已耗用之原材料	171,439	143,895
Changes in inventories of finished goods and work in progress	製成品及半製成品之存貨變動	(9,827)	13,601
Subcontracting and processing charges	分包及加工費用	63,346	50,736
Depreciation of properties, plant and equipment (Note 14(a))	物業、廠房及設備之折舊 (附註14(a))	7,285	5,986
Depreciation of right-of-use assets (Note 14(b))	使用權資產之折舊(附註14(b))	1,687	-
Amortisation of land use rights (Note 17)	土地使用權之攤銷(附註17)	-	253
Employee benefit expense (excluding directors' emoluments) (Note 12)	僱員福利開支(不包括董事酬金) (附註12)	78,502	100,345
Directors' emoluments (Note 13)	董事酬金(附註13)	3,306	3,315
Operating lease rentals – land and buildings	經營租賃租金—土地及樓宇	915	2,326
Auditor's remuneration	核數師酬金		
– Audit services	– 審計服務	1,521	1,564
– Non-audit services	– 非審計服務	-	138
Securities brokerage and transaction fees	證券經紀及交易費用	-	1
Other	其他	31,174	25,245
		349,348	347,405
Total cost of sales, selling expenses and administrative expenses	銷售成本、銷售開支及 行政開支總額	349,348	347,405

8 FINANCE EXPENSE – NET

8 融資開支—淨額

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Finance income:	融資收入：		
Interest income on short-term bank deposits	短期銀行存款之利息收入	153	127
Interest income on loans to an associate	貸款予一間聯營企業之利息收入	99	228
Interest income on other loans to a third party	授予一名第三方的其他貸款之 利息收入	-	39
		252	394
Finance expense:	融資開支：		
Interest expense on borrowings	貸款之利息開支	(1,038)	(818)
Interest and finance charges on lease liabilities	租賃負債之利息及財務費用	(158)	-
		(1,196)	(818)
Finance expense – net	融資開支—淨額	(944)	(424)

9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the year. The operation in Mainland China is subject to Mainland China corporate income tax at the rate of 25% for the year ended 31 December 2019 (2018: 25%).

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the consolidated entities:

9 所得稅開支

香港利得稅乃根據年內估計應課稅溢利，按稅率16.5%（二零一八年：16.5%）計提撥備。截至二零一九年十二月三十一日止年度，中國大陸業務須按25%稅率（二零一八年：25%）繳納中國企業所得稅。

本集團除所得稅前虧損之稅項有別於採用綜合實體虧損適用之加權平均稅率所產生之理論金額：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(14,825)	(50,615)
Tax calculated at domestic tax rates applicable to losses in the respective countries	就所在國家之虧損按當地適用稅率計算之稅項	(3,443)	(8,693)
Tax effects of:	稅項影響：		
Share of loss of an associate	分佔一間聯營企業虧損	-	4,301
Income not subject to tax	無須課稅之收入	(645)	(89)
Expenses not deductible for tax purposes	不可扣稅之開支	1,458	1,951
Tax losses for which no deferred income tax assets were recognised	未確認遞延所得稅資產之稅項虧損	3,747	2,814
Utilisation of previously unrecognised tax losses	利用以前未確認稅項虧損	(1,117)	(284)
		-	-

Notes to the Consolidated Financial Statements 綜合財務報表附註

9 INCOME TAX EXPENSE (Continued)

The tax charge relating to components of other comprehensive income is as follows:

		2019 二零一九年			2018 二零一八年		
		Before Tax 除稅前 HK\$'000 千港元	Tax charge 稅項開支 HK\$'000 千港元	After tax 除稅後 HK\$'000 千港元	Before tax 除稅前 HK\$'000 千港元	Tax charge 稅項開支 HK\$'000 千港元	After tax 除稅後 HK\$'000 千港元
Fair value gains on properties, plant and equipment	物業、廠房及設備之公允值收益	5,926	(1,481)	4,445	14,006	(3,501)	10,505
Other comprehensive income	其他全面收入	5,926	(1,481)	4,445	14,006	(3,501)	10,505
Deferred tax (Note 23)	遞延所得稅(附註23)		(1,481)			(3,501)	

與其他全面收入組成部份有關的稅務開支如下：

10 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Diluted loss per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. As there is no dilutive potential ordinary shares for the years ended 31 December 2019 and 2018, the diluted loss per share equals the basic loss per share.

10 每股虧損

每股基本虧損乃根據本公司權益持有人應佔虧損除以年內已發行普通股股數之加權平均數計算。每股攤薄虧損在假設所有潛在攤薄性普通股已轉換的情況下，經調整普通股加權平均數計算。由於截至二零一八年十二月三十一日及截至二零一九年十二月三十一日止年度，本公司並無攤薄性普通股，故每股攤薄虧損等於每股基本虧損。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss attributable to equity holders of the Company	本公司權益持有人應佔虧損	(14,825)	(50,615)
Weighted average number of ordinary shares in issue (thousands)	已發行普通股股數之加權平均數(千股)	818,042	818,042
Basic and diluted loss per share (HK cents per share)	每股基本及攤薄虧損(每股港仙)	(1.81)	(6.19)

11 DIVIDENDS

The Company has not declared any dividends for the years ended 31 December 2019 and 2018.

12 EMPLOYEE BENEFIT EXPENSE (EXCLUDING DIRECTORS' EMOLUMENTS)

Wages and salaries	薪金及酬金
Bonus	獎金
Pension costs	退休金成本
– Hong Kong	– 香港
– Mainland China	– 中國大陸

No forfeited contributions to the mandatory provident fund scheme (the "MPF Scheme") were utilised during the year (2018: Nil).

There was no contribution payable in relation to the MPF Scheme at the year end (2018: Nil).

The Group operates/participates in the following pension and post retirement plans:

- (i) The MPF Scheme for employees in Hong Kong, under which the Group and its employee each make a monthly contribution to the scheme at 5% of the qualifying earnings of the employee, subject to a monthly cap of HK\$1,500.
- (ii) The Group's subsidiaries in Mainland China contribute approximately 11% of the basic salaries of their employees to retirement schemes operated by municipal governments. Other than the mandatory contributions, the Group has no further obligations for the actual pension payments or any post retirement benefits. The retirement schemes are responsible for the entire pension obligations payable to retired employees. In addition, according to the labor law in Mainland China, the employer is required to pay retirement benefits to the employees when employment is terminated by the employer before the normal retirement date.

11 股息

本公司不宣派截至二零一九年及二零一八年十二月三十一日止年度之股息。

12 僱員福利開支(不包括董事酬金)

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Wages and salaries	62,649	85,318
Bonus	10,258	9,434
Pension costs		
– Hong Kong	261	244
– Mainland China	5,334	5,349
	78,502	100,345

年內並無動用已沒收強制性公積金計劃(「強積金計劃」)供款(二零一八年:無)。

於年底並無有關強積金計劃之應付供款(二零一八年:無)。

本集團實行/參與以下退休金及退休後計劃:

- (i) 為香港僱員而設之強積金計劃規定,本集團及其僱員各均須按僱員合資格入息之5%向計劃作每月供款,惟每月供款額上限為1,500港元。
- (ii) 本集團於中國大陸之附屬公司按僱員基本薪金約11%向市政府設立之退休計劃作出供款。除強制性供款外,本集團並無其他實質退休金或退休後福利之承擔。該等退休計劃負責全部應付予退休僱員之退休金承擔。此外,按照中國大陸之勞動法,僱主若於僱員正常退休日期前終止聘用僱員,則須向僱員支付退休福利。

13 BENEFIT AND INTEREST OF THE DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive is set out below:

For the year ended 31 December 2019:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings:

Name of Director	董事姓名	Fees	Salary	Bonus	Housing allowance	Estimated money value of other benefits (Note i) 其他福利之估計貨幣價值 (附註 i)	Employer's contribution to the MPF Scheme 強積金計劃僱主供款	Total
		袍金 HK\$'000 千港元	薪酬 HK\$'000 千港元	獎金 HK\$'000 千港元	房屋津貼 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	總計 HK\$'000 千港元
<i>Chairman</i>	<i>主席</i>							
Mr Li Haifeng	李海楓先生	120	1,830	-	-	-	18	1,968
<i>Executive director</i>	<i>執行董事</i>							
Mr Wang Ke	王科先生	260	520	-	-	-	18	798
<i>Non-executive director</i>	<i>非執行董事</i>							
Mr Lee Sheng Kuang, James (Ceased appointment on 1 April 2019)	李勝光先生 (於二零一九年 四月一日終止委任)	60	-	-	-	-	-	60
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>							
Mr Yau Wing Yiu	邱永耀先生	240	-	-	-	-	-	240
Mr Zhang Zhenyi	張振義先生	120	-	-	-	-	-	120
Ms Zheng Xianzhi	鄭先智女士	120	-	-	-	-	-	120
		920	2,350	-	-	-	36	3,306

13 董事福利及權益

(a) 董事及最高行政人員酬金

各董事及最高行政人員之酬金列載如下：

截至二零一九年十二月三十一日止年度：

就擔任本公司或其附屬公司董事職務之人士已付或應付之酬金：

13 BENEFIT AND INTEREST OF THE DIRECTORS
(Continued)

(a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2018:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings:

Name of Director	董事姓名	Fees	Salary	Bonus	Housing allowance	Estimated money value of other benefits (Note i) 其他福利之估計貨幣價值 (附註 i)	Employer's contribution to the MPF Scheme 強積金計劃 僱主供款	Total
		袍金 HK\$'000 千港元	薪酬 HK\$'000 千港元	獎金 HK\$'000 千港元	房屋津貼 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	總計 HK\$'000 千港元
<i>Chairman</i> Mr Li Haifeng	主席 李海楓先生	120	1,830	-	-	-	18	1,968
Executive director Mr Wang Ke (Appointed on 19 March 2018)	執行董事 王科先生 (於二零一八年 三月十九日獲委任)	204	408	-	-	-	15	627
<i>Non-executive director</i> Mr Lee Sheng Kuang, James	非執行董事 李勝光先生	240	-	-	-	-	-	240
<i>Independent non-executive directors</i> Mr Yau Wing Yiu Mr Zhang Zhenyi Ms Zheng Xianzhi	獨立非執行董事 邱永耀先生 張振義先生 鄭先智女士	240 120 120	- - -	- - -	- - -	- - -	- - -	240 120 120
		1,044	2,238	-	-	-	33	3,315

(i) Other benefits include leave pay and share option benefits and housing allowances.

During the year, no director has waived any emoluments (2018: Nil).

13 董事福利及權益 (續)

(a) 董事及最高行政人員酬金 (續)

截至二零一八年十二月三十一日止年度:

就擔任本公司或其附屬公司董事職務之人士已付或應付之酬金:

Name of Director	董事姓名	Fees	Salary	Bonus	Housing allowance	Estimated money value of other benefits (Note i) 其他福利之估計貨幣價值 (附註 i)	Employer's contribution to the MPF Scheme 強積金計劃 僱主供款	Total
		袍金 HK\$'000 千港元	薪酬 HK\$'000 千港元	獎金 HK\$'000 千港元	房屋津貼 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	總計 HK\$'000 千港元
<i>Chairman</i> Mr Li Haifeng	主席 李海楓先生	120	1,830	-	-	-	18	1,968
Executive director Mr Wang Ke (Appointed on 19 March 2018)	執行董事 王科先生 (於二零一八年 三月十九日獲委任)	204	408	-	-	-	15	627
<i>Non-executive director</i> Mr Lee Sheng Kuang, James	非執行董事 李勝光先生	240	-	-	-	-	-	240
<i>Independent non-executive directors</i> Mr Yau Wing Yiu Mr Zhang Zhenyi Ms Zheng Xianzhi	獨立非執行董事 邱永耀先生 張振義先生 鄭先智女士	240 120 120	- - -	- - -	- - -	- - -	- - -	240 120 120
		1,044	2,238	-	-	-	33	3,315

(i) 其他福利包括有薪假及購股權福利及房屋津貼。

於年內，概無董事放棄任何酬金(二零一八年：無)。

**13 BENEFIT AND INTEREST OF THE DIRECTORS
(Continued)**

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2018: one) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2018: four) individuals during the year are as follows:

13 董事福利及權益 (續)

(b) 董事於交易、安排或合約之重大權益

本公司董事概無於本公司或其任何附屬公司訂立而與本集團業務有重大關係，且於本年度結束或於年內任何時間仍然有效之交易、安排及合約中直接或間接擁有重大利益。

(c) 五名最高薪酬人士

年內，本集團之五名最高薪酬人士包括二名（二零一八年：一名）董事，彼等之酬金已於上述分析中反映。年內應付予餘下三名（二零一八：四名）人士之酬金如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Basic salaries, housing allowances, other allowances and benefits-in-kind	基本薪金、房屋津貼、其他津貼及實物利益	2,887	5,596
Contributions to the MPF Scheme	強積金計劃供款	54	53
		2,941	5,649

The emoluments fell within the following bands:

酬金範圍如下：

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Emolument bands	酬金範圍		
HK\$500,000 – HK\$999,999	500,000港元–999,999港元	1	–
HK\$1,000,000 – HK\$1,499,999	1,000,000港元–1,499,999港元	2	2
HK\$1,500,000 – HK\$1,999,999	1,500,000港元–1,999,999港元	–	2

Notes to the Consolidated Financial Statements 綜合財務報表附註

14 PROPERTIES, PLANT AND EQUIPMENT AND LEASES

14 物業、廠房及設備及租賃

(a) Properties, plant and equipment

(a) 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Furniture, office equipment, vessel and motor vehicles 傢俬、辦公室設備、船舶及汽車	Total
		樓宇 HK\$'000 千港元	租賃裝修 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	傢俬、辦公室設備、船舶及汽車 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日					
Cost or valuation	成本或估值	44,525	27,640	20,973	29,883	123,021
Accumulated depreciation and impairment	累計折舊及減值	-	(23,940)	(20,121)	(27,070)	(71,131)
Net book amount	帳面淨值	44,525	3,700	852	2,813	51,890
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度					
Opening net book amount	期初帳面淨值	44,525	3,700	852	2,813	51,890
Additions	添置	275	786	81	7,262	8,404
Disposals	出售	(155)	(422)	-	(3)	(580)
Depreciation	折舊	(3,918)	(485)	(26)	(1,557)	(5,986)
Currency translation differences	匯兌差額	(869)	(775)	(158)	(235)	(2,037)
Revaluation surplus	重估盈餘	14,006	-	-	-	14,006
Closing net book amount	期末帳面淨值	53,864	2,804	749	8,280	65,697
At 31 December 2018	於二零一八年十二月三十一日					
Cost or valuation	成本或估值	53,864	26,742	20,098	36,053	136,757
Accumulated depreciation and impairment	累計折舊及減值	-	(23,938)	(19,349)	(27,773)	(71,060)
Net book amount	帳面淨值	53,864	2,804	749	8,280	65,697
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度					
Opening net book amount	期初帳面淨值	53,864	2,804	749	8,280	65,697
Additions	添置	19	14	-	399	432
Disposals	出售	-	-	-	(4)	(4)
Depreciation	折舊	(5,490)	(219)	(37)	(1,539)	(7,285)
Currency translation differences	匯兌差額	-	621	117	151	889
Revaluation surplus	重估盈餘	5,926	-	-	-	5,926
Closing net book amount	期末帳面淨值	54,319	3,220	829	7,287	65,655
At 31 December 2019	於二零一九年十二月三十一日					
Cost or valuation	成本或估值	54,319	26,756	20,098	35,714	136,887
Accumulated depreciation and impairment	累計折舊及減值	-	(23,536)	(19,269)	(28,427)	(71,232)
Net book amount	帳面淨值	54,319	3,220	829	7,287	65,655

14 PROPERTIES, PLANT AND EQUIPMENT AND LEASES (Continued)**(a) Properties, plant and equipment (Continued)**

Depreciation of HK\$1,000 (2018: HK\$2,000) has been expensed to selling expenses and HK\$7,284,000 (2018: HK\$5,984,000) has been expensed to administrative expenses. No depreciation has been expensed to cost of sales (2018: same).

If buildings were stated on the historical cost basis, the amounts would be as follows:

		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
Cost	成本	36,835	36,816
Accumulated depreciation	累計折舊	(20,315)	(18,576)
Net book amount	帳面淨值	16,520	18,240

The Group's properties were revalued at 31 December 2019 by Vigers Appraisal and Consulting Limited, an independent professionally qualified valuer who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the properties valued. For all buildings, their current use equates to the highest and best use.

The Group's finance department includes a team that review the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the board of directors. Discussions of valuation processes and results are held between the valuation team and valuer annually.

The revaluation surplus net of applicable deferred income taxes was credited to fixed assets revaluation reserve in shareholders' equity.

Valuations were made with reference to depreciated replacement cost approach based on significant unobservable inputs.

14 物業、廠房及設備及租賃 (續)**(a) 物業、廠房及設備 (續)**

折舊已分別於銷售開支支銷1,000港元(二零一八年:2,000港元)及於行政開支支銷7,284,000港元(二零一八年:5,984,000港元)。於銷售成本並無支銷(二零一八年:相同)。

倘樓宇乃按歷史成本列帳,其金額如下:

	2019	2018
	二零一九年	二零一八年
	HK\$'000	HK\$'000
	千港元	千港元
Cost	36,835	36,816
Accumulated depreciation	(20,315)	(18,576)
Net book amount	16,520	18,240

本集團之物業已於二零一九年十二月三十一日由獨立專業合資格估值師威格斯資產評估顧問有限公司重新估值,該估值師持有獲認可之相關專業資格,且對所估值物業之地點及領域擁有近期經驗。對於所有樓宇而言,當前之使用等於其最高及最佳使用。

本集團財務部設有一個小組,專責就財務報告目的而對獨立估值師之估值進行檢討。此小組直接向董事會匯報。估值小組與估值師每年討論估值流程和相關結果。

重估盈餘扣除適用遞延所得稅乃計入股東權益中之固定資產重估儲備。

估值乃參考折舊代替成本法,其根據重大不可觀察之輸入資料而作出。

14 PROPERTIES, PLANT AND EQUIPMENT AND LEASES (Continued)

14 物業、廠房及設備及租賃 (續)

(a) Properties, plant and equipment (Continued)

(a) 物業、廠房及設備 (續)

The following table analyses buildings carried at fair value, by valuation method.

下表以估值法分析按公允值列帳之樓宇。

		Quoted prices in active markets for identical assets (Level 1) 相同資產於 交投活躍市場之 報價 (第一級) HK\$'000 千港元	Significant other observable inputs (Level 2) 其他重大可觀察 之輸入資料 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 之輸入資料 (第三級) HK\$'000 千港元
At 31 December 2019	於二零一九年十二月三十一日	-	-	54,319
At 31 December 2018	於二零一八年十二月三十一日	-	-	53,864

The recurring fair value measurements for buildings are included in level 3 of the fair value hierarchy. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels 1, 2 and 3 during the year (2018: Nil).

樓宇之經常性公允值計量被包括於公允值等級第三級之內。本集團政策為於導致轉撥之事件發生或情況變化當日，確認由公允值等級之轉入及轉出。年內第一級、第二級及第三級之間並無轉撥 (二零一八年：無)。

In other comprehensive income, fair value gain of properties, plant and equipment, net of tax comprise:

於其他全面收入內，物業、廠房及設備之公允值收益，扣除稅項包括：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net gains from fair value adjustment	公允值調整產生之淨收益	5,926	14,006
Deferred tax (Note 23)	遞延所得稅 (附註23)	(1,481)	(3,501)
Total fair value gains for the year included in other comprehensive income, net of tax	計入其他全面收入之年內公允值總收益，扣除稅項	4,445	10,505

14 PROPERTIES, PLANT AND EQUIPMENT AND LEASES (Continued)

14 物業、廠房及設備及租賃(續)

(a) Properties, plant and equipment (Continued)

(a) 物業、廠房及設備(續)

The details of significant unobservable inputs are as follows:

重大不可觀察之輸入資料詳列如下：

Unobservable inputs 不可觀察之輸入資料	Range of unobservable inputs 不可觀察之輸入資料之範圍	Relationship of unobservable inputs to fair value 不可觀察之輸入資料與公允值之關係
<p>Construction costs per square meter</p> <p>– Based on the type of building structure (steel structure/reinforced concrete structure) and taking into account market data on current construction costs for similar properties located in nearby cities</p> <p>每平方米建築成本</p> <p>– 根據樓宇結構類型(鋼結構/鋼筋混凝土結構)並計及位於鄰近城市之類似物業目前建築成本之市場資料</p>	<p>RMB1,595 per square meter (2018: RMB1,540 per square meter) for steel structure and RMB1,733 per square meter (2018: RMB1,705 per square meter) for reinforced concrete structure</p> <p>鋼結構為每平方米人民幣1,595元(二零一八年:每平方米人民幣1,540元),鋼筋混凝土結構為每平方米人民幣1,733元(二零一八年:每平方米人民幣1,705元)</p>	<p>The higher the construction cost per square meter, the higher the fair value</p> <p>每平方米建築成本越高,公允值越高</p>
<p>Economic life of buildings</p> <p>– Taking into account the estimated useful life of buildings depending on the building structure (steel structure/reinforced concrete structure)</p> <p>樓宇之經濟壽命</p> <p>– 計及根據樓宇結構類型(鋼結構/鋼筋混凝土結構)之樓宇估計可使用年期</p>	<p>40 years for steel structure and 50 years for reinforced concrete structure (2018: same)</p> <p>鋼結構為40年,鋼筋混凝土結構為50年(二零一八年:相同)</p>	<p>The longer the useful life, the higher the fair value</p> <p>可使用年期越長,公允值越高</p>
<p>There were no changes to the valuation techniques during the year.</p> <p>Certain buildings with carrying amounts of HK\$28,359,000 were used to secure for the Group's bank borrowing as at 31 December 2018 (Note 25). As at 31 December 2019, no buildings were pledged as security for bank borrowing upon the expiry of banking facility in July 2019.</p>		<p>年內估值技術概無變動。</p> <p>於二零一八年十二月三十一日,若干帳面值為28,359,000港元的樓宇被用作本集團銀行貸款的抵押品(附註25)。於二零一九年十二月三十一日,銀行設施於二零一九年七月屆滿時已沒有抵押樓宇作為銀行貸款之擔保。</p>

14 PROPERTIES, PLANT AND EQUIPMENT AND LEASES (Continued)

(b) Leases

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

Right-of-use assets

Land use rights*
Office

使用權資產

土地使用權*
辦公室

Lease liabilities

Current
Non-current

租賃負債

流動
非流動

As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 1 January 2019 於二零一九年 一月一日 HK\$'000 千港元
---	--

8,903

9,145

5,226

-

14,129

9,145

1,961

-

3,207

-

5,168

-

* The Group has land lease arrangement with Mainland China government (Note 17).

Additions to the right-of-use assets during the year ended 31 December 2019 were HK\$6,671,000.

(b) 租賃

本附註提供有關本集團為承租人之租賃信息。

(i) 於綜合資產負債表中確認之金額

綜合資產負債表顯示與租賃有關之金額如下：

As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 1 January 2019 於二零一九年 一月一日 HK\$'000 千港元
8,903	9,145
5,226	-
14,129	9,145
1,961	-
3,207	-
5,168	-

* 本集團與中國大陸政府有土地租賃安排 (附註17)

截至二零一九年十二月三十一日止年度，使用權資產增加6,671,000港元。

14 PROPERTIES, PLANT AND EQUIPMENT AND LEASES (Continued)

14 物業、廠房及設備及租賃 (續)

(b) Leases (Continued)

(b) 租賃 (續)

(ii) Amount recognised in the consolidated income statement

(ii) 於綜合收入表中確認之金額

The consolidated income statement shows the following amounts relating to leases:

綜合收入表顯示與租賃有關之金額如下：

		2019 二零一九年 HK\$'000 千港元
Depreciation charge of right-of-use assets	使用權資產之折舊費	
Land use rights	土地使用權	242
Office	辦公室	1,445
		1,687
Interest expense (included in finance cost)	利息開支 (計入融資開支)	158
Expense relating to short-term leases (included in administrative expenses)	有關短期租賃之開支 (計入行政開支)	915

Note:

附註：

As permitted under the specific transition provisions in the standard, the Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period.

因應該準則的具體過渡條文所允許，本集團自二零一九年一月一日起追溯採納香港財務報告準則第16號，但未重列二零一八年報告期的比較數據。

The total cash outflow for leases for the year ended 31 December 2019 was HK\$2,576,000.

截至二零一九年十二月三十一日止年度，租賃的現金流出總額為2,576,000港元。

(iii) The Group's leasing activities and how these are accounted for

(iii) 本集團之租賃活動以及如何核算

The Group leases an office and various motor vehicles. Rental contracts are typically made for fixed periods of 6 months to 3 years.

本集團租賃為辦公室和汽車。租賃合同通常為6個月至3年的固定期限。

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

租賃條款是根據個別情況協商確定，並包含各種不同的條款和條件。除了出租人持有的租賃資產中的擔保權益外，租賃協議不施加任何其他約定。租賃資產不得用作借貸擔保。

(iv) Variable lease payments

(iv) 可變租賃付款

Leases of the Group do not contain variable payment terms that are linked to an index or a rate.

本集團的租賃不包含與指數或利率相關的可變付款條件。

14 PROPERTIES, PLANT AND EQUIPMENT AND LEASES (Continued)**(b) Leases (Continued)***(v) Extension and termination options*

There is no extension and termination option included in the office lease of the Group.

(vi) Residual value guarantees

The Group did not provide residual value guarantees in relation to leases during the year ended 31 December 2019 (2018: same).

15 INVESTMENT IN AN ASSOCIATE AND LOANS TO AN ASSOCIATE**(a) Investment in an associate**

In July 2017, the Group completed the acquisition of 41.45% equity interest in Exellar Limited (“Exellar”) for a consideration of US\$4,101,615 (approximately HK\$31,992,597). Goodwill of HK\$5,850,000 was included in investment in an associate at acquisition date.

Exellar and its subsidiaries (“Exellar Group”) was principally engaged in the provision of global risk management solutions and security services. As a result of the significant deterioration of the performance of Exellar Group due to the loss of a major customer contract during the year ended 31 December 2018, the Group’s share of result of this associate amounted to HK\$26,065,000 for the year ended 31 December 2018, effectively bringing the carrying value of the investment to zero as of 31 December 2018.

As at 1 January	於一月一日	-	26,065
Share of loss	分攤虧損	-	(26,065)
As at 31 December	於十二月三十一日	-	-

The Group’s management relied on the financial information provided by management of Exellar to account for the result of Exellar shared by the Group and to assess the impairment of its investment in and loans to Exellar.

14 物業、廠房及設備及租賃 (續)**(b) 租賃 (續)***(v) 延期和終止選擇權*

本集團的辦公室租賃不包括延期及終止選擇權。

(vi) 餘值擔保

截至二零一九年十二月三十一日止年度，本集團未提供有關租賃的餘值擔保（二零一八年：相同）。

15 於一間聯營企業之投資及貸款予一間聯營企業**(a) 於一間聯營企業之投資**

於二零一七年七月，本集團完成收購合毅國際風險諮詢有限公司（「合毅」）之41.45%股權，其代價為4,101,615美元（約31,992,597港元）。於收購日，於一間聯營企業之投資包括商譽為5,850,000港元。

合毅及其附屬公司（「合毅集團」）主要從事提供全球風險管理及安保服務。截至二零一八年十二月三十一日止年度，由於主要客戶合約的失去而導致合毅集團表現重大變差。截至二零一八年十二月三十一日止年度，本集團分佔該聯營企業之業績為26,065,000港元。截至二零一八年十二月三十一日，有效地將投資的帳面值降至零。

	2019	2018
	二零一九年	二零一八年
	HK\$'000	HK\$'000
	千港元	千港元
As at 1 January	-	26,065
Share of loss	-	(26,065)
As at 31 December	-	-

本集團管理層依賴合毅管理層提供的財務資料將本集團分佔合毅的業績入帳，並評估於合毅之投資及提供予合毅國際之貸款的減值。

15 INVESTMENT IN AN ASSOCIATE AND LOANS TO AN ASSOCIATE (Continued)

(a) Investment in an associate (Continued)

During the year ended 31 December 2018, management of Exellar did not have access to, and therefore they were not able to provide to the Group, a set of complete and accurate accounting records of its subsidiary, Unity Resources Group Pte. Limited. The inaccuracy on opening balances as at 1 January 2019 would have impact carried-forward to the financial results of the associate for the year ended 31 December 2019.

Details of the Group's investment in an associate as at 31 December 2019 are as follows:

Name of entity 企業名稱	Principal activities 主營業務	Country of incorporation 註冊成立地點	% of ownership interest 權益百分比	Measurement method 計量方法
Shares held directly: 直接持有之權益：				
Exellar Limited 合毅國際風險諮詢有限公司	Provision of global risk management solutions 提供全球風險管理服務	Hong Kong 香港	41.45% (2018: 41.45%)	Equity 權益法
Shares held indirectly: 間接持有之權益：				
USSGRP Singapore Pte. Limited ("USSGRP")	Provision of global risk management solutions 提供全球風險管理服務	Singapore 新加坡	Nil* (2018: 41.45%)	Equity 權益法
Unity Resources Group Pte. Limited ("URG")	Provision of global risk management solutions 提供全球風險管理服務	Singapore 新加坡	Nil* (2018: 33.16%)	Equity 權益法

*In January 2019 and September 2019, Exellar has disposed its equity interests in USSGRP and URG, respectively. Consequently, USSGRP and URG were ceased to be the associates of the Group upon the disposal.

Pursuant to a Board resolution of the directors of Exellar dated 16 January 2020, the directors of Exellar has commenced the process of deregistration of Exellar.

As the associate is a private entity, there is no quoted price available.

15 於一間聯營企業之投資及貸款予一間聯營企業 (續)

(a) 於一間聯營企業之投資 (續)

截至二零一八年十二月三十一日止年度，合毅的管理層並無一套其附屬公司Unity Resources Group Pte. Limited之完整及準確之會計帳簿，故無法向本集團提供有關帳簿。於二零一九年一月一日的期初結餘不準確將影響結轉至聯營企業截至二零一九年十二月三十一日止年度的財務業績。

本集團於二零一九年十二月三十一日於一間聯營企業之投資詳列如下：

*於二零一九年一月及二零一九年九月，合毅分別出售了其在USSGRP和URG的股權。因此，在出售後USSGRP和URG不再是本集團的聯營公司。

根據合毅董事於二零二零年一月十六日通過的董事會決議案，合毅的董事已開始註銷合毅的註冊程序。

由於該聯營企業為私營實體，因此並無任何可用的報價。

15 INVESTMENT IN AN ASSOCIATE AND LOANS TO AN ASSOCIATE (Continued)

(a) Investment in an associate (Continued)

Set out below are the summarised financial information of an associate which is accounted for using equity method.

Summarised balance sheet

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current	流動		
Assets	資產	-	37,575
Liabilities	負債	(5,007)	(47,461)
		(5,007)	(9,886)
Non-current	非流動		
Assets	資產	-	34
Liabilities	負債	-	(2,127)
		-	(2,093)
Total identifiable net liabilities	可識別負債淨額	(5,007)	(11,979)
Non-controlling interests	非控制性權益	-	(5,261)
		(5,007)	(17,240)

15 於一間聯營企業之投資及貸款予一間聯營企業 (續)

(a) 於一間聯營企業之投資 (續)

按權益法入帳之一間聯營企業之財務摘要資料如下：

資產負債表摘要

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current		
Assets	-	37,575
Liabilities	(5,007)	(47,461)
	(5,007)	(9,886)
Non-current		
Assets	-	34
Liabilities	-	(2,127)
	-	(2,093)
Total identifiable net liabilities	(5,007)	(11,979)
Non-controlling interests	-	(5,261)
	(5,007)	(17,240)

Notes to the Consolidated Financial Statements 綜合財務報表附註

15 INVESTMENT IN AN ASSOCIATE AND LOANS TO AN ASSOCIATE (Continued)

15 於一間聯營企業之投資及貸款予一間聯營企業 (續)

(a) Investment in an associate (Continued)

(a) 於一間聯營企業之投資 (續)

Summarised statement of comprehensive income

全面收入表摘要

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	8,102	158,309
Depreciation	折舊	(34)	(3,537)
Expenses	開支	(5,254)	(226,673)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	9,419	-
Profit/(loss) for the year	年度溢利/(虧損)	12,233	(71,901)
Other comprehensive income	其他全面收入	-	-
Total profit/(loss) for the year	總年度溢利/(虧損)	12,233	(71,901)
Attributable to:	歸屬於:		
- the shareholders of Exellar	- 合毅之股東	12,233	(68,510)
- non-controlling interest	- 非控制性權益	-	(3,391)
Total profit/(loss) for the year	總年度溢利/(虧損)	12,233	(71,901)

There were no commitment and contingent liabilities relating to the Group's interest in an associate as at 31 December 2019 and 2018.

於二零一九年及二零一八年十二月三十一日，本集團於一間聯營企業之投資並無承擔及或然負債。

Reconciliation of summarised financial information

財務資料之調節摘要

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Opening net (liabilities)/assets as at 1 January	於一月一日之期初(負債)/資產淨額	(17,240)	57,422
Non-controlling interest	非控制性權益	-	(8,652)
Opening net (liabilities)/assets acquired as at 1 January	於一月一日之已收購期初(負債)/資產淨額	(17,240)	48,770
Profit/(loss) for the year attributable to the Group	歸屬於本集團之年度溢利/(虧損)	12,233	(68,510)
Other comprehensive income	其他全面收入	-	2,500
Closing net liabilities	期末負債淨額	(5,007)	(17,240)
Interest in an associate @ 41.45%	於一間聯營企業權益 @ 41.45%	(2,075)	(7,146)
Unrecognised share of loss of an associate	未確認應佔一間聯營企業之虧損	2,075	7,146
Carrying value	帳面值	-	-

15 INVESTMENT IN AN ASSOCIATE AND LOANS TO AN ASSOCIATE (Continued)**(b) Loans to an associate**

During the year ended 31 December 2018, the Group has advanced three loans, together with the accumulated interest receivable, totalling HK\$5,445,000 to Exellar. These loans were unsecured, bear interest at 8% – 10% per annum and are repayable within one year. Considering that Exellar Group is at a net liability position as at 31 December 2018, the Group has made a full provision against these three loans together with accumulated interest, amounted to HK\$5,445,000 for the year ended 31 December 2018.

During the year ended 31 December 2019, an amount of US\$447,000 (equivalent to HK\$3,462,000) was settled. Accordingly, a reversal of impairment loss on the loans to an associate of HK\$3,462,000 was recorded for the year ended 31 December 2019.

In addition, the Group further granted a loan of US\$161,000 (equivalent to HK\$1,246,000) in January 2019. The amount has been fully settled by Exellar in November 2019.

15 於一間聯營企業之投資及貸款予一間聯營企業 (續)**(b) 貸款予一間聯營企業**

截至二零一八年十二月三十一日止年度，本集團已向合毅提供三筆貸款，連同累計應收利息，總額為5,445,000港元。此等貸款為無抵押，年利率為8%-10%，並在一年內償還。考慮到合毅集團於二零一八年十二月三十一日處於淨負債狀況，本集團已就該三筆貸款連同累計利息作出全額撥備，截至二零一八年十二月三十一日止年度金額為5,445,000港元。

截至二零一九年十二月三十一日止年度，447,000美元（相當於3,462,000港元）已結還。因此，截至二零一九年十二月三十一日止年度，貸款予一間聯營企業的減值虧損撥回3,462,000港元。

此外，本集團於二零一九年一月進一步批出161,000美元（相當於1,246,000港元）的貸款。該款項已由合毅於二零一九年十一月悉數償還。

16 INVESTMENT IN A JOINT VENTURE

As at 31 December 2019 and 2018, the carrying value of investment in a joint venture was nil.

Details of the Group's joint venture as at 31 December 2019 and 2018 are as follows:

16 於一間合營企業之投資

於二零一九年十二月三十一日及二零一八年十二月三十一日，於一間合營企業之投資帳面值為零。

於二零一九年及二零一八年十二月三十一日本集團之合營企業詳列如下：

Name of entity 企業名稱	Place of business/ country of incorporation 經營地點 / 註冊成立地點	Principal activities 主營業務	% of ownership interest 權益百分比	Measurement method 計量方法
Shares held directly: 直接持有之權益：				
鳳凰雲(北京)科技股份 有限公司 Phoenix Cloud (Beijing) Technologies Company Limited*	PRC, limited liability by share company 中華人民共和國， 股份有限公司	Sale and development of smart card application products in Mainland China 於中國大陸從事銷售及 開發智能卡應用產品	24.86% (2018: 24.75%)	Equity 權益法

* For identification purpose

* 僅供識別

As the joint venture is a private entity, there is no quoted price available.

由於該合營企業為私營實體，因此沒有可用的報價。

Notes to the Consolidated Financial Statements 綜合財務報表附註

16 INVESTMENT IN A JOINT VENTURE (Continued)

Set out below are the summarised financial information of a joint venture which is accounted for using equity method.

Summarised balance sheet

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current	流動		
Cash and cash equivalents	現金及現金等值項目	541	1,908
Current assets (excluding cash and cash equivalents)	流動資產 (不包括現金及現金等值項目)	730	828
Total current assets	總流動資產	1,271	2,736
Current liabilities	流動負債	(9,128)	(9,044)
Net liabilities	負債淨額	(7,857)	(6,308)

Summarised statement of comprehensive income

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	8,683	10,997
Depreciation	折舊	-	(93)
Expenses	開支	(9,266)	(16,354)
Loss for the year	年度虧損	(583)	(5,450)
Other comprehensive (loss)/income	其他全面(虧損)/收入	(966)	302
Total loss for the year	總年度虧損	(1,549)	(5,148)

16 於一間合營企業之投資(續)

按權益法入帳之一間合營企業之財務資料摘要如下：

資產負債表摘要

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
現金及現金等值項目	541	1,908
流動資產 (不包括現金及現金等值項目)	730	828
總流動資產	1,271	2,736
流動負債	(9,128)	(9,044)
負債淨額	(7,857)	(6,308)

全面收入表摘要

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
收益	8,683	10,997
折舊	-	(93)
開支	(9,266)	(16,354)
年度虧損	(583)	(5,450)
其他全面(虧損)/收入	(966)	302
總年度虧損	(1,549)	(5,148)

Notes to the Consolidated Financial Statements 綜合財務報表附註

16 INVESTMENT IN A JOINT VENTURE (Continued)

There were no commitment and contingent liabilities relating to the Group's interests in a joint venture as at 31 December 2019.

Reconciliation of summarised financial information

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Opening net liabilities	期初淨負債	(6,308)	(1,160)
Loss for the year	年度虧損	(583)	(5,450)
Other comprehensive (loss)/income	其他全面(虧損)/收入	(966)	302
Closing net liabilities	期末負債淨額	(7,857)	(6,308)
Interest in a joint venture @ 24.86%/24.75%	於一間合營企業權益 @ 24.86%/24.75%	(1,953)	(1,561)
Unrecognised share of loss of a joint venture	未確認應佔一間合營企業之虧損	1,953	1,561
Carrying value	帳面值	-	-

17 LAND USE RIGHTS

The Group's land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance as at 1 January	於一月一日之結餘	9,145	9,881
Adjustment for change in accounting policy (Note 2.2)	因會計政策變更之調整(附註2.2)	(9,145)	-
Balance as at 1 January (restated)	於一月一日之結餘(重列)	-	9,881
Amortisation of prepaid operating lease payments	攤銷預付經營租賃款項	-	(253)
Currency translation differences	匯兌差額	-	(483)
Balance as at 31 December	於十二月三十一日之結餘	-	9,145

As at 31 December 2018, certain land use rights with carrying amount of HK\$5,367,000 was used to secure the Group's bank borrowing, which expired in July 2019 (Note 25).

From 1 January 2019, land use rights are reclassified as right-of-use assets in the consolidated balance sheet upon the adoption of HKFRS 16 (Notes 2.2 and 14(b)).

16 於一間合營企業之投資(續)

於二零一九年十二月三十一日，本集團於一間合營企業之投資並無承擔及或然負債。

財務資料之調節摘要

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Opening net liabilities	期初淨負債	(6,308)	(1,160)
Loss for the year	年度虧損	(583)	(5,450)
Other comprehensive (loss)/income	其他全面(虧損)/收入	(966)	302
Closing net liabilities	期末負債淨額	(7,857)	(6,308)
Interest in a joint venture @ 24.86%/24.75%	於一間合營企業權益 @ 24.86%/24.75%	(1,953)	(1,561)
Unrecognised share of loss of a joint venture	未確認應佔一間合營企業之虧損	1,953	1,561
Carrying value	帳面值	-	-

17 土地使用權

本集團之土地使用權代表預付經營租賃款項，其帳面淨值分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance as at 1 January	於一月一日之結餘	9,145	9,881
Adjustment for change in accounting policy (Note 2.2)	因會計政策變更之調整(附註2.2)	(9,145)	-
Balance as at 1 January (restated)	於一月一日之結餘(重列)	-	9,881
Amortisation of prepaid operating lease payments	攤銷預付經營租賃款項	-	(253)
Currency translation differences	匯兌差額	-	(483)
Balance as at 31 December	於十二月三十一日之結餘	-	9,145

於二零一八年十二月三十一日，部份帳面值為5,367,000港元的土地使用權被用作本集團銀行貸款的抵押品，並於二零一九年七月到期(附註25)。

自二零一九年一月一日起，採納香港財務報告準則第16號後，土地使用權在綜合資產負債表中重新分類為使用權資產(附註2.2及14(b))。

Notes to the Consolidated Financial Statements 綜合財務報表附註

18 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

18 按類別之金融工具

本集團持有以下金融工具：

		Financial assets at amortised cost 按攤銷 成本列帳之 金融資產 HK\$'000 千港元	Financial asset at FVPL 按公允值 計入損益帳之 金融資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets 31 December 2019	金融資產 於二零一九年十二月三十一日			
Trade and other receivables excluding prepayments	除預付款項之貿易及 其他應收款項	54,182	-	54,182
Financial asset at FVPL	按公允值計入損益帳之 金融資產	-	2,177	2,177
Cash and cash equivalents	現金及現金等值項目	47,600	-	47,600
		101,782	2,177	103,959
Financial assets 31 December 2018	金融資產 於二零一八年十二月三十一日			
Trade and other receivables excluding prepayments	除預付款項之貿易及 其他應收款項	32,507	-	32,507
Financial asset at FVPL	按公允值計入損益帳之 金融資產	-	2,337	2,337
Cash and cash equivalents	現金及現金等值項目	71,084	-	71,084
		103,591	2,337	105,928

18 FINANCIAL INSTRUMENTS BY CATEGORY (Continued) **18 按類別之金融工具 (續)**

		Financial liabilities at amortised cost 按攤銷成本列帳之金融負債 HK\$'000 千港元
Financial liabilities		
31 December 2019		
Trade and other payables	金融負債 於二零一九年十二月三十一日 貿易及其他應付款項	60,166
Lease liabilities	租賃負債	5,168
		65,334
31 December 2018		
Trade and other payables	於二零一八年十二月三十一日 貿易及其他應付款項	64,759
Borrowing	貸款	5,682
		70,441

19 INVENTORIES**19 存貨**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw materials	原材料	3,929	8,575
Work in progress	半製成品	30,674	30,058
Finished goods	製成品	10,753	21,196
		45,356	59,829

The cost of inventories recognised as expenses and included in cost of goods sold amounted approximately HK\$161,612,000 (2018: HK\$157,496,000).

確認為開支及計入銷售成本之存貨成本約為161,612,000港元(二零一八年: 157,496,000港元)。

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20 TRADE AND OTHER RECEIVABLES

20 貿易及其他應收款項

		2019 二零一九年			2018 二零一八年		
		Current 流動	Non- current 非流動	Total 總計	Current 流動	Non- current 非流動	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade receivables	貿易應收款項	47,810	-	47,810	24,810	-	24,810
Other receivables	其他應收款項	5,585	-	5,585	6,999	-	6,999
Deposits	按金	63	724	787	698	-	698
Financial assets at amortised cost	按攤銷成本列帳之金融資產	5,648	724	6,372	7,697	-	7,697
Prepayments	預付款項	841	-	841	2,416	-	2,416
Total trade and other receivables	貿易及其他應收款項總額	54,299	724	55,023	34,923	-	34,923

Due to the short-term nature of the current receivables, their carrying amounts are considered to be the same as their fair values. For the non-current deposit, its fair value is not significantly different from its carrying amount.

流動應收款項因屬短期性質，故其帳面值與公允值相若。非流動按金之公允值與其帳面值之差異不大。

Majority of the Group's trade receivables are with credit terms ranging from 30 to 60 days. The ageing of trade receivables based on invoice date, is as follows:

本集團大部份貿易應收款項之信貸期介乎30至60日。貿易應收款項按發票日期之帳齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 30 days	30日內	13,756	16,699
31-60 days	31-60日	27,375	8,087
61-90 days	61-90日	6,397	-
More than 90 days	超過90日	282	24
		47,810	24,810

20 TRADE AND OTHER RECEIVABLES (Continued)

The maximum exposure to credit risk at the reporting date was the carrying amount of trade receivables mentioned above. The Group did not hold any collateral as security.

The other receivables generally arise from transactions outside the usual operating activities of the Group. Collateral is not obtained.

The carrying amounts of the trade and other receivables excluding prepayments were denominated in the following currencies:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
HK\$	港幣	1,787	1,698
RMB	人民幣	4,495	5,909
US\$	美元	47,900	24,900
		54,182	32,507

21 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

Equity investments that are held for trading include the following:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong listed equity securities	於香港上市之股本證券	2,177	2,337

Changes in fair values of financial asset at FVPL are recorded in "Revenue" in the consolidated income statement with losses of HK\$160,000 (2018: HK\$1,181,000).

Financial asset at FVPL was denominated in HK\$ (2018: same) and are presented within "operating activities" as part of changes in working capital in the consolidated cash flow statement (Note 28).

The fair values of all equity securities are based on their current bid prices in an active market and the Group are exposed to price risk (Note 3.1(a)).

20 貿易及其他應收款項 (續)

於報告日期之最高信貸風險為上述貿易應收款項之帳面值。本集團並無持有任何抵押品作抵押。

其他應收款項一般來自本集團日常經營活動以外之交易。抵押品並未獲得。

除預付款項之貿易應收及其他應收款項之帳面值乃以下列貨幣列值：

21 按公允值計入損益帳之金融資產

持作交易的權益投資包括以下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong listed equity securities	於香港上市之股本證券	2,177	2,337

按公允值計入損益帳之金融資產之公允值變動，並計入綜合收入表之「收益」為160,000港元之虧損（二零一八年：1,181,000港元）。

按公允值計入損益帳之金融資產以港幣列值（二零一八年：相同）及於「經營活動」內呈列，作為現金流轉表內營運資金變動之一部份（附註28）。

所有股本證券之公允值均以其現時交投活躍市場之競價為基準，本集團因而面對價格風險（附註3.1(a)）。

22 CASH AND CASH EQUIVALENTS

Cash at banks and in hand 銀行及手頭現金

The Group's bank balances of HK\$9,622,000 (2018: HK\$5,304,000) were deposited with banks in the Mainland China. The remittance of these funds out of the Mainland China is subject to the exchange control restrictions imposed by the Mainland China government.

The carrying amount of the cash and cash equivalents were denominated in the following currencies:

HK\$
RMB
US\$
Others

港元
人民幣
美元
其他

2019
二零一九年
HK\$'000
千港元

2018
二零一八年
HK\$'000
千港元

47,600 71,084

本集團之銀行結餘9,622,000港元(二零一八年: 5,304,000港元)已存入於中國大陸之銀行。將此等資金匯出中國大陸須受到中國大陸政府實施之外匯監控所限制。

現金及現金等值項目之帳面值乃以下列貨幣列值:

2019
二零一九年
HK\$'000
千港元

2018
二零一八年
HK\$'000
千港元

8,311 17,814
3,972 5,366
35,271 47,852
46 52
47,600 71,084

23 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. As of 31 December 2019 and 2018, no deferred income tax assets and liabilities were offset.

Deferred income tax liabilities

遞延所得稅負債

2019
二零一九年
HK\$'000
千港元

2018
二零一八年
HK\$'000
千港元

13,301 11,820

23 遞延所得稅

當有法定可執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅涉及同一財政機關，則可將遞延所得稅資產及負債抵銷。於二零一九年及二零一八年十二月三十一日，並無抵銷遞延所得稅資產及負債。

23 DEFERRED INCOME TAX (Continued)

The movement in deferred income tax liabilities during the year is as follows:

		Fair value gains of buildings 樓宇之 公允值收益 HK\$'000 千港元
Balance as at 1 January 2018	於二零一八年一月一日之結餘	8,319
Debited to equity	於權益扣除	3,501
At 31 December 2018	於二零一八年十二月三十一日	11,820
Balance as at 1 January 2019	於二零一九年一月一日之結餘	11,820
Debited to equity	於權益扣除	1,481
At 31 December 2019	於二零一九年十二月三十一日	13,301

Deferred income tax assets are recognised for tax losses carry-forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$31,570,000 (2018: HK\$28,222,000) in respect of losses amounting to HK\$159,103,000 (2018: HK\$141,258,000) that can be carried forward against future taxable income because their utilisation is not considered probable. Cumulative tax losses of HK\$96,542,000 (2018: HK\$83,443,000) can be carried forward indefinitely while tax losses of HK\$62,561,000 (2018: HK\$57,815,000) will expire as follows:

年內之遞延所得稅負債變動如下：

遞延所得稅資產僅會於有關之稅項利益有可能透過未來應課稅溢利變現時，就結轉稅項虧損確認。由於認為不可能動用遞延所得稅資產，本集團並無確認涉及159,103,000港元（二零一八年：141,258,000港元）之虧損之遞延所得稅資產31,570,000港元（二零一八年：28,222,000港元），其可供結轉用以抵銷日後應課稅收入。累計稅項虧損96,542,000港元（二零一八年：83,443,000港元）可無限期限結轉，而稅項虧損62,561,000港元（二零一八年：57,815,000港元）將於以下年度內到期：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Expiring in	於以下年度內到期		
2019	二零一九年	-	7,067
2020	二零二零年	22,402	22,402
2021	二零二一年	20,560	20,560
2022	二零二二年	-	-
2023	二零二三年	6,892	7,786
2024	二零二四年	12,707	-
Total	總計	62,561	57,815

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24 TRADE AND OTHER PAYABLES

Trade payables	貿易應付款項
Accruals and other payables	應計費用及其他應付款項
Bonus payable (Note i)	應付獎金(附註i)

Note i:

In January 2019, approximately HK\$4,717,000 of bonus payable were re-designated as employee's loan to the Company. During the year ended 31 December 2019 these employees' loan advances carried interest with reference to the Group's lending rate from a bank in the Mainland China. These balances were settled by January 2020.

In January 2020, approximately HK\$10,258,000 of bonus payable are re-designated as employees' loan advances to the Company. These employees' loan advances bear interest at 4% per annum and are repayable by January 2021.

Trade payables are unsecured and are usually paid within 30 days of recognition.

The ageing of the trade payables, based on invoice date, is as follows:

Within 30 days	30日內
31-60 days	31-60日
61-90 days	61-90日
Over 90 days	超過90日

Trade and other payables were denominated in the following currencies:

HK\$	港元
RMB	人民幣
US\$	美元

The carrying amounts of trade and other payables approximated their fair values due to their short term nature.

24 貿易及其他應付款項

2019	2018
二零一九年	二零一八年
HK\$'000	HK\$'000
千港元	千港元

31,875	38,209
18,033	17,116
10,258	9,434

60,166	64,759
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附註i:

於二零一九年一月，約4,717,000港元之應付獎金重新指定為僱員向本公司提供的貸款。截至二零一九年十二月三十一日止年度該等僱員的貸款參照本集團來自一間中國大陸銀行的貸款利率計息。該等餘額已於二零二零年一月結算。

於二零二零年一月，約10,258,000港元之應付獎金重新指定為僱員向本公司提供的貸款。該等僱員的貸款以年利率4%計息並須於二零二一年一月償還。

貿易應付款項為無抵押，通常於確認後30日內支付。

貿易應付款項按發票日期之帳齡如下：

2019	2018
二零一九年	二零一八年
HK\$'000	HK\$'000
千港元	千港元

16,239	15,960
12,462	17,151
2,244	4,030
930	1,068

31,875	38,209
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貿易及其他應付款項乃以下列貨幣列值：

2019	2018
二零一九年	二零一八年
HK\$'000	HK\$'000
千港元	千港元

12,655	15,237
32,366	49,083
15,145	439

60,166	64,759
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貿易及其他應付款項屬短期性質，故其帳面值與公允值相若。

25 BORROWING

25 貸款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current	流動		
Bank loan – secured	銀行貸款－有抵押	-	5,682

The weighted average interest rate during the year ended 31 December 2019 was 7.2% (2018: 7.2%). As at 31 December 2018, the borrowing was secured by the certain buildings and land use rights with carrying amounts of HK\$28,359,000 (Note 14(a)) and HK\$5,367,000 (Note 17) respectively.

As at 31 December 2018, the Group had available unutilised banking facility of approximately HK\$5,682,000. The banking facility has been expired in July 2019, and therefore, the Group has no unutilised banking facility as at 31 December 2019.

The carrying amount of the borrowing as at 31 December 2018 was denominated in RMB and approximated to its fair value.

截至二零一九年十二月三十一日止年度，加權平均利率為7.2%（二零一八年：7.2%）。於二零一八年十二月三十一日，貸款分別以帳面值為28,359,000港元（附註14）之部份樓宇及5,367,000港元（附註17）之土地使用權作為抵押。

於二零一八年十二月三十一日，本集團尚有可用的銀行融資額約5,682,000港元。該銀行融資已於二零一九年七月到期，因此，本集團於二零一九年十二月三十一日並沒有未使用的銀行融資。

於二零一八年十二月三十一日，貸款之帳面值乃以人民幣列值及與其公允值相若。

26 SHARE CAPITAL

26 股本

		2019 二零一九年 Number of shares 股份數目 (Thousands) (千股)	2018 二零一八年 Number of shares 股份數目 (Thousands) (千股)	2019 二零一九年 Share capital 股本 HK\$'000 千港元	2018 二零一八年 Share capital 股本 HK\$'000 千港元
Ordinary shares	普通股				
At 1 January and 31 December	於一月一日及十二月三十一日	818,042	818,042	81,804	81,804

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27 OTHER RESERVES

27 其他儲備

		Share premium	Exchange translation reserve	Fixed assets revaluation reserve	Merger reserve	Total
		股份溢價 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	固定資產 重估儲備 HK\$'000 千港元	合併儲備 HK\$'000 千港元	總計 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	217,761	(35,125)	24,956	(200)	207,392
Other comprehensive income	其他全面收入					
Revaluation gain, net of tax	重估收益·扣除稅項	-	-	10,505	-	10,505
Currency translation differences arising on the translation of the financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	(1,580)	-	-	(1,580)
Total other comprehensive income	其他全面收入總額	-	(1,580)	10,505	-	8,925
At 31 December 2018	於二零一八年十二月三十一日	217,761	(36,705)	35,461	(200)	216,317
At 1 January 2019	於二零一九年一月一日	217,761	(36,705)	35,461	(200)	216,317
Other comprehensive income	其他全面收入					
Revaluation gain, net of tax	重估收益·扣除稅項	-	-	4,445	-	4,445
Currency translation differences arising on the translation of the financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	931	-	-	931
Total other comprehensive income	其他全面收入總額	-	931	4,445	-	5,376
At 31 December 2019	於二零一九年十二月三十一日	217,761	(35,774)	39,906	(200)	221,693

28 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

28 綜合現金流轉表附註

Reconciliation of loss before income tax to net cash (used in)/generated from operations is as follows:

除所得稅前虧損與經營(所用)/產生之現金淨額之對帳如下:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(14,825)	(50,615)
Depreciation of properties, plant and equipment	物業、廠房及設備折舊	7,285	5,986
Depreciation of right-of-use assets	使用權資產折舊	1,687	-
(Gains)/losses on disposal of properties, plant and equipment	出售物業、廠房及設備之(收益)/虧損	(166)	576
Amortisation of land use rights	土地使用權攤銷	-	253
Share of result of an associate	分佔一間聯營企業之虧損	-	26,065
Reversal of impairment loss on loans to an associate	就予一間聯營企業之貸款減值虧損撥回	(3,462)	-
Impairment loss on loans to an associate	就授予一間聯營企業之貸款減值虧損	-	5,445
Finance income	融資收入	(252)	(394)
Finance expense	融資開支	1,196	818
		(8,537)	(11,866)
Changes in working capital:	營運資金變動:		
Inventories	存貨	14,515	(9,569)
Trade and other receivables	貿易及其他應收款項	(20,100)	17,582
Trade and other payables	貿易及其他應付款項	(4,593)	5,925
Financial asset at FVPL	按公允值計入損益帳之金融資產	160	1,181
Net cash (used in)/generated from operations	經營(所用)/產生之現金淨額	(18,555)	3,253

In the consolidated cash flow statement, proceeds from sale of properties, plant and equipment comprise:

於綜合現金流轉表內, 出售物業、廠房及設備包括:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net book amount (Note 14(a))	帳面淨值(附註14(a))	4	580
Gains/(losses) on disposal of properties, plant and equipment (Note 6)	出售物業、廠房及設備之收益/(虧損)(附註6)	166	(576)
Proceeds from disposal of properties, plant and equipment	出售物業、廠房及設備所得款項	170	4

Notes to the Consolidated Financial Statements 綜合財務報表附註

28 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

Net debt reconciliation:

This section sets out the reconciliation of liability from financing activities for each of the years presented.

28 綜合現金流轉表附註 (續)

債務淨額調節：

本節列出所呈現的每年度融資活動產生之負債調節情況。

		Lease liabilities 租賃負債 HK\$'000 千港元	Borrowing 貸款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	-	5,952	5,952
Proceeds from bank borrowings	銀行貸款所得款項	-	17,857	17,857
Repayments of bank borrowings	銀行貸款之償還	-	(17,857)	(17,857)
Exchange difference	匯兌差額	-	(270)	(270)
As at 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	-	5,682	5,682
Non-cash items – addition of right-of-use assets	非現金項目 – 增加使用權資產	6,671	-	6,671
Proceeds from bank borrowings	銀行貸款所得款項	-	5,682	5,682
Repayments of bank borrowings	銀行貸款之償還	-	(11,364)	(11,364)
Principal elements of lease payments	租賃付款之本金部份	(1,503)	-	(1,503)
As at 31 December 2019	於二零一九年十二月三十一日	5,168	-	5,168

29 COMMITMENTS

Capital Commitments

The Group has no capital commitments as at 31 December 2019 and 2018.

Commitments under leases

The Group leases an office and various motor vehicles under non-cancellable operating leases expiring within six months to three years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The lease commitments as at 31 December 2019 presented below represents the future aggregate minimum lease payments for the leases with lease terms less than one year. The remaining leases have been recorded as lease liabilities as at 31 December 2019 under newly adopted accounting standard HKFRS 16 (Note 2.2). The operating lease commitments as at 31 December 2018 presented below represents the future aggregate minimum lease payments under all non-cancellable operating leases.

29 承擔

資本承擔

於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團並無資本承擔。

經營租賃承擔

本集團根據不可撤銷經營租賃方式租賃辦公室及汽車，租賃期在六個月至三年內。該租賃具有不同的條款，升級條款和續約權。續約時，將重新協商租賃條款。

以下呈列於二零一九年十二月三十一日之租賃承擔，為租賃期少於一年的租賃的未來最低租賃付款總額。其餘租賃已根據新採納的會計準則香港財務報告準則第16號於二零一九年十二月三十一日記錄為租賃負債(附註2.2)。以下呈列於二零一八年十二月三十一日之經營租賃承擔，為所有不可撤銷經營租賃下的未來最低租賃付款總額。

29 COMMITMENTS (Continued)

Commitments under leases (Continued)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Not later than one year	一年內	227	952

29 承擔 (續)

經營租賃承擔 (續)

30 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2019:

30 附屬公司

本公司於二零一九年十二月三十一日之主要附屬公司如下：

Name of entity 企業名稱	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本資料	Percentage of interest held % 所持權益百分比
Shares held directly: 直接持有股份：				
Topwell Group Development Ltd.	British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in Hong Kong 於香港進行投資控股	1,000 ordinary shares of US\$1 each 1,000股每股面值1美元之普通股	100
Shares held indirectly: 間接持有股份：				
Carry Wealth Limited 近旺有限公司	Hong Kong, limited liability company 香港，有限公司	Provision of management services and investment holding in Hong Kong 於香港提供管理服務及投資控股	4,000,000 ordinary shares 4,000,000股之普通股	100
Dragon Insight Investments Limited 穎揚投資有限公司	Hong Kong, limited liability company 香港，有限公司	Securities trading in Hong Kong 於香港進行證券交易	1 ordinary share 1股之普通股	100
Hillwealth International Limited 領溢國際有限公司	Hong Kong, limited liability company 香港，有限公司	Garment trading and marketing in Hong Kong 於香港進行成衣貿易及市場推廣	1 ordinary share 1股之普通股	100
Mass Wealth Investments Limited 尚豪投資有限公司	Hong Kong, limited liability company 香港，有限公司	Investment holding in Hong Kong 於香港進行投資控股	1 ordinary share 1股之普通股	100
Win Sonic Investments Limited 永聲投資有限公司	Hong Kong, limited liability company 香港，有限公司	Inactive 非活躍	1 ordinary share 1股之普通股	100

30 SUBSIDIARIES (Continued)

30 附屬公司 (續)

Name of entity 企業名稱	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本資料	Percentage of interest held % 所持權益百分比
鶴山恒富製衣有限公司 (Heshan Carry Wealth Garment Limited)	PRC, limited liability company 中華人民共和國·有限公司	Manufacture of knit products in Mainland China 於中國大陸生產針織服裝	US\$14,700,000 14,700,000美元	100
恒豐(深圳)投資諮詢有限公司 (Heng Feng (Shenzhen) Investment Consulting Company Limited)	PRC, limited liability company 中華人民共和國·有限公司	Provision of consultation service in Mainland China 於中國大陸提供顧問服務	RMB5,000,000 5,000,000人民幣	100

Cash and short-term deposits held in Asian countries (including Mainland China) are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from those countries, other than through normal dividends.

亞洲國家(包括中國大陸)持有之現金及短期存款受當地外匯管制規定所限制。這些規定限制了從那些國家輸出資本,而不是通過正常股息。

31 RELATED PARTY TRANSACTIONS

31 關連方交易

(a) As at 31 December 2019 and 2018, 404,944,690 shares (49.50%) of the Company were held by Dragon Peace Limited, which is ultimately owned by Mr. Li Haifeng, a director of the Company. The directors consider Dragon Peace Limited, a company incorporated in the British Virgin Islands, to be the Company's ultimate holding company.

(a) 於二零一九年及二零一八年十二月三十一日,本公司404,944,690股股份(49.50%)由Dragon Peace Limited持有,本公司董事李海楓先生最終擁有該公司。董事認為,Dragon Peace Limited(於英屬處女群島註冊成立之有限公司)為本公司之最終控股公司。

(b) Key management compensation

(b) 主要管理人員酬金

Key management of the Group comprises the executive directors of the Group.

本集團主要管理人員由本集團執行董事組成。

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and other short-term employee benefits 薪酬及其他短期僱員福利	2,730	2,562
Contributions to the MPF Scheme 強積金計劃供款	36	33
	2,766	2,595

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

32 本公司資產負債表及儲備變動

	Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
ASSETS			
Non-current assets			
Plant and equipment		18	44
Investment in a subsidiary		-	-
Amount due from a subsidiary		148,930	159,210
		148,948	159,254
Current assets			
Other receivables		1,385	1,338
Cash and cash equivalents		1,751	1,094
		3,136	2,432
Total assets		152,084	161,686
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		81,804	81,804
Other reserves	a	365,455	365,455
Accumulated losses	a	(295,954)	(286,505)
Total equity		151,305	160,754
LIABILITY			
Current liability			
Other payables and accruals		779	932
Total liability		779	932
Total equity and liability		152,084	161,686

Li Haifeng
李海楓
Chairman
主席

Wang Ke
王科
Executive Director
執行董事

Notes to the Consolidated Financial Statements 綜合財務報表附註

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

32 本公司資產負債表及儲備變動 (續)

(a) Reserve movement of the Company

(a) 本公司儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus (i) 繳入盈餘 (i) HK\$'000 千港元	Total other reserves 其他儲備總計 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元
Balance at 1 January 2018	於二零一八年一月一日結餘	217,761	147,694	365,455	(244,815)
Loss and total other comprehensive loss for the year	虧損及年度其他全面虧損總額	-	-	-	(41,690)
Balance at 31 December 2018	於二零一八年十二月三十一日結餘	217,761	147,694	365,455	(286,505)
Balance at 1 January 2019	於二零一九年一月一日結餘	217,761	147,694	365,455	(286,505)
Loss and total other comprehensive loss for the year	虧損及年度其他全面虧損總額	-	-	-	(9,449)
Balance at 31 December 2019	於二零一九年十二月三十一日結餘	217,761	147,694	365,455	(295,954)

Note:

(i) The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of a subsidiary acquired and the nominal value of the Company's shares issued in exchange thereof.

附註：

(i) 本公司之繳入盈餘乃指所購入該附屬公司之綜合股東資金與本公司用作交換而發行股份之面值之差額。

33 EVENTS AFTER THE END OF REPORTING PERIOD

33 報告期結束後事件

Outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak")

2019年冠狀病毒疫情爆發(「COVID-19爆發」)

After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country/region. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group.

在2020年初COVID-19爆發之後，全國/地區已實施並將繼續實施一系列預防及控制措施。本集團將密切關注COVID-19疫情的發展，並評估其對本集團財務狀況和經營業績的影響。

締造**恒**優品質

源於**豐**富人材



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