



冠力國際

冠力國際有限公司
Softpower International Limited

(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with limited liability)
股份代號：00380 Stock code: 00380



ANNUAL REPORT 年報 **2019**

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Lai Fulin (*Chairman*)
Mr. Yu Ben Ansheng (*Chief Executive Officer*)

Independent Non-executive Directors

Mr. Wong Yee Shuen, Wilson
Mr. Chen Wei Wen
Mr. Guan Zhiqiang

AUDIT COMMITTEE

Mr. Wong Yee Shuen, Wilson (*Chairman*)
Mr. Chen Wei Wen
Mr. Guan Zhiqiang

REMUNERATION COMMITTEE

Mr. Guan Zhiqiang (*Chairman*)
Mr. Chen Wei Wen
Mr. Lai Fulin

NOMINATION COMMITTEE

Mr. Lai Fulin (*Chairman*)
Mr. Chen Wei Wen
Mr. Guan Zhiqiang

COMPANY SECRETARY

Mr. Cheng Siu Kwan

INDEPENDENT AUDITOR

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Management (Bermuda) Limited
(Formerly Estera Management (Bermuda) Limited)
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

董事會

執行董事

賴福麟先生(*主席*)
俞安生先生(*首席執行官*)

獨立非執行董事

黃以信先生
陳偉文先生
管志強先生

審核委員會

黃以信先生(*主席*)
陳偉文先生
管志強先生

薪酬委員會

管志強先生(*主席*)
陳偉文先生
賴福麟先生

提名委員會

賴福麟先生(*主席*)
陳偉文先生
管志強先生

公司秘書

鄭少群先生

獨立核數師

羅兵咸永道會計師事務所
香港中環
太子大廈二十二樓

主要股份過戶登記處

Ocorian Management (Bermuda) Limited
(前稱Estera Management (Bermuda) Limited)
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
Shanghai Commercial Bank Limited
DBS Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank SinoPac, Hong Kong Branch
East West Bank, Hong Kong Branch
The Bank of East Asia, Limited
Dah Sing Bank, Limited
Chong Hing Bank Limited
Chiyu Banking Corporation Limited
Hang Seng Bank Limited

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

12th Floor, Phase I, Austin Tower
22-26A Austin Avenue
Tsim Sha Tsui, Kowloon
Hong Kong
Tel: (852) 2728 7237
Fax: (852) 2387 2999

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓
1712-1716號舖

主要往來銀行

中國銀行(香港)有限公司
中國工商銀行(亞洲)有限公司
上海商業銀行有限公司
星展銀行(香港)有限公司
香港上海滙豐銀行有限公司
永豐商業銀行股份有限公司(香港分行)
華美銀行(香港分行)
東亞銀行有限公司
大新銀行有限公司
創興銀行有限公司
集友銀行有限公司
恆生銀行有限公司

註冊辦事處

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

總辦事處及主要營業地點

香港
九龍尖沙咀
柯士甸路22-26號A
好兆年行第一期12樓
電話：(852) 2728 7237
傳真：(852) 2387 2999

Corporate Information

公司資料

OTHER PLACES OF BUSINESS

HONG KONG AND MACAU

Retail shops

G/F, 687 Shanghai Street
Mongkok, Kowloon
Hong Kong
Tel: (852) 2395 0181
Fax: (852) 2787 3421

G/F, Tak Fam Building
18 Tak Wah Street
Tsuen Wan, New Territories
Hong Kong
Tel: (852) 2473 3660
Fax: (852) 2442 2766

G/F, 102 Thomson Road
Wanchai, Hong Kong
Tel: (852) 2866 6001
Fax: (852) 2866 6339

Rua Da Ribeira Do Patane No. 13
Macau
Tel: (853) 2855 3693
Fax: (853) 2895 1020

Warehouse

Sections M and N of Lot 3719 in DD104
Yuen Long, New Territories
Hong Kong
Tel: (852) 2471 9048
Fax: (852) 2482 1298

WEBSITE

<http://www.softpower.hk>

其他營業地點

香港及澳門

門市

香港
九龍旺角
上海街687號地下
電話：(852) 2395 0181
傳真：(852) 2787 3421

香港
新界荃灣
德華街18號
德範大廈地下
電話：(852) 2473 3660
傳真：(852) 2442 2766

香港
灣仔譚臣道102號地下
電話：(852) 2866 6001
傳真：(852) 2866 6339

澳門
沙梨頭海邊街13號泉寧樓地下
電話：(853) 2855 3693
傳真：(853) 2895 1020

貨倉

香港
新界元朗錦綉花園貨倉
泰園路地段104 Lot 3719 M及N段
電話：(852) 2471 9048
傳真：(852) 2482 1298

網址

<http://www.softpower.hk>

Dear Shareholders,

I present to our shareholders the annual report of Softpower International Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2019.

FINANCIAL RESULTS

The Group's revenue for the year ended 31 December 2019 decreased by 1.3% to HK\$531.4 million (2018: HK\$538.2 million). The gross profit margin was approximately 24.3% for the year ended 31 December 2019 (2018: 27.4%). The profit attributable to equity holders was HK\$6.8 million for the year under review (2018: HK\$26.0 million), representing a decrease of approximately 73.9% over last year. Basic earnings per share was HK0.51 cent (2018: HK1.95 cents).

FINAL DIVIDEND

The Board of Directors of the Company does not recommend a final dividend for the year ended 31 December 2019 (2018: Nil).

BUSINESS REVIEW

The year 2019 remained a challenging year for the Group. As we faced headwinds during the year, the Group's revenue decreased by 1.3% to HK\$531.4 million and recorded the net profit attributable to equity holders of the Company HK\$6.8 million for the year ended 31 December 2019.

As mentioned in our 2019 interim report, the Group's performance was buffeted by a number of factors. During the year under review, our sales recorded a slight decrease as some large existing orders were fulfilled in 2018. In addition, there was a lack of large infrastructure projects in Hong Kong during the year. As a result, our sales did not gain growth momentum and returned to a normal level.

Due to the environmental protection policies in China, the temporary production halt in the PRC factories disrupted the normal supply in the fourth quarter of last year. The PRC factories grappled to comply with stringent environmental measures implemented by the PRC government. This increased our costs and impacted our gross profit margin. The unfavourable market conditions in Hong Kong slowed down the construction progress and the demand for our products.

各位股東：

本人謹此向股東提呈冠力國際有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止年度之年報。

財務業績

本集團截至二零一九年十二月三十一日止年度之收入，減少1.3%至531,400,000港元（二零一八年：538,200,000港元）。截至二零一九年十二月三十一日止年度毛利率為24.3%（二零一八年：27.4%）。回顧期內權益持有人應佔溢利為6,800,000港元（二零一八年：26,000,000港元），較去年下跌約73.9%。每股基本盈利約為0.51港仙（二零一八年：1.95港仙）。

末期股息

本公司董事會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）。

業務回顧

二零一九年對本集團而言仍是充滿挑戰的一年。年內我們面對利淡因素，本集團的收入減少1.3%至531,400,000港元，截至二零一九年十二月三十一日止年度，本公司錄得權益持有人應佔溢利6,800,000港元。

在我們的二零一九年度中期報告中所提及，本集團的業績受到許多因素的影響。於回顧年度，由於一些現有的大額訂單已於二零一八年完成了，我們的銷售錄得了輕微下降。此外，年內香港缺乏大型基礎設施項目，以致我們的銷售並未有獲得增長的動力而回到正常水平。

由於中國的環境保護政策，去年第四季度中國工廠的臨時停產影響了正常的供應。中國工廠努力遵守中國政府實施的嚴格環保措施。這增加了本集團的成本並影響了我們的毛利率。香港不利的市場環境因素，令到建築的進度及產品的需求有所放緩。

Chairman's Statement

主席報告

FUTURE PROSPECTS

To stay in the forefront of competition, we will continue to manage our costs tightly and enhance our cost-effectiveness. The Group's financial position remains strong. The Group will continue to be prudent in light of the challenges in both the local and global markets.

The outbreak of the novel coronavirus (COVID-19) in the mainland China has a profound impact on the region's economies. While the extent of the full impact remains to be seen, 2020 is expected to be full of challenges. In light of the strong support from Hong Kong Government on the supply of more public housing, the Group will continue to benefit from the increasing demand on pipes and fittings products. Therefore, the Group is optimistic with the prospects of pipes and fittings business in Hong Kong and Macau. We are confident that our committed management team can bring the Group forward under a difficult operating environment.

APPRECIATION

In closing, I would like to take this opportunity to express my deepest thanks to our shareholders, customers, suppliers and banks for their continuous support. I would also like to thank our Directors, management team and employees for their commendable efforts and valuable contribution to the Group over the years. Your dedicated support is the driving force behind our achievements.

Lai Fulin
Chairman

Hong Kong, 27 March 2020

未來前景

為了保持競爭的領先優勢，我們將繼續嚴格控制成本並提高成本效益。本集團的財務狀況仍然良好，鑑於本地和全球市場的挑戰，本集團將繼續保持審慎的態度。

在中國內地爆發的新型冠狀病毒(COVID-19)對該地區的經濟產生了深遠的影響。儘管其全部影響的程度仍未明朗，但預計二零二零年將充滿挑戰。鑑於香港政府仍會大力支持更多公共房屋方面的供應，本集團將繼續受惠於對管道和管件產品需求的增加。因此，本集團對管道及管件於香港及澳門的業務前景仍感到樂觀。我們有信心，我們盡心盡責的管理團隊在這艱難的經營環境中能帶領集團向前發展。

致謝

最後，本人謹藉此機會對一直以來支持我們的各位股東、客戶、供應商及銀行，表達最深切的謝意。本人亦要感謝董事、管理團隊和員工對本集團多年來作出值得讚揚的努力及寶貴的貢獻。你們忠誠的支持是我們成果背後的推動力。

主席
賴福麟

香港，二零二零年三月二十七日



Mission and Strategy 使命及策略

The business of the Group was commenced in 1949 as a pipe's retail shop. Now the Group has developed into a sizeable company and become a listed company in the main board of The Stock Exchange of Hong Kong Limited on 21 December 2000. We root in Hong Kong 70 years and are the mainstay of the industry.

The principal business of the Group is the importing and selling of a comprehensive range of pipes, fittings and other related accessories of different materials, applications and brand names in Hong Kong by Bun Kee (International) Limited ("Bun Kee"). Sales of the Group's products are conducted either by wholesale or retail sale. We offered quality goods storage and logistic services for local main contractors and landlords. Throughout the years, the Group has supplied quality piping materials to many landmark projects in Hong Kong, Macau and Mainland China.

The mission of the Group is to provide high quality products to the customers and serve with value-added and excellent customer services.

In attaining the above, we provide "one-stop-shop" platform that provides high quality and a variety of pipes and fittings that readily available to our customers in ways that meet their needs and exceed their expectations.

Whenever you think pipes and fittings, think Bun Kee.

本集團於一九四九年以管材零售店開始其業務。本集團現已發展成為一間具規模企業，並於二零零零年十二月二十一日成為香港聯合交易所有限公司的主板上市公司。我們紮根香港七十年，為業界的中流砥柱。

本集團的主要業務，由彬記(國際)有限公司(「彬記」)於香港進口及銷售不同材料、用途及品牌的各種管道、管件及其他相關配件。本集團的產品以批發或零售方式從事銷售，並為本地主要承建商及業主提供優質的儲貨備運服務。多年來，本集團已向香港、澳門及中國內地的多個地標項目供應優質管材。

本集團的使命是為客戶提供高品質的產品，提供具增值和優質的客戶服務。

我們提供「一站式」的平台，以供應優質及各式各樣管道和管件，一應俱全供應給我們的客戶，以滿足他們的需求，並超出他們所想的，以實現我們的使命。

無論何時您想起管道及管件，就想到彬記。

Management Discussion and Analysis

管理層討論及分析

BUSINESS OVERVIEW AND FINANCIAL PERFORMANCE

The Group is a leading provider to the construction sector offering a wide range of pipe (including copper tube, ductile iron and steel pipes) related products, fittings, comprehensive services and solutions to the contractors, designers, consultants and government agencies in Hong Kong and Macau.

The Group's core business mainly operated with our flagship subsidiary, Bun Kee (International) Limited, a well-established company with a long history. Starting from a small retail shop, we grew up to a company listed in Hong Kong. We have become one-stop supplier of a comprehensive range of pipes and fittings. The Group has built a good reputation for the pipes and fittings business in Hong Kong and Macau. We have established stable major customer and supplier bases over the years.

During the year, we continued to operate in a competitive market environment. The Group remained focused on its core business of distribution of pipes and fittings in Hong Kong and Macau. The new segment of biomass pellet fuel products business was relatively small and did not have profit contribution to the Group.

The Group recorded revenue of HK\$531.4 million for the year ended 31 December 2019 (2018: HK\$538.2 million), a slight decrease of 1.3%. The Group's revenue was mainly derived from sales of pipes and fittings in Hong Kong and Macau. The decrease was mainly attributable to the lack of large-scale infrastructure projects in Hong Kong during the year but partially offset by the increase of sales in Macau which recorded an increase of 72.3% as compared to the corresponding period of last year. The profit attributable to equity holders was HK\$6.8 million for the year ended 31 December 2019 (2018: HK\$26.0 million), representing a decrease of 73.9%. Competition on pricing for new sales orders has eroded our gross margins and resulted in the decrease of profit for the Group.

For the year under review, other net gains were about HK\$0.6 million (2018: HK\$4.3 million), representing a decrease of 86.0%. The decrease was primarily attributable to the one-off reversal of provision for customer claim in 2018.

業務回顧及財務表現

本集團主要為香港及澳門之承建商、設計師、顧問及政府機構提供各類型管道(包括銅管、球墨鑄鐵管和鋼管等)相關產品、配件，全面的服務和解決方案，於建築行業處於領導地位。

本集團核心業務主要是由我們一間歷史悠久的旗艦子公司彬記(國際)有限公司營運。從一家零售小店開始，我們已發展成為一間在香港上市的公司。我們已經成為全面的管道和管件的一站式供應商。本集團在香港及澳門於管道及管件已建立了良好的信譽。多年來我們建立了穩定的主要客戶和供應商基礎。

於年內，我們繼續在競爭激烈的市場環境中經營。本集團仍專注於香港及澳門分銷管道及管件的核心業務。新分部的生物質顆粒燃料產品業務規模相對較小，暫未有為本集團帶來盈利貢獻。

截至二零一九年十二月三十一日止年度，本集團錄得收入531,400,000港元(二零一八年：538,200,000港元)，微跌1.3%。本集團的收入主要來自香港和澳門的管道和管件銷售。收入減少主要是由於年內香港缺乏大型基礎設施項目，但減少部份被澳門銷售的增加所抵銷，而澳門銷售與去年同期相比增長了72.3%。截至二零一九年十二月三十一日止年度，權益持有人應佔溢利為6,800,000港元(二零一八年：26,000,000港元)，減少73.9%。新的銷售訂單在價格上的競爭，侵蝕了我們的毛利率，並導致本集團的利潤下降。

於回顧年度，其他淨收益額約為600,000港元(二零一八年：4,300,000港元)，減少86%。其減少主要是由於二零一八年的一次性客戶補償撥備回撥。

Management Discussion and Analysis

管理層討論及分析

The Group's selling and distribution costs amounted to approximately HK\$20.5 million in 2019 (2018: HK\$20.8 million), a decrease of about 1.6% year-on-year. The decrease was mainly attributable to the decrease in transportation costs, consultancy fees and sales commission, partially offset by the increase in logistic staff costs. The Group's general and administrative expenses amounted to approximately HK\$106.0 million in 2019 (2018: HK\$113.0 million), representing a decrease of about 6.3% year-on-year. The decrease was mainly due to the initial adoption of HKFRS 16 "Lease". Most of the rental expenses incurred in 2019 were recognised as depreciation on right-of-use assets and interest expenses on lease liabilities presented in finance costs. After taking out this effect, the decrease was primarily attributable to the decrease in employee benefits expenses and testing fees, partially offset by the increase in depreciation expenses.

Finance costs mainly consist of the interest expenses on bank borrowings and lease liabilities. For the year ended 31 December 2019, the finance costs were HK\$8.5 million (2018: HK\$2.1 million). The increase was mainly attributable to interest expense on lease liabilities of HK\$6.1 million resulting from the adoption of HKFRS 16 during the year. Excluding the effect of HKFRS 16 adoption, the interest expenses was HK\$2.3 million for the year ended 31 December 2019 (2018: HK\$2.1 million), representing an increase of 9.5% over last year. Finance income, mainly interest income from a loan to a related party, which was at similar level as compared to last year. As finance income outpaced costs, we recorded net finance income of HK\$1.9 million (2018: HK\$8.1 million).

OUTLOOK

To stay in the forefront of competition, we will continue to manage our costs tightly and enhance our cost-effectiveness. The Group's financial position remains strong. The Group will continue to be prudent in light of the challenges in both the local and global markets.

於二零一九年，本集團的銷售及分銷成本為20,500,000港元(二零一八年：20,800,000港元)，較去年減少1.6%，其減少主要是由於運輸費、顧問費及銷售佣金的減少所致，減少部份被增加的物流人員成本所抵銷。本集團的一般及行政費用於二零一九年約為106,000,000港元(二零一八年：113,000,000港元)，較去年減少6.3%。減少的主要原因是首次採納香港財務報告準則第16號「租賃」。大部分的租金支出於二零一九年被確認為使用權資產的折舊以及在財務成本中列示的租賃負債的利息。剔除此影響後，減少的主要原因是員工福利支出和測試費用的減少，部分被增加的折舊費用所抵銷。

財務成本主要包括銀行借貸及租賃負債的利息支出。截至二零一九年十二月三十一日止年度，財務成本為8,500,000港元(二零一八年：2,100,000港元)。該增加主要由於年內採納香港財務報告準則第16號產生之租賃負債利息支出6,100,000港元所致。撇除採納香港財務報告準則第16號的影響，截至二零一九年十二月三十一日止年度的利息支出為2,300,000港元(二零一八年：2,100,000港元)，較去年增加9.5%。財務收入，主要是向關聯方貸款的利息收入，與去年相若。由於財務收入高於費用，我們錄得淨財務收入為1,900,000港元(二零一八年：8,100,000港元)。

前景

為了保持競爭的領先優勢，我們將繼續嚴格控制成本並提高成本效益。本集團的財務狀況仍然良好，鑑於本地和全球市場的挑戰，本集團將繼續保持審慎的態度。

Management Discussion and Analysis

管理層討論及分析

The outbreak of the novel coronavirus (COVID-19) in the mainland China has a profound impact on the region's economies. While the extent of the full impact remains to be seen, 2020 is expected to be full of challenges. In light of the strong support from Hong Kong Government on the supply of more public housing, the Group will continue to benefit from the increasing demand on pipes and fittings products. Therefore, the Group is optimistic with the prospects of pipes and fittings business in Hong Kong and Macau. We are confident that our committed management team can bring the Group forward under a difficult operating environment.

LIQUIDITY AND CAPITAL RESOURCES ANALYSIS

As at 31 December 2019, the cash and bank balances of the Group were approximately HK\$193.7 million (2018: HK\$161.1 million) including pledged bank deposits of approximately HK\$36.0 million (2018: HK\$31.0 million). Basically the Group's working capital requirement has been financed by its internal resources. The funds generated from operations and the available banking facilities will enable the Group to meet its future working capital requirements.

As at 31 December 2019, the Group had aggregate banking facilities for trade finance of approximately HK\$290.7 million (2018: HK\$265.7 million), approximately HK\$51.7 million (2018: HK\$62.8 million) was utilised. The Group's total borrowings stood at approximately HK\$47.4 million (2018: HK\$57.4 million), the entire amount of borrowings for both years end will mature within one year.

The entire amount of borrowings outstanding as at 31 December 2019 was approximately HK\$47.4 million (2018: HK\$57.4 million). 35% (2018: 20%) and 65% (2018: 80%) of borrowings were subject to floating and fixed rates respectively.

The gearing ratio as measured by total bank borrowings to total equity was approximately 8.7% as at 31 December 2019 (2018: 10.6%).

As at 31 December 2018 and 2019, the entire amount of the Group's borrowings was denominated in Hong Kong dollars.

在中國內地爆發的新型冠狀病毒(COVID-19)對該地區的經濟產生了深遠的影響。儘管其全部影響的程度仍未明朗，但預計二零二零年將充滿挑戰。鑑於香港政府仍會大力支持更多公共房屋方面的供應，本集團將繼續受惠於對管道和管件產品需求的增加。因此，本集團對管道及管件於香港及澳門的業務前景仍感到樂觀。我們有信心，我們盡心盡責的管理團隊在這艱難的經營環境中能帶領集團向前發展。

流動資金及財務資源分析

於二零一九年十二月三十一日，本集團之現金及銀行結餘約為193,700,000港元(二零一八年：161,100,000港元)包括已抵押銀行之存款約為36,000,000港元(二零一八年：31,000,000港元)。基本上，本集團所需之營運資金來自內部資源。本集團相信由營運產生之資金及可用之銀行融資額度，足以應付本集團日後之流動資金需求。

於二零一九年十二月三十一日，本集團之貿易融資的銀行額度合共約290,700,000港元(二零一八年：265,700,000港元)，已動用之銀行融資額度約為51,700,000港元(二零一八年：62,800,000港元)。本集團的借貸總額約為47,400,000港元(二零一八年：57,400,000港元)，兩個年末之借貸全數將於一年內到期。

於二零一九年十二月三十一日，未償還借貸全數約為47,400,000港元(二零一八年：57,400,000港元)。35%(二零一八年：20%)及65%(二零一八年：80%)的借貸分別以浮動及固定利率計息。

於二零一九年十二月三十一日，按銀行借貸總額相對於總權益計算的資產負債比率約為8.7%(二零一八年：10.6%)。

於二零一八年及二零一九年十二月三十一日，本集團借貸總額全數以港元結算。

Management Discussion and Analysis

管理層討論及分析

The Group conducts its business transactions mainly in Hong Kong dollar, Macau Pataca, Renminbi and United States dollar. In order to manage foreign exchange risk, the Group has been closely monitoring its foreign currency exposure and will arrange for any hedging facilities if necessary.

CHARGE ON ASSETS

As at 31 December 2019, certain bank deposits and certificate of deposit held by subsidiaries of the Group with aggregate carrying amounts of approximately HK\$36.0 million (2018: HK\$31.0 million) and HK\$10.0 million (2018: HK\$10.0 million) respectively were pledged to banks for banking facilities.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2018 and 2019.

CAPITAL COMMITMENTS

As at 31 December 2019, the Group had no capital commitments contracted for but not provided for in consolidated financial statements. (2018: Nil).

STAFF AND REMUNERATION POLICY

As at 31 December 2019, the Group employed a total of 169 employees (2018: 186). Total employee benefit expenses for the year ended 31 December 2019 was approximately HK\$67.1 million (2018: HK\$72.3 million).

Remuneration policy is reviewed annually and certain staff members are entitled to sales commission. In addition to the basic salaries and contributions to the mandatory provident fund, the Group also pays discretionary bonus and provides staff with other benefits including medical scheme to the employees in Hong Kong. The Group contributes to an employee pension scheme established by the PRC Government which undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group in Mainland China. The Group adopted a share option scheme for the purpose of providing incentives and rewards to motivate the eligible directors and employees of the Group in recognition of their contributions to the Group.

本集團之業務交易主要以港元、澳門幣、人民幣及美元結算。為管理外匯風險，本集團一直密切監控外幣風險，並在需要時作出對沖安排。

資產押記

於二零一九年十二月三十一日，由本集團之附屬公司持有之若干銀行存款及存款證分別賬面總值約為36,000,000港元(二零一八年：31,000,000港元)及約為10,000,000港元(二零一八年：10,000,000港元)已抵押予銀行以取得銀行融資額度。

或然負債

於二零一八年及二零一九年十二月三十一日，本集團並無任何重大或然負債。

資本承擔

於二零一九年十二月三十一日，本集團並沒有已簽訂合同但仍未於綜合財務報表撥備的資本開支。(二零一八年：無)。

員工及薪酬政策

於二零一九年十二月三十一日，本集團共僱用169名員工(二零一八年：186名)，截至二零一九年十二月三十一日止年度，員工福利開支共約67,100,000港元(二零一八年：72,300,000港元)。

薪酬政策每年檢討一次，部份員工享有銷售佣金收入。香港員工除了享有基本薪金及強積金供款外，本集團亦發放酌情花紅並提供醫療計劃等其他福利。本集團向一項由中國政府所設立的僱員退休金計劃供款，該退休金計劃承諾承擔為本集團現時及未來在中國內地的退休員工提供退休福利的責任。本集團設有一項購股權計劃，以向本集團合資格董事及僱員提供獎勵及報酬，以表揚其對本集團作出之貢獻。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

EXECUTIVE DIRECTOR

Mr. Lai Fulin, aged 54, acted as an Executive Director of the Company from October 2009 to May 2017 and continued to sit on the senior management team of the Group thereafter. Mr. Lai rejoined the Board as an Executive Director of the Company on 27 November 2017 and was appointed as the Chairman of the Board with effect from 30 March 2018. He is also a member of the Chairman of Nomination Committee and a member of Remuneration Committee of the Company. In addition, Mr. Lai is the Head of Production & Purchasing of the Group and holds directorships in certain subsidiaries of the Company. Mr. Lai has over 20 years of experience in the banking sector, investment management and general management of companies in China. Mr. Lai worked in the Bank of China in Shenzhen from 1986 to 2001. From 1995 to 2001, he was the deputy general manager of a subsidiary of Bank of China dealing with businesses in the securities industry. During the period from 2002 to 2008, Mr. Lai was the general manager of 深圳市華奧冠力科技實業有限公司 (Shenzhen Huao Guanli Technologies Company Limited*). Mr. Lai holds a certificate of graduation in Chinese Language from 深圳教育學院 (Shenzhen Institute of Education*).

Mr. Lai is the younger brother of Mr. Lai Guanglin, the controlling shareholder of the Company.

* For identification purpose only

Mr. Yu Ben Ansheng, aged 55 was appointed as Executive Director and Chief Executive Officer of the Company in May 2009. Mr. Yu is responsible for managing overall daily operations of the Group and the implementation of the Group's development strategies.

Mr. Yu has over 20 years of experience in investment management, investment banking and general management of listed companies. Mr. Yu began his career at Mackenzie Financial Corporation in Toronto, Canada as an investment analyst in 1989 and since then, he has served several major financial corporations including J.P. Morgan, Deutsche Bank and CITIC Capital. In addition to his vast investment banking and management experience, Mr. Yu has also managed listed companies such as New World Cyberbase Limited and Asia Logistics Holdings Limited in Hong Kong. During his past career, Mr. Yu has focused on direct investment and mergers and acquisitions activities in sectors including construction materials, infrastructure, energy, technologies, media and financial services.

執行董事

賴福麟先生，54歲，於二零零九年十月至二零一七年五月期間曾出任本公司之執行董事，並於其後繼續留任於本集團之高級管理人員團隊。賴先生於二零一七年十一月二十七日再次加入董事會為本公司執行董事，並於二零一八年三月三十日獲委任為董事會主席。彼亦為本公司提名委員會主席及薪酬委員會成員。此外，賴先生是本集團生產及採購部總監及擔任本公司若干附屬公司之董事。賴先生在國內的銀行業、投資管理及企業管理方面累積逾二十年經驗。賴先生於一九八六年至二零零一年期間任職於中國銀行深圳市分行。於一九九五年至二零零一年期間，他曾出任中國銀行屬下之證券公司副總經理一職。於二零零二年至二零零八年期間，賴先生出任深圳市華奧冠力科技實業有限公司總經理一職。賴先生持有深圳教育學院中文科大專畢業證書。

賴先生乃本公司之控股股東Lai Guanglin先生之胞弟。

俞安生先生，55歲，於二零零九年五月獲委任為本公司執行董事兼首席執行官。俞先生負責管理本集團整體日常運作及執行本集團的發展策略。

俞先生在投資管理、投資銀行及上市公司管理方面累積逾20年經驗。俞先生於一九八九年加入加拿大多倫多Mackenzie Financial Corporation，開始投資分析師之職業生涯。此後，他曾服務於摩根大通、德意志銀行及中信資本等多間主要金融機構。除在投資銀行及資產管理方面累積豐富之經驗外，俞先生亦曾管理新世界數碼基地有限公司及亞洲物流控股有限公司等若干香港上市公司。於過往職業生涯中，俞先生專注於建材、基礎設施、能源、科技、傳媒及金融服務等行業之直接投資及併購活動。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Mr. Yu holds a Bachelor of Arts degree in English Literature from the Beijing Foreign Studies University, a Master of arts degree in Education from the University of Toronto and a master's degree in business administration from the University of Western Ontario, Canada.

Mr. Yu is a director of King Jade Holdings Limited, a substantial shareholder of the Company which has an interest in the shares of the Company that is required to be disclosed under Part XV of the Securities and Futures Ordinance.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Wong Yee Shuen, Wilson, aged 52, was appointed as Independent Non-executive Director of the Company in February 2009. He is also the Chairman of the Audit Committee of the Company. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and member of Australia CPA and Australian Institute of Banking and Finance. He holds a master of commerce degree, specializing in banking and finance from the University of New South Wales. With more than 20 years of experience in PricewaterhouseCoopers and Ernst and Young, Mr. Wong specializes in the area of auditing banks and listed companies. Mr. Wong is the chief financial officer of China Animation Characters Company Limited (Stock code: 1566, a company listed on The Stock Exchange of Hong Kong Limited "HKSE") and serving as independent non-executive director of Ping An Securities Group (Holdings) Limited (Stock code: 231, a company listed on HKSE) and PT International Development Corporation Limited (Stock code: 372, a company listed on HKSE).

Mr. Chen Wei Wen, aged 51, was appointed as Independent Non-executive Director of the Company in April 2010. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Mr. Chen holds a Bachelor of Business (Accounting) from Monash University, Australia. Mr. Chen worked as a general manager of Guangzhou Futian Trading Company Ltd (廣州市富添貿易有限公司) from 1997 to 2005. Since November 2004, Mr. Chen was appointed as chief operating officer of Guangzhou Kanxin Polymer Technology Co., Ltd (廣州市康心高分子科技有限公司) which is an affiliated company of Guangzhou Futian Trading Company Ltd (廣州市富添貿易有限公司). Mr. Chen was also appointed as director and general manager of Fuda Enterprises Limited (富而達企業有限公司) since February 1998.

俞先生持有北京外國語大學英國文學學士學位、多倫多大學教育學碩士學位及加拿大西安大略大學工商管理碩士學位。

俞先生現為本公司的主要股東King Jade Holdings Limited之董事。該公司根據《證券及期貨條例》第XV部須向本公司披露其擁有本公司股份的權益。

獨立非執行董事

黃以信先生，52歲，於二零零九年二月獲委任為本公司之獨立非執行董事。彼亦為本公司審核委員會主席。黃先生為香港會計師公會資深成員，以及澳洲會計師公會及澳洲銀行及金融學會成員。彼持有新南威爾士大學之商學碩士學位，專業為銀行及金融學。彼曾於羅兵咸永道會計師事務所及安永會計師事務所任職逾20年，擅於處理銀行及上市公司審核事務。黃先生是華夏動漫形象有限公司(股份代號：1566，一間於香港聯合交易所有限公司(「港交所」)上市之公司)之財務總監及擔任平安證券集團(控股)有限公司(股份代號：231，一間於港交所上市之公司)及保德國際發展企業有限公司(股份代號：372，一間於港交所上市之公司)之獨立非執行董事。

陳偉文先生，51歲，於二零一零年四月獲委任為本公司之獨立非執行董事。彼亦為本公司審核委員會、提名委員會及薪酬委員會成員。陳先生持澳洲Monash University的工商(會計)學士學位。由一九九七年至二零零五年，陳先生曾於廣州市富添貿易有限公司擔任總經理。自二零零四年十一月起，陳先生被委任為廣州市康心高分子科技有限公司(為廣州市富添貿易有限公司之聯屬公司)的首席營運官。自一九九八年二月起，陳先生亦被委任為富而達企業有限公司的董事及總經理。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Mr. Guan Zhiqiang, aged 57, was appointed as Independent Non-executive Director of the Company in September 2016. He is also the Chairman of Remuneration Committee, a member of Audit Committee and Nomination Committee of the Company. Mr. Guan holds a bachelor of Agronomy from Huazhong Agricultural University and a master degree in business administration from Southwestern University of Finance. During the period from 1984 to 1996, Mr. Guan had successively worked in the Ministry of Agriculture of the People's Republic of China and the State Planning Commission. He subsequently joined the Agricultural Development Bank of China and held various senior management positions and was granted a qualification of senior economist from the bank. From February 2002 to March 2003, Mr. Guan served as the general manager in New China Life Insurance Company Ltd, Jinan branch. From March 2003 to November 2005, he worked in Yeland Group Co. Ltd. (now known as HNA Investment Group Co., Ltd), a company listed on Shenzhen Stock Exchange, and was appointed as the chairman of its group's real estate company. Since 2005, Mr. Guan has established an investment advisory firm and invested in a number of enterprises which engaged in various fields including mining, energy and biotechnology, etc., and acted as a director in those enterprises. Mr. Guan is currently the vice chairman of 浙江宜葆生物科技有限公司 (Zhejiang Ecopro Biotech Company, Ltd.*) and a director of 霍爾果斯聚視互娛文化產業有限公司 (Huoerguosi Poly Entertainment Culture Industry Co., Ltd*). He has extensive experience in finance, investment and corporate management.

* For identification purpose only

管志強先生，57歲，於二零一六年九月獲委任為本公司之獨立非執行董事。彼亦為本公司薪酬委員會主席、審核委員會及提名委員會成員。管先生持有華中農業大學農學學士學位及西南財經大學工商管理碩士學位。於一九八四年至一九九六年期間，管先生先後任職於中華人民共和國農業部及國家計劃委員會，隨後加入中國農業發展銀行並擔任多個高級管理人員職務和獲該銀行授予高級經濟師資格。於二零零二年二月至二零零三年三月，管先生擔任新華人壽保險股份有限公司濟南分公司總經理。於二零零三年三月至二零零五年十一月，彼在億城集團股份有限公司(現稱海航投資集團股份有限公司)(一家於深圳證券交易所上市的公司)工作並獲該集團委任為旗下房地產公司的董事長。自二零零五年起，管先生設立一家投資諮詢公司並參股投資多家企業，行業種類包括礦業、能源及生物科技等等，並出任該些企業的董事職務。管先生現時為浙江宜葆生物科技有限公司的副董事長及霍爾果斯聚視互娛文化產業有限公司的董事。彼在金融、投資、企業管理等方面擁有豐富的經驗。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

SENIOR MANAGEMENT

Mr. Chow Wai Koon, Timothy, aged 50, was appointed as Chief Operating Officer of the Company in January 2015. Mr. Chow is responsible for directing, administering and co-ordinating the operational activities of the Group. He is also responsible for recommending and developing strategies, goals and policies of the Group.

Prior to joining the Company, Mr. Chow devoted almost 20 years to Hewlett-Packard group (“HP”), a leading global IT provider of products, technologies, software, solutions and services. While at HP, Mr. Chow held several senior positions in sales, marketing, business planning and finance in the Asia Pacific region including China, Australia and Singapore.

Mr. Chow has extensive experience in sales and marketing in the Asia Pacific region, particularly China, across consumer, commercial and enterprise customers. In addition, Mr. Chow has robust knowledge of end-to-end systems from research and development, manufacturing and distribution to channel, communication and customer support.

Mr. Chow holds a Master’s Degree in Business Administration from the Macquarie Graduate School of Management, Australia, and a Bachelor’s Degree of Accountancy from the Nanyang Technological University, Singapore.

Mr. Cheng Siu Kwan, aged 50, joined the Company as the Financial Controller in December 2012 and has been appointed as the Company Secretary of the Company in February 2013. Mr. Cheng is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Company, Mr. Cheng held various finance positions at a number of companies listed on The Stock Exchange of Hong Kong Limited and has over 25 years of experience in auditing, finance and accounting.

高級管理人員

招偉權先生，50歲，於二零一五年一月獲委任為本公司的首席運營官。招先生負責指導、管理和協調本集團的營運工作。彼亦負責建議及發展本集團戰略、目標和政策。

在加盟本公司前，招先生致力於惠普（一家提供產品、技術、軟件、解決方案和服務的全球領先資訊科技供應商）近20年。在惠普期間，招先生曾於亞太地區（包括中國、澳洲和新加坡）的銷售、市場營銷、業務規劃和財務方面擔任高級職務工作。

招先生在亞太地區（尤其中國）的消費客戶、商業及大型企業客戶方面均擁有非常豐富的銷售和市場推廣經驗。此外，他在端到端系統的研究與開發、製造及分銷渠道、溝通及客戶支援方面具有豐富的知識。

招先生持有澳洲麥格理大學工商管理學院之工商管理碩士學位及新加坡南洋理工大學會計學士學位。

鄭少群先生，50歲，於二零一二年十二月加入本公司擔任財務總監，並於二零一三年二月獲委任為本公司之公司秘書。鄭先生為英國特許公認會計師公會資深會員及香港會計師公會會員。加入本公司之前，鄭先生曾於多家香港聯合交易所有限公司上市公司出任不同的財務職務，彼於審計、融資及會計方面擁有逾25年經驗。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Ms. Chan Yuk Fan, aged 56, joined the Group in 1982 and has held a number of leadership roles in the Group's retail, project sales and procurement division. Ms. Chan currently is the Deputy Managing Director of Bun Kee (International) Limited, the pipe trading subsidiary of the Group and is mainly responsible for the leadership, control and long-term business development of the Company. She has extensive experience and knowledge in managing a successful piping distribution operation. She is a member of Central and Western District Fight Crime Committee, a member of Lions Club and a council member of The Hong Kong Air Conditioning and Refrigeration Association Limited.

Mr. Lai Kui Chung, aged 62, joined the Group in 1979 and is the Warehouse Director of the pipe trading subsidiary, Bun Kee (International) Limited. Mr. Lai is responsible for the warehouse and transportation activities of the Group. He has over 40 years of experience in supervising warehouse and transportation operations. Mr. Lai holds a Certificate in Store Supervision from a technical institute.

Mr. Ku Chun Ming, aged 54, joined the Group in 1993 and is the Sales Director of the pipe trading subsidiary, Bun Kee (International) Limited. Mr. Ku is responsible for the Group's sales operations, new product development and promotion activities including the exhibitions and seminars. He has over 33 years of experience in sales and marketing activities.

陳玉芬女士，56歲，於一九八二年加入本集團，並曾於本集團的零售、項目銷售及採購部門先後擔任領導角色。陳女士現時為本集團管道貿易附屬公司彬記(國際)有限公司之副董事總經理，主要負責領導、監控及公司業務的長遠發展。彼於管理成功的管道分銷營運上具有相當豐富的經驗及知識。彼為中西區撲滅罪行委員會委員、獅子會會員、香港空調及冷凍商會有限公司理事。

黎居忠先生，62歲，於一九七九年加入本集團，現時為管道貿易附屬公司彬記(國際)有限公司之倉務董事，負責本集團之倉儲及運輸業務。彼在管理倉庫及運輸營運方面積逾40年經驗，持有工業學院之倉庫管理證書。

古俊明先生，54歲，於一九九三年加入本集團，現時為管道貿易附屬公司彬記(國際)有限公司之銷售董事。古先生負責本集團銷售業務及新產品業務發展，以及市場推廣活動，包括展覽及研討會。彼在銷售及市場推廣業務積逾33年經驗。

Softpower International Limited (the “Company”) is committed to maintain a high standard of corporate governance. The board of directors of the Company (the “Board”) and management maintain and enhance the policies and practices of the Company on a timely, transparent, effective and reasonable manner, so as to maintain good, solid and reasonable corporate governance. The Company believes that good corporate governance is not only in the interest of shareholders and investors but also in the interest of the Company. The Company will continue to raise the standard to formalize the best practice of corporate governance as far as we could.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code (the “Code”) as stated in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2019.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rule (the “Model Code”). Having made specific enquiry with the directors of the Company (“Directors”), all Directors confirmed that they have fully complied with the required standard as set out in the Model Code during the year ended 31 December 2019.

BOARD OF DIRECTORS

Composition

As at the date of this report, the Board comprises five Directors, including two executive Directors, Mr. Lai Fulin (the Chairman of the Board) and Mr. Yu Ben Ansheng (the Chief Executive Officer); and three independent non-executive Directors, Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Mr. Guan Zhiqiang, one of whom namely, Mr. Wong Yee Shuen, Wilson has appropriate professional accounting experience and expertise. Biographical details of the Directors are set out in the section headed “BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT” of this Annual Report.

Throughout the year, the Board has at least one-third in number of its members comprising independent non-executive Directors under Rule 3.10A of the Listing Rules.

冠力國際有限公司(「本公司」)致力達致高水平之企業管治。本公司董事會(「董事會」)及管理層維持及提升本公司適時、具透明度、有效及合理的政策及實務，並確保良好、穩固及合理的企業管治。本公司相信良好的企業管治不單只有利於股東及投資者，亦符合本公司的利益。本公司將繼續提高標準，務求制定最佳之企業管治常規。

企業管治守則

截至二零一九年十二月三十一日止年度，本公司已遵守聯交所證券上市規則(「上市規則」)附錄十四《企業管治守則》(「守則」)所載之守則條文規定。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載有關上市發行人董事進行證券交易的標準守則(「標準守則」)。經向本公司董事(「董事」)作出特別查詢後，所有董事已確認，彼等於截至二零一九年十二月三十一日止年內均全面遵守標準守則所載列之所須準則。

董事會

組成人員

於本報告日期，董事會由五名董事組成，包括兩名執行董事：賴福麟先生(董事會主席)及俞安生先生(首席執行官)；以及三名獨立非執行董事：黃以信先生、陳偉文先生及管志強先生，其中黃以信先生擁有適當的專業會計經驗及專門知識。每位董事的個人履歷已詳載於本年報之「董事及高級管理人員之履歷」內。

於整年內，根據上市規則3.10A之規定董事會成員最少三分之一由獨立非執行董事組成。

Corporate Governance Report

企業管治報告

Each of the non-executive Directors (including the independent non-executive Directors) has entered into a service contract with the Company and appointed for a term of one year. All Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all the independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and considers that they are independent.

To the best knowledge of the Company, except that Mr. Lai Fulin is the younger brother of Mr. Lai Guanglin, a substantial shareholder of the Company, there is no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

The Board has balance of skills, knowledge and experience appropriate for the requirements of the business and to complement the Company's corporate strategy. The Board membership is covered by professionally qualified and widely experienced personnel to bring in valuable contributions and different professional advices and consultancy for development of the Company. All Directors have separate and independent access to the advice and services of the senior management and the company secretary with a view to ensuring the board procedures, and all applicable rules and regulations are followed. The principal functions of the Board are to supervise the management of the business and affairs; to approve the strategic plans, investment and funding decision; to review the Group's financial performance and operating initiatives.

The Board, led by the Chairman, is responsible for formulating overall strategy and policies, monitoring and controlling the performance of the Group. In addition to its overall supervisory role, the Board also retains specific responsibilities such as approving financial accounts, approving annual budget, recommending dividend payments, approving policies relating to the Board's compliance, etc. whilst managing the Group's day-to-day operations is the responsibility of the management of the Group (the "Management") such as implementing internal control, business strategies and plans set by the Board, etc.. When the Board delegates certain aspects of its management and administration functions to the Management, it has given clear directions as to the powers of the Management.

每名非執行董事(包括獨立非執行董事)均與本公司訂立為期一年任期的服務合同。所有董事須根據本公司之公司細則規定於本公司股東週年大會上輪值退任及重選連任。

每名獨立非執行董事已根據上市規則第3.13條的規定作出有關其獨立性的年度獨立確認。本公司認為所有獨立非執行董事均遵守上市規則第3.13條所列的獨立指引，因此本公司認為彼等為獨立。

就本公司所知，除賴福麟先生乃本公司主要股東Lai Guanglin先生之胞弟外，董事會各成員間並無關係(包括財務、業務、家屬或其他重要／相關的關係)。

董事會具備於業務上適當的所需技巧、知識及經驗以配合本公司的公司策略。董事會成員涵蓋具備專業資格及廣泛經驗之人士，為本公司之發展提供不同專業意見及諮詢，並作出寶貴貢獻。所有董事均可自行透過獨立途徑接觸高級管理人員及公司秘書以取得建議及服務，藉以確保遵守董事會程序，以及所有適用規則及規例。董事會之主要功能為監督業務及事務管理；批核策略性計劃、投資及撥付資金決定；以及檢討集團財務表現及經營活動。

董事會在主席領導下，負責制訂整體策略及政策，監察及控制集團的表現，董事會除擔當起全面監督的角色外，同時會執行一些指定職務，如審批財務賬目、審批年度財務預算、建議派發股息及審批有關董事會合規的政策等。而管理集團日常營運乃由本集團管理層(「管理層」)負責，如履行內部監控和由董事會制定的業務策略及計劃等。當董事會將其若干的管理及行政功能方面的權力授予管理層時，已同時就管理層的權力，給予清晰的指引。

CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director has received comprehensive, formal and tailored induction on appointment so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities under the Listing Rules, legal and other regulatory requirements.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations.

In addition, all Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

The Directors confirmed that they have complied with the code provision A.6.5 of the Code on Directors' training. During the Year, all Directors have participated in continuous professional development by attending seminars and/or reading materials on the following topics to develop and refresh their knowledge and skills and provided a record of training to the Company.

持續專業發展

各新任董事已於委任時接受全面、正式及為彼而設之就職指引以確保董事對本集團業務及營運有恰當了解，並完全明白彼於上市規則及相關監管規定項下之責任。

董事定期獲知會相關法例、規則及規例之修訂或最新版本。

此外，董事亦獲提供本公司表現、狀況及前景的每月更新資料，以便董事會整體及各董事履行其職務。

董事確認，彼等已遵守守則有關董事培訓之守則條文第A.6.5條。於本年度，全體董事已參與持續專業發展，方式為出席有關以下主題之座談會及／或閱讀材料，以發展及更新彼等之知識及技能，並已向本公司提供培訓記錄。

Name of Directors

Mr. Lai Fulin
Mr. Yu Ben Ansheng
Mr. Wong Yee Shuen, Wilson
Mr. Chen Wei Wen
Mr. Guan Zhiqiang

董事姓名

賴福麟先生
俞安生先生
黃以信先生
陳偉文先生
管志強先生

Topics on training covered ^(Note) 所涵蓋之培訓主題 ^(附註)

C、L、R
C、L、R
C、F、L、R
C、L、R
C、L、R

Notes:

C: Corporate Governance
F: Finance and Accounting
L: Listing Rules Updates
R: Other Relevant Regulatory Updates

附註：

C：企業管治
F：財務及會計
L：上市規則的更新
R：其他相關法規的更新

Corporate Governance Report

企業管治報告

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The position of the Chairman of the Board and the Chief Executive Officer of the Company are held by separate individuals. The role of the Chairman is separated from that of the Chief Executive Officer. Such division of responsibilities helps to reinforce their independence and accountability.

Mr. Lai Fulin takes up the role of providing leadership for the Board and ensures that the Board works effectively and discharges its responsibility properly. With the support of executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at board meetings and receive adequate and reliable information in a timely manner. The Chairman also ensures that good corporate governance practice is in force from time to time, and all key issues are discussed by the Board in a timely manner.

Mr. Yu Ben Ansheng, the Chief Executive Officer of the Company, is responsible for managing overall daily operations of the Group, the implementation of the Group's development strategies and plans and to perform other responsibilities as assigned by the Board.

BOARD MEETING

The Board meets regularly, and at least four times a year, additional meetings are convened when deemed necessary by the Board. Board members are provided with complete, adequate and timely information to allow the Directors to fulfill their duties properly. In addition, Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors. In addition, the Chairman and non-executive Directors (including the independent non-executive Directors) meet at least once every year without the presence of executive Directors.

During the year, the Board met regularly and held seven meetings. Notices and board papers were given to all Directors prior to the board meetings in accordance with the Code. The Chairman and non-executive Directors (including the independent non-executive Directors) met once without the presence of executive Directors.

主席和首席執行官的角色

董事會主席及本公司首席執行官的職位由不同人士出任。主席的職責有別於首席執行官。有關分工有助加強他們的獨立和問責性。

賴福麟先生擔任董事會之領導角色，確保董事會有效運作及適當履行其職責。在執行董事及公司秘書協助下，主席將確保所有董事均就董事會會議上提出的事項獲得適當說明，並適時獲得充份可靠的資料。主席亦確保不時切實執行優良之企業管治常規，以及董事會及時商討所有重要事宜。

本公司首席執行官俞安生先生負責管理本集團整體日常運作及執行本集團的發展策略及計劃，以及執行由董事會委派的任務。

董事會會議

董事會定期舉行會議，而每年最少舉行四次會議，及於其認為有需要時召開額外會議。董事會成員獲提供完整、充份及適時資料，以便董事可妥善履行彼等之職責。此外，董事可於其認為需要時取得集團資料及獨立的專業意見。此外，主席每年與非執行董事(包括獨立非執行董事)舉行至少一次沒有執行董事出席的會議。

於年內，董事會定期會晤及舉行了七次會議。於舉行董事會會議前，已根據守則之規定向所有董事發出通知及會議文件。主席與非執行董事(包括獨立非執行董事)舉行了一次沒有執行董事出席的會議。

Meetings held in 2019

Details of the Directors' attendance at Board meetings, Board committee meetings and general meetings (including the annual general meeting) respectively held in 2019 are set out as below:

於二零一九年舉行的會議

各位董事於二零一九年分別於董事會會議、董事會轄下委員會會議及股東大會(包括股東週年大會)的出席記錄詳情如下：

		Attended/Eligible to attend 出席次數/合資格出席次數				
		Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	General Meeting 股東大會
Number of Meetings Held	會議舉行次數	7	3	1	3	2
Executive Directors		執行董事				
Mr. Lai Fulin	賴福麟先生	7/7	-	1/1	3/3	2/2
Mr. Yu Ben Ansheng	俞安生先生	7/7	-	-	-	2/2
Independent Non-executive Directors		獨立非執行董事				
Mr. Wong Yee Shuen, Wilson	黃以信先生	7/7	3/3	-	-	2/2
Mr. Chen Wei Wen	陳偉文先生	7/7	3/3	1/1	3/3	2/2
Mr. Guan Zhiqiang	管志強先生	7/7	3/3	1/1	3/3	2/2

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

A number of Board committee, including audit committee, remuneration committee and nomination committee, have been established by the Board to strengthen its functions and to enhance its expertise. All committees have been formed with specific written terms of reference which deals clearly with the respective committees' authorities and duties.

Remuneration Committee

As at the date of this report, the Remuneration Committee comprises three members including one executive Director, namely Mr. Lai Fulin and two independent non-executive Directors, namely Mr. Chen Wei Wen and Mr. Guan Zhiqiang. It is chaired by Mr. Guan Zhiqiang.

The major roles and functions of the Remuneration Committee are as follows:

- (a) To make recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) To make recommendations to the Board on the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment); and
- (d) To make recommendations to the Board on the remuneration of non-executive directors.

The remuneration package of executive Directors is determined by reference to their duties and responsibilities, experience and the prevailing market conditions. The remuneration package of individual executive Directors includes salary, discretionary bonus and share-based payment. Details of the Directors' fee and other emoluments of the Directors of the Company are set out in Note 32 to the financial statements.

董事會轄下委員會

董事會已成立多個董事會轄下委員會，包括審核委員會、薪酬委員會及提名委員會，以加強其職能及提高其專門技能。所有委員會之組成均訂有具體之書面職權範圍書，清楚說明各委員會的職權及職責。

薪酬委員會

於本報告日期，薪酬委員會由三位成員組成，包括一位執行董事，即賴福麟先生及兩位獨立非執行董事，即陳偉文先生及管志強先生。主席由管志強先生擔任。

薪酬委員會的主要角色及職能如下：

- (a) 就本公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
- (b) 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
- (c) 向董事會建議個別執行董事及高級管理人員的薪酬待遇，包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償）；及
- (d) 就非執行董事的薪酬向董事會提出建議。

執行董事的薪酬待遇乃根據其職務及職責、經驗以及當前市況而釐定。執行董事的薪酬待遇包括薪金、酌情花紅及以股份為基礎的付款。本公司各董事的袍金及其他酬金的詳情載於財務報表附註32。

The Remuneration Committee has adopted the model that it will review the proposals made by the management on the remuneration of executive Directors and senior management, and make recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.

The Remuneration Committee held three meetings during 2019, the following major matters were reviewed and discussed in the meetings and recommended to the Board for approval:

- To review the remuneration policy and remuneration packages of Directors and senior management of the Company;
- To consider the bonus arrangement of the Directors and senior management of the Company; and
- To review the new service contracts entered into between the Company and non-executive Directors.

Pursuant to the code provision B.1.5 of the Code, the details remuneration of the senior management of the Company by band for the year ended 31 December 2019 was set out in Note 8 to the consolidated financial statements of this Annual Report.

Nomination Committee

As at the date of this report, the Nomination Committee comprises three members including an executive Director, Mr. Lai Fulin, and two independent non-executive Directors, Mr. Chen Wei Wen and Mr. Guan Zhiqiang. It is chaired by Mr. Lai Fulin, the Chairman of the Board.

In August 2013, the Company adopted the Board Diversity Policy. Such policy sets out the approach to achieve diversity on Board. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. 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.

薪酬委員會已採納由其檢討管理層所提出有關執行董事及高級管理人員的薪酬建議後，向董事作提出建議的模式。董事會擁有最終權力以批准經薪酬委員會提出的薪酬建議。

薪酬委員會於二零一九年內召開了三次會議，審議及討論以下主要事項，並向董事會提出建議：

- 檢討本公司薪酬政策及董事及高級管理人員之薪酬待遇；
- 考慮本公司董事及高級管理人員分紅安排；及
- 審議本公司與非執行董事訂立新的服務合同。

根據守則條文第B.1.5條，本公司高級管理人員於截至二零一九年十二月三十一日止年度的酬金按範圍分析的詳情載於本年報之綜合財務報表附註8。

提名委員會

於本報告日期，提名委員會由三位成員組成，包括一位執行董事賴福麟先生及兩位獨立非執行董事陳偉文先生及管志強先生。提名委員會主席由董事會主席賴福麟先生擔任。

於二零一三年八月，本公司已採納《董事會成員多元化政策》。該政策列載董事會為達致成員多元化而採取的策略。為達致可持續的均衡發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。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。

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In December 2018, the Company adopted the Nomination Policy. According to the policy, the Nomination Committee (“NC”) will consider candidates recommended by shareholders in the same manner as candidates recommended to the NC from other sources. In its evaluation of director candidates, including the members of the Board eligible for re-election, the NC will consider (1) The current size and composition of the Board and the needs of the Board and the respective committees of the Board; (2) Diversity in all its aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service; and (3) Other factors that the NC may consider appropriate.

The major roles and functions of the Nomination Committee are as follows:

- (a) To review the structure, size and composition (board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy;
- (b) To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships. 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;
- (c) To review the Board Diversity Policy, as appropriate, and disclose the Board Diversity Policy or its summary in the corporate governance report of the Company including the measurable objectives set for implementing the Board Diversity Policy and progress made towards achieving these measurable objectives;
- (d) To review the policy for the nomination of Directors (“Nomination Policy”) as appropriate. The Nomination Policy shall set out, inter alia, the nomination procedures and process and criteria to select and recommend candidates for directorship;

於二零一八年十二月，本公司已採納《提名政策》。根據該政策，提名委員會將以與從其他來源向提名委員會推薦的候選人相同的方式考慮股東推薦的候選人。在評估董事候選人(包括符合重選連任的董事會成員)時，提名委員會將考慮(1)董事會目前的規模和組成以及董事會和董事會各委員會的需求；(2)董事會各方面的多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識和服務任期等方面；及(3)提名委員會認為其他適當的因素。

提名委員會的主要角色及職能如下：

- (a) 至少每年檢討董事會的架構、人數及組成(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、專業經驗、技能、知識及服務任期)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；
- (b) 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見。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；
- (c) 在適當時候檢討董事會成員多元化政策，每年於本公司的企業管治報告內報告列出董事會成員多元化政策或政策摘要、包括為執行董事會成員多元化政策而定的可計量目標及達標的進度；
- (d) 在適當情況下檢討有關提名董事之政策(「提名政策」)。提名政策應列出，其中包括，提名程序與過程以及篩選和推薦董事候選人的準則；

- (e) To assess the independence of independent non-executive directors; and
- (f) To make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors in particular the chairman and the chief executive.

The Nomination Committee held a meeting during 2019, the following major issues were reviewed and discussed in the meeting:

- To review the structure, size and composition (including the skills, knowledge and experience) of the Board;
- To review the Board Diversity Policy;
- To make recommendation to the Board for approval the revised terms of reference of the Nomination Committee; and
- To evaluate and make recommendation as to the qualification and experience of the directors who were subject to retirement by rotation and re-election at the 2019 annual general meeting.

Audit Committee

As at the date of this report, Audit Committee consists of three independent non-executive Directors, namely Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Mr. Guan Zhiqiang. It is chaired by Mr. Wong Yee Shuen, Wilson who has the appropriate professional qualifications, accounting and financial management expertise.

The major roles and functions of the Audit Committee are as follows:

- (a) To make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (b) To monitor integrity of the Company's financial statements and to review significant financial reporting judgements contained in them;

- (e) 評核獨立非執行董事的獨立性；及

- (f) 就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議。

提名委員會於二零一九年內召開了一次會議，審議及討論以下主要事項：

- 檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)；
- 檢討董事會多元化政策；
- 向董事會建議審批經修訂的提名委員會職權範圍書；及
- 對於二零一九年股東週年大會上輪值告退並重選連任的董事的資格和經驗作出評估及建議。

審核委員會

於本報告日期，審核委員會由三位獨立非執行董事黃以信先生、陳偉文先生及管志強先生所組成。黃以信先生擔任審核委員會主席，彼具備合適的專業資格、會計或財務管理相關的專業知識。

審核委員會的主要角色及職能如下：

- (a) 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；
- (b) 監察本公司的財務報表並審閱報表及報告所載有關財務申報的重大意見；

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- (c) To review the Company's financial controls, risk management and internal control systems; and
- (d) To discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems.

The Audit Committee held three meetings during 2019 and the following major matters were reviewed and discussed in the meetings:

- To review the annual results of 2018 and the interim results of 2019 and making recommendation to the Board for approval;
- To make recommendation on the reappointment of the auditor;
- To review the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function and their training programme and related budget;
- To review the risk management and internal control systems;
- To approve the auditor's fees for audit of 2019 financial statements; and
- To discuss the audit service plan of 2019.

Corporate Governance Functions

The Board adopted the written terms of reference on corporate governance functions in March 2012 so as to assist the Board performing corporate governance functions. The terms of reference of the Board in respect of corporate governance functions are summarized as follows:

- (a) To develop and review the Company's policies and practices on corporate governance;
- (b) To review and monitor the training and continuous professional development of Directors and senior management;

- (c) 檢討本公司的財務監控、風險管理及內部監控制度；及
- (d) 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的系統。

審核委員會於二零一九年內召開了三次會議，審議及討論以下主要事項：

- 審閱二零一八年年度全年業績及二零一九年度中期業績，並建議董事會審批；
- 建議續聘核數師；
- 對本集團在會計及財務匯報職能方面的資源、員工資歷及經驗及員工所接受的培訓課程及有關預算是否充足進行檢討；
- 檢討風險管理及內部監控系統；
- 審批核數師二零一九年年度財務報告的審計酬金；及
- 討論二零一九年年度審計服務計劃。

企業管治職能

董事會於二零一二年三月已採納企業管治職能並以書面訂立其職權範圍以協助董事會履行本集團之企業管治職能。董事會於企業管治職能的職責如下：

- (a) 制定及檢討本公司企業管治政策及常規；
- (b) 檢討及監察董事及高級管理人員的培訓及持續專業發展；

- (c) To review and monitor the Company's policies and practices to ensure compliance with legal and regulatory requirements;
 - (d) To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
 - (e) To review the Company's compliance with the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules and its disclosure requirements in Corporate Governance Report.
- (c) 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；
 - (d) 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及
 - (e) 檢討本公司遵守上市規則附錄十四《企業管治守則》所載之守則條文及於《企業管治報告》所須披露的要求。

During the year, the Board has reviewed the Company's corporate governance policies and practices, training and continuing professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the Code and disclosure in the Corporate Governance Report.

於本年度，董事會已檢討本公司之企業管治政策及常規，以及董事和高級管理人員之培訓和持續專業發展、本公司在遵守法律及監管規定之政策及常規、遵守《標準守則》，以及本公司遵守《企業管治守則》及《企業管治報告》之披露情況。

This corporate governance report has been reviewed by the Board in discharge of its corporate governance functions.

為履行企業管治職責，董事會已審閱本企業管治報告。

AUDITOR'S REMUNERATION

The fees charged by the auditor generally depends on the scope and volume of the auditor's work. For the year ended 31 December 2019, the remuneration to the auditor of the Company in respect of audit services was HK\$1,020,000 and fees related to taxation services and other non-audit services amount to HK\$99,500 and HK\$80,000 respectively.

核數師薪酬

核數師收取的費用一般視乎範圍及其工作量而定。截至二零一九年十二月三十一日止年度，就本公司核數師所提供的審核服務費用為1,020,000港元，以及稅務和其他非審核服務費用分別為99,500港元及80,000港元。

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL REPORTING

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The senior management provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial information and position of the Company.

董事及核數師之財務申報責任

董事會負責提呈一份平衡、清晰易明之年報及中期報告、內幕消息公告以及按上市規則及其他監管規定要求之其他披露。高級管理人員負責向董事會提供解釋及資料，讓董事會能夠對本公司之財務資料及狀況進行有根據之評審。

The Directors acknowledge the responsibilities for preparing the accounts of the Company. The responsibilities of the auditor of the Company with respect to the financial statements of the Group is set out in the Independent Auditor's Report on pages 54 to 62.

董事知悉其有編製本公司賬目的責任。本公司核數師就有關本集團財務報表之責任列載於第54至62頁的獨立核數師報告。

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GOING CONCERN

The Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining an adequate system of risk management and internal controls within the Group and for reviewing their effectiveness. The systems of risk management and internal control are designed to facilitate effective and efficient operations, to safeguard assets and to ensure the quality of internal and external reporting and compliance control and risk management functions. It is also designed to provide reasonable, but not absolute, assurance that material misstatement or loss can be avoided, and to manage and minimize risks of failure in operation systems.

The Group has set up a risk management system to provide directions in identifying, evaluating and managing significant risks and is reviewed at least on an annual basis. The senior management of the Group identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria.

The Board has engaged an independent professional advisor to perform ongoing monitoring of the risk management and internal control review to assess the effectiveness of the financial, operational and compliance controls and risk management functions of the Company and the Group's major subsidiaries on a rotation basis.

Risk management report and internal control report are submitted to the Audit Committee at least once a year. The Board, through the Audit Committee, had performed annual review on the effectiveness of the Group's risk management system and internal control system, including the scope on risk management and internal control systems, result of internal audit work and status of compliance control.

持續經營

董事在作出適當查詢後，認為本公司擁有充分資源以在可預見將來繼續經營，故編製財務報表時採用持續經營之基準為適當。

風險管理及內部監控

董事會負責為本集團維持一個充份有效之風險管理及內部監控系統，以及審查其效率。風險管理及內部監控系統乃為推動營運之效能及效率、保護資產、確保內部及外部報告之質素，以及監控法規和風險管理功能而設。內部監控系統旨在合理（而非絕對）保證能夠避免出現嚴重誤報或損失的情況，並管理及減低運作系統上的風險。

本集團已制定風險管理系統，提供識別、評估和管理重大風險的指引，並至少每年檢討一次。本集團的高級管理層會識別對本集團目標的造成不利影響的風險，並根據一套標準準則評估及排列所識別風險的優先次序。

董事會已委聘獨立專業顧問對本公司及本集團之主要附屬公司風險管理進行持續監督及輪流進行內部監控評核，就財務、運作、合規及風險管理等方面之內部監控有效性進行評估。

風險管理報告和內部監控報告均至少每年一次提交予審核委員會。董事會已透過審核委員會就本集團的風險管理系統及內部監控系統是否有效進行年度檢討，包括風險管理及內部監控工作範疇、內部審計工作結果，以及合規情況。

At the meeting of the Audit Committee held on 24 March 2020, the independent professional advisor reported their review work for the year ended 31 December 2019 performed in accordance with the detailed risk-based internal control review plan which was approved by the Audit Committee and the risk management report was also circulated to the Audit Committee for review. The Board, through the Audit Committee, has conducted a review of the effectiveness of the Group's risk management system and internal control system for the year ended 31 December 2019. The Audit Committee members, together with the senior management, have also reviewed, considered and discussed the risk management system, all findings relating to the internal control system and recommendations for improvement. The Board considers the risk management system and internal control system of the Group were effective and adequate during the year.

The Audit Committee also reviewed and was satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function.

COMPANY SECRETARY

The Company Secretary of the Company is Mr. Cheng Siu Kwan, who is also the Financial Controller of the Company. Mr. Cheng is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He fulfills the requirement under Rules 3.28 and 3.29 of the Listing Rules.

The Company Secretary is responsible for providing secretarial services to the Board and ensuring the operation of the Company is properly complied with Hong Kong listed companies' regulatory requirements as well as enhancing its corporate governance standards. All Directors have access to the advice and services of the Company Secretary with a view to ensuring that board procedures and all applicable rules and regulations are followed. Company Secretary is also the secretary of each of Board committees. Minutes of Board meetings and meetings of all Board committees are kept by the Company Secretary and are available for inspection by the Directors at all times.

就審核委員會於二零二零年三月二十四日舉行之審核委員會會議，該獨立專業顧問根據一份以風險為基礎所編製的詳盡內部監控評核計劃（經審核委員會批准），進行截至二零一九年十二月三十一日止年度的評核工作，並向審核委員會匯報，風險管理報告亦已提供予審核委員會審閱。董事會已透過審核委員會檢討截至二零一九年十二月三十一日止年度的集團風險管理系統及內部監控系統的有效性。審核委員會成員以及高級管理層並已檢閱、考慮及討論對有關於風險管理系統和內部監控系統之調查結果及改善之建議。董事會認為本集團的風險管理系統及內部監控系統於本年度是有效且適當。

審核委員會亦檢討了集團處理會計及財務匯報功能的資源、員工資歷和經驗，以及有關員工的培訓及預算開支，並滿意上述各項安排。

公司秘書

本公司之公司秘書為鄭少群先生，彼亦為本公司之財務總監。鄭先生乃英國特許公認會計師公會資深會員及香港會計師公會會員。彼符合上市規則第3.28及3.29條所列之要求。

公司秘書負責為公司董事會提供秘書服務，保障公司運作符合香港上市公司的相關規範，提升公司管治水平。所有董事均可獲得公司秘書的意見和服務，確保董事會程序及所有適用規則及規例均獲得遵守。公司秘書同時兼任董事會轄下各委員會的秘書。董事會及董事會轄下各委員會的會議記錄由公司秘書備存，並隨時供董事查閱。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

Right to convene special general meeting

Pursuant to Section 74(1) of the Bermuda Companies Act and the bye-law 62 of the Bye-Laws of the Company, the shareholder(s) of the Company holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company may request the Board to convene a special general meeting. The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company and its head office and principal place of business in Hong Kong for the attention of Company Secretary and may consist of several documents in like form each signed by one or more requisitionists. If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Right to put enquiries to the Board

Shareholders should direct their enquiries about their shareholdings to the Company's share registrar. Other shareholders' enquiries can be directed to the head office and principal place of business of the Company in Hong Kong as set out in the "Corporate Information" section of this Annual Report for the attention of Company Secretary.

Right to put forward proposals at general meetings

Pursuant to Sections 79(1) and 79(2) of the Bermuda Companies Act, on the requisition in writing of either (i) any number of members of the Company representing not less than one-twentieth of the total voting rights of all the members having at the date of the requisition a right to vote at the meeting to which the requisition relates; or (ii) not less than one hundred members, the Company shall, at the expense of the requisitionists unless the Company otherwise resolves:

- (a) to give to members of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting;

股東權利

召開股東特別大會之權利

根據百慕達公司法第74(1)及本公司之公司細則第62條，倘本公司股東於遞交請求當日持有於遞交請求當日有權於本公司股東大會投票之本公司繳足股本不少於十分一，則可召開股東特別大會。呈請人遞交之書面請求須列明大會目的，並由呈請人正式簽署，郵寄及送交本公司的註冊辦事處及其位於香港的總辦事處及主要營業地點，註明收件人為公司秘書，並可一式多份，且每份由一名或多名呈請人簽署之文件組成。倘於遞交要求日期起計二十一日期內，董事未有正式召開有關大會，則遞交要求人士(或當中持有彼等全體總投票權一半以上之任何人士)可自發召開有關大會，惟任何據此召開之大會均不得於上述日期起計三個月期間屆滿後舉行。

向董事會作出查詢之權利

股東如對名下持股有任何問題，應向本公司的之股份過戶登記處提出。股東其他查詢可發送至本年報「公司資料」一節所載本公司香港之總辦事處及主要營業地點，並註明收件人為公司秘書。

於股東大會提出議案之權利

根據百慕達公司法第79(1)及79(2)條，在(i)於遞交要求當日持有不少於全體股東(其賦有於要求所涉股東大會上投票之權利)總投票權二十分之一之任何數目本公司股東；或(ii)不少於一百名股東以書面方式提出要求下，本公司將會(除非本公司另行議決，有關費用將由遞交要求人士承擔)：

- (a) 向有權接收下一屆股東週年大會通告之本公司股東發出通知，以告知任何可能於該大會上正式動議並擬於會上動議之決議案；

- (b) to circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the registered office of the Company and its head office and principal place of business in Hong Kong in the case of:

- (i) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
- (ii) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.

COMMUNICATIONS WITH SHAREHOLDERS

The Board is obliged to provide regular, effective and fair communication with the shareholders and the investors of the Company. Latest information is conveyed to the Shareholders and the investors of the Company on a timely basis. A Shareholder Communication Policy (the "Policy") was adopted by the Company in March 2012. The Policy aims to set out the provisions with the objective of ensuring that the latest information of the Company is conveyed to the Shareholders and investors on a timely basis. The Company uses a range of communication tools to ensure the Shareholders and the investors are kept well informed of key business imperatives.

- (b) 向有權接收任何股東大會通告之股東傳閱不超過一千字之陳述書，以告知該大會上提呈之決議案所述事宜或將處理之事項。

於下列情況，向本公司的註冊辦事處及其位於香港的總辦事處及主要營業地點呈遞由所有請求人簽署之請求書副本或多份副本，並應繳交足以滿足本公司發佈有關建議決議案之通告或傳送任何必要聲明所需費用之合理款項：

- (i) 倘屬要求發出議案通告之請求書，則須於有關會議舉行前不少於六個星期；及
- (ii) 倘屬任何其他請求書，則須於有關會議舉行前不少於一個星期。

本公司將核證有關請求書，一旦確認請求適合及妥當，董事會將着手進行必要程序。

與股東之溝通

董事會有義務經常與本公司股東及投資者進行公平而有效之溝通，並及時向本公司股東及投資者傳達最新資料。本公司於二零一二年三月已採納一份股東溝通政策（「該政策」）。該政策所載條文旨在確保本公司可及時向股東及投資者傳達本公司的最新資料。本公司會使用各種溝通工具，以確保其股東及投資者充分瞭解關鍵業務需要。

Corporate Governance Report

企業管治報告

Disclosure of Information

Information shall be communicated to Shareholders and the investors mainly through the Company's financial reports (interim report and annual report), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and its corporate communications and other corporate publications on the Hong Kong Stock Exchange's website and the Company's website.

General Meeting

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Shareholders' views on matters that affect the Company are welcome by the Board at shareholders' meetings. Shareholders of the Company are notified of shareholders' meetings through notices and reports or circulars sent to them. Each item of special business in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. A separate resolution is proposed by the chairman of the meetings in respect of each separate issue, including the re-election of Directors.

The Chairman of the Board and Chairmen of the Audit Committee, Remuneration Committee and Nomination Committee or failing him/her, his/her duly appointed delegate, are available at the annual general meeting to answer questions with regard to the work of these committees.

Voting by Poll

Save as provided under the Listing Rules, resolutions put to vote at the general meetings of the Company (other than procedural matters) are taken by poll. Procedures regarding the conduct of the poll are explained to the shareholders at the commencement of each general meeting, and questions from shareholders regarding the voting procedures are answered. The poll results are posted on the respective websites of the Company and the Hong Kong Stock Exchange on the same day of the poll.

信息披露

本公司向股東及投資者傳達資訊的主要渠道為：本公司的財務報告(中期報告及年度報告)；股東週年大會及其他可能召開的股東大會；並將所有呈交予香港聯合交易所有限公司(「香港聯交所」)的披露資料，以及公司通訊及其他公司刊物登載在香港聯交所網站及本公司網站。

股東大會

本公司鼓勵股東參與股東大會，如未克出席，可委派代表代其出席並於會上投票。董事會歡迎股東在股東大會上就影響本公司之事項，提出其觀點及意見。本公司股東通過寄發予彼等之通告及報告或通函獲知會召開股東大會之消息。必要時，大會通告中載列之每一項特別事項，均為提呈通過之決議案附有解釋說明。會議主席應就每項獨立的事宜個別提出決議案(包括重選董事)。

董事會主席及審核委員會、薪酬委員會及提名委員會之主席或其適當委任的代表出席股東週年大會，以便回答股東對委員會工作之提問。

以投票方式進行表決

除上市規則另有規定外，任何在本公司股東大會上提呈的決議案(就程序方面的決議案除外)均以投票方式進行表決。每次股東大會開始時均向股東解釋表決過程，並解答股東就投票程序的提問。投票結果於投票當日分別刊載於本公司及香港聯交所之網站上。

INVESTOR RELATIONS

The Company maintains a website (www.softpower.hk) where information and updates on the list of directors and their roles and functions, constitutional documents, terms of reference of the Board committees, procedures for shareholders to propose a person for election as a director, announcements, circulars and reports, etc. released to the HKExnews' website (www.hkexnews.hk) and other information are posted. Information on the Company's website will be updated from time to time. A dedicated email address (ir@softpower.hk) for investor enquiry is set out in the "Contact Us" section on the Company's website.

CONSTITUTIONAL DOCUMENTS

During the year, there was no significant change to the Company's constitutional documents.

投資者關係

本公司設有網站(www.softpower.hk)，登載本公司之最新資訊和於香港聯交所披露易網站(www.hkexnews.hk)刊發之董事名單與其角色及職能、憲章文件、董事會轄下委員會職權範圍書、股東提名候選董事的程序、公告、通函及報告等，以及其他信息。本公司網站上之資訊將不時更新。本公司網站之「聯絡我們」欄目，專設投資者關係電子郵箱(ir@softpower.hk)。

憲章文件

於年內，本公司之憲章文件並無重大變動。

Report of the Directors

董事會報告

The directors of the Company (the “Directors”) have pleasure in presenting their report together with the audited financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 34 to the financial statements.

An analysis of the Group’s performance for the year by operating segments is set out in Note 5 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated income statement on page 63.

The board of directors of the Company (the “Board”) does not recommend the payment of a final dividend for the year ended 31 December 2019.

DIVIDEND POLICY

In accordance with the relevant provision of the Bye-Laws of the Company: 1. The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board. 2. The Board may subject to Bye-Laws from time to time pay to the shareholders such interim dividends as appear to the Board to be justified by the position of the Company. 3. The Board may also pay half-yearly or at other suitable intervals to be settled by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits justify the payment. 4. No dividend shall be declared or paid and no distribution of contributed surplus made otherwise than in accordance with the Statutes. No dividend shall be paid otherwise than out of profits available for distribution. 5. The Company may distribute dividends by way of cash or scrip.

The Company’s ability to distribute dividends will depend on, among others, the operating results, cash flow, financial condition and capital requirements of the Group and the interests of the shareholders of the Company. The Company’s distribution of dividends shall also comply with any restrictions under the Bermuda Companies Act and the Bye-Laws of the Company.

本公司董事(「董事」)欣然提呈其報告連同截至二零一九年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股，而其附屬公司之主要業務則載於財務報表附註34。

按營運分類之本集團表現之分析載於財務報表附註5。

業績及分派

本集團截至二零一九年十二月三十一日止年度之業績載於第63頁之綜合收益表。

本公司董事會(「董事會」)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。

股息政策

根據本公司之細則之相關條文：1.本公司可於股東大會中宣佈以任何貨幣派發股息，但所宣派的股息不得超過董事會建議的金額。2.在細則的規限下，董事會可不時決定向股東支付董事會根據本公司的狀況判斷認為合理的中期股息。3.董事會如認為溢利可合理地支付，也可決定每半年或每隔董事會規定的一段其他適當時間按固定股息率支付任何股息。4.除非依據法規，否則不得自繳入盈餘宣派或派付股息或作出分派。除可供分派的溢利外，概無股息可被分派。5.本公司可以現金或股份方式分配股息。

本公司分派股息的能力將取決於(其中包括)本集團的經營業績，現金流量，財務狀況及資本要求以及本公司股東的利益。本公司的股息分配亦須遵守百慕達公司法及本公司細則的任何限制。

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development, possible risks and uncertainties that the Group may be facing are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this Annual Report.

The details of financial risk management of the Group are set out in Note 3 to the financial statements.

An analysis of the Group's performance during the year using financial key performance indicators is set out in the section headed "Five-Year Financial Summary" of this Annual Report.

The compliance with relevant laws and regulations which have a significant impact on the Group is set out in this "Report of Directors" and the section headed "Corporate Governance Report" of this Annual Report.

Social Responsibilities and Services and Environmental policies

The Group is committed in promoting the sustainable development of both the environment and the society.

We believe it is more blessed to give than to receive. As such, we support and encourage our employees to participate in community service activities. With the support from the management team, our core business company, Bun Kee (International) Limited ("Bun Kee") is committed to participate and support social services activities. In this regard, Bun Kee has awarded the Caring Company logo in recognition of our corporate social responsibility's participation and commitment. We also believe in the ripple effect which those people, whom we helped, will in turn help others who are in need.

With regards to environmental policy, we pay a great deal of attention to promoting environmental protection. We will integrate environmental awareness in our daily operations including:

- Reduce electricity consumption, improve energy efficiency, use of energy-efficient products to replace the appliances and equipment;
- Turn off lightings, air-conditioners and electrical appliances in offices after working hours, or when rooms not being used, for instance, the conference rooms;

業務回顧

有關本集團本年度業務之回顧及有關本集團未來業務發展之討論，本集團可能面對之潛在風險及不明朗因素載於本年報的「主席報告」及「管理層討論及分析」內披露。

本集團之財務風險管理詳請載於財務報表附註3。

本集團採用主要財務表現指標對其本年度表現之分析載於本年報「五年財務概要」內披露。

對本集團有重大影響的相關法律及規例之遵守情況載於本「董事會報告」內及於本年報的「企業管治報告」內披露。

社會責任和服務及環境政策

本集團在推動環境和社會方面的可持續發展不遺餘力。

我們一直相信施比受更為有福。因此，我們支持和鼓勵員工參與社區服務活動。在管理團隊的支持下，我們的主營業務公司，彬記（國際）有限公司（「彬記」）一直致力參與及支持社會服務活動。在這方面，彬記已獲頒發商界展關懷的標誌，以表彰我們對企業社會責任的參與和承諾。我們亦相信連鎖效應，推己及人，我們幫助別人，而別人亦去幫助其他有需要幫助的人。

在環境政策方面，我們致力關注推行環保。我們將環保意識融入在我們的日常運作上，包括：

- 減低耗電量，提高能源效益，於更換電器及設備時選用高能源效益之產品；
- 於非辦公時間或毋需使用房間（如會議室）時，關掉電燈、空調和電子設備；

Report of the Directors

董事會報告

- Use electronic means for communications internally and with external parties;
- Reduce the need to copy and print. Use of recycled paper, copy and print on both sides of the paper, where appropriate; and
- Re-use of office supplies (such as single-sided paper, paper clips, envelopes, file folders, paper bags, plastic bags).
- 盡量以電子通訊方式作公司內部及與外界聯繫；
- 減少複印或列印的需要，在可行的情況下，使用再用紙，紙張雙面列印和複印(如適用)；及
- 辦公用品(例如單面紙、曲別針、信封、檔夾、紙袋、塑膠袋)重複使用。

Relationships with key stakeholders

The Group understands and supports that employees, customers, suppliers and business partners, investors and shareholders are vital to our sustainable and stable development.

(i) Employees

The Group is an equal opportunity employer. Our employee handbook outlines terms and conditions of employment, code of conduct and employee benefits. We promote harmony and respect in our workplace. Employees are one of our most important assets. To that end, we provide self-improvement and advancement opportunities as well as a safe workplace in order to retain high calibre employees. The Group values the well-being and health of our employees and therefore provides medical insurance coverage and benefits to our employees. In addition, we will organize staff gathering quarterly and annual dinner, all management will also participate to maintain good relations with employees and promote two-way communication. The Company will conduct staff appraisal annually, and also provide exit interviews for the outgoing employees. We adopt an open policy to allow employees at any time, by email or in person to the department managers or Human Resources department to express their views.

(ii) Customers

We provide high quality products to our customers constantly as it is the best way to retain customers and business growth. Our sales team will visit customers regularly to keep abreast of new opportunities and challenges. All opinions received will be prompt handled by the relevant team. We grow up together with most of our customers in past years and we have established solid and long-term relationships with them. We also have built up a trust and good reputation among our customers over the years.

與主要持份者關係

本集團明白僱員、客戶、供應商和業務合作夥伴，投資者和股東對我們的持續穩定發展至關重要，亦很支持說法。

(i) 僱員

本集團是一個平等機會的僱主。我們的員工手冊概述了就職的條款，員工行為守則和員工福利方面的情況。我們推廣工作地方的和諧和尊重。員工是我們其中最重要的資產之一。為此，我們提供自我完善和發展的機會，也提供安全的工作環境，以留住高素質的員工。本集團重視福利和員工的健康，因此我們提供醫療保險和福利予員工。此外，我們會舉辦季度的員工聚餐和週年晚宴，所有管理層均會參與，與員工保持良好的關係，並促進雙向溝通。公司會每年為員工進行一次考核，亦會為即將離任的員工進行離職面談。我們採取開放的政策，讓僱員可以在任何時間，通過電子郵件或面談向部門經理或人力資源部發表他們的意見。

(ii) 客戶

我們不斷提供高品質的產品給我們的客戶，因為這是留住客戶和保持業務增長的最佳方法。我們的銷售團隊會定期走訪客戶，與時並進了解我們新的機遇和挑戰。收到的所有意見，都會由相關團隊即時跟進。我們大部份客戶都與我們在過去多年中一起發展壯大，我們已經與他們建立了穩固和長期的關係。多年來，我們亦已建立起廣大客戶對我們的信任和良好口碑。

(iii) Suppliers and business partners

For our suppliers and business partners, we strive to maintain a stable and long-term relationship with them. The Group's procurement is based on our stringent suppliers' selection criteria. To ensure the highest quality of products, the Group has requested the suppliers to provide product certification. In addition, we engaged highly reputable independent laboratories for quality testing to ensure that the products comply with local and international standards. Our sales team and procurement team will have regular visit to our suppliers' factories for inspection. In order to allow our customers to have direct feedback channel to the suppliers, we will also organize some factory tours to the customers. This can let them better understanding of the production flow and products quality affirmation in order to win the utmost confidence of customers.

(iv) Investors and shareholders

For the investors and shareholders, we maintain a high level of transparency and communicate with them through meetings, announcements and circulars. The Company maintains a website, the information will be updated from time to time. In addition, a dedicated email address is set out in the "Contact Us" section of the Company's website for investor and general public inquiry.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2019 amounted to approximately HK\$99.3 million.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in properties, plant and equipment of the Group are set out in Note 13 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in Note 23 to the financial statements.

BORROWINGS

Particulars of borrowings of the Group as at 31 December 2019 are set out in Note 25 to the financial statements.

(iii) 供應商和業務合作夥伴

對於我們的供應商和業務合作夥伴，我們致力與他們保持一個穩定的和長期的關係。本集團的採購是基於我們嚴格的供應商挑選準則。為了確保最高的產品質量，本集團已要求供應商提供產品的認證。此外，我們聘請信譽良好的獨立實驗室，進行質量檢測，以確保產品符合本地和國際標準。我們的銷售團隊和採購團隊會定期到供應商的工廠進行考察。而為了讓我們的客戶有渠道去提供更直接反饋意見給供應商，我們還會不時舉辦一些工廠參觀活動，令客戶更加了解供應商的生產工序和對產品品質的肯定，藉以贏取客戶的極大信心。

(iv) 投資者和股東

在投資者和股東方面，我們維持高透明度，通過會議、公告及通函與他們溝通。本公司設有一個網站，網站上的資訊會不時更新。此外，本公司網站的「聯絡我們」欄目內專設了一個電郵地址，供投資者和公眾人士向本集團查詢事宜。

可供分派儲備

於二零一九年十二月三十一日本公司之可供分派儲備為99,300,000港元。

物業、廠房及設備

本集團之物業、廠房及設備之變動詳情載於財務報表附註13。

股本

本公司之股本變動詳情載於財務報表附註23。

借貸

本集團於二零一九年十二月三十一日之借貸詳情載於財務報表附註25。

Report of the Directors

董事會報告

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws or the Bermuda Companies Act, being the jurisdiction in which the Company was incorporated.

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2019 are set out in Note 34 to the financial statements.

DIRECTORS

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

Executive Directors

Mr. Lai Fulin (*Chairman*)

Mr. Yu Ben Ansheng (*Chief Executive Officer*)

Independent Non-Executive Directors

Mr. Wong Yee Shuen, Wilson

Mr. Chen Wei Wen

Mr. Guan Zhiqiang

In accordance with bye-law 99 of the Bye-laws of the Company, Mr. Wong Yee Shuen, Wilson and Mr. Chen Wei Wen will retire from office by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each independent non-executive Director an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers that all of them are independent.

購買、出售或贖回股份

本公司於年內概無贖回其任何股份。本公司及其任何附屬公司於年內概無買賣任何本公司股份。

優先認購權

本公司之公司細則或百慕達(本公司註冊成立所在司法權區)公司法中並無有關優先認購權之條文。

主要附屬公司

本公司於二零一九年十二月三十一日之主要附屬公司詳情載於財務報表附註34。

董事

年內及直至本報告日期之本公司董事為：

執行董事

賴福麟先生(*主席*)

俞安生先生(*首席執行官*)

獨立非執行董事

黃以信先生

陳偉文先生

管志強先生

根據本公司的公司細則第99條，黃以信先生及陳偉文先生將輪值退任，惟有資格並願意於應屆股東週年大會上膺選連任。

獨立非執行董事之獨立確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條規定作出獨立性之年度確認，而本公司亦認為彼均具獨立性。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management are set out in the section headed “Biographical Details of Directors and Senior Management” of this Annual Report.

DIRECTORS’ SERVICE CONTRACT

None of the Directors offering themselves for re-election at the forthcoming annual general meeting of the Company has entered in to any service contract with the Company or any of its subsidiaries, which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

None of the Directors and their respective associates has an interest in any business which competes or may compete with the business in which the Group engaged.

SHARE OPTION SCHEME

The share option scheme approved by the shareholders of the Company on 24 June 2004 (the “2004 Scheme”) which expired on 23 June 2014. Thereafter, no further options will be granted under the 2004 Scheme but the subsisting options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2004 Scheme.

At the annual general meeting of the Company held on 21 May 2015, the shareholders of the Company approved the adoption of a new share option scheme (the “2015 Scheme”) under which the directors of the Company may grant options to eligible persons to subscribe for the Company’s shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2015 Scheme will remain valid for a period of 10 years from the date of its adoption.

董事及高級管理人員之履歷

董事及高級管理人員之履歷載於本年報的「董事及高級管理人員之履歷」內披露。

董事服務合約

於本公司即將舉行之股東週年大會上願意膺選連任之董事概無與本公司或其任何附屬公司簽訂不可於一年內毋須繳付賠償(法定賠償除外)而終止之任何服務合約。

董事於競爭性業務之權益

董事及彼等各自之聯繫人概無擁有與本集團構成或可能構成競爭之任何業務權益。

購股權計劃

本公司股東於二零零四年六月二十四日批准之購股權計劃(「二零零四年計劃」)已於二零一四年六月二十三日屆滿。此後，概無根據二零零四年計劃再授出購股權，但於屆滿日期前根據二零零四年計劃條款授出之購股權將繼續有效並可予以行使。

於二零一五年五月二十一日舉行之本公司股東週年大會上，本公司股東批准採納新購股權計劃(「二零一五年計劃」)，據此，本公司董事可向合資格人士授出購股權，以認購本公司股份，惟須受二零一五年計劃規定之條款及條件所規限。除另行取消或修訂外，二零一五年計劃將自其採納日期起計十年期間維持有效。

Report of the Directors

董事會報告

1. The 2004 Scheme

The details of 2004 Scheme are as follows:

(a) Purpose

The purpose of the 2004 Scheme is to provide the Company with a flexible means of giving incentive and/or rewarding the participants.

(b) Participants of the Scheme

The Board may offer to grant options to the participants which means (i) any Director (including any executive director, non-executive director or independent non-executive director) of any member of the Group; (ii) any employee (whether full-time or part-time) of any member of the Group; (iii) any consultant, adviser, supplier, customer or sub-contractor of the Group; and (iv) any other person whatsoever from time to time determined by the Board as having contributed to the development, growth or benefit of the Group.

(c) Total number of shares available for issue under the Scheme

The total number of shares of the Company which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the issued share capital of the Company as at the date of the general meeting of the Company approving the Scheme. The number of shares may be refreshed by the approval of the shareholders and the refreshed limit of the number of shares must not exceed 10% of the issued share capital of the Company as the date of the approval of the refreshed limit. The maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares of the Company in issue from time to time.

The total number of shares available for issue upon exercise of all options were granted under the Scheme are 1,000,000 Shares, representing approximately 0.075% of the total number of shares of the Company in issue as at the date of this report.

1. 二零零四年計劃

有關二零零四年計劃詳情如下：

(a) 目的

二零零四年計劃旨在為本公司提供一個靈活方法，藉以獎勵及／或回報予參與者。

(b) 計劃之參與者

董事會可向參與者授出購股權。參與者乃指(i)本集團各成員公司之任何董事(包括執行董事、非執行董事或獨立非執行董事)；(ii)本集團各成員公司之任何僱員(不論屬全職或非全職)；(iii)本集團任何之顧問、諮詢人、供應商、客戶或分包商；及(iv)董事會不時釐定為對本集團之發展、增長或利益作出貢獻之任何其他人士。

(c) 根據計劃可供發行之股份數目

因行使根據計劃及本公司任何其他購股權計劃將予授出之所有購股權而可發行之股份總數，合共不得超過本公司於股東大會上批准計劃當日已發行股份總數10%。股份數目可由股東批准更新，惟經更新之股份數目上限不得超過批准更新上限之日期本公司已發行股本之10%。因行使根據計劃及本公司任何其他購股權計劃已授出而尚未行使之購股權而可發行之股份數目，合共不得超過不時已發行股份總數之30%。

根據計劃其授出之購股權獲悉數行使時可供發行的股份數目共1,000,000股，佔本公司於本報告日期的已發行股本約0.075%。

(d) Maximum entitlement of each participant

Total number of shares of the Company issued and to be issued upon exercise of the options granted to each participant (including exercised or outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue as at the date of grant.

(e) Minimum period for options to be held

No minimum period for which an option must be held before it can be exercised unless otherwise specified in the relevant offer letter.

(f) Period and payment on acceptance of options

Pursuant to the Scheme, HK\$10 is payable by the grantee to the Company on acceptance of the option within 28 days from the date of grant of the option.

(g) Basis determining the subscription price

The subscription price of a share in respect of any particular option granted under the Scheme shall be a price determined by the Board and notified to the participants and shall be at least the highest of (a) the closing price of the shares as stated in The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") daily quotation sheet on the date on which the options are deemed to be granted and accepted in accordance with the terms of the Scheme (the "Commencement Date"), which must be a business day; (b) the average closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheet for the five business days immediately preceding the Commencement Date; and (c) the nominal value of the shares.

(d) 根據計劃每位參與者之最高股份限額

於任何十二個月期間，因行使授予每位參與者之購股權（包括已行使或尚未行使之購股權）而發行及將發行予每位參與者之股份總數，不得超過授出日期已發行股份總數之1%。

(e) 持有購股權之最短期限

除非任何有關要約之條款另有指明外，否則購股權毋須持有最短期限亦可行使。

(f) 接納購股權之期間及付款

根據計劃，承授人須在接納購股權後於授出購股權日期起計二十八日內向本公司支付10港元。

(g) 釐定認購價之基準

根據計劃授出之任何特定購股權之股份認購價，將由董事會酌情釐定，並知會參與者，而認購價應至少為(a)股份於有關購股權被視為按照購股權計劃條款授出及接納當日（「開始日期」）（須為香港聯合交易所有限公司（「香港聯交所」）經營證券買賣業務之日期（「交易日」）在香港聯交所每日報價表所報之收市價；(b)股份於緊接開始日期前連續五個交易日在香港聯交所每日報價表所報之平均收市價；及(c)股份面值三者中之最高者。

Report of the Directors

董事會報告

(h) Life of the Scheme

Subject to earlier termination by the Company at general meeting or by the Board, the life of the Scheme commenced from 24 June 2004, date of adoption, and ended on 23 June 2014.

Details of options granted, exercised, lapsed, cancelled and outstanding under the Scheme during the year (the information of exercise price, number and share price of the Company is disclosed on the basis of the information after the Share Consolidation became effective) are as follows:

(h) 計劃之有效期

除本公司於股東大會上或由董事會提早終止外，計劃之有效期由二零零四年六月二十四日(採納日期)起至二零一四年六月二十三日為止。

於年度內，根據計劃授出、行使、失效、註銷及尚未行使的購股權之詳情(有關行使價、數目及股份價格資料乃根據股份合併生效後的資料所載列)如下：

Name of Directors 董事姓名	Date of grant 授出日期	Exercise Price HK\$ 行使價 港元	Movement during the year 年內變動					Held as at 31 December 2019 於二零一九年 十二月三十一日 持有
			Held as at 1 January 2019 於二零一九年 一月一日 持有	Granted and accepted 已授出 並接納	Exercised 已行使	Lapsed 已失效	Cancelled 已註銷	
Lai Fulin (Note 1) 賴福麟 (附註1)	3/12/2009	0.71	5,000,000	-	-	(5,000,000)	-	-
Wong Yee Shuen, Wilson (Note 1) 黃以信 (附註1)	3/12/2009	0.71	1,000,000	-	-	(1,000,000)	-	-
Chen Wei Wen (Note 2) 陳偉文 (附註2)	5/5/2010	0.83	1,000,000	-	-	-	-	1,000,000
			7,000,000	-	-	(6,000,000)	-	1,000,000
Employees (Notes 1 & 3) 僱員 (附註1及3)	3/12/2009	0.71	9,000,000	-	-	(9,000,000)	-	-
			16,000,000	-	-	(15,000,000)	-	1,000,000

Notes:

1. The options granted to these grantees are vested in stages and be exercised in the following manner:

Maximum percentage of options exercisable 可行使之購股權最高百分比	Period for exercise of the relevant percentage of the options 行使相關購股權百分比之期限
20%	3/6/2010 – 2/12/2019
20%	3/6/2011 – 2/12/2019
20%	3/6/2012 – 2/12/2019
20%	3/6/2013 – 2/12/2019
20%	3/6/2014 – 2/12/2019

2. The options granted to these grantees are vested in stages and be exercised in the following manner:

Maximum percentage of options exercisable 可行使之購股權最高百分比	Period for exercise of the relevant percentage of the options 行使相關購股權百分比之期限
20%	5/11/2010 – 4/5/2020
20%	5/11/2011 – 4/5/2020
20%	5/11/2012 – 4/5/2020
20%	5/11/2013 – 4/5/2020
20%	5/11/2014 – 4/5/2020

3. Vesting of options granted to certain employees is subject to achievement of profit target.

Details of the fair value of options granted under the Scheme during the year ended 31 December 2019 and the accounting policy adopted for the options are set out in Note 23 and Note 2 to the financial statements respectively.

2. The 2015 Scheme

The details of 2015 Scheme are as follows:

(a) Purpose

The purpose of the 2015 Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the participants to the Group, to motivate the participants to optimize their performance and efficiency for the benefit of the Group, and to maintain or attract business relationship with the participants whose contributions are or may be beneficial to the growth of the Group.

附註：

1. 授予該等承授人的購股權將分階段歸屬，並按下列方式行使：

Maximum percentage of options exercisable 可行使之購股權最高百分比	Period for exercise of the relevant percentage of the options 行使相關購股權百分比之期限
20%	3/6/2010 – 2/12/2019
20%	3/6/2011 – 2/12/2019
20%	3/6/2012 – 2/12/2019
20%	3/6/2013 – 2/12/2019
20%	3/6/2014 – 2/12/2019

2. 授予該等承授人的購股權將分階段歸屬，並按以下方式行使：

Maximum percentage of options exercisable 可行使之購股權最高百分比	Period for exercise of the relevant percentage of the options 行使相關購股權百分比之期限
20%	5/11/2010 – 4/5/2020
20%	5/11/2011 – 4/5/2020
20%	5/11/2012 – 4/5/2020
20%	5/11/2013 – 4/5/2020
20%	5/11/2014 – 4/5/2020

3. 授予若干僱員之購股權須達到溢利目標方可歸屬予有關僱員。

有關截至二零一九年十二月三十一日止年度根據計劃授出購股權的公允值及有關購股權的會計政策的詳情分別載於財務報表附註23及附註2。

2. 二零一五年計劃

有關二零一五年計劃詳情如下：

(a) 目的

二零一五年計劃旨在表揚及肯定參與者對本集團已作出或將作出的貢獻或潛在貢獻，激勵參與者以最佳表現及最高效率為本集團締造利益，並維繫或吸引與參與者的業務關係，其貢獻有利於或將會有利於本集團的發展。

Report of the Directors

董事會報告

(b) Participants

The Board may offer to grant options to the participants which means (i) any director (including any executive director, non-executive director or independent non-executive director) of any member of the Group; (ii) any employee (whether in full time or part-time employment) of any member of the Group; (iii) any consultant, adviser, supplier, customer or subcontractor of the Group, and (iv) any other person whatsoever from time to time determined by the Board as having contributed to the development, growth or benefit of the Group.

(c) Total number of shares available for issue under the Scheme

The total number of shares of the Company which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the issued share capital of the Company as at the date of the general meeting of the Company approving the Scheme. The number of shares may be refreshed by the approval of the shareholders and the refreshed limit of the number of shares must not exceed 10% of the issued share capital of the Company as the date of the approval of the refreshed limit. The maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares of the Company in issue from time to time.

The total number of shares available for issue under the Scheme is 133,327,000 Shares, representing 10% of the total number of shares of the Company in issue as at the date of this report.

(d) Maximum entitlement of each participant

Total number of shares of the Company issued and to be issued upon exercise of the options granted to each participant (including exercised or outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue as at the date of grant.

(b) 參與者

董事會可向參與者授出購股權。參與者乃指(i)本集團任何成員之任何董事(包括任何執行董事、非執行董事或獨立非執行董事)；(ii)本集團任何成員之任何僱員(不論屬全職或非全職)；(iii)本集團任何顧問、諮詢人、供應商、客戶或分包商；及(iv)由董事會釐定為對本集團之發展、增長或利益作出貢獻之任何其他人士。

(c) 根據計劃可供發行之股份數目

因行使根據計劃及本公司任何其他購股權計劃將予授出之所有購股權而可發行之股份總數，合共不得超過本公司於股東大會上批准計劃當日已發行股份總數10%。股份數目可由股東批准更新，惟經更新之股份數目上限不得超過批准更新上限之日期本公司已發行股本之10%。因行使根據計劃及本公司任何其他購股權計劃已授出而尚未行使之購股權而可發行之股份數目，合共不得超過不時已發行股份總數之30%。

根據計劃可供發行的股份數目共133,327,000股，佔本公司於本報告日期的已發行股本10%。

(d) 根據計劃每位參與者之最高股份限額

於任何十二個月期間，因行使授予每位參與者之購股權(包括已行使或尚未行使之購股權)而發行及將發行予每位參與者之股份總數，不得超過授出日期已發行股份總數之1%。

(e) Minimum period for options to be held

No minimum period for which an option must be held before it can be exercised unless otherwise specified in the relevant offer letter.

(f) Period and payment on acceptance of options

Pursuant to the Scheme, HK\$10 is payable by the grantee to the Company on acceptance of the option within 28 days from the date of grant of the option.

(g) Basis determining the subscription price

The subscription price of a share in respect of any particular option granted under the Scheme shall be a price determined by the Board and notified to the participants and shall be at least the highest of (a) the closing price of the shares as stated in The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") daily quotation sheet on the date on which the options are deemed to be granted and accepted in accordance with the terms of the Scheme (the "Commencement Date"), which must be a business day; (b) the average closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheet for the five business days immediately preceding the Commencement Date; and (c) the nominal value of the shares.

(h) Life of the Scheme

Subject to earlier termination by the Company at general meeting or by the Board, the life of the Scheme commenced from 21 May 2015, the date of adoption, and ended on 20 May 2025.

As at 31 December 2019, no share option was granted by the Company under the 2015 Scheme.

(e) 持有購股權之最短期限

除非任何有關要約之條款另有指明外，否則購股權毋須持有最短期限亦可行使。

(f) 接納購股權之期間及付款

根據計劃，承授人須在接納購股權後於授出購股權日期起計二十八日內向本公司支付10港元。

(g) 釐定認購價之基準

根據計劃授出之任何特定購股權之股份認購價，將由董事會酌情釐定，並知會參與者，而認購價應至少為(a)股份於有關購股權被視為按照購股權計劃條款授出及接納當日(「開始日期」)(須為香港聯合交易所有限公司(「香港聯交所」)經營證券買賣業務之日期(「交易日」)在香港聯交所每日報價表所報之收市價；(b)股份於緊接開始日期前連續五個交易日在香港聯交所每日報價表所報之平均收市價；及(c)股份面值三者中之最高者。

(h) 計劃之有效期

除本公司於股東大會上或由董事會提早終止外，計劃之有效期由二零一五年五月二十一日(採納日期)起至二零二五年五月二十日止。

截至二零一九年十二月三十一日，本公司並沒有根據二零一五年計劃授出購股權。

Report of the Directors

董事會報告

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

The interests of the directors in the share options of the Company are separately disclosed in the section headed "SHARE OPTION SCHEME" above.

As at 31 December 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were set out below:

Long positions in the shares and underlying share of the Company

Name of Director 董事名稱	Capacity 身份	Personal Interests 個人權益	Corporate Interests 法團權益	Total 總計	Approximate percentage of shares in issue 佔已發行股份 概約百分比
Yu Ben Ansheng 俞安生	Beneficial owner/Interest of controlled corporation 實益擁有人/受控制法團權益	3,000,000	146,000,000 <i>(Note附註)</i>	149,000,000	11.18%

Note:

These shares are held by King Jade Holdings Limited, which is wholly and beneficially owned by Mr. Yu Ben Ansheng, an executive Director and the Chief Executive Officer of the Company. Accordingly, Mr. Yu is deemed to be interested in such shares under the SFO.

董事於股份、相關股份或債券之權益及淡倉

董事所持本公司購股權的權益於上文「購股權計劃」一節中另行披露。

於二零一九年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中，擁有須登記於本公司根據證券及期貨條例第352條備存之登記冊之權益或淡倉，或須根據上市公司董事進行證券交易的標準守則（「標準守則」）知會本公司及香港聯交所之權益或淡倉如下：

於本公司股份及相關股份之好倉

附註：

該等股份由King Jade Holdings Limited持有，該公司由俞安生先生（本公司之執行董事兼首席執行官）全資實益擁有。因此，根據證券及期貨條例，俞先生被視為於該等股份中擁有權益。

Save as disclosed above and in the section headed “SHARE OPTION SCHEME” above, as at 31 December 2019, none of the Directors or chief executive or their respective associates had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2019, the interests or short positions of the following persons or corporations, other than the Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long position in share and underlying share of the Company

Name of shareholders 股東名稱	Capacity 身份	Number of shares/ underlying shares held 所持股份/ 相關股份數目	Approximate percentage of shares in issue 佔已發行 股份概約百分比
Singapore Zhongxin Investment Company Limited ^(Note 1附註1)	Beneficial owner 實益擁有人	437,234,620	32.79%
Li Juan ^(Note 2) 李娟 ^(附註2)	Interest of spouse 配偶權益	437,234,620	32.79%
Qu Zhi 曲直	Beneficial owner 實益擁有人	333,317,500	25%
King Jade Holdings Limited ^(Note 3附註3)	Beneficial owner 實益擁有人	146,000,000	10.95%

除上文及另一節「購股權計劃」所披露者外，於二零一九年十二月三十一日，概無董事或最高行政人員或彼等各自之聯繫人士於本公司或其任何相聯法團（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，擁有須登記於本公司根據證券及期貨條例第352條存置之登記冊之權益或淡倉，或須根據標準守則知會本公司及香港聯交所之權益或淡倉。

主要股東

於二零一九年十二月三十一日，以下人士或法團（上文所披露之本公司董事或最高行政人員除外）於本公司股份及相關股份擁有須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉如下：

於本公司股份及相關股份之好倉

Report of the Directors

董事會報告

Notes:

1. Singapore Zhongxin Investment Company Limited is wholly and beneficially owned by Mr. Lai Guanglin, the former executive Director and the Chairman of the Company. Accordingly, Mr. Lai is deemed to be interested in such shares under the SFO.
2. Ms. Li Juan, the spouse of Mr. Lai Guanglin, is also deemed to be interested in Mr. Lai's interest in the Company under the SFO.
3. King Jade Holdings Limited is wholly and beneficially owned by Mr. Yu Ben Ansheng, an executive Director and the Chief Executive Officer of the Company. Accordingly, Mr. Yu is deemed to be interested in such shares under the SFO.

Save as disclosed above, as at 31 December 2019, the Company had not been notified by any persons or corporations, other than the Directors or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

MANAGEMENT CONTRACTS

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

DONATIONS

Donations for charitable made by the Group during the year amounted to HK\$83,644.

SHARES ISSUED

The Company has not issued any share during the year ended 31 December 2019.

DEBENTURE ISSUED

The Company has not issued any debenture during the year ended 31 December 2019.

EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed "SHARE OPTION SCHEME" above, no equity-linked agreements were entered into by the Group, or existed during the year.

附註：

1. Singapore Zhongxin Investment Company Limited乃由Lai Guanglin先生(本公司之前任執行董事兼主席)全資實益擁有。因此，根據證券及期貨條例，Lai先生被視為於該等股份中擁有權益。
2. 根據證券及期貨條例，李娟女士(Lai Guanglin先生之配偶)亦被視為擁有Lai先生於本公司之權益。
3. King Jade Holdings Limited乃由俞安生先生(本公司之執行董事兼首席執行官)全資實益擁有。因此，根據證券及期貨條例，俞先生被視為於該等股份中擁有權益。

除上文披露者外，於二零一九年十二月三十一日，本公司並無獲通知有任何其他人士或法團(不包括本公司董事或主要行政人員)持有本公司股份或相關股份的權益或淡倉而須登記於根據證券及期貨條例第336條規定本公司須備存之登記冊內。

管理合約

年內並無訂立或存在涉及本集團全部或任何重大部分業務之任何管理及行政合約。

捐款

於年內，本集團之慈善捐款合共為83,644港元。

已發行股份

截至二零一九年十二月三十一日止年度，本公司並無發行任何股份。

已發行債權證

截至二零一九年十二月三十一日止年度，本公司並無發行任何債權證。

股票掛鈎協議

除上文「購股權計劃」一節所披露者外，本年度內，本集團並無訂立或存有任何股票掛鈎協議。

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-laws, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group throughout the year.

MATERIAL INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save as the disclosure of related party transactions set out in Note 30 to the financial statements, no Director or an entity connected with Director had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance in relation to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the year.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

There was no contract of significance between any members of the Group and the Company's controlling shareholders subsisting at the end of the year or at any time during the year.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed "SHARE OPTION SCHEME" above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

獲准許的彌償條文

根據本公司章程細則的規定，本公司的每位董事有權就履行其職責或有關事宜而蒙受或招致的所有損失或責任獲得本公司以其資產彌償。

於年內，本公司已為本集團董事及高級管理人員投購適當的董事及高級管理人員責任保險。

於重要交易、安排或合約之重大權益

除於財務報表附註30所披露之關連人士交易外，於本年度內，概無董事或與董事有關連的實體於本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立之任何對本集團業務屬重要交易、安排或合約中直接或間接擁有重大權益。

控股股東於重大合約之權益

於年結時或年內任何時間本集團任何成員公司與本公司控股股東並無重大合約。

購買股份或債券的安排

除上文「購股權計劃」一節所披露外，於年度內任何時間，本公司或其任何附屬公司概無參與訂立任何安排，致使本公司董事可藉收購本公司或任何其他法團的股份或債券獲益。

Report of the Directors

董事會報告

CONNECTED TRANSACTION

From 1 January 2019 to 31 March 2019, the Group paid consultancy fee to Mr. Lai for a fixed sum of HK\$248,000 per month as agreed by both parties. This is a connected transaction which is exempted under Rule 14A.76 of the Listing Rules.

From 1 April 2019 to 31 December 2019, the Group paid consultancy fee to a company owned by Mr. Lai for a fixed sum of HK\$248,000 per month as agreed by both parties. This is a connected transaction which is exempted under Rule 14A.76 of the Listing Rules.

CONTINUING CONNECTED TRANSACTION

As mentioned in the announcement dated 11 May 2016 and the circular dated 15 July 2016 of the Company, on 11 May 2016, Mao Xing Limited, a wholly-owned subsidiary of the Company (the "Lender"), entered into a loan agreement (the "Loan Agreement") with China Victory International Holdings Limited, ("CVIL"), a wholly-owned subsidiary of Agria Corporation, pursuant to which the Lender has conditionally agreed to grant to CVIL a loan facility in the amount of up to US\$10,000,000 (equivalent to approximately HK\$77,746,000) upon and subject to the terms and conditions set out therein.

As at the date of the Loan Agreement, Mr. Lai Guanglin, a director and the controlling shareholder of the Company (Mr. Lai resigned as director on 30 March 2018) and is also the controlling shareholder of Agria Corporation. As such, CVIL is therefore a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Loan Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The loan carried interest at 10.5% per annum and is repayable by 31 July 2019. The loan is secured by the entire issued shares of CVIL executed by Agria Group Limited ("AGL"), the immediate holding company of CVIL, and also guaranteed by a deed of corporate guarantee executed by Agria Corporation in favour of the Group.

關連交易

由二零一九年一月一日至二零一九年三月三十一日，本集團向Lai先生支付由雙方協定的每月固定248,000港元顧問費。此交易為根據上市規則14A.76條而獲得豁免的關連交易。

由二零一九年四月一日至二零一九年十二月三十一日，本集團向一間由Lai先生擁有之公司支付由雙方協定的每月固定248,000港元顧問費。此交易為根據上市規則14A.76條而獲得豁免的關連交易。

持續關連交易

誠如本公司於日期為二零一六年五月十一日之公告及二零一六年七月十五日之通函，於二零一六年五月十一日，本公司之全資附屬公司質興有限公司（「貸款人」）已與中滙國際集團有限公司（「CVIL」）簽訂貸款協議（「貸款協議」），據此，貸款人有條件地同意向CVIL給予貸款融資金額上限為10,000,000美元（相當於約77,746,000港元），須待所載的條款和條件達成後方可作實。

於貸款協議日期，本公司之董事兼控股股東Lai Guanglin先生（Lai先生已於二零一八年三月三十日辭任本公司董事職務），亦為Agria Corporation控股股東。因此，根據上市規則第14A章，CVIL是本公司的關連人士。根據上市規則第14A章，貸款協議項下擬進行的交易構成本公司之持續關連交易。

該貸款以年息10.5%計息，並須於二零一九年七月三十一日之前償還。該貸款由CVIL的直接控股公司Agria Group Limited（「AGL」）行使CVIL的全部已發行股份作擔保及Agria Corporation執行對本集團作公司擔保契約。

Pursuant to a resolution passed in a special general meeting on 23 February 2018, the Group agreed to novate and AGL, a wholly owned subsidiary of Agria Corporation and the immediate holding company of CVIL, agreed to assume the Group's loan to CVIL of US\$10,000,000 (equivalent to HK\$78,357,000) with all other terms and conditions remained unchanged.

On 9 May 2019, the Group entered into a loan agreement ("2019 Loan Agreement") with AGL to renew the loan and the proposed annual caps from 1 August 2019 to 31 July 2022.

The annual caps of the maximum principal loan outstanding for the financial years ended/ending 31 December 2019, 31 December 2020, 31 December 2021 and period ending 31 July 2022 were US\$10,000,000 (equivalent to HK\$78,500,000) for each year/period.

The annual caps of the interest amounts for the financial years ended/ending 31 December 2019, 31 December 2020, 31 December 2021 and period ending 31 July 2022 were US\$441,000, US\$1,053,000, US\$1,050,000 and US\$610,000 respectively ("Annual Caps"). The 2019 Loan Agreement, Annual Caps of the principal loan outstanding and interest amounts were approved by the shareholders of the Company at the Company's special general meeting on 24 June 2019.

Under the 2019 Loan Agreement, the clause of the share mortgage executed by AGL, being the sole shareholder of CVIL, over the entire issued shares of CVIL in favour of the Group has been removed. Save as the above amendments, all other terms of the 2019 Loan Agreement remain unchanged and continue in full force and effect.

For the year ended 31 December 2019, the interest income from AGL amounted to approximately US\$1,050,000, (equivalent to HK\$8,254,000) (2018: US\$1,050,000 (equivalent to HK\$8,252,000)).

As at 31 December 2019, the loan to AGL amounted to US\$10,000,000 (equivalent to HK\$78,229,000) (31 December 2018: US\$10,000,000 (equivalent to HK\$78,540,000)).

根據於二零一八年二月二十三日舉行的股東特別大會上通過的決議案，本集團同意AGL (Agria Corporation的全資附屬公司及CVIL的直接控股公司)承擔本集團向CVIL的貸款10,000,000美元(相等於78,357,000港元)，其他條款和條件維持不變。

於二零一九年五月九日，本集團與AGL訂立貸款協議(「2019貸款協議」)，以更新貸款及建議年度上限，由二零一九年八月一日至二零二二年七月三十一日止。

截至二零一九年十二月三十一日、二零二零年十二月三十一日、二零二一年十二月三十一日止財政年度及截至二零二二年七月三十一日止期間，每個年度／期間之最高未償還貸款本金額年度上限均為10,000,000美元(相等於78,500,000港元)。

截至二零一九年十二月三十一日、二零二零年十二月三十一日、二零二一年十二月三十一日止財政年度及截至二零二二年七月三十一日止期間，利息金額年度上限分別為441,000美元、1,053,000美元、1,050,000美元及610,000美元(「年度上限」)。本公司股東已於二零一九年六月二十四日舉行的股東特別大會上批准2019貸款協議、貸款本金額及利息金額之年度上限。

根據2019貸款協議，以本集團為受益人，由AGL(為CVIL的唯一股東)就CVIL的全部已發行股份設立的股份抵押為擔保的條款已刪除。除上述修訂外，2019貸款協議之所有其他條款維持不變及繼續具十足效力及作用。

截至二零一九年十二月三十一日止財政年度，從AGL所得的利息收入約為1,050,000美元(相等於8,254,000港元)(二零一八年：1,050,000美元(相等於8,252,000港元))。

於二零一九年十二月三十一日，貸款予AGL的金額為10,000,000美元(相等於78,229,000港元)(二零一八年十二月三十一日：10,000,000美元(相等於78,540,000港元))。

Report of the Directors

董事會報告

The independent non-executive Directors of the Company have reviewed the continuing connected transaction and confirmed that (i) the entering into of the Loan Agreement, although is not conducted in the ordinary and usual course of business of the Group, is in the interests of the Company and the shareholders as a whole; and (ii) the terms of the loan agreement and the Annual Caps are on normal commercial terms and are fair and reasonable.

The Company's auditor was engaged to report on the Group's continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has issued an unqualified letter containing its findings and conclusions in respect of the above mentioned continuing connected transaction in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Save as disclosed above and in Note 30 to the financial statements, during the year, there were no connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

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

Purchases

- the largest supplier 27.54%
- five largest suppliers combined 62.83%

Sales

- the largest customer 5.20%
- five largest customers combined 20.11%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

本公司獨立非執行董事已審議該持續關連交易，並確認(i)訂立貸款協議，雖然並非在本集團日常及一般業務過程中進行，但符合本公司及股東全體的利益；及(ii)貸款協議的條款及年度上限乃按一般商業條款訂立，屬公平合理。

本公司核數師獲委聘，根據香港會計師公會頒佈之香港核證委聘準則第3000號「審核或審閱過往財務資料以外之核證委聘」及參考實務說明第740號「關於香港《上市規則》所述持續關連交易之核數師函件」，就本集團之持續關連交易作出匯報。

核數師已根據上市規則第14A.56條，就上述持續關連交易發出無保留意見函件，當中載有其對上述持續關連交易之發現及結論。本公司已向聯交所提交核數師函件之副本。

除上述及於財務報表附註30披露中，於年內，本公司概無進行上市規則第14A章界定且須根據上市規則遵守申報、公告或獨立股東批准規定之關連交易或持續關連交易。

主要客戶及供應商

本集團主要供應商及客戶年內分別所佔之採購及銷售百份比如下：

採購

- 最大供應商27.54%
- 五大供應商合計62.83%

銷售

- 最大客戶5.20%
- 五大客戶合計20.11%

各董事、其聯繫人士或任何股東(就董事所知擁有本公司股本5%以上者)概無上述主要供應商或客戶擁有之任何權益。

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Details of the compliance with corporate governance code of the Company are set out in the “CORPORATE GOVERNANCE REPORT” of this Annual Report.

AUDIT COMMITTEE

The audit committee consists of three independent non-executive Directors, namely Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Mr. Guan Zhiqiang.

By reference to “A Guide for the Formation of An Audit Committee” published by the Hong Kong Institute of Certified Public Accountants, written terms of reference which describe the authority and duties of the audit committee were prepared and adopted by the Board of the Company.

The annual results have been reviewed by the audit committee of the Company.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By Order of the Board

Lai Fulin
Chairman

Hong Kong, 27 March 2020

遵守企業管治守則

有關本公司遵守企業管治守則的詳情載於本年報之「企業管治報告」內。

審核委員會

本公司審核委員會由三位獨立非執行董事，即黃以信先生、陳偉文先生及管志強先生所組成。

本公司之董事會參照香港會計師公會頒佈之「組成審核委員會之指引」，制訂及採納審核委員會之書面職權範圍書，訂明審核委員會的職權及職責。

本公司之審核委員會已審閱全年業績。

足夠公眾持股量

根據本公司可取得之公開資料以及就董事所知，於本報告日期，本公司維持上市規則所規定之既訂公眾持股量。

核數師

本財務報表已獲羅兵咸永道會計師事務所審核，該核數師任滿告退，惟有資格及願意膺選連任。

承董事會命

主席
賴福麟

香港，二零二零年三月二十七日

Independent Auditor's Report

獨立核數師報告



To the Shareholders of Softpower International Limited
(incorporated in Bermuda with limited liability)

Opinion

What we have audited

The consolidated financial statements of Softpower International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 63 to 159, which comprise:

- the consolidated statement of financial position 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 statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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

羅兵咸永道

致冠力國際有限公司股東
(於百慕達註冊成立的有限公司)

意見

我們已審計的內容

冠力國際有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第63至159頁的綜合財務報表，包括：

- 於二零一九年十二月三十一日的綜合財務狀況表；
- 截至該日止年度的綜合收益表；
- 截至該日止年度的綜合全面收益表；
- 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量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，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二零一九年十二月三十一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。

Basis for Opinion

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

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

The key audit matters identified in our audit are summarised as follows:

- Net realisable value of inventories
- Impairment of trade receivables
- Impairment of loan to a related company

意見的基礎

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，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

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。

我們在審計中識別的關鍵審計事項概述如下：

- 存貨的可變現淨值
- 貿易應收款項減值
- 給予一間關連公司的貸款減值

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審計事項

Net realisable value of inventories

Refer to notes 4 and 18 to the consolidated financial statements.

As at 31 December 2019, inventories of the Group amounted to approximately HK\$192 million. As described in the Basis of preparation and accounting policies in note 2(h) to the consolidated financial statements, inventories are carried at the lower of cost and net realisable value.

Management applied judgment in determining the appropriate provisions for slow moving, obsolete inventories and inventories with net realisable value below cost. Net realisable value is determined based upon a detailed analysis of the aging of inventories on a product-by-product basis, and with reference to their latest invoice prices and current market conditions. An impairment provision of approximately HK\$16 million has been recorded to reduce the carrying value of certain inventories to their estimated net realisable value.

We focused on this area due to the size of the balances and the judgment involved by management in determining the net realisable value of the inventories.

存貨的可變現淨值

請參閱綜合財務報表附註4及附註18。

於二零一九年十二月三十一日，貴集團的存貨總值約為192,000,000港元。如綜合財務報表附註2(h)編製基準及會計政策所述，存貨乃按成本與可變現淨值兩者之較低者列賬。

管理層運用判斷以為呆滯、過時存貨以及可變現淨值低於成本的存貨釐定適當撥備。可變現淨值是根據對個別產品的庫齡的詳細分析，並參照其最近的發票價格和當前的市場狀況而釐定。存貨已記賬的減值撥備約為16,000,000港元，以將若干存貨的賬面價值減少至其估計可變現淨值。

我們關注此範疇是鑑於有關結餘的規模及管理層在釐定存貨的可變現淨值時涉及的判斷。

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 assessment on net realisable value of inventories included:

- We understood and evaluated the appropriateness and consistency of the basis management used in estimating the level of provision for inventories by comparing the historical accuracy of inventory provisioning, on a sample basis, to the realised amount; and reviewing the level of inventory write-offs during the year.
- Checked, on a sample basis, the accuracy of inventory aging used by management to estimate the appropriate provision for slow moving and obsolete inventories.
- Performed audit analytics on inventory holding and movement data to identify products with indication of slow moving or obsolescence.
- Compared the carrying amounts of a sample of inventories to their net realisable value through a detailed review of sale subsequent to the year end. Where there are no subsequent sales of the respective products after the year end, we challenged management as to the realisable value of the products, corroborating explanations with the aging, sales orders, historical margins and marketability of the respective inventories, as appropriate.

Based on the procedures performed, we found the assumptions of management in relation to assessment on net realisable value of inventories to be supportable by available evidence.

我們對管理層評估存貨可變現淨值所執行的審核程序包括：

- 我們通過以抽樣方式，對比過往存貨撥備與實現金額的準確性，了解並評估管理層在估算存貨撥備水平時所採用的基準，以及審閱年內存貨撤銷水平的適當性及一致性。
- 以抽樣方式，檢查管理層使用的庫齡以估計呆滯和過時存貨的適當撥備的準確性。
- 對持有的存貨和變動數據進行審計分析，以識別有呆滯或過時跡象的產品。
- 通過詳細審查年末後的銷售情況，以抽樣方式將存貨賬面價值與其可變現淨值進行比較。對於在年末後未有售出的產品，我們已向管理層就該等產品的可變現價值提出質疑，並透過存貨年期、銷售訂單、過往毛利率及相關存貨的市場可銷售性(如適用)佐證其解釋。

根據所執行的程序，我們發現管理層就評估存貨可變現淨值採用的假設有可得的證據支持。

Key audit matter**關鍵審計事項****Impairment of trade receivables**

Refer to notes 4 and 19 to the consolidated financial statements.

As at 31 December 2019, the Group held gross trade receivables of approximately HK\$121 million with no provision for loss allowance. Recoverability is assessed and provision is made for lifetime expected credit losses on trade receivables.

Management applied judgement in determining the appropriate loss allowance on trade receivables. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for provision for loss allowance. Expected credit losses are estimated by grouping the remaining trade receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customers, their geographical locations and their ageing categories, and applying expected credit loss rates to the respective gross carrying amounts of the trade receivables. The expected credit loss rates are determined based on the Group's historical credit loss experience with an adjustment to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables.

We focused on this area due to the size of the balances and the judgment and estimates involved by management in determining the expected credit loss allowance of the trade receivables.

貿易應收款項減值

請參閱綜合財務報表附註4及附註19。

於二零一九年十二月三十一日，貴集團的貿易應收款項總額約為121,000,000港元，沒有虧損撥備。貿易應收款項的撥備是以存續期的預期虧損而作出。

管理層運用判斷以釐定貿易應收款項的適當虧損撥備。有關的貿易應收款項，就已知財務有困難或對收款有重大疑問的客戶會個別評估虧損撥備。預期信貸虧損乃根據共同信貸風險特徵對剩餘貿易應收款項進行分組估計，並考慮客戶的性質，其地理位置及其賬齡類別，共同評估收回的可能性。並將預期信貸虧損率應用於各自的貿易應收款項賬面總額。預期信貸虧損率乃根據過往本集團的歷史信貸虧損的經驗而釐定，並經調整以反映當前及前瞻性資料，例如影響客戶償還應收款項能力的宏觀經濟因素。

我們關注此範疇是鑑於有關結餘的規模及管理層在釐定貿易應收款項的預期信貸虧損時涉及的判斷。

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 assessment on provision for loss allowance on trade receivables included:

- We understood, evaluated and tested, on a sample basis, management's key control over the assessment on recoverability of trade receivable balances and the related loss allowance, including periodic review on trade receivables aging, historical loss rates and approval of provision made.
- Checked, on a sample basis, the accuracy of trade receivables aging used by management to estimate the appropriate provision for loss allowance.
- Obtained management's assessment on the expected credit loss allowance of trade receivables and assessed the reasonableness of the expected loss rates. We corroborated and validated management's assessment based on the historical settlement pattern, correspondence with the customers, and evidence from external sources including the relevant public search results relating to the financial circumstances of the relevant customers.
- We assessed management's assessment of current market condition and forward-looking information such as macroeconomic factors by comparing the data used by management against publicly available information.
- We checked the mathematical accuracy of management's calculation for loss allowance of trade receivables.

Based on the procedures performed, we found the judgement and estimates made by management in relation to assessment on provision for loss allowance on trade receivables to be supportable by available evidence.

我們對管理層評估貿易應收款項的虧損撥備所執行的審核程序包括：

- 我們以抽樣方式，理解、評估及測試，管理層對貿易應收款項結餘可收回性評估及相關虧損撥備的主要監控，包括定期檢討貿易應收款項賬齡，歷史損虧率及已作撥備的批准。
- 以抽樣方式，檢查管理層使用應收款項賬齡以估計適當虧損撥備的準確性。
- 取得管理層對貿易應收款項預期信貸虧損撥備的評估，並評估預期損失率的合理性。我們佐證和驗證了管理層的評估，乃根據歷史償付模式，與客戶的通信及外部來源的證據，包括與相關客戶的財務狀況相關的公共搜索結果。
- 我們比較管理層使用的數據與公開資料，來評估管理層對當前市場狀況的評估和宏觀經濟因素等前瞻性信息。
- 我們檢查了管理層計算應收賬款虧損撥備的準確性。

根據所執行的程序，我們發現管理層就評估貿易應收款項虧損撥備採用的假設有可得的證據支持。

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審計事項

Impairment of loan to a related company
Refer to notes 4, 19 and 30(d) to the consolidated financial statements.

As at 31 December 2019, the Group held a loan to a related company of approximately HK\$78 million.

Management applied judgement in determining the appropriate loss allowance for impairment of loan to the related company. The loan is secured by corporate guaranteed by the holding company of the borrower (the "Guarantor"). The loan is interest bearing and repayable by July 2022 as detailed in note 30(d) to the consolidated financial statements.

Management reviewed the financial conditions of the related company and the Guarantor, taking into account the settlement history of the related interest elements, and concluded that no loss allowance is required for such loan as at 31 December 2019.

We focused on this area due to the size of the balance and the judgment involved by management in determining the recoverable amount of the loan.

給予一間關連公司的貸款減值
請參閱綜合財務報表附註4、19及30(d)。

於二零一九年十二月三十一日，貴集團持有提供予一間關連公司的貸款約為78,000,000港元。

管理層運用判斷以釐定就提供予該關連公司貸款的減值撥備作出適當的虧損撥備。該貸款由該借款人的一家控股公司（「擔保人」）提供公司擔保。該貸款須計息並須於二零二二年七月或之前償還，詳情載於綜合財務報表附註30(d)。

管理層考慮了過往相關利息的償付情況，檢討了該關連公司和擔保人的財務狀況，並總結認為該貸款於二零一九年十二月三十一日無須作虧損撥備。

我們關注此範疇是鑑於有關結餘的規模及管理層在釐定該貸款可收回金額所涉及的判斷。

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 on the loan receivable included:

- We reviewed the loan agreement and obtained direct confirmation from the related company on the balance and terms of the loan as at 31 December 2019 with no exception.
- Checked, on a sample basis, the accuracy of interest payment received and whether they are in accordance with the terms of the loan.
- We challenged management as to the recoverability of the loan, corroborating explanations with the latest financial information of the related company and the Guarantor and correspondence with the relevant parties.

Based on the procedures performed, we found the assumptions of management in relation to the impairment assessment on loan to the related company to be supportable by available evidence.

我們對管理層評估該應收貸款的減值所執行的審核程序包括：

- 我們審閱了貸款協議，並直接向該關連公司獲取了於二零一九年十二月三十一日貸款餘額和條款的沒有異議的確認。
- 以抽樣方式，檢查所收到的利息付款的準確性，以及其是否按照貸款的條款支付。
- 我們已向管理層就該貸款的可收回性提出質疑，並透過該關連公司和擔保人的最新財務資料以及與有關人士的往來信函佐證其解釋。

根據所執行的程序，我們發現管理層就評估貸款予該關連公司的撥備評估採用的假設有可得的證據支持。

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. We have nothing to report in this regard.

Responsibilities of Directors and Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the 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.

The audit committee is 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。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《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監控負責。

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

審核委員會須負責監督貴集團的財務報告過程。

Independent Auditor's Report

獨立核數師報告

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.

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憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。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憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Hiu Tung.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2020

核數師就審計綜合財務報表承擔的責任(續)

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

出具本獨立核數師報告的審計項目合夥人是吳曉彤。

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年三月二十七日

Consolidated Income Statement

綜合收益表

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

		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	收入	5	531,371	538,155
Cost of sales	銷售成本	7	(402,120)	(390,671)
Gross profit	毛利		129,251	147,484
Other gains, net	其他收益淨額	6	644	4,267
Selling and distribution costs	銷售及分銷成本	7	(20,512)	(20,844)
General and administrative expenses	一般及行政費用	7	(105,952)	(113,018)
Reversal of impairment of financial assets	金融資產的 減值回撥	7	571	3,523
Operating profit	經營溢利		4,002	21,412
Finance income	財務收入	9	10,343	10,111
Finance costs	財務費用	9	(8,471)	(2,051)
Finance income, net	財務收入淨額	9	1,872	8,060
Profit before income tax	稅前溢利		5,874	29,472
Tax expense	稅項支出	10	(1,444)	(4,621)
Profit for the year	本年度溢利		4,430	24,851
Profit attributable to:	溢利歸屬於:			
Equity holders of the Company	本公司權益持有人		6,790	26,015
Non-controlling interests	非控股權益		(2,360)	(1,164)
			4,430	24,851
			HK cent 港仙	HK cents 港仙
Earnings per share	每股盈利			
Basic and diluted	基本及攤薄	11	0.51	1.95

The notes on pages 70 to 159 are an integral part of these consolidated financial statements.

第70至159頁之附註為此等綜合財務報表之整體部份。

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		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
Profit for the year	本年度溢利		4,430	24,851
Other comprehensive income: <i>Item that will not be reclassified subsequently to profit or loss</i>	其他全面收益： 其後將不會重新歸類到溢利 或虧損之項目			
Actuarial gain/(loss) on post-employment benefit obligations, net of tax	離職後福利債務的精算 收益／(虧損)， 扣除稅項後	24	636	(110)
<i>Item that may be subsequently reclassified to profit or loss</i>	其後可能重新歸類到溢利 或虧損之項目			
Currency translation differences	貨幣換算差額		(468)	(1,156)
Other comprehensive income for the year, net of tax	本年度其他全面收益， 扣除稅項後		168	(1,266)
Total comprehensive income for the year	本年度全面收益總額		4,598	23,585
Total comprehensive income attributable to:	全面收益總額歸屬於：			
Equity holders of the Company	本公司權益持有人		7,001	24,744
Non-controlling interests	非控股權益		(2,403)	(1,159)
			4,598	23,585

The notes on pages 70 to 159 are an integral part of these consolidated financial statements.

第70至159頁之附註為此等綜合財務報表之整體部份。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2019
於二零一九年十二月三十一日

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Note 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Property, plant and equipment	13	物業、廠房及設備	17,676	21,377
Right-of-use-assets	14	使用權資產	135,480	-
Intangible assets	15	無形資產	477	-
Loan to a related company	19	貸款予一間關連公司	78,229	-
Rental deposits and other assets	19	租賃按金及其他資產	6,957	7,337
			238,819	28,714
Current assets		流動資產		
Inventories	18	存貨	191,526	235,309
Loan to a related company	19	貸款予一間關連公司	-	78,540
Trade receivables	19	貿易應收款項	121,007	114,747
Deposits, prepayments and other receivables	19	按金、預付款及其他應收款項	34,156	39,741
Financial assets at fair value through profit or loss	20	按公允價值計入損益之金融資產	2,722	2,601
Tax recoverable		可收回稅項	3,457	2,111
Pledged certificate of deposit	21	已抵押存款證	10,000	10,000
Pledged bank deposits	21	已抵押銀行存款	36,000	31,000
Cash and bank balances	22	現金及銀行結餘	157,683	130,117
			556,551	644,166
Total assets		總資產	795,370	672,880
EQUITY		權益		
Equity holders		權益持有人		
Share capital	23	股本	26,665	26,665
Reserves	24	儲備	517,156	510,150
			543,821	536,815
Non-controlling interests		非控股權益	2,215	4,618
Total equity		總權益	546,036	541,433

The notes on pages 70 to 159 are an integral part of these consolidated financial statements.

第70至159頁之附註為此等綜合財務報表之整體部份。

Consolidated Statement of Financial Position

綜合財務狀況表

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	117,340	—
Deferred tax liabilities	遞延稅項負債	26	1,816	1,352
Other non-current liabilities	其他非流動負債		1,865	2,862
			121,021	4,214
Current liabilities	流動負債			
Trade payables, other payables and contract liabilities	貿易應付款項、其他應付款項及合同負債	27	58,756	69,227
Taxation payable	應付稅項		818	562
Lease liabilities	租賃負債	14	21,355	—
Borrowings	借貸	25	47,384	57,444
			128,313	127,233
Total liabilities	總負債		249,334	131,447
Total equity and liabilities	總權益及負債		795,370	672,880
Net current assets	流動資產淨額		428,238	516,933
Total assets less current liabilities	總資產減流動負債		667,057	545,647

The financial statements on pages 63 to 159 were approved by the board of Directors on 27 March 2020 and were signed on its behalf:

Lai Fulin 賴福麟
Director 董事

Yu Ben Ansheng 俞安生
Director 董事

The notes on pages 70 to 159 are an integral part of these consolidated financial statements.

第63至159頁的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：

第70至159頁之附註為此等綜合財務報表之整體部分。

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部份

		Share capital	Share premium	Capital reserve	Merger reserve	Statutory reserve	Other reserve	Exchange reserve	Share-based payment reserve	Retained earnings	Non-controlling interests	Total
		股本	股份溢價	資本儲備	合併儲備	法定儲備	其他儲備	匯兌儲備	以股份為基礎的付款儲備	保留溢利	非控股權益	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	26,665	126,618	34,115	3,700	24	1,205	1,103	5,252	313,360	-	512,042
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	26,015	(1,164)	24,851
Other comprehensive income:	其他全面收益：											
Actuarial loss on post-employment benefit obligations, net of tax	離職後福利債務的精算虧損，扣除稅項後	-	-	-	-	-	(110)	-	-	-	-	(110)
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	(1,161)	-	-	5	(1,156)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	(110)	(1,161)	-	26,015	(1,159)	23,585
Transactions with owners:	與擁有人之交易：											
Share-based payment	以股份為基礎的付款	-	-	-	-	-	-	-	29	-	-	29
Transfer upon lapse of share options	因購股權失效轉撥	-	-	-	-	-	-	-	(925)	925	-	-
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	-	-	-	-	-	-	5,777	5,777
At 31 December 2018	於二零一八年十二月三十一日	26,665	126,618	34,115	3,700	24	1,095	(58)	4,356	340,300	4,618	541,433

The notes on pages 70 to 159 are an integral part of these consolidated financial statements.

第70至159頁之附註為此等綜合財務報表之整體部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔部份										
		Share capital	Share premium	Capital reserve	Merger reserve	Statutory reserve	Other reserve	Exchange reserve	Share-based payment reserve	Retained earnings	Non-controlling interests	Total
		股本	股份溢價	資本儲備	合併儲備	法定儲備	其他儲備	匯兌儲備	以股份為基礎的 付款儲備	保留溢利	非控股權益	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2019	於二零一九年一月一日	26,665	126,618	34,115	3,700	24	1,095	(58)	4,356	340,300	4,618	541,433
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	6,790	(2,360)	4,430
Other the comprehensive income:	其他全面收益：											
Actuarial gain on post-employment benefit obligations, net of tax	離職後福利債務的精算收益，扣除稅項後	-	-	-	-	-	636	-	-	-	-	636
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	(425)	-	-	(43)	(468)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	636	(425)	-	6,790	(2,403)	4,598
Transactions with owners:	與擁有人之交易：											
Share-based payment	以股份為基礎的付款	-	-	-	-	-	-	-	5	-	-	5
Transfer upon lapse of share options	因購股權失效轉撥	-	-	-	-	-	-	-	(4,012)	4,012	-	-
At 31 December 2019	於二零一九年十二月三十一日	26,665	126,618	34,115	3,700	24	1,731	(483)	349	351,102	2,215	546,036

The notes on pages 70 to 159 are an integral part of these consolidated financial statements.

第70至159頁之附註為此等綜合財務報表之整體部份。

Consolidated Statement of Cash Flows

綜合現金流量表

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

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流量			
Cash generated from operations	經營業務產生之現金	29	67,523	14,053
Interest paid	已付利息		(8,519)	(2,045)
Interest received	已收利息		10,221	10,053
Income tax paid	已付所得稅		(2,191)	(9,656)
			<hr/>	<hr/>
Net cash generated from operating activities	經營活動產生現金淨額		67,034	12,405
			<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Cash flows from investing activities	投資活動之現金流量			
Purchase of property, plant and equipment	購入物業、廠房及設備		(2,820)	(10,617)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	29	80	136
Acquisition of a subsidiary	收購一家附屬公司	33	-	(10,655)
Payment for acquisition of intangible assets	購買無形資產		(341)	-
Dividend income from financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之股息收入		108	105
			<hr/>	<hr/>
Net cash used in investing activities	投資活動所用現金淨額		(2,973)	(21,031)
			<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Cash flows from financing activities	融資活動之現金流量			
Drawdown of borrowings	提用借貸		307,224	374,785
Repayment of borrowings	償還借貸		(317,284)	(387,818)
Purchase of pledged certificate of deposit	購入已抵押存款證		-	(9,971)
(Increase)/decrease in pledged bank deposits	已抵押銀行存款(增加)/減少		(5,000)	6,000
Redemption of pledged certificate of deposit	已抵押存款證的贖回		-	10,000
Principal elements of lease payments	本金部份的租賃付款		(22,522)	-
Decrease in amount due from a non-controlling shareholder	應收一位非控股股東款項的減少		1,512	-
			<hr/>	<hr/>
Net cash used in financing activities	融資活動所用現金淨額		(36,070)	(7,004)
			<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額		27,991	(15,630)
Exchange differences	匯兌差額		(425)	(824)
Cash and cash equivalents at beginning of the year	年初之現金及現金等價物	22	130,117	146,571
			<hr/>	<hr/>
Cash and cash equivalents at end of the year	年終之現金及現金等價物	22	157,683	130,117

The notes on pages 70 to 159 are an integral part of these consolidated financial statements.

第70至159頁之附註為此等綜合財務報表之整體部份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1. General information

Softpower International Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in trading of construction materials, mainly pipes and fittings.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”).

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 27 March 2020.

2. Basis of preparation and accounting policies

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

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of 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

冠力國際有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事建築材料(主要是管道和管件)之貿易。

本公司為一間在百慕達註冊成立之有限公司，註冊辦事處位於Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda。本公司股份在香港聯合交易所有限公司(「香港聯交所」)主板上市。

除非另有所指，本綜合財務報表以港元(「港元」)呈列。本綜合財務報表已經由董事會在二零二零年三月二十七日批准刊發。

2. 編製基準及會計政策

下文載列編製此等綜合財務報表時採納之主要會計政策。除另有說明外，所採用的政策與過往年度所呈報的貫徹應用。

綜合財務報表乃根據香港財務報告準則(「香港財務報告準則」)及香港公司條例(第622章)披露要求按照歷史成本法編製，及以公允價值計量且其變動計入損益的金融資產而作出修訂。

編製符合香港財務報告準則的財務報表，須要使用若干關鍵的會計估計。這亦需要管理層在應用本集團會計政策的過程中作出判斷，涉及高度判斷或高度複雜性的範疇或對綜合財務報表屬重大假設和估算的範疇，已於附註4內披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

The Group has applied the following standards, amendments to standards and interpretations for the first time for the annual reporting period commencing 1 January 2019:

HKFRS 16	Leases
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendments, Curtailment or Settlement
Amendments to HKAS 28	Long term interests in Associates and Joint Ventures
HK (IFRIC) 23	Uncertainty over Income Tax Treatments
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

The Group has applied for the first time the above new standards, amendments to standards and interpretations issued by the HKICPA that are mandatorily effective from 1 January 2019. Save as disclosed below, the adoption of other new standards, amendments to standards and interpretations do not have a material impact on the Group's results of operations or financial position.

Adjustments recognised on adoption of HKFRS 16

This note discloses the new accounting policies of HKFRS 16 Leases that have been applied from 1 January 2019 and explains the impact of the adoption on the Group's financial statements.

The Group has adopted HKFRS 16 from 1 January 2019 which resulted in changes in accounting policies. The Group has applied the simplified transition approach and has not restated comparative amounts for the 2018 reporting period. Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

2. 編製基準及會計政策(續)

本集團已於二零一九年一月一日或之後開始的財政年度首次採納下列準則、修訂之準則及詮釋：

香港財務報告準則第16號	租賃
香港財務報告準則第9號(修訂本)	具不賠償條款的預付款
香港會計準則第19號(修訂本)	計劃修訂、縮減或清償
香港會計準則第28號(修訂本)	聯營企業及合資企業長期權益
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅不確定性之處理
香港財務報告準則(修訂本)	二零一五年至二零一七年週期之香港財務報告準則年度改進

本集團已首次採納以上由香港會計師公會頒布且已於二零一九年一月一日強制生效的新訂準則、修訂的準則及詮釋。除下面所披露者外，採納其他新訂準則、修訂之準則及詮釋對集團的經營業績或財務狀況並無重大影響。

採納香港財務報告準則第16號時確認的調整

本附註披露自二零一九年一月一日起採納新會計政策香港財務報告準則第16號租賃，並解釋採納對本集團財務報表的影響。

本集團已自二零一九年一月一日起採納香港財務報告準則第16號，並導致會計政策的改變。本集團已應用簡化過渡方法且並未重列二零一八年報告期間的比較數字。使用權資產將於採納日期按租賃負債的金額(根據任何預付或應計租賃開支進行調整)計量。因此，因新租賃規則所產生之重新分類及調整於二零一九年一月一日的期初資產負債表中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies

(Continued)

Adjustments recognised on adoption of HKFRS 16

(Continued)

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.

(i) Practical expedients applied

In applying HKFRS16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining term of less than 12 months as at 1 January 2019 as short-term leases; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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 HKAS17 and HK(IFRIC) 4 Determining whether an Arrangement contains a Lease.

2. 編製基準及會計政策(續)

採納香港財務報告準則第16號時確認的調整(續)

於採納香港財務報告準則第16號後，本集團確認與租賃(先前按香港會計準則第17號租賃分類為「經營租賃」)有關的租賃負債。該等負債乃按餘下租賃付款的現值計量，並採用承租人截至二零一九年一月一日的新增借款利率貼現。

(i) 採用實際權宜方法

於首次應用香港財務報告準則第16號時，本集團已採用下列該準則所允許的實際權宜方法：

- 就具有合理類似特徵的租賃組合採用單一貼現率；
- 依賴先前就租賃是否屬虧損性之評估；
- 將於二零一九年一月一日餘下租期少於12個月的經營租賃會計處理為短期租賃；及
- 倘合約包含延長或終止租賃的選擇權，則於事後釐定租期。

本集團亦已選擇不重新評估合約在首次應用日期是否或包含租賃。相反，對於在過渡日期之前訂立的合約，本集團依據其應用香港會計準則第17號及香港(國際財務報告詮釋委員會)詮釋第4號釐定安排是否包括租賃作出的評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

Adjustments recognised on adoption of HKFRS 16 (Continued)

(ii) Measurement of lease liabilities

		HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日 披露的經營租賃承擔	188,607
Discounted using the lessee's incremental borrowing rate at the date of initial application	採用承租人於首次應用日期的 新增借款利率貼現	160,684
Less: short-term leases and low-value leases recognised on a straight-line basis as expense	減：按直線法確認為開支的 短期租賃及低價值租賃	(2,374)
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認的 租賃負債	158,310
Of which are:	其中包括：	
Current lease liabilities	流動租賃負債	21,735
Non-current lease liabilities	非流動租賃負債	136,575
		158,310

(iii) Measurement of right-of-use assets

The associated right-of-use assets were related to property leases and 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) Adjustments recognised in the balance sheet on 1 January 2019

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

- Right-of-use assets – increase by HK\$158,310,000
- Lease liabilities – increase by HK\$158,310,000

2. 編製基準及會計政策 (續)

採納香港財務報告準則第16號時確 認的調整 (續)

(ii) 租賃負債的計量

(iii) 使用權資產的計量

相關的使用權資產與物業租賃有關的，按等於租賃負債的金額計量，並根據二零一八年十二月三十一日在綜合資產負債表中確認的與該租賃有關的任何預付或計提租賃金額予以調整。

(iv) 於二零一九年一月一日在資產負債 表中確認的調整

會計政策的變動對二零一九年一月一日資產負債表中的以下項目產生影響：

- 使用權資產 – 增加158,310,000港元
- 租賃負債 – 增加158,310,000港元

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

Adjustments recognised on adoption of HKFRS 16 (Continued)

(iv) Adjustments recognised in the balance sheet on 1 January 2019 (Continued)

To determine the incremental borrowing rate, the Group where possible, 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.

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.

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.

Payments associated with short-term leases of buildings 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. 編製基準及會計政策 (續)

採納香港財務報告準則第16號時確認的調整 (續)

(iv) 於二零一九年一月一日在資產負債表中確認的調整 (續)

為確定新增借款利率，本集團在可能的情况下，以個別承租人最近獲得的第三方融資為起點，並予以調整以反映自獲得第三方融資以來，融資情況的變化。

租賃付款乃分配至本金及財務成本。財務成本於租期內自損益扣除，以計算出各期間負債餘下結餘的固定週期利率。

使用權資產按成本計量，包括以下各項：

- 租賃負債的初始計量金額；
- 於開始日期或之前所作的任何租賃付款，減去所得的任何租賃獎勵；
- 任何初始直接成本；及
- 修復成本。

使用權資產一般乃按資產可使用年期或租期(以較短者為準)以直線法折舊。如果本集團合理地確定要行使購買期權，則使用權資產乃以相關資產的使用年期內折舊。

與短期租賃相關的付款的樓宇租賃以直線法於損益中確認為開支。短期租賃指租期為12個月或少於12個月的租賃。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

Issued but not yet effective standards and amendments to standards

The Group has not early adopted any other new standards and amendments to standards that have been issued but are not yet effective. The Group is assessing the impact of these new standards and amendments to standards.

The following new standards, amendments to standards and interpretation have been issued but are not effective for the financial year beginning 1 January 2020 and have not been early adopted by the Group.

HKFRS 17	Insurance Contracts ²
Amendments to HKFRS 3	Definition of a Business ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ¹
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting ¹

- 1 effective for annual periods beginning on or after 1 January 2020
- 2 effective for annual periods beginning on or after 1 January 2021
- 3 effective date to be determined

2. 編製基準及會計政策(續)

已頒布但尚未生效之準則及修訂之準則

本集團並無提早採納任何已頒布但尚未生效的其他新訂準則及修訂準則。本集團正在評估新訂準則及修訂之準則的全面影響。

以下為已頒布但在二零二零年一月一日開始的財政年度未生效亦未被本集團提早採納的新訂準則、修訂之準則及詮釋。

香港財務報告準則第17號	保險合約 ²
香港財務報告準則第3號(修訂本)	業務的定義 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營或合營企業之間的資產出售或注資 ³
香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義 ¹
二零一八年財務報告的概念框架	財務報告的概念框架的修訂 ¹

- 1 於二零二零年一月一日或之後開始的年度期間生效
- 2 於二零二一年一月一日或之後開始的年度期間生效
- 3 有效日期有待釐定

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(a) Consolidation

A subsidiary is an entity (including a structured entity) 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 over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interest's proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

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 re-measured and recognised in profit or loss.

2. 編製基準及會計政策(續)

(a) 綜合賬目

附屬公司指本集團對其具有控制權的所有主體(包括結構性主體)。當本集團因為參與該主體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該主體的權力影響此等回報時，本集團即控制該主體。附屬公司在控制權轉移至本集團之日起合併入賬。附屬公司在控制權終止之日起停止合併入賬。

本集團利用購買法將業務合併入賬。購買一附屬公司所轉讓的對價，為所轉讓資產、對被收購方之前所有人產生的負債，及本集團發行的股本權益的公允價值。所轉讓的對價包括或有對價安排所產生的任何資產和負債的公允價值。在業務合併中所購買可辨認的資產以及所承擔的負債及或有負債，首先以彼等於購買日期的公允價值計量。

本集團按個別收購基準，確認在被購買方的任何非控股權益。被購買方的非控股權益為現時的擁有權權益，並賦予持有人一旦清盤時按比例應佔實體的淨資產，可按公允價值或按現時擁有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控股權益的所有其他組成部分按收購日期的公允價值計量，除非香港財務報告準則規定必須以其他計量基準計算。

收購相關成本在產生時支銷。

如業務合併分階段進行，按收購日的公允價值重新計量收購方前在被收購方持有的權益，因重新計量產生的收益或虧損均在損益中確認。

2. Basis of preparation and accounting policies (Continued)

(a) Consolidation (Continued)

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.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-group 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.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

2. 編製基準及會計政策 (續)

(a) 綜合賬目 (續)

如果現金代價的任何部分的結算被延期，則未來的應付金額將按交換日的現值貼現。所用貼現率為實體的增量借款利率，即在可比較條款及條件下獨立融資人可獲得類似借貸的利率。或有代價分為權益或金融負債。分類為金融負債的金額隨後按公允價值重新計量，公允價值變動計入損益。

所轉讓代價、被收購方的任何非控股權益數額，及在被收購方之前任何權益在收購日期的公允價值，超過購入可辨識淨資產公允價值的數額記錄為商譽。如所轉讓對價、確認的任何非控股權益及之前持有的權益計量，低於購入附屬公司淨資產的公允價值，則將該數額直接在收益表中確認。

集團內公司之間的交易、結餘及未變現的收益予以對銷。未變現虧損亦予以對銷，除非交易提供了轉讓資產的減值證據。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策一致。

如與非控股權益的交易不會導致失去控制權，則入賬列作為權益交易，即作為與附屬公司擁有人以其作為擁有人的身份交易。任何已付代價的公允價值與附屬公司淨資產相關已收購部分的賬面值的差額已計入權益。出售予非控股權益的收益或虧損亦計入權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(a) Consolidation (Continued)

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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 Company on the basis of dividends received and receivable.

(b) 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 as the executive directors of the Company that makes strategic decisions.

2. 編製基準及會計政策(續)

(a) 綜合賬目(續)

出售附屬公司

當集團不再持有控制權，在主體的任何保留權益於失去控制權當日重新計量至公允價值，賬面值的變動在損益中確認。公允價值為就保留權益的後續入賬而言的初始賬面值，作為聯營、合營或金融資產。此外，之前在其他全面收益中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他全面收益中確認的數額重新分類至損益。

附屬公司投資按成本扣除減值列賬。成本包括投資的直接歸屬成本。附屬公司的業績由本公司按已收及應收股息入賬。

(b) 分部報告

經營分部按照向首席經營決策者提供的內部報告貫徹一致的方式報告。首席經營決策者被認定為作出策略性決定的執行董事負責分配資源和評估經營分部的表現。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(c) Foreign currency translation

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or revaluation where items are remeasured. 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 income statement.

2. 編製基準及會計政策(續)

(c) 外幣換算

(i) 功能及呈列貨幣

本集團各實體的財務報表內的項目，均採用該實體經營業務之主要經濟環境所使用的貨幣（「功能貨幣」）計量。綜合財務報表以港元呈列，即本公司之功能及呈列貨幣。

(ii) 交易及結餘

外幣交易按交易或對項目重新計量的估價當日之匯率兌換為功能貨幣。因結算該等交易及按年底之匯率換算以外幣列值之貨幣資產及負債所產生之外匯收益及虧損均列入收益表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(c) Foreign currency translation (Continued)

(iii) Group companies

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

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

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2. 編製基準及會計政策(續)

(c) 外幣換算(續)

(iii) 集團公司

功能貨幣與呈列貨幣不同之所有集團公司(均不擁有高通脹經濟體系之貨幣)之業績及財務狀況按以下方式換算為呈列貨幣：

- 每份列報的財務狀況表內的資產和負債按該財務狀況表日期的收市匯率換算；
- 各收益表之收入及開支按平均匯率換算(除非該平均匯率並非交易當日匯率的累積影響之合理約數，在此情況下收入及開支須按交易日的匯率換算)；及
- 所有由此產生的匯兌差額在其他全面收益中確認。

於綜合入賬時，換算海外業務的淨投資額、借貸及其他用作對沖有關投資的貨幣工具所產生的匯兌差額均計入其他全面收益。

購買境外主體產生的商譽及公允價值調整視為該境外主體的資產和負債，並按收市匯率換算。產生的匯兌差額在其他全面收益中入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(c) Foreign currency translation (Continued)

(iii) Group companies (Continued)

Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

(d) Property, plant and equipment

Property, plant and equipment, comprising, leasehold improvements, plant and machinery, equipment, furniture and fixtures and motor vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenses are charged to the consolidated income statement during the financial period in which they are incurred.

2. 編製基準及會計政策(續)

(c) 外幣換算(續)

(iii) 集團公司(續)

境外經營的處置

對於境外經營的處置(即處置集團在境外經營中的全部權益,或者處置涉及喪失對擁有境外經營的附屬公司的控制權,或涉及喪失對擁有境外經營的合營的共同控制權,或涉及喪失對擁有境外經營的聯營企業的控制權),就該項經營累計計入權益的歸屬於公司所有者的所有貨幣換算差額均重新分類至損益。

(d) 物業、廠房及設備

物業、廠房及設備(包括租賃物業裝修、廠房及機器、設備、傢俬及裝置及汽車)乃按歷史成本減累計折舊及累計減值虧損列賬。歷史成本包括收購該等資產的直接開支。

僅於項目有關的未來經濟利益將會流入本集團,而且能可靠計量該項目的成本,後續成本方會計入資產的賬面值或確認為一項單獨資產(如適用)。已更換部份的賬面值已被終止確認。所有其他維修及保養費用在產生的財務期間內於綜合收益表中支銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(d) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Plant, machinery and equipment	3-10 years
Leasehold improvements	5 years or the lease period, if shorter
Office furniture, fixtures and fittings	3-5 years
Office equipment	3-5 years
Computer equipment	3-5 years
Motor vehicles	3-10 years

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 proceeds with carrying amount and are recognised within 'Other gains, net' in the consolidated income statement.

2. 編製基準及會計政策(續)

(d) 物業、廠房及設備(續)

物業、廠房及設備之折舊，乃根據其估計可使用年期採用直線法把其成本值分配予剩餘價值計算，各估計可使用年期如下：

廠房、機器及設備	3至10年
租賃物業裝修	5年或租賃期 (以較短者)
辦公室傢俬、 裝置及設備	3至5年
文儀設備	3至5年
電腦設備	3至5年
汽車	3至10年

資產的剩餘價值及可使用年期在每個呈報期結束時進行檢討，及在適當時調整。

倘若資產的賬面值高於其估計可收回值，其賬面值即時撇減至可收回值。

出售帶來的盈虧按比較所得款項及賬面值釐定，並於綜合收益表中的其他收益淨額確認。

2. Basis of preparation and accounting policies (Continued)

(e) Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are at least tested annually for impairment. Assets are reviewed 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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. 編製基準及會計政策(續)

(e) 於附屬公司之投資及非金融資產的減值

沒有確定使用年期之資產(如商譽)毋需攤銷,但最少每年就減值進行測試。資產就當有事件出現或情況改變顯示可能無法收回賬面值時即進行減值檢討,減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公允值扣除銷售成本或使用價值兩者之較高者為準。於評估減值時,資產將按可識辨現金流量的最低層次組合(即現金產生單位)。出現減值的非金融資產(商譽除外)於每個報告日期就回撥減值的可能性進行檢討。

倘自附屬公司收取之股息超出宣派股息期間該附屬公司之全面收益總額,或倘獨立財務報表之投資賬面值超出綜合財務報表被投資公司之淨資產(包括商譽)之賬面值,則在接獲該等投資之股息時須對該等附屬公司之投資進行減值測試。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(f) Financial assets

(i) Classification

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

- those to be measured subsequently at fair value (either through OCI or through profit or loss), 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, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

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

2. 編製基準及會計政策(續)

(f) 金融資產

(i) 分類

本集團按以下計量類別對金融資產進行分類：

- 後續以公允價值計量(且其變動計入其他綜合收益或損益)的金融資產，及
- 以攤銷成本計量的金融資產。

該分類取決於主體管理金融資產的業務模式以及該資產的合同現金流量特徵。

對於以公允價值計量的金融資產，其收益和虧損計入損益或其他綜合收益。對於非交易性的權益工具投資，其收益和虧損的計量將取決於本集團在初始確認時是否作出不可撤銷的選擇而將其指定為以公允價值計量且其變動計入其他綜合收益。

(ii) 確認及終止確認

常規方式購買及出售的金融資產於交易日確認。交易日是指本集團承諾購買或出售資產的日期。當收取金融資產現金流量的權利已到期或已轉讓，且本集團已經轉移了金融資產所有權上幾乎所有的風險和報酬，金融資產即終止確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(f) Financial assets (Continued)

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. 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/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

2. 編製基準及會計政策(續)

(f) 金融資產(續)

(iii) 計量

對於不被分類為以公允價值計量且其變動計入損益的金融資產，本集團以其公允價值加上可直接歸屬於獲得該項金融資產的交易費用進行初始確認。與以公允價值計量且其變動計入損益的金融資產相關的交易費用計入損益。

對於包含嵌入式衍生工具的金融資產，本集團對整個合同考慮其現金流量是否僅代表對本金和利息的支付。

債務工具

債務工具的後續計量取決於本集團管理該資產的業務模式以及該資產的現金流量特徵。本集團將債務工具分為以下三種計量類別：

- 以攤銷成本計量：對於持有以收取合同現金流量的資產，如果合同現金流量僅代表對本金和利息的支付，則該資產以攤銷成本計量。該等金融資產的利息收入以實際利率法計算，計入財務收入。終止確認時產生的收益或虧損直接計入損益，並與匯兌收益和虧損一同列示在其他收益／(虧損)中。減值損失作為單獨的科目在損益表中列報。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(f) Financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment losses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2. 編製基準及會計政策(續)

(f) 金融資產(續)

(iii) 計量(續)

債務工具(續)

- 以公允價值計量且其變動計入其他綜合收益：對於業務模式為持有以收取現金流量及出售的金融資產，如果該資產的現金流量僅代表對本金和利息的支付，則該資產被分類為以公允價值計量且其變動計入其他綜合收益。除減值收益或虧損、利息收入以及匯兌收益和虧損計入損益外，賬面價值的變動計入其他綜合收益。該等金融資產終止確認時，之前計入其他綜合收益的累計收益或虧損從權益重分類至損益中，並計入其他收益／(虧損)。該等金融資產的利息收入用實際利率法計算，計入財務收入。匯兌收益和虧損在其他收益／(虧損)中列示，減值虧損作為單獨的科目在損益表中列報。
- 以公允價值計量且其變動計入損益：不符合以攤銷成本計量或以公允價值計量且其變動計入其他綜合收益標準的金融資產，被分類為以公允價值計量且其變動計入損益的債務工具，其收益或虧損計入損益，並於產生期間以淨值在其他收益／(虧損)中列示。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(f) Financial assets (Continued)

(iii) Measurement (Continued)

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 OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. 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.

2. 編製基準及會計政策(續)

(f) 金融資產(續)

(iii) 計量(續)

權益工具

本集團以公允價值對所有權益投資進行後續計量。如果本集團管理層選擇將權益投資的公允價值收益和虧損計入其他綜合收益，則當終止確認該項投資時，不會將公允價值收益和虧損重分類至損益。對於股利，當本集團已確立收取股利的權利時，該等投資的股利才作為其他收益而計入損益。

對於以公允價值計量且其變動計入損益的金融資產，其公允價值變動列示於損益表的其他收益／(虧損)(如適用)。對於以公允價值計量且其變動計入其他綜合收益的權益投資，其減值虧損(以及減值虧損轉回)不與其他公允價值變動單獨列示。

(iv) 減值

對於以攤銷成本計量和以公允價值計量且其變動計入其他綜合收益的債務工具，本集團就其預期信貸虧損做出前瞻性評估。減值方法取決於其信用風險是否顯著增加。

對於應收款項，本集團採用香港財務報告準則第9號允許的簡化方法，在初始確認時計量應收款項整個存續期的預期信貸虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(g) Leases

As explained in Note 2 above, the Group has changed its accounting policy for leases where the group is the lessee. The new policy is described and the impact of the change in Note 2.

Until 2018 financial year, lease of properties were classified as operating leases. Payments made under operating lease (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. Each lease payment is allocated between the liability 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. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

2. 編製基準及會計政策(續)

(g) 租賃

如上文附註2所述，本集團已更改其為承租人的租賃的會計政策。新政策的說明及其更改的影響在附註2中。

直至二零一八年財政年度止，物業租賃乃分類為經營租賃。根據經營租賃作出之付款(扣除自出租人收取的任何獎勵)以直線法於租期內自損益扣除。

自二零一九年一月一日起，租賃確認為使用權資產，並在租賃資產可供本集團使用之日確認相應負債。每筆租賃付款乃分配至負債及財務費用。財務費用於租期內自損益扣除，以計算出各期間負債餘下結餘的固定週期利率。使用權資產乃按資產可使用年期及租期(以較短者為準)以直線法折舊。

租賃產生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淨現值：

- 固定付款(包括實質固定付款)減任何應收租賃獎勵；
- 基於指數或利率的可變租賃付款；
- 剩餘價值擔保下的承租人預期應付款項；
- 採購權的行使價格(倘承租人合理地確定行使該權利)；及
- 支付終止租賃的罰款(倘租賃條款反映承租人行使權利終止租約)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(g) Leases (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out ("FIFO") method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(i) Trade and other receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are generally due for settlement within the credit period and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. 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 method.

(j) Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2. 編製基準及會計政策 (續)

(g) 租賃 (續)

租賃付款採用租賃所隱含的利率予以貼現。倘無法釐定該利率，則使用承租人的遞增借款利率，即承租人在類似條款及條件的類似經濟環境中借入類似價值的資產所需資金而必須支付的利率。

(h) 存貨

存貨按成本及可變現淨值兩者之較低者列賬。成本按先進先出（「先進先出」）法釐定。可變現淨值按日常業務過程中估計售價減去適用之可變銷售開支計算。

(i) 貿易及其他應收款項

貿易應收款項為於日常業務過程中銷售貨品而應收客戶款項。貿易應收款項一般應在信貸期內償付，因此均歸類為流動。

貿易應收款項初步按有關代價金額無條件確認，除非其包含重大融資成分，並按公允價值確認。本集團持有貿易應收款項，目的是收取合約現金流量，因此採用實際利率法按攤銷成本計量。

(j) 現金及現金等價物

在綜合現金流量表中，現金及現金等價物包括手頭現金、銀行通知存款以及銀行透支。銀行透支在綜合資產負債表的流動負債中借款內列示。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(k) 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.

(l) Trade payables

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

(m) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

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

(n) Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. 編製基準及會計政策(續)

(k) 股本

普通股歸類為權益。發行新股份或購股權直接產生之新增成本乃於股本列作所得款項(除稅後)的扣除額。

(l) 貿易應付款項

貿易應付款項以公允價值初步確認，隨後以實際利率法按攤銷成本列賬。

(m) 借貸

借貸以公允價值扣除交易成本初步確認。借貸隨後按攤銷成本列賬，所得款項(扣除交易成本後)與贖回值之間的任何差額，使用實際利率法於借貸期內在綜合收益表中確認。

除非本集團可無條件將負債的結算遞延至呈報期末起計最少十二個月，否則借貸分類為流動負債。

(n) 借貸成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及特定借貸成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

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。

所有其他借貸成本在產生期內的損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(o) Employee benefits

(i) Employee leaves

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

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

(ii) Bonus plans

The expected cost of bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(iii) Pension obligations

Following the adoption of the Mandatory Provident Fund ("MPF") Scheme in December 2000, all employees of the Group employed in Hong Kong joined the MPF Scheme. Under this scheme, employees and the Group are required to make contributions to the scheme calculated at 5% of the individual employee's monthly basic salaries, subject to a cap of HK\$1,500. The Group's contributions to this scheme are expensed when they are due. The assets of the scheme are held separately from those of the Group in independently administered funds.

2. 編製基準及會計政策(續)

(o) 僱員福利

(i) 僱員假期

僱員可享有之年假在彼等放假時確認。本集團已就截至呈報期完結時僱員提供服務而享有年假之估計負債計提撥備。

僱員可享有之病假及產假僅會於休假時確認。

(ii) 花紅計劃

本集團因僱員所提供之服務而擁有現時之法定或推定責任，且能可靠地估計此責任時，預計花紅支出成本會確認為一項負債。

花紅計劃之負債預期將於十二個月內償還，並按照預期於償還時將予支付之金額計量。

(iii) 退休金責任

在二零零零年十二月採納強制性公積金(「強積金」)計劃後，本集團在香港之所有員工均已參與強積金計劃。根據此計劃，僱員及本集團均須按個別僱員每月基本薪金5%，以1,500港元為上限向計劃供款。本集團向此計劃作出之供款於支付時列入開支。計劃之資產與本集團之資產分開持有，由獨立管理之基金管理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(o) Employee benefits (Continued)

(iii) Pension obligations (Continued)

The Group's employees in the People's Republic of China (the "PRC") are covered by various government sponsored pension plans. These government agencies are responsible for the pension liabilities to these employees. The relevant group companies pay monthly contributions to these pension plans based on certain percentages of the salaries, subject to a certain ceiling.

The employees employed by the operations in Macau are members of the government-managed retirement benefits schemes operated by the Macau government. The Macau operations are required to pay a monthly fixed contribution to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the Macau government is to make the required contributions under the schemes.

Under these plans, the Group has no legal or constructive obligation to make further payments once the required contributions have been paid. Contributions to these plans are expensed as incurred.

2. 編製基準及會計政策 (續)

(o) 僱員福利 (續)

(iii) 退休金責任 (續)

本集團於中華人民共和國（「中國」）之僱員均享有多項由政府營辦之退休金計劃。該等政府機關對有關僱員之退休金負債負責。本集團旗下相關公司根據薪金若干百分比（以若干上限為限），每月向該等退休金計劃供款。

受僱於澳門營運的僱員均為澳門政府運作的政府管理退休福利計劃成員。澳門營運部門須每月向該退休福利計劃支付定額供款，以撥付有關福利所需的款項。本集團對該等由澳門政府運作的退休福利計劃的唯一責任為根據該計劃作出所規定的供款。

根據該等計劃，本集團於支付規定之供款後，並無支付其他款項之法定或推定責任。該等計劃之供款於產生時列作開支。

2. Basis of preparation and accounting policies (Continued)

(o) Employee benefits (Continued)

(iv) Share-based payment

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as considerations for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2. 編製基準及會計政策(續)

(o) 僱員福利(續)

(iv) 以股份為基礎之付款

本集團推行按股本結算、以股份支付報酬的計劃，以得到僱員提供服務作為收取本集團股本工具(購股權)的代價。僱員提供服務以換取購股權的公允價值乃確認為開支。於歸屬期內列作開支的總金額，乃參照已授出購股權的公允價值釐定：

- 包括任何市場業績條件(例如主體的股價)；
- 不包括任何服務和非市場業績可行權條件(例如盈利能力、銷售增長目標和職工在某特定時期內留任實體)的影響；及
- 包括任何非可行權條件(例如規定職工儲蓄或在一段指定期間內持有股份)的影響。

總費用在歸屬期內計入，歸屬期是指滿足所有特訂歸屬條件所需的期間。於各呈報期末，本集團均會基於非市場表現和服務歸屬條件修改其估計預期將歸屬的購股權數目，修改原來估計數字的影響(如有)則於收益表內確認，以及對股本作相應調整。

在期權行使時，本公司發行新股。收取的所得款扣除任何直接歸屬交易成本撥入股本(面值)和股本溢價。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(p) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, 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.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the places where the Company and its 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.

(ii) Deferred income tax

Inside basis differences

Deferred income tax is recognised 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, the 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 substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. 編製基準及會計政策(續)

(p) 即期及遞延稅項

期內之稅項支出由即期及遞延稅項組成。稅項於綜合收益表中確認，除了關於其他全面收益內確認或直接計入權益之項目，其稅項亦是分別於其他全面收益內確認或直接計入權益。

(i) 即期所得稅

當期所得稅支出根據本公司及其附屬公司營運所在及產生應課稅收入的地方於財務狀況表日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

(ii) 遞延所得稅

內在差異

遞延稅項的確認採用負債法就資產負債之稅基與它們在綜合財務報表之賬面值兩者之暫時差異作全數撥備。然而，若遞延稅項來自在交易(不包括企業合併)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盈虧，則不作記賬。遞延稅項採用在財務狀況表日前已頒佈或實質頒佈，並在有關之遞延稅項資產實現或遞延稅項負債結算時預期將會應用之稅率及法例而釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(p) Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

Inside basis differences (Continued)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(iii) 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 on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. 編製基準及會計政策(續)

(p) 即期及遞延稅項(續)

(ii) 遞延所得稅(續)

內在差異(續)

遞延稅項資產乃就有可能將未來應課稅溢利與可動用的暫時差異抵銷而確認。

外在差異

就附屬公司投資產生的應課稅暫時性差異確認遞延所得稅負債，但不包括本集團可以控制暫時性差異的轉回時間以及暫時性差異在可預見將來很可能不會轉回的遞延所得稅負債。

就附屬公司投資產生的可扣減暫時性差異確認遞延所得稅資產，但只限於暫時性差異很可能在將來轉回，並有充足的應課稅利潤抵銷可用的暫時性差異。

(iii) 抵銷

當有法定權利可將即期稅項資產與即期稅項負債抵銷，而遞延稅項資產及遞延稅項負債涉及同一稅務機關徵收，一家應課稅公司或不同的應課稅公司有意將餘額以淨額結算，則可將遞延稅項資產與遞延稅項負債互相抵銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(q) 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 has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(r) Revenue recognition

(i) Sale of goods – wholesale

The Group sells a range of pipes and fittings and biomass pellet fuel products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customer has full discretion over the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from the sale of goods is based on the price specified in the sales contracts. Accumulated experience is used to estimate provision for returns.

2. 編製基準及會計政策(續)

(q) 撥備

撥備於本集團由於過往事件而產生現有的法定或推定責任，可能須就解決有關負債而導致資源流出及能夠可靠地作出金額估計時確認。

撥備以有義務支付有關負債所預計需要產生之支出之現值計量，計算此等現值使用之稅前折現率能夠反映當前市場之貨幣時間價值及該負債特有之風險。時間流逝導致撥備金額之增加，確認為利息支出。

(r) 收入確認

(i) 銷售商品 – 批發

本集團銷售一系列管道和管件以及生物質顆粒燃料產品。在產品控制權轉移時，即產品交付給客戶時，客戶對產品有完全的自主權，並且沒有未履行的義務可能影響客戶對產品的接受時，確認銷售。

交付的發生是當產品已運至指定地點時，已過時和損失的風險已轉移給客戶，或客戶已根據銷售合同接受產品，接納條款已失效，或本集團有客觀證據證明已滿足所有接納標準。

銷售商品的收入基於銷售合同中規定的價格。已往累積的經驗用於估算退貨撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (Continued)

(r) Revenue recognition (Continued)

(i) Sale of goods – wholesale (Continued)

A receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Deposits collected from the customers before product delivery are recognised as contract liabilities.

(ii) Sale of goods – retail

The Group operates a chain of retail stores selling pipes and fittings products. Revenue from the sale of goods is recognised when a group entity sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases the product and takes delivery in store.

(s) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(t) Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

(u) Intangible assets

Trademark

Separately acquired trademark is shown at historical cost. Trademark has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademark over their estimated useful life of 10 years.

2. 編製基準及會計政策(續)

(r) 收入確認(續)

(i) 銷售商品 – 批發(續)

當產品交付時確認為應收款項，由於這是代價為無條件的時間點，而付款到期之前只需要經過一段時間。

在產品交付之前，從客戶收取的按金被確認為合同負債。

(ii) 銷售商品 – 零售

本集團經營連鎖零售店，銷售管道及管件產品。銷售商品的收入乃在集團實體向客戶銷售產品時確認。交易價格的支付是在客戶購買產品並在店內交貨時立即支付的。

(s) 利息收入

利息收入採用實際利息法按時間比例基準確認。

(t) 股息分派

向本公司股東分派的股息，在股息獲本公司股東或董事(按適當)批准的期間內於本集團及本公司的財務報表內列為負債。

(u) 無形資產

商標

分開購入的商標按歷史成本列賬。商標有限定的可使用年期，並按成本減累計攤銷列賬。攤銷使用直線法將商標的成本分攤至其估計可使用年期十年計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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 currency risk and interest rate risk), credit and counterparty risk and liquidity risk. The Group's financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance by actively managing debt level and cash flow in order to maintain a strong financial position and minimising refinancing and liquidity risks by attaining healthy debt repayment capacity, appropriate maturity profile and availability of banking facilities.

(a) Market risk

(i) Foreign exchange risk

The Group operates principally in Hong Kong and in Macau with minor operations in the Mainland China and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollars ("USD"), Macau Pataca ("MOP") and Renminbi ("RMB"). Foreign exchange risk mainly arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the group entities. In order to mitigate the foreign currency risk, the Group has been closely monitoring its foreign currency exposure and requirements and will arrange for any hedging facilities if necessary.

3. 財務風險管理

3.1 財務風險因素

本集團的業務承受各種財務風險：市場風險（包括外幣風險及利率風險）、信貸及交易方風險及流動資金風險。本集團的整體財務風險管理集中於金融市場的不可預測性，及通過積極管理債務水準及現金流量以維持穩健之財務狀況，及透過穩健的償債能力、適當的還款期限及銀行信貸融資額度而使再融資及流動資金風險減至最低，從而儘量減低對本集團財務表現的潛在不利影響。

(a) 市場風險

(i) 外匯風險

本集團主要於香港及澳門經營業務，以及在中國內地經營少許業務，並因營運涉及多種貨幣而面臨外匯風險（主要涉及美元（「美元」）、澳門幣（「澳門幣」）及人民幣（「人民幣」）。外匯風險主要來自日後的商業交易，本集團各實體的已確認資產及負債，其貨幣以非功能貨幣換算而產生外匯風險。為降低外幣風險，本集團一直密切監控其外幣風險及規定，及將於必要時作出對沖安排。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

As HK\$ is pegged against USD and MOP is pegged against HK\$, the Group is exposed to limited exchange rate fluctuation. As a result, the exchange rate risk exposure in respect of USD and MOP are not significant. While for RMB, the exchange rate fluctuation is relatively volatile. At 31 December 2019, if RMB had strengthened/weakened by 5% (2018: 5%) against HK\$ with all other variables held constant, post-tax profit would have been HK\$173,000 higher/lower (2018: post-tax profit of HK\$244,000 higher/lower) respectively mainly as a result of foreign exchange gains/losses on translation of RMB-denominated financial assets and liabilities.

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)

由於港元與美元的掛鈎系統及澳門幣與港元的掛鈎系統，本集團承受有限的匯率波動。因此，關於美元及澳門幣的外匯風險不顯著。相對而言，人民幣的匯率比較波動。於二零一九年十二月三十一日，倘人民幣兌港元於所有其他變量保持不變之情況下，升值／貶值5%（二零一八年：5%），則除稅後溢利將分別增加／減少173,000港元（二零一八年：除稅後溢利增加／減少244,000港元），主要是由於換算人民幣計值之金融資產及負債產生外匯收益／虧損所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing assets mainly include loan to a related company and bank balances and deposits, details of which have been disclosed in Notes 19, 21 and 22. The Group's exposure to changes in interest rates is also attributable to its borrowings, details of which have been disclosed in Note 25. Borrowings carry at floating rates expose the Group to cash flow interest-rate risk whereas those carry at fixed rates expose the Group to fair value interest-rate risk. As at 31 December 2019, approximately 35% (2018: 20%) of the Group's borrowings were carried at floating rates and expose the Group to cash flow interest-rate risk. The Group has not used any interest rate swaps to hedge its exposure against cash flow interest-rate risks.

As at 31 December 2019, if interest rate has increased/decreased by 25 basis points with all other variables held constant, post-tax profit for the year ended 31 December 2019 would have been HK\$34,000 lower/higher (2018: post-tax profit of HK\$23,000 lower/higher), mainly as a result of increase/decrease in interest expense on borrowings.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險

本集團的收入及經營現金流量大致上不受市場利率變動的影響。由於本集團的計息資產包括貸款予一間關連公司及銀行結餘及存款，而有關詳情在附註19、21及22披露。本集團所涉及的利率變動風險亦來自借貸，有關詳情在附註25披露。按浮動利率計息的借貸使本集團面對現金流量利率風險，而按固定利率計息的借貸則使本集團面對公允值現金利率風險。於二零一九年，按浮動利率計息的大約35%（二零一八年：20%）借貸，使本集團面對現金流量利率風險。本集團並無利用任何利率掉期安排對沖利率風險。

於二零一九年十二月三十一日，倘若利率增加／減少25基點，而所有其他變數維持不變，截至二零一九年十二月三十一日止年度除稅後溢利將減少／增加34,000港元（二零一八年：除稅後溢利減少／增加23,000港元），主要由於借貸利息支出增加／減少所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit and counterparty risk

(i) Risk management

Credit risk mainly arises from bank deposits, trade and other receivables, other deposits and loan to a related company. The carrying amounts of these balances substantially represent the Group's maximum exposure to credit and counterparty risk in relation to financial assets.

As at 31 December 2018 and 2019 all the bank deposits are deposited in high quality financial institutions without significant credit risk. The credit risk on bank deposits is limited because 57% (2018: 59%) of the Group's bank balances are placed with subsidiaries of state-owned banks and others are placed with reputable financial institutions. Management does not expect any loss from non-performance of these banks.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue trade and other receivables.

Rental deposits made to landlords are also considered to be of low risk. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Other than the loan to a related company as mentioned below, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸及交易方風險

(i) 風險管理

信貸風險主要產生自銀行存款、貿易及其他應收款項、其他按金及貸款予一間關連公司。此等結餘的賬面值大體上相當於本集團關於金融資產所須承受的最高信貸及交易方風險。

於二零一八年及二零一九年十二月三十一日，所有銀行存款存放於信譽良好之金融機構，故並無重大信貸風險。有限的銀行存款信貸風險乃由於57%（二零一八年：59%）之本集團銀行餘額存放於國有銀行之附屬公司，其他存款存放於信譽良好之金融機構。管理層認為不會因該等銀行表現不良而帶來損失。

為將信貸風險降至最低，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未收回之貿易及其他應收款項。

已付業主的租賃按金，亦被認為是低風險的。就此而言，本公司董事認為本集團之信貸風險已大幅降低。除以下對一間關連公司的貸款外，本集團並無顯著集中之信貸風險，有關風險已分散至多個交易方及客戶。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit and counterparty risk (Continued)

(i) Risk management (Continued)

In respect of the loan to a related company, as detailed in Note 30(d), the Group obtained share mortgage executed by the mortgagor and guarantees executed by the guarantor in favour of the Group as a continuing security and continuing obligation for performance by the borrower of its obligations to minimize the credit risk.

(ii) Impairment of financial assets

Trade receivables

The Group applied the HKFRS 9 simplified approach to measuring 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 with similar risk characteristics and, collectively or individually, assessing them for likelihood of recovery.

The Group categorises its trade receivables, except those individually assessed, 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 12 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.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸及交易方風險(續)

(i) 風險管理(續)

就關於貸款予一間關連公司，詳情見附註30(d)，本集團獲得由抵押人簽立的股份抵押和由擔保人以本集團為受益人簽立的擔保作抵押，以作為借款人履行貸款協議內其責任之持續抵押及持續責任，以減少貸款的信貸風險。

(ii) 金融資產減值

貿易應收款項

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，為所有貿易應收款項於存續期內的預期虧損撥備。

計量預期信貸虧損，貿易應收款項已按類似風險特徵分組，並共同或個別評估其回收的可能性。

本集團根據共同信貸風險特徵及過往逾期日對貿易應收款項(個別評估除外)進行分類。預期損失率基於二零一九年十二月三十一日前的12個月期間銷售的付款概況以及此期間經歷的相應過往信貸虧損。過往損失率可進行調整，以反映影當前和前瞻性的宏觀經濟因素信息，對客戶結清應收款項能力的影響。

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit and counterparty risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

Given the track record of regular repayment of trade receivables, the directors are of the opinion that the risk of default by these customers is not significant, taking into account forward-looking information on macroeconomics factors. Therefore, expected credit loss rate of trade receivables is assessed to be insignificant.

For trade receivables relating to accounts in which there are objective evidence that the debtor faces significant financial difficulties or enter liquidation, they are assessed individually for impairment allowance. No specific loss allowance was made as at 31 December 2019 (2018: HK\$654,000).

Other financial assets at amortised cost

The directors of the Group consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the company's ability to meet its obligations;

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸及交易方風險(續)

(ii) 金融資產減值(續)

貿易應收款項(續)

鑑於定期償還貿易應收款項的往績記錄，董事考慮到有關宏觀經濟因素的前瞻性資料，認為這些客戶違約的風險並不重大。因此，貿易應收款項的預期信貸虧損率被評估為並不顯著。

就有關的貿易應收款項，對於有客觀證據表明債務人面臨重大財務困難或進行清盤的賬戶，會對個別客戶評估而作減值撥備。截至二零一九年十二月三十一日沒有錄得特定虧損撥備(二零一八年：654,000港元)。

其他金融資產按攤銷成本計算

本集團董事在資產的初始確認時考慮違約的可能性，也持續評估信貸風險是否顯著增加。在評估信貸風險是否顯著增加，本集團將報告日時資產發生違約的可能性與初始確認時發生違約的可能性進行比較。以下指標需要重點考慮：

- 預期導致公司履行責任能力出現重大變動的業務、財務或經濟狀況的實際或預期重大不利變動；

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit and counterparty risk (Continued)

(ii) Impairment of financial assets (Continued)

Other financial assets at amortised cost (Continued)

- actual or expected significant changes in the operating results of the company;
- significant changes in the expected performance and behavior of the company, including changes in the payment status of the counterparty.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment/repayable demanded.

The loss allowance for other financial assets at amortised cost as at 31 December 2019 amounted to HK\$1,121,000 (2018: HK\$1,121,000) as detailed in Note 19.

Impairment losses on trade receivables and other financial assets at amortised cost are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and availability of funding from an adequate amount of committed credit facilities. Management maintains rolling forecast of the Group's liquidity reserves which comprises undrawn banking facilities and cash and cash equivalents, on the basis of expected cash flows.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸及交易方風險(續)

(ii) 金融資產減值(續)

其他金融資產按攤銷成本計算(續)

- 公司經營業績的實際或預期重大變動；
- 公司預期表現及行為的重大變動，包括交易方的付款狀況變動。

無論上述分析如何，如果債務人在履行合同付款／償還要求時超過90天，則推定信貸風險顯著增加。

於二零一九年十二月三十一日按攤銷成本計算的其他金融資產虧損撥備金額為1,121,000港元(二零一八年：1,121,000港元)，詳見附註19。

貿易應收款項及按攤銷成本計算的其他金融資產的減值虧損在經營溢利內呈列為淨減值虧損。其後收回過往撇銷之金額計入同一行項目。

(c) 流動資金風險

審慎的流動資金風險管理包括保持充裕現金及從承諾融資金額取得足夠的可用資金。管理層維持對本集團滾動的流動資金儲備作預測，包括基於未提取貸款額度及現金及現金等價物的預計現金流。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the date of financial reporting to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

下表按於財務報告日至合約到期日餘下期間將本集團的金融負債分為不同的到期組合。表格所披露的數額為合約未折現現金流。

		Less than 1 year 一年以內 HK\$'000 千港元	Between 1 to 5 years 1-5年之間 HK\$'000 千港元	Over 5 years 5年以上 HK\$'000 千港元	Total 總數 HK\$'000 千港元
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	42,579	–	–	42,579
Borrowings	借貸	47,384	–	–	47,384
Interest payment on borrowings	借貸之利息支付	448	–	–	448
Lease liabilities	租賃負債	21,355	83,932	33,408	138,695
Interest payment on lease liabilities	租賃負債之利息支付	5,241	15,378	1,322	21,941
		<u>5,241</u>	<u>15,378</u>	<u>1,322</u>	<u>21,941</u>
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	62,707	–	–	62,707
Borrowings	借貸	57,444	–	–	57,444
Interest payment on borrowings	借貸之利息支付	546	–	–	546
		<u>546</u>	<u>–</u>	<u>–</u>	<u>546</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (Continued)

3.2 Capital risk management

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

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total bank borrowings divided by total equity.

The Group's strategy was to maintain a solid capital base to support the operations and development of its business in the long term. Given its existing principal business, management considers a gearing ratio as measured by total bank borrowings to total equity of not more than 50% as solid and reasonable. The table below analyses the Group's capital structure at 31 December 2018 and 2019 as follows:

Total borrowings	總借貸
Total equity	總權益
Gearing ratio	資產負債比率

Note:

Decrease in gearing ratio during the year is a result of the decrease in total borrowings and increase in total equity.

3. 財務風險管理(續)

3.2 資本風險管理

本集團管理資本的目的為保障本集團能持續經營，以為股東提供回報並為其他利益相關人士提供利益，以及維持良好的資本架構以減低資本成本。

為維持或調整資本架構，本集團可調整向股東派付的股息、向股東退回資本、發行新股或出售資產以減少債務。

和其他同業一樣，本集團以資產負債比率作為監控資本的基準。資產負債比率按銀行借貸總額除以總權益。

本集團之策略是維持穩健的資金基礎，以長期支持本集團的業務營運及發展。鑑於現時之主要業務，管理層認為按銀行借貸總額相對於總權益計算之資產負債比率處於50%以下均屬穩健及合理。下表為本集團於二零一八年及二零一九年十二月三十一日資本架構之分析：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total borrowings	47,384	57,444
Total equity	546,036	541,433
Gearing ratio	9%	11%

附註：

資產負債比率的減少是由於總借貸的減少及總權益的增加。

3. Financial risk management (Continued)

3.3 Fair value estimation

The carrying value of trade receivables, other loans and receivables, bank balances and deposits, trade and other payables, lease liabilities and borrowings are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2019 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 and liability that are not based on observable market data (that is, unobservable inputs) (level 3)

3. 財務風險管理(續)

3.3 公允價值估計

貿易應收款項、其他貸款及應收款項、銀行結餘及存款、貿易及其他應付款項、租賃負債及借貸之賬面值與彼等之公允值相若。就披露而言，金融負債之公允值透過按本集團同類金融工具之現行市場利率對未來合約現金流量折現而估算。

下表根據在評估公允價值的估值技術中所運用到的輸入的層級，分析本集團於二零一九年十二月三十一日按公允價值入賬的金融工具。這些輸入按照公允價值層級歸類為如下三層：

- 相同資產或負債在活躍市場之報價(未經調整)(第一層)
- 除了第一層所包括之報價外，該資產或負債之可觀察之其他輸入，可為直接(即價格)或間接(即源自價格)(第二層)
- 資產及負債並非依據可觀察市場數據之輸入(即非可觀察輸入)(第三層)

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (Continued)

3.3 Fair value estimation (Continued)

Financial assets	金融資產	Level 2
– Investment funds	– 投資基金	第二級

There were no transfers between levels 1 and 2 during the year.

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. It includes quoted market price or dealer quotes for similar instruments. 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 公允價值估計(續)

Fair value
Hierarchy
公允價值層階

Fair value as at 31 December 2019 於二零一九年 十二月三十一日 的公允價值 HK\$'000 千港元	Fair value as at 31 December 2018 於二零一八年 十二月三十一日 的公允價值 HK\$'000 千港元
2,722	2,601

年內第1與第2層之間並無轉撥。

並無於活躍市場買賣之金融工具(如場外衍生工具)，其公允值乃使用估值方法釐定。該等估值方法儘量利用於可觀測市場取得之數據，並儘量減少依賴實體獨有估計，包括類似金融工具的市場報價或經銷商報價。倘一金融工具的公允值所需之所有重大輸入數據均可觀測，則該金融工具歸入第二層。

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group are discussed below.

(a) Provision for impairment of loan to a related company and trade and other receivables

The policy for provision for impairment of loan to a related company and trade and other receivables of the Group is based on the evaluation of risk of default and expected credit losses which involved management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the Group's past collection history of receivables, existing market condition as well as forward looking estimates at the end of each reporting period. If the financial conditions of any individual counterparty were determined to be deteriorated, resulting in an impairment of their ability to make payments, additional allowances may be required.

(b) Provision for impairment of inventories

The management of the Group reviews the marketability of inventory items at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and makes provision for obsolete items.

4. 關鍵會計估計及判斷

本公司按過往經驗及其他因素(包括對日後事件作出之合理估計)不時評估現正採納的估計及判斷。以下為有重大風險導致本集團資產及負債之賬面值須作出重大調整之估計及假設之討論。

(a) 對一間關連公司的貸款及貿易及其他應收款項之減值撥備

本集團對一間關連公司的貸款及貿易及其他應收款項之減值撥備政策乃基於違約風險及預期信貸虧損評估(涉及管理層的判斷)。在評估該等應收款項的最終變現時,需要作出相當多的判斷,包括當前的信譽及本集團過往的應收款項收款記錄,現有市場情況及每個報告期末的前瞻性估計。倘交易方財務狀況日趨惡化,削弱其償付能力,則須計提額外撥備。

(b) 存貨減值撥備

本集團管理層於各呈報期末審核存貨項目之銷售前景並對確認為不再適合銷售之過時及滯銷庫存品進行撥備。管理層主要根據最近期之發票價格及目前市況估計存貨之可變現淨值。本集團於各呈報期末對每種產品進行存貨審核,並對過時品種作出撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. Critical accounting estimates and judgements (Continued)

(c) Current and deferred income tax

The Group is subject to income taxes in various jurisdictions. Judgment is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

(d) Estimated impairment of property, plant and equipment

The Group tests where the property, plant and equipment have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy stated in Note 2(e). The recoverable amount of property, plant and equipment has been determined as the higher of its value in use and its fair value less costs to sell. The recoverable amount of the property, plant and equipment is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management. Key assumptions used in the financial budgets include gross profit margin, net profit margin, sales growth rate and discount rate. As a result of the impairment assessment, no impairment charge was necessary as the recoverable amount calculated based on value-in-use exceeds its carrying value.

4. 關鍵會計估計及判斷(續)

(c) 即期及遞延所得稅

本集團須繳納不同司法權區的所得稅。釐定各司法權區的所得稅撥備時，需作出判斷。在日常業務中有若干未能確定最終稅項的交易及計算。倘該等事宜的最終稅務結果有異於最初記錄的數額，則有關差額會影響釐定有關數額期間的所得稅及遞延所得稅撥備。

與若干暫時差異及稅項虧損有關之遞延所得稅資產按管理層認為未來有可能出現應課稅溢利可用作抵銷該等暫時差異或稅項虧損而確認。當預期之金額與原定估計有差異時，則該差異將會於估計改變之期間內影響遞延所得稅資產之確認及所得稅費用。

(d) 物業，廠房及設備的估計減值

根據附註2(e)所述的會計政策，當事件或情況變化表明賬面值可能無法予以收回時，本集團測試物業、廠房及設備是否出現減值。物業、廠房及設備的可收回金額已確定為其使用價值與公允價值減去銷售成本兩者中的較高者。物業、廠房及設備的可收回金額是根據使用價值計算確定的。這些計算是基於管理層批准的財務預算的稅前現金流量預測。財務預算中使用的主要假設包括毛利率，淨利率，銷售增長率和折現率。減值評估的結果是，由於基於使用價值計算的可收回金額超過其賬面價值，因此無需計提減值準備。

5. Segment information

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker (“CODM”) that are used to make strategic decisions. The CODM has been identified as the executive directors of the Company. The CODM assesses the performance of the operating segments based on a measure of the results of the segments. Finance income and costs, and corporate income and expenses are not included in the results for each operating segment that is reviewed by the CODM. Other information provided to the CODM is measured in a manner consistent with that in the financial statements.

During the year, the Group has two reportable segments, which are trading of pipes and fittings (“Trading of pipes and fittings”) and manufacture and sale of biomass pellet fuel products (“Biomass Pellet fuel products”). The following summary describes the operations in each of the Group’s reportable segments.

Trading of pipes and fittings includes wholesale, retail and logistics operations substantially in Hong Kong and Macau.

Biomass pellet fuel products are contributed by a subsidiary of the Group, 貴州中冠新能源有限公司 (Guizhou Zhongguan New Energy Limited*), which manufactures and sells biomass pellet fuel products in the PRC.

5. 分部資料

本集團按首席經營決策者（「首席經營決策者」）所審閱並賴以作出決策的報告釐定其經營分部。首席經營決策者被認定為本公司之執行董事。首席經營決策者根據分部的業績以評核經營分部的表現。財務收入和成本、公司收入和支出不包括在首席經營決策者所審閱的每個經營分部的業績中。給主要經營決策者提供的其他資料的計量方式與財務報表中的一致。

於年內，本集團有兩項須予呈報的分部，其中包括從事管道及管件貿易（「管道及管件貿易」）及生產及銷售生物質顆粒燃料產品（「生物質顆粒燃料產品」）。以下摘要概述本集團各項須予呈報的分部的業務營運。

管道及管件貿易包括主要在香港及澳門之批發、零售及物流業務。

生物質顆粒燃料產品分類由本集團附屬公司—貴州中冠新能源有限公司於中國生產及銷售生物質顆粒燃料產品所貢獻。

* For identification purpose only

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. Segment information (Continued)

The segment information for the years ended 31 December 2019 and 2018 are as follows :

5. 分部資料(續)

截至二零一九年及二零一八年十二月三十一日止之分部資料如下：

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度				
		Reportable segments 呈報的分部				Total
		Trading of pipes and fittings 管道及管件貿易 HK\$'000 千港元	Biomass pellet fuel products 生物質顆粒燃料產品 HK\$'000 千港元	Total reportable segments 呈報的分部總額 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Revenue	收入	527,552	3,819	531,371	–	531,371
Results of reportable segments	分部業績	30,867	(7,213)	23,654	–	23,654
Reconciliation of results of reportable segments to profit for the year	分部業績與年度溢利的對賬					
Results of reportable segments	分部業績					
Unallocated loss	未分配虧損					(235)
Unallocated expenses	未分配支出					(19,417)
Operating profit	經營溢利					4,002
Finance income	財務收入					10,343
Finance costs	財務費用					(8,471)
Profit before income tax	稅前溢利					5,874
Tax expense	稅項支出					(1,444)
Profit for the year	本年度溢利					4,430
Other segment information:	其他分部資料：					
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	4,048	2,174	6,222	35	6,257
Amortisation of intangible assets	無形資產的攤銷	34	–	34	–	34
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損淨額	4	–	4	–	4
Provision for and write-off of inventories, net	存貨撥備及撇銷淨額	4,253	–	4,253	–	4,253
Reversal of impairment of financial assets	金融資產的減值回撥	(571)	–	(571)	–	(571)
Depreciation of right-of-use assets	使用權資產折舊	25,737	–	25,737	–	25,737

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. Segment information (Continued)

5. 分部資料(續)

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

		Reportable segments 呈報的分部				
		Trading of pipes and fittings 管道及 管件貿易 HK\$'000 千港元	Biomass pellet fuel products 生物質顆粒 燃料產品 HK\$'000 千港元	Total reportable segments 呈報的 分部總額 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Revenue	收入	535,978	2,177	538,155	–	538,155
Results of reportable segments	分部業績	44,784	(3,536)	41,248	–	41,248
Reconciliation of results of reportable segments to profit for the year	分部業績與年度溢利的對賬					
Results of reportable segments	分部業績					
Unallocated income	未分配收入					3,181
Unallocated expenses	未分配支出					(23,017)
Operating profit	經營溢利					21,412
Finance income	財務收入					10,111
Finance costs	財務費用					(2,051)
Profit before income tax	稅前溢利					29,472
Tax expense	稅項支出					(4,621)
Profit for the year	本年度溢利					24,851
Other segment information:	其他分部資料：					
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	3,686	811	4,497	56	4,553
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益淨額	(136)	–	(136)	–	(136)
Provision for and write-off of inventories, net	存貨撥備及撇銷淨額	4,693	–	4,693	–	4,693
Reversal of impairment of financial assets	金融資產的減值回撥	(544)	–	(544)	(2,979)	(3,523)

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. Segment information (Continued)

The segment assets and liabilities as at 31 December 2019 and 2018 are as follows :

5. 分部資料(續)

於二零一九年及二零一八年十二月三十一日之分部資產及負債如下：

		Reportable segments 須予呈報的分部			
		Trading of pipes and fittings 管道及 管件貿易 HK\$'000 千港元	Biomass pellet fuel products 生物質顆粒 燃料產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 31 December 2019	於二零一九年十二月三十一日				
Non-current assets	非流動資產	149,961	10,559	78,299	238,819
Current assets	流動資產	519,463	5,188	31,900	556,551
Total Assets	總資產	669,424	15,747	110,199	795,370
Non-current liabilities	非流動負債	(120,716)	(305)	–	(121,021)
Current liabilities	流動負債	(122,647)	(4,039)	(1,627)	(128,313)
Total Liabilities	總負債	(243,363)	(4,344)	(1,627)	(249,334)

		Reportable segments 須予呈報的分部			
		Trading of pipes and fittings 管道及 管件貿易 HK\$'000 千港元	Biomass pellet fuel products 生物質顆粒 燃料產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 31 December 2018	於二零一八年十二月三十一日				
Non-current assets	非流動資產	15,914	12,695	105	28,714
Current assets	流動資產	527,968	6,926	109,272	644,166
Total Assets	總資產	543,882	19,621	109,377	672,880
Non-current liabilities	非流動負債	(3,818)	(396)	–	(4,214)
Current liabilities	流動負債	(120,233)	(4,514)	(2,486)	(127,233)
Total Liabilities	總負債	(124,051)	(4,910)	(2,486)	(131,447)

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. Segment information (Continued)

Geographical information

The Group is domiciled in Hong Kong. The Group's revenues from external customers by geographical location are detailed below:

Hong Kong	香港
Macau	澳門
Mainland China	中國內地

The Group's non-current assets by geographical location are detailed below:

Hong Kong	香港
Mainland China	中國內地

5. 分部資料(續)

地區分部資料

本集團設於香港。本集團按地區分部的來自外部客戶的收入如下：

Revenue 收入 For the 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
480,027	508,391
47,525	27,587
3,819	2,177
531,371	538,155

本集團按地區分部的非流動資產如下：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
227,039	14,790
11,780	13,924
238,819	28,714

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. Segment information (Continued)

Disaggregation of revenue from contracts with customers:

For the years ended 31 December 2019 and 2018, the revenue of the Group was recognised at a point in time.

Liabilities related to contracts with customers:

The Group has recognised the following liabilities related to contracts with customers:

Contract liabilities – receipts in advance 合同負債－預收款

Contract liabilities for sales of goods contracts have decreased by HK\$1,991,000 due to a decrease in overall contract activities.

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

Revenue recognised that was included 年初的合同負債餘額
in the contract liabilities balance 已確認為收入
at the beginning of the year

5. 分部資料(續)

與客戶合同的收入分類：

截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度，本集團的收入已於某個時間點確認。

與客戶合同有關的負債：

本集團已確認以下與客戶合同有關的負債。

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
14,393	16,384

銷售貨物合同的合同負債減少了1,991,000港元，這是由於整體合同活動減少了。

下表顯示了在本報告期間確認的收入中有多少與結轉合同負債有關：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
8,086	7,678

Notes to the Consolidated Financial Statements

綜合財務報表附註

6. Other gains, net

6. 其他收益淨額

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net exchange gain/(loss)	匯兌收益／(虧損)淨額	206	(107)
Net (loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備 之(虧損)／收益淨額	(4)	136
Gain/(loss) on financial assets at fair value through profit or loss	按公允價值計入損益之 金融資產之收益／(虧損)	109	(145)
Dividend income from financial assets at fair value through profit or loss	按公允價值計入損益之 金融資產之股息收入	108	105
Reversal of provision for customer claim (Note 27)	客戶補償撥備回撥 (附註27)	-	3,694
Others	其他	225	584
		644	4,267

Notes to the Consolidated Financial Statements

綜合財務報表附註

7. Expenses by nature

Operating profit is arrived at after charging/(crediting):

Cost of inventories sold (Note 18)	已出售之存貨成本(附註18)
Amortisation of intangible assets (Note 15)	無形資產的攤銷(附註15)
Auditor's remuneration:	核數師酬金：
– Audit services	– 審核服務
– Non-audit services	– 非審核服務
Depreciation of property, plant and equipment (Note 13)	物業、廠房及設備折舊(附註13)
Depreciation of right-of-use assets (Note 14)	使用權資產折舊(附註14)
Employee benefit expenses (Note 8)	員工福利開支(附註8)
Short-term and low-value lease expenses (Note 14)	短期及低價值租賃費用(附註14)
Operating lease payments	經營租賃費用
Reversal of impairment of financial assets	金融資產的減值回撥
Provision for and write-off of inventories, net	存貨撥備及撇銷淨額
Other expenses	其他開支

Representing:	代表：
Cost of sales	銷售成本
Selling and distribution costs	銷售及分銷成本
General and administrative expenses	一般及行政費用
Reversal of impairment of financial assets	金融資產的減值回撥

7. 開支性質

經營溢利乃扣除／(計入)下列項目後達至：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
382,709	374,317
34	–
1,023	1,300
180	196
6,257	4,553
25,737	–
67,106	72,295
2,651	–
–	29,967
(571)	(3,523)
4,253	4,693
38,634	37,212
528,013	521,010
402,120	390,671
20,512	20,844
105,952	113,018
(571)	(3,523)
528,013	521,010

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. Employee benefit expenses

8. 僱員福利開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Wages, salaries and other benefits	工資、薪金及其他福利	64,672	69,867
Pension costs	退休金成本		
– defined contribution plans	– 一定額供款計劃	2,429	2,399
Share-based payment (Notes 23(b) and 24)	以股份為基礎之付款 (附註23(b)及24)	5	29
		67,106	72,295

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2018: two) directors whose emoluments are reflected in the analysis shown in Note 32. The emoluments paid to the remaining three (2018: three) individuals were as follows:

(a) 五位最高薪人士

於年內，本集團五位最高薪人士包括二位(二零一八年：二位)董事，其薪金已於附註32的分析反映。支支付予其餘三位(二零一八年：三位)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
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	4,433	4,244
Discretionary bonus	酌情花紅	1,189	2,676
Pension costs	退休金成本		
– defined contribution plans	– 一定額供款計劃	54	54
Share-based payment	以股份為基礎的付款	2	10
		5,678	6,984

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. Employee benefit expenses (Continued)

(a) Five highest paid individuals (Continued)

The emoluments of the three (2018: three) individuals fell within the following bands:

HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元
HK\$2,500,001 – HK\$3,000,000	2,500,001港元 – 3,000,000港元
HK\$3,000,001 – HK\$3,500,000	3,000,001港元 – 3,500,000港元

(b) Senior management remuneration by band

The remuneration of senior management fell within the following bands:

Nil – HK\$1,000,000	無 – 1,000,000港元
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元
HK\$2,500,001 – HK\$3,000,000	2,500,001港元 – 3,000,000港元
HK\$3,000,001 – HK\$3,500,000	3,000,001港元 – 3,500,000港元
HK\$3,500,001 – HK\$4,000,000	3,500,001港元 – 4,000,000港元

8. 僱員福利開支(續)

(a) 五位最高薪人士(續)

三名(二零一八年：三名)最高薪人士之薪酬介乎下列範圍：

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

(b) 高級管理人員薪酬之範圍

高級管理人員之薪酬介乎下列範圍：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
–	–
1	–
1	1
–	1
2	–
–	2
1	1
5	5

Notes to the Consolidated Financial Statements

綜合財務報表附註

9. Finance income, net

9. 財務收入淨額

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank and other interest income	銀行及其他利息收入	(10,343)	(10,111)
Interest expense on bank borrowings	銀行借貸之利息支出	2,335	2,051
Interest expense on lease liabilities (Note 14)	租賃負債之利息支出 (附註14)	6,136	—
		(1,872)	(8,060)

10. Tax expense

10. 稅項支出

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current taxation:	即期稅項：		
Hong Kong profits tax	香港利得稅	777	3,845
Overseas tax	海外稅項	408	251
(Over)/under provision in prior years	以前年度(多提)/少提	(84)	21
Total current tax	即期稅項總額	1,101	4,117
Deferred taxation (Note 26):	遞延稅項(附註26):		
Origination and reversal of temporary differences	暫時差額之產生及回撥	343	504
Tax expense	稅項支出	1,444	4,621

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

香港利得稅以年內估計應課稅溢利按稅率16.5%(二零一八年: 16.5%)計提。海外稅項乃根據年內之估計應課稅溢利按本集團經營業務國家之現行稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

10. Tax expense (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

Profit before income tax	稅前溢利
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	除稅前溢利的名義稅項 (按相關司法權區適用於溢利的稅率計算)
Effect of different tax rates in other jurisdictions	其他司法地方的不同稅率之影響
Unrecognised tax losses	未確認稅項虧損
Tax effect of income not subject to taxation	無須課稅之收入之稅項影響
Tax effect of expenses not deductible for taxation purposes	不可扣稅之支出之稅項影響
(Over)/under provision in prior years	以前年度(多提)/少提
Tax expense	稅項支出

10. 稅項支出(續)

本集團有關稅前溢利之稅項支出與假若採用香港利得稅率而計算之理論稅額之差額如下：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
5,874	29,472
804	4,633
(1,039)	(515)
2,760	1,954
(1,587)	(1,580)
590	108
(84)	21
1,444	4,621

Notes to the Consolidated Financial Statements

綜合財務報表附註

11. Earnings per share

The calculation of the basic and diluted earnings per share is based on the profit for the year attributable to equity holders and weighted average number of shares with adjustments where applicable as follows:

Profit attributable to equity holders of the Company for the purpose of basic earnings per share	計算每股基本盈利之 本公司權益持有人 應佔溢利
Number of shares	股份數目
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之 普通股份之加權平均股數

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential ordinary shares arising from the Company's share options. Diluted earnings per share for the years ended 31 December 2018 and 2019 equal basic earnings per share as the exercise of the outstanding share options would be anti-dilutive.

12. Dividend

At the Board meeting held on 27 March 2020, the Board did not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

11. 每股盈利

下表列示計算每股基本盈利及攤薄盈利乃根據年內權益持有人應佔溢利及已發行普通股之加權平均股數(需要時予以調整)：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
6,790	26,015
Thousands 千股	Thousands 千股
1,333,270	1,333,270

計算每股攤薄盈利時，已對已發行普通股之加權平均股數作出調整，以假設所有具攤薄潛力之未行使購股權獲悉數轉換。截至二零一八年及二零一九年十二月三十一日止兩個年度，因行使未行使購股權具反攤薄影響，因此兩個年度之每股攤薄盈利均等如每股基本盈利。

12. 股息

於二零二零年三月二十七日舉行的董事會會議上，董事會不建議派發截至二零一九年十二月三十一日止年度之末期股息(二零一八年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

13. Property, plant and equipment

13. 物業、廠房及設備

		Plant, machinery and equipment 廠房、 機器 及設備 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Office furniture, fixtures and fittings 辦公室 傢俬、裝置 及設備 HK\$'000 千港元	Office equipment 文儀設備 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	成本							
At 1 January 2019	於二零一九年一月一日	9,661	16,723	2,718	124	4,909	15,696	49,831
Exchange differences	匯兌差額	(97)	(102)	(26)	(1)	(1)	-	(227)
Additions	添置	214	236	30	-	61	2,279	2,820
Disposals	出售	(129)	(152)	(2)	-	-	(80)	(363)
At 31 December 2019	於二零一九年十二月三十一日	9,649	16,705	2,720	123	4,969	17,895	52,061
Accumulated depreciation	累計折舊							
At 1 January 2019	於二零一九年一月一日	3,269	10,638	1,063	28	4,531	8,925	28,454
Exchange differences	匯兌差額	(12)	(26)	(8)	-	(1)	-	(47)
Charge for the year	本年度折舊	987	1,534	372	29	132	3,203	6,257
Disposals	出售	(129)	(143)	(1)	-	-	(6)	(279)
At 31 December 2019	於二零一九年十二月三十一日	4,115	12,003	1,426	57	4,662	12,122	34,385
Net book value	賬面淨值							
At 31 December 2019	於二零一九年十二月三十一日	<u>5,534</u>	<u>4,702</u>	<u>1,294</u>	<u>66</u>	<u>307</u>	<u>5,773</u>	<u>17,676</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

13. Property, plant and equipment (Continued)

13. 物業、廠房及設備(續)

		Plant, machinery and equipment 廠房、 機器 及設備 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Office furniture, fixtures and fittings 辦公室 傢私、裝置 及設備 HK\$'000 千港元	Office equipment 文儀設備 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	成本							
At 1 January 2018	於二零一八年一月一日	3,440	10,638	1,064	49	4,778	10,002	29,971
Exchange differences	匯兌差額	-	-	(4)	-	(2)	(17)	(23)
Additions	添置	2,796	3,694	164	49	133	6,412	13,248
Acquisition of a subsidiary (Note 33)	收購一間附屬公司(附註33)	3,425	2,391	1,494	26	-	-	7,336
Disposals	出售	-	-	-	-	-	(701)	(701)
At 31 December 2018	於二零一八年十二月三十一日	<u>9,661</u>	<u>16,723</u>	<u>2,718</u>	<u>124</u>	<u>4,909</u>	<u>15,696</u>	<u>49,831</u>
Accumulated depreciation	累計折舊							
At 1 January 2018	於二零一八年一月一日	2,800	9,680	900	10	4,323	6,941	24,654
Exchange differences	匯兌差額	(6)	(19)	(8)	-	(2)	(17)	(52)
Charge for the year	本年度折舊	475	977	171	18	210	2,702	4,553
Disposals	出售	-	-	-	-	-	(701)	(701)
At 31 December 2018	於二零一八年十二月三十一日	<u>3,269</u>	<u>10,638</u>	<u>1,063</u>	<u>28</u>	<u>4,531</u>	<u>8,925</u>	<u>28,454</u>
Net book value	賬面淨值							
At 31 December 2018	於二零一八年十二月三十一日	<u>6,392</u>	<u>6,085</u>	<u>1,655</u>	<u>96</u>	<u>378</u>	<u>6,771</u>	<u>21,377</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

14. Lease

The Group is the lessee in respect of a number of properties held under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see note 2(g)). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets	使用權資產
Buildings	樓宇
Equipment	設備
Total right-of-use assets	使用權資產總額
Lease liabilities	租賃負債
Current	流動
Non-current	非流動
Total lease liabilities	租賃負債總額

Additions to the right-of-use assets during the 2019 financial year were HK\$2,907,000.

14. 租賃

本集團根據租約持有的相關承租人為先前根據香港會計準則第17號分類為經營租賃之多項物業。本集團透過採用經修訂追溯法首次應用香港財務報告準則第16號。根據該方法，本集團調整於二零一九年一月一日的期初結餘以確認有關該等租賃的租賃負債(見附註2(g))。自二零一九年一月一日起，日後租賃付款於綜合財務狀況表中確認為租賃負債。

(i) 資產負債表中確認的金額

資產負債表呈列以下有關租賃之金額：

As at 31 December 2019 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
Right-of-use assets	
Buildings	158,102
Equipment	208
Total right-of-use assets	158,310
Lease liabilities	
Current	21,735
Non-current	136,575
Total lease liabilities	158,310

使用權資產於二零一九年財政年度增加2,907,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

14. Lease (Continued)

(ii) Amounts recognised in the Income statement

Income statement shows the following amounts relating to lease:

Depreciation of right-of-use assets (Note 7)	使用權資產折舊 (附註7)
Buildings	樓宇
Equipment	設備
Interest expense on lease liabilities (Note 9)	租賃負債之利息支出 (附註9)
Short-term and low-value lease expenses (Note 7)	短期及低價值租賃費用 (附註7)

The total cash payment for lease in 2019 was HK\$30,393,000.

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, retail shops and staff quarters. Rental contracts are typically made for fixed periods of 1 to 10 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain various terms and conditions.

(iv) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

14. 租賃(續)

(ii) 收益表中確認的金額

收益表呈列以下有關租賃之金額：

For the 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
25,367	—
370	—
25,737	—
6,136	—
2,651	—

於二零一九年有關租賃之現金付款總額為30,393,000港元。

(iii) 本集團的租賃活動及其入賬方式

本集團租賃多個辦公室、倉儲、零售店及員工宿舍。租約一般固定為期1至10年，惟可能根據下文所述擁有續租權。租賃條款按個別基準協商且包含多種不同條款及條件。

(iv) 續租及終止選擇權

本集團的部份物業租賃包含續租和終止選擇權。這些條款的使用目的在於將合同管理的操作靈活性達到最大化。大部分續租和終止選擇權僅由本集團行使，而非由相應的出租人行使。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15. Intangible assets

Trademark	商標
Opening net book amount	期初的賬面淨值
Addition	添置
Accumulated amortisation	累計攤銷
Closing net book amount	期末的賬面淨值

For the year ended 31 December 2019, amortisation expense of \$34,000 (2018: nil) is included in "cost of sales" (Note 7).

16. Subsidiaries

Details of principal subsidiaries which, in the Directors' opinion, materially affect the results and/or net assets of the Group as at 31 December 2019, are set out in Note 34.

17. Financial instruments by category

Financial assets included in consolidated statement of financial position:	包括在綜合財務狀況表的金融資產：
Financial assets at amortised cost	以攤銷成本計量的金融資產
Trade receivables, deposits and other receivables	貿易應收款項、按金及其他應收款項
Pledged certificate of deposit (Note 21)	已抵押存款證(附註21)
Pledged bank deposits (Note 21)	已抵押銀行存款(附註21)
Cash and bank balances (Note 22)	現金及銀行結餘(附註22)
Financial assets at fair value through profit or loss (Note 20)	按公允價值計入損益之金融資產(附註20)
Total	總額

15. 無形資產

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
-	-
511	-
(34)	-
477	-

截至二零一九年十二月三十一日止年度，攤銷開支34,000元(二零一八年：無)已計入「銷售成本」(附註7)。

16. 附屬公司

董事認為對本集團之業績及／或於二零一九年十二月三十一日之淨資產構成重大影響之主要附屬公司之詳情載於附註34。

17. 按種類劃分的金融工具

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
213,429	209,548
10,000	10,000
36,000	31,000
157,683	130,117
2,722	2,601
419,834	383,266

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. Financial instruments by category (Continued)

17. 按種類劃分的金融工具(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial liabilities included in consolidated statement of financial position:	包括在綜合財務狀況表的金融負債：		
Financial liabilities at amortised cost	以攤銷成本計量的金融負債		
Trade and other payables	貿易及其他應付款項	42,579	62,707
Borrowings (Note 25)	借貸(附註25)	47,384	57,444
Lease liabilities (Note 14(i))	租賃負債(附註14(i))	138,695	-
Total	總額	228,658	120,151

18. Inventories

18. 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	14	242
Merchandises	商品	191,512	235,067
		191,526	235,309

At 31 December 2019, the provision for impairment of inventories amounted to approximately HK\$16,223,000 (2018: HK\$16,685,000).

The cost of inventories recognised as expenses and included in cost of sales amounted to HK\$382,709,000 (2018: HK\$374,317,000) (Note 7).

於二零一九年十二月三十一日，存貨減值撥備約達16,223,000港元(二零一八年：16,685,000港元)。

確認為支出並列入銷售成本項下之存貨成本達382,709,000港元(二零一八年：374,317,000港元)(附註7)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

19. Trade and other receivables

Trade receivables	貿易應收款項
Less: loss allowance (Note 3(b)(ii))	減：虧損撥備(附註3(b)(ii))
Trade receivables – net	貿易應收款項－淨額
Prepayments	預付款
Amount due from a non-controlling shareholder (Note 30(c))	應收一位非控股股東款項(附註30(c))
Other receivables, deposits and other assets	其他應收款項、按金及其他資產
Rental deposits	租賃按金
Loan to a related company (Note 30(d))	貸款予一間關連公司(附註30(d))
Less non-current portion:	減非流動部份：
Rental deposits and other assets	租賃按金及其他資產
Loan to a related company	貸款予一間關連公司

The carrying amounts of trade receivables, other receivables and rental deposits approximate their fair values.

As at 31 December 2019, included in other receivable, loan to a third party of HK\$1,121,000 (2018: HK\$1,121,000) was impaired and provided for. Although the loan was secured by certain assets of the third party, the Group considered that the recoverability may take a long time and was uncertain. In this connection, the balance amount of the loan was fully provided for.

19. 貿易及其他應收款項

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
121,007	115,401
–	(654)
121,007	114,747
26,920	30,817
3,106	4,697
4,611	5,098
6,476	6,466
78,229	78,540
119,342	125,618
240,349	240,365
(6,957)	(7,337)
(78,229)	–
155,163	233,028

貿易應收款項、其他應收款項及租賃按金之賬面金額與彼等公允價值相若。

於二零一九年十二月三十一日，包括在其他應收款項中，貸款予一名第三方的1,121,000港元(二零一八年：1,121,000港元)已作減值撥備。雖然該貸款由第三方的若干資產作抵押，但本集團認為可回收性可能需要很長時間而且不確定。就此，該貸款的餘額已全數作撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

19. Trade and other receivables (Continued)

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

HK\$	港元
RMB	人民幣
USD	美元
MOP	澳門幣
Others	其他

19. 貿易及其他應收款項(續)

本集團貿易及其他應收款項之賬面金額以下列貨幣計值：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
128,463	130,545
5,161	7,029
104,491	101,103
2,230	1,508
4	180
240,349	240,365

The Group generally grants credit period of 60-120 days to its customers for its trading of pipes and fittings operation. The ageing analysis of the trade receivables based on the due date is as follows:

Within credit period	信貸期內
1 to 30 days	1天至30天
31 to 60 days	31天至60天
61 to 90 days	61天至90天
91 to 120 days	91天至120天
Over 120 days	超過120天

本集團一般給予管道及管件貿易業務客戶之信貸期為60至120天。貿易應收款項按到期日之賬齡分析如下：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
69,260	68,882
24,463	23,710
13,094	12,245
7,667	6,281
3,704	1,365
2,819	2,918
121,007	115,401

Notes to the Consolidated Financial Statements

綜合財務報表附註

19. Trade and other receivables (Continued)

The closing loss allowance for all trade receivables reconcile to the opening loss allowance are as follows:

Loss allowance as at 1 January 2018 under HKAS 39
Loss allowance for trade receivables
Unused amount reversed
Receivables written off during the year as uncollectible
Loss allowance as at 31 December 2018 and 1 January 2019 under HKFRS 9
Unused amount reversed
Receivables written off during the year as uncollectible

於二零一八年一月一日根據香港會計準則第39號的虧損撥備
貿易應收款項的虧損撥備
未動用款項回撥
年內應收款項未能收回而撇銷
於二零一八年十二月三十一日及於二零一九年一月一日根據香港財務報告準則第9號的虧損撥備
未動用款項回撥
年內應收款項未能收回而撇銷

HK\$'000
千港元

2,016
22
(566)
(818)

654
(571)
(83)

Loss allowance as at 31 December 2019 under HKFRS 9

於二零一九年十二月三十一日根據香港財務報告準則第9號的虧損撥備

—

The Group applies HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. This has not resulted in a significant change to the loss allowance of trade receivables as at 1 January 2019.

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，為所有貿易應收款項撥備整個存續期內的預期虧損。於二零一九年一月一日，這並未導致貿易應收款項的虧損撥備產生重大變化。

There was no loss allowance for trade receivables as at 31 December 2019 (2018: HK\$654,000).

於二零一九年十二月三十一日，沒有貿易應收款項的虧損撥備(二零一八年：654,000港元)。

Information about the impairment of trade receivables and the Group's exposure to foreign exchange risk and credit risk can be found in Note 3.1.

有關貿易應收款項減值及本集團面臨外匯風險及信貸風險的資料載於附註3.1。

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. Save as disclosed above, the Group does not hold any collateral as security.

於報告日期之最大信貸風險為上述各類應收款項之公允值。除上文所披露外，本集團並無持有任何抵押品作抵押。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20. Financial assets at fair value through profit or loss

20. 按公允價值計入損益之金融資產

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Investment funds at fair value – unlisted 按公允價值的投資基金 – 非上市	2,722	2,601

21. Pledged bank deposits and certificate of deposit

21. 已抵押銀行存款及存款證

As at 31 December 2019, bank deposits of HK\$36,000,000 (2018: HK\$31,000,000) denominated in HK\$ were pledged as collateral for the Group's banking facilities (Note 25).

於二零一九年十二月三十一日，36,000,000港元（二零一八年：31,000,000港元）以港元計值之銀行存款已予以抵押，作為本集團銀行信貸額度之擔保（附註25）。

The effective interest rate on pledged bank deposits was 1.83% (2018: 1.89%) per annum and these deposits are maturing within 13 to 156 days (2018: 11 to 155 days).

已抵押銀行存款之實際利率為年息1.83%（二零一八年：1.89%），此等存款之到期日介乎13天至156天（二零一八年：11天至155天）。

As at 31 December 2019, certificate of deposit of HK\$10,000,000 (2018: HK\$10,000,000) was denominated in HK\$ and was pledged as collateral for the Group's banking facilities (Note 25). The effective interest rate on the pledged certificate of deposit is 1.75% (2018: 1.5%) per annum and this deposit is maturing within 86 days (2018: 214 days).

於二零一九年十二月三十一日，10,000,000港元（二零一八年：10,000,000港元）以港元計值之存款證已予以抵押，作為本集團銀行信貸額度之擔保（附註25）。已抵押存款證之實際利率為年息1.75%（二零一八年：1.5%），且該存款將在86天內到期（二零一八年：214天）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

22. Cash and bank balances

Cash and bank balances	現金及銀行結餘
Maximum exposure to credit risk	須承受的最高信貸風險

The carrying amounts of the Group and the Company's cash and bank balances are denominated in the following currencies:

HK\$	港元
RMB	人民幣
USD	美元
Others	其他

The conversion of RMB denominated balances into foreign currencies and the remittance of these funds out of Mainland China is subject to the exchange control restrictions imposed by the PRC government.

22. 現金及銀行結餘

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
157,683	130,117
157,516	129,906

本集團及本公司之現金及銀行結餘之賬面金額按以下貨幣計值：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
113,740	97,061
16,526	13,058
22,171	17,561
5,246	2,437
157,683	130,117

將以人民幣計值之結餘兌換為外幣及將該等資金匯出中國內地，須受中國政府實施之外匯管制措施規限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23. Share capital

23. 股本

		Number of shares issued 已發行股份數目 thousands 千股	HK\$'000 千港元
At 1 January and 31 December 2019	於二零一九年一月一日 及十二月三十一日	1,333,270	26,665
At 1 January and 31 December 2018	於二零一八年一月一日 及十二月三十一日	1,333,270	26,665

(a) Issued shares

The authorized share capital of the Company was HK\$500,000,000, comprising 25,000 million shares with a par value of HK\$0.02 per share. All issued shares are fully paid.

(b) Share option scheme

The share option scheme approved by the shareholders of the Company on 24 June 2004 (the "2004 Scheme") has expired on 23 June 2014. Thereafter, no further options will be granted under the 2004 Scheme but the subsisting options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2004 Scheme.

At the annual general meeting of the Company held on 21 May 2015, the shareholders of the Company approved the adoption of a new share option scheme (the "2015 Scheme") under which the directors of the Company may grant options to eligible persons to subscribe for the Company's shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2015 Scheme will remain valid for a period of 10 years from the date of its adoption.

No share option under the 2015 Scheme was granted, exercised, cancelled or lapsed, during the current year nor outstanding as at 31 December 2019.

(a) 已發行股份

本公司法定股本為500,000,000港元，由每股面值0.02港元共25,000,000,000股組成。所有已發行股份皆已繳足。

(b) 購股權計劃

本公司股東於二零零四年六月二十四日批准之購股權計劃（「二零零四年計劃」）已於二零一四年六月二十三日屆滿。此後，概無根據二零零四年計劃再授出購股權，但於屆滿日期前根據二零零四年計劃條款授出之購股權將繼續有效並可予行使。

於二零一五年五月二十一日舉行之本公司股東週年大會上，本公司股東批准採納新購股權計劃（「二零一五年計劃」），據此，本公司董事可向合資格人士授出購股權，以認購本公司股份，惟須受二零一五年計劃規定之條款及條件所規限。除另行取消或修訂外，二零一五年計劃將自其採納日期起計十年期間維持有效。

於本年度期間概無任何購股權根據二零一五年計劃獲授出、行使、註銷或失效，亦無購股權於二零一九年十二月三十一日尚未獲行使。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23. Share capital (Continued)

b) Share option scheme (Continued)

The Company was authorised to grant share options under the 2015 Scheme for subscription of up to a total of 133,327,000 shares, representing 10% of the issued share capital of the Company as at the date of adoption. The directors of the Company are authorised at their absolute discretion, to invite any eligible participants as defined in the Scheme, to take up options to subscribe for shares in the Company. The subscription price will be determined by the Board, but shall be at least the highest of (a) the closing price of shares as stated in the Hong Kong Stock Exchange's daily quotation sheet on the date on which the relevant options are deemed to be granted and accepted in accordance with the terms of the Scheme ("the Commencement Date"), which must be a day on which the Hong Kong Stock Exchange is open for the business of dealing in securities ("Trading Day"); (b) the average closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheet for the five Trading Days immediately preceding the Commencement Date; and (c) the nominal value of the shares. A consideration of HK\$10 is payable on acceptance of the grant of option. The maximum number of shares in respect of which options may be granted under the 2015 Scheme may not exceed 10% of the issued share capital of the Company as at the date of adoption of the 2015 Scheme. The number of shares may be refreshed by the approval of the shareholders and the refreshed limit of the number of shares must not exceed 10% of the issued share capital of the Company as at the date of the approval of the refreshed limit.

As a result of the share consolidation become effective, the exercise price and the number of consolidated shares to be issued upon the exercise of the outstanding options granted under the 2004 Scheme have been adjusted in accordance with the terms of the 2004 Scheme and Rule 17.03(13) of the Listing Rules.

23. 股本(續)

(b) 購股權計劃(續)

本公司獲授權根據二零一五年計劃授出購股權以認購最多合共133,327,000股股份，佔於採納日期本公司已發行股本之10%。授權本公司董事全權酌情邀請任何合資格參與者(定義見購股權計劃)接納可認購本公司股份之購股權。認購價將由董事會釐定，惟不得低於(a)股份於有關購股權被視為按照購股權計劃條款授出及接納當日(「開始日期」)(須為香港聯交所經營證券買賣業務之日期(「交易日」))在香港聯交所每日報價表所報之收市價；(b)股份於緊接開始日期前連續五個交易日在香港聯交所每日報價表所報之平均收市價；及(c)股份面值三者中之最高者。接納授出之每份購股權時，承授人須支付10港元之代價。根據二零一五年計劃授出之購股權涉及之股份最高數目，不得超過採納二零一五年計劃當日本公司已發行股本之10%。股份數目可由股東批准更新，惟經更新之股份數目上限不得超過批准更新上限之日期本公司已發行股本之10%。

於股份合併生效後，根據本公司於二零零四年計劃授出但尚未行使的購股權的行使價及於行使時將予發行之合併股份數目按二零零四年計劃的條款及上市規則第17.03(13)條作出調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23. Share capital (Continued)

b) Share option scheme (Continued)

Movements in the number of share options outstanding during the year are as follows:

Date of grant	Date of maturity	Exercise Price HK\$ 行使價 港元	31 December	Granted	Exercised	Lapsed	31 December
			2018 二零一八年 十二月 三十一日	and accepted			2019 二零一九年 十二月 三十一日
3 December 2009 二零零九年十二月三日	2 December 2019 二零一九年十二月二日	0.71	15,000,000	-	-	(15,000,000)	-
5 May 2010 二零一零年五月五日	4 May 2020 二零二零年五月四日	0.83	1,000,000	-	-	-	1,000,000
Total總額			16,000,000	-	-	(15,000,000)	1,000,000

Out of 1,000,000 (2018: 16,000,000) outstanding share options, 1,000,000 (2018: 15,280,000) share options were exercisable.

The estimated fair value of share options granted is based on the Binomial model. The significant inputs into the models are as follows:

Date of grant	授出日期	5 May 2010	3 December 2009
		二零一零年 五月五日	二零零九年 十二月三日
Exercise price	行使價	HK\$0.83	HK\$0.71
Expected volatility	預期波幅	55%	54%
Option life	購股權年期	10 years 10年	10 years 10年
Annual risk free interest rate	年度無風險利率	2.86%	2.16%
Dividend yield	孳息率	3.10%	3.58%
Fair value	公允價值	HK\$0.26 ~ HK\$0.38	HK\$0.21 ~ HK\$0.31

The expected volatility measured at the standard deviation is based on the historical data of the weekly share price movement of comparable companies of the Company.

23. 股本(續)

(b) 購股權計劃(續)

年內，尚未行使購股權數目之變動如下：

於1,000,000股(二零一八年：16,000,000)購股權中1,000,000(二零一八年：15,280,000)股為可行使。

已授出購股權的估計公允價值根據二項式估值模式計算。輸入該模式的主要參數如下：

按標準差計量之預期波幅乃基於本公司之可比公司每週股份價格變動的歷史數據。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23. Share capital (Continued)

b) Share option scheme (Continued)

- (i) On 3 December 2009, 59,200,000 share options were offered to and accepted by Directors and employees, with an exercise price of HK\$0.71 and an option period of 10 years commencing from 3 December 2009 and expiring on 2 December 2019 (both days inclusive). The options granted to the grantees are vested in stages and be exercised in the following manner:

Maximum percentage of the options exercisable 可行使之購股權最高百分比
--

20%
20%
20%
20%
20%

- (ii) On 5 May 2010, 1,600,000 share options were offered to and accepted by a Director and an employee, with an exercise price of HK\$0.83 and an option period of 10 years commencing from 5 May 2010 and expiring on 4 May 2020 (both days inclusive). The options granted to the grantees are vested in stages and be exercised in the following manner:

Maximum percentage of the options exercisable 可行使之購股權最高百分比
--

20%
20%
20%
20%
20%

- (iii) Vesting of certain options granted to certain employees are subject to achievement of profit target.

23. 股本(續)

(b) 購股權計劃(續)

- (i) 於二零零九年十二月三日，本集團向董事及僱員要約並已獲接納59,200,000份購股權，該等購股權之行使價為0.71港元及購股權期限為十年，由二零零九年十二月三日開始至二零一九年十二月二日到期(包括首尾兩日)。授予承授人的購股權將分階段歸屬，並按以下方式行使：

Period for exercise of the relevant percentage of the options 行使相關購股權百分比之期限

3/6/2010 – 2/12/2019
3/6/2011 – 2/12/2019
3/6/2012 – 2/12/2019
3/6/2013 – 2/12/2019
3/6/2014 – 2/12/2019

- (ii) 於二零一零年五月五日，本集團向董事及僱員要約並已獲接納1,600,000份購股權，該等購股權之行使價為0.83港元及購股權期限為十年，由二零一零年五月五日開始至二零二零年五月四日到期(包括首尾兩日)。授予承授人的購股權將分階段歸屬，並按以下方式行使：

Period for exercise of the relevant percentage of the options 行使相關購股權百分比之期限

5/11/2010 – 4/5/2020
5/11/2011 – 4/5/2020
5/11/2012 – 4/5/2020
5/11/2013 – 4/5/2020
5/11/2014 – 4/5/2020

- (iii) 授予若干僱員之若干購股權須達到溢利目標方可歸屬予有關僱員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. Reserves

24. 儲備

		Share premium	Capital reserve (note(i))	Merger reserve (note(ii))	Statutory reserve	Other reserve	Exchange reserve	Share-based payment reserve 以股份為基礎的 付款儲備	Retained earnings 保留溢利	Total 總額
		股份溢價 HK\$'000 千港元	資本儲備 (附註(i)) HK\$'000 千港元	合併儲備 (附註(ii)) HK\$'000 千港元	法定儲備 HK\$'000 千港元	其他儲備 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	126,618	34,115	3,700	24	1,205	1,103	5,252	313,360	485,377
Profit for the year	本年度溢利	-	-	-	-	-	-	-	26,015	26,015
Currency translation differences	貨幣換算差額	-	-	-	-	-	(1,161)	-	-	(1,161)
Share-based payment	以股份為基礎的付款	-	-	-	-	-	-	29	-	29
Actuarial loss on post-employment benefit obligations, net of tax	離職後福利債務的精算虧損，扣除稅項後	-	-	-	-	(110)	-	-	-	(110)
Transfer upon lapse of share options	因購股權失效轉撥	-	-	-	-	-	-	(925)	925	-
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	126,618	34,115	3,700	24	1,095	(58)	4,356	340,300	510,150
Profit for the year	本年度溢利	-	-	-	-	-	-	-	6,790	6,790
Currency translation differences	貨幣換算差額	-	-	-	-	-	(425)	-	-	(425)
Share-based payment	以股份為基礎的付款	-	-	-	-	-	-	5	-	5
Actuarial gain on post-employment benefit obligations, net of tax	離職後福利債務的精算收益，扣除稅項後	-	-	-	-	636	-	-	-	636
Transfer upon lapse of share options	因購股權失效轉撥	-	-	-	-	-	-	(4,012)	4,012	-
At 31 December 2019	於二零一九年十二月三十一日	126,618	34,115	3,700	24	1,731	(483)	349	351,102	517,156

Notes:

- (i) The capital reserve of the Group mainly represents contribution from the shareholders in connection with the acquisition of the remaining interests in a subsidiary in 1999.
- (ii) The merger reserve of the Group arising from the Group reorganisation is determined by the difference between the nominal value of shares of the subsidiaries acquired pursuant to the Group reorganisation and the nominal value of the Company's shares deemed to have been issued.

附註：

- (i) 本集團之資本儲備主要是於一九九九年收購一間附屬公司之餘下權益與股東有關的貢獻。
- (ii) 本集團因集團重組而產生之合併儲備，乃按集團重組購入之附屬公司股份面值與視作已發行之本公司股份面值兩者間之差額釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25. Borrowings

Current

Trust receipt loans, secured (note (i))
Trust receipt loans, unsecured

流動

有抵押信託收據貸款(附註(i))
無抵押信託收據貸款

2019
二零一九年
HK\$'000
千港元

2018
二零一八年
HK\$'000
千港元

35,724

31,694

11,660

25,750

47,384

57,444

Notes:

(i) The carrying amounts of the trust receipt loans approximate their fair values. As at 31 December 2019, the banking facilities were secured by corporate guarantees, bank deposits of HK\$36,000,000 (2018: HK\$31,000,000) and certificate of deposit of HK\$10,000,000 (2018: HK\$10,000,000).

(ii) The borrowings are denominated in the following currencies:

HK\$

港元

(iii) The effective interest rates (per annum) of bank borrowings at the financial reporting date are as follows:

Trust receipt loans

信託收據貸款

附註：

(i) 信託收據貸款之賬面金額與彼等公允值相若。於二零一九年十二月三十一日，銀行融資由公司擔保、銀行存款約36,000,000港元(二零一八年：31,000,000港元)及存款證約10,000,000港元(二零一八年：10,000,000港元)作抵押。

(ii) 借貸以下列貨幣列值：

2019
二零一九年
HK\$'000
千港元

2018
二零一八年
HK\$'000
千港元

47,384

57,444

(iii) 於財務報告日，銀行借貸之實際年利率如下：

2019
二零一九年

2018
二零一八年

4.26%

4.15%

Notes to the Consolidated Financial Statements

綜合財務報表附註

26. Deferred taxation

26. 遞延稅項

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred tax liabilities to be settled after 12 months	(1,816)	(1,352)

將於十二個月後償還之
遞延稅項負債

Deferred tax is calculated on temporary differences under the liability method using tax rates of the relevant subsidiaries applicable to the period when the asset is expected to be realised or the liability to be settled, based on tax rates that have been substantively enacted by the financial reporting date.

遞延稅項採用負債法就有關附屬公司預期資產變現或負債結算之期間所適用之稅率(於財務報告日已頒布或實質頒布)作全數撥備。

Deferred 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 tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

當有法定權利可將即期稅項資產與即期稅項負債抵銷，而遞延稅項資產及遞延稅項負債涉及同一稅務機關徵收，一家應課稅公司或不同的應課稅公司有意將餘額以淨額結算，則可將遞延稅項資產與遞延稅項負債互相抵銷。

The net movement on the deferred tax account is as follows:

遞延稅項賬目之變動淨額如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	(1,352)	(436)
Acquisition of a subsidiary	-	(435)
Charged to income statement (Note 10)	(343)	(504)
(Charged)/credited to equity	(126)	22
Exchange differences	5	1
At 31 December	(1,816)	(1,352)

於一月一日
收購一家附屬公司
在收益表中扣除(附註10)
在權益中(扣除)/計入
匯兌差額

Notes to the Consolidated Financial Statements

綜合財務報表附註

26. Deferred taxation (Continued)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

At 1 January 2018
Charged to income statement

At 31 December 2018
Charged to income statement

At 31 December 2019

於二零一八年一月一日
在收益表中扣除

於二零一八年十二月三十一日
在收益表中扣除

於二零一九年十二月三十一日

Deferred tax liabilities

At 1 January 2018
Acquisition of a subsidiary
Credited to income statement
Charged to equity
Exchange differences

At 31 December 2018 and
1 January 2019
Credited/(charged) to income statement
Charged to equity
Exchange differences

At 31 December 2019

於二零一八年一月一日
收購一家附屬公司
在收益表中計入
在權益中扣除
匯兌差額

於二零一八年十二月三十一日
及二零一九年一月一日
在收益表中計入/(扣除)
在權益中扣除
匯兌差額

於二零一九年十二月三十一日

26. 遞延稅項(續)

遞延稅項資產及負債於年內之變動(未計及於相同徵稅區內抵銷之結餘)如下:

遞延稅項資產

Tax losses
稅務虧損
HK\$'000
千港元

40
(40)

—
—

—

遞延稅項負債

Accelerated tax depreciation	Remeasurement gain of post-employment benefit obligations	Lease	Total
加速稅項折舊	離職後福利債務的重計量收益	租賃	總額
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元

(238)	(238)	—	(476)
(435)	—	—	(435)
(464)	—	—	(464)
—	22	—	22
1	—	—	1

(1,136)	(216)	—	(1,352)
187	—	(530)	(343)
—	(126)	—	(126)
5	—	—	5
(944)	(342)	(530)	(1,816)

Notes to the Consolidated Financial Statements

綜合財務報表附註

26. Deferred taxation (Continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$6,090,000 (2018: HK\$3,704,000) in respect of accumulated tax losses amounting to HK\$27,928,000 (2018: HK\$17,536,000) as at 31 December 2019, that can be carried forward against future taxable income. As at 31 December 2019, the accumulated tax losses amounting to HK\$13,791,000 (2018: HK\$6,599,000) will be expired in five years. There is no expiry period for the other tax losses.

27. Trade payables, other payables and contract liabilities

Trade payables
Contract liabilities
Accrued expenses and other payables (note)

貿易應付款項
合同負債
預提費用及其他應付款項
(附註)

Notes:

In prior years, there was a provision for a customer claim of HK\$3,694,000 in respect of a project in Hong Kong. During the year ended 31 December 2018, management reassessed the circumstances and considered that the chance for claim has become remote and therefore has made a reversal of the provision in the consolidated income statement.

26. 遞延稅項(續)

遞延所得稅項資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作出確認。本集團並未就二零一九年十二月三十一日可結轉以抵銷未來應課稅收入之累計稅項虧損27,928,000港元(二零一八年：17,536,000港元)確認遞延所得稅項資產6,090,000港元(二零一八年：3,704,000港元)。於二零一九年十二月三十一日，該等累計稅項虧損達13,791,000港元(二零一八年：6,599,000港元)，將於五年內到期。其他稅項虧損並無屆滿期間。

27. 貿易應付款項、其他應付款項及合同負債

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade payables	30,537	33,904
Contract liabilities	14,393	16,384
Accrued expenses and other payables (note)	13,826	18,939
	58,756	69,227

附註：

本集團就一項於過往年度香港的項目作出3,694,000港元的客戶補償撥備的回撥。截至二零一八年十二月三十一日年止年度，管理層重新評估狀況及認為客戶索賠的機會是不大的，因此已就撥備回撥至綜合收益表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27. Trade payables, other payables and contract liabilities (Continued)

The ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

Within 30 days	30天以內
31 to 60 days	31天至60天
61 to 90 days	61天至90天
Over 90 days	超過90天

The carrying amounts of the Group's trade payables, other payables and contract liabilities are denominated in the following currencies:

HK\$	港元
USD	美元
RMB	人民幣
Others	其他

27. 貿易應付款項、其他應付款項及合同負債(續)

本集團貿易應付款項的賬齡按發票日期分析如下：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
25,515	26,878
3,190	3,518
1,178	2,350
654	1,158
30,537	33,904

本集團之貿易應付款項、其他應付款項及合同負債之賬面金額按以下貨幣計值：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
28,436	35,630
21,747	22,782
4,455	4,787
4,118	6,028
58,756	69,227

Notes to the Consolidated Financial Statements

綜合財務報表附註

28. Commitments

(a) Capital commitments

As at 31 December 2019, the Group had no capital expenditure contracted for but not provided for in the consolidated financial statements.

(b) Operating lease commitments

The Group leases various offices, warehouses, retail shops and staff quarters under non-cancellable operating leases expiring within five months to eight years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short term and low-value leases, see note 2 for further information.

28. 承擔

(a) 資本承擔

於二零一九年十二月三十一日，本集團並沒有已簽訂合同但仍未於綜合財務報表撥備的資本開支。

(b) 經營租賃承擔

本集團根據不可撤銷的經營租賃租用多個辦公室、倉儲、零售店及員工宿舍。租約為期5個月至8年內到期。租賃具有不同的條款，浮動條款和續租權。續租時，租賃條款將重新協商。自二零一九年一月一日起，本集團已確認這些租賃的使用權資產，但短期和低價值租賃除外，詳情見附註2。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Land and buildings	土地及樓宇		
Not later than one year	不超過一年	-	29,004
Later than one year and not later than five years	超過一年及不超過五年	-	85,664
Later than five years	超過五年	-	72,617
		-	187,285
Equipment and motor vehicles	設備及汽車		
Not later than one year	不超過一年	-	557
Later than one year and not later than five years	超過一年及不超過五年	-	765
		-	1,322
		-	188,607

Notes to the Consolidated Financial Statements

綜合財務報表附註

29. Notes to the consolidated statement of cash flows

Cash flows from operations

29. 綜合現金流量表附註

經營業務產生之現金流量

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before income tax	稅前溢利	5,874	29,472
Adjustments for:	就下列作出調整：		
Amortisation of intangible assets	無形資產攤銷	34	-
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	6,257	4,553
Depreciation of right-of-use assets	使用權資產折舊	25,737	-
Loss/(Gain) on disposal of property, plant and equipment, net (note)	出售物業、廠房及設備之虧損／(收益)淨額(附註)	4	(136)
Interest income	利息收入	(10,343)	(10,111)
Interest expense	利息支出	8,471	2,051
Reversal of impairment of financial assets	金融資產的減值回撥	(571)	(3,523)
Provision for and write-off of inventories, net	存貨撥備及撇銷淨額	4,253	4,693
Reversal of provision for customer claim	客戶補償撥備回撥	-	(3,694)
(Gain)/loss on financial assets at fair value through profit or loss	按公允價值計入損益之金融資產的(收益)／虧損	(109)	145
Dividend income from financial assets at fair value through profit or loss	按公允價值計入損益之金融資產的股息收入	(108)	(105)
Share-based payment	以股份為基礎的付款	5	29
Exchange difference	匯兌差額	509	(482)
Changes in working capital:	營運資金變動：		
Decrease/(Increase) in inventories	存貨減少／(增加)	39,530	(35,304)
(Increase)/Decrease in trade and other receivables	貿易及其他應收款項(增加)／減少	(1,192)	39,232
Decrease in trade payables, other payables and contract liabilities	貿易應付款項、其他應付款項及合同負債減少	(10,828)	(12,767)
Net cash generated from operations	經營業務產生之現金淨額	67,523	14,053

Notes to the Consolidated Financial Statements

綜合財務報表附註

29. Notes to the consolidated statement of cash flows (Continued)

Cash flows from operations (Continued)

Note: Proceeds from disposal of property, plant and equipment comprises:

Net book amount	賬面淨值
(Loss)/gain on disposal	出售之(虧損)/收益
Proceeds from disposal	出售所得款項
Represented by:	代表：
Cash	現金

The reconciliation of liabilities arising from financing activities is as follows:

As at 1 January 2018	於二零一八年一月一日
Cash flows	現金流量
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
Adjustment on adoption of HKFRS16	採納香港財務報告準則第16號時的調整
Cash flows	現金流量
Additions	添置
As at 31 December 2019	於二零一九年十二月三十一日

29. 綜合現金流量表附註(續)

經營業務產生之現金流量(續)

附註：出售物業、廠房及設備之所得款項包括：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
84	-
(4)	136
80	136
80	136

金融活動產生的負債的對賬如下：

Borrowings 借貸 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Total 總額 HK\$'000 千港元
(70,477)	-	(70,477)
13,033	-	13,033
(57,444)	-	(57,444)
-	(158,310)	(158,310)
10,060	22,522	32,582
-	(2,907)	(2,907)
(47,384)	(138,695)	(186,079)

Notes to the Consolidated Financial Statements

綜合財務報表附註

30. Related party transactions

Transactions for the year

(a) Key management compensation

Salaries and other short term employee benefits	薪金及其他短期僱員福利
Pension costs – defined contribution plans	退休金成本—定額供款計劃
Share-based payment	以股份為基礎之付款

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
14,603	18,260
126	126
5	29
14,734	18,415

(b) (i) Rental payment to a related party

Rental paid to a related company (note)	支付租金給一間關連公司 (附註)
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Note:

The Group paid rental of a car and a car licence to a company controlled by Mr. Lai Guanglin, the former executive director and Chairman of the Company who resigned on 30 March 2018 and currently a major shareholder of the Group, for a fixed sum of RMB12,000 (equal to HK\$13,900) per month as agreed by both parties. This is also a connected transaction which is exempted under the Listing Rules 14A.76.

30. 關連人士交易

年內交易

(a) 主要管理人員報酬

(b)(i) 向關連人士支付的租金

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
167	163

附註：

本集團就車輛及車牌租賃費向一間由本公司前任執行董事兼主席(已於二零一八年三月三十日辭任)及本集團現任主要股東Lai Guanglin先生控制的公司支付由雙方協定的每月固定費用12,000人民幣(等於13,900港元)。此交易亦為根據上市條例14A.76條而豁免進行的關連交易。

Notes to the Consolidated Financial Statements

綜合財務報表附註

30. Related party transactions (Continued)

Transactions for the year (Continued)

(b) (ii) Consultancy fees to related parties

Consultancy fee paid to Mr. Lai Guanglin (note 1)	支付予Lai Guanglin 先生的顧問費(附註1)
Consultancy fee paid to a related company (note 2)	支付予一間關連公司的顧問費(附註2)

Notes:

- From 1 January 2019 to 31 March 2019, the Group paid consultancy fee to Mr. Lai, for a fixed sum of HK\$248,000 per month as agreed by both parties. This is a connected transaction which is exempted under Rule 14A.76 of the Listing Rules.
- From 1 April 2019 to 31 December 2019, the Group paid consultancy fee to a company owned by Mr. Lai, for a fixed sum of HK\$248,000 per month as agreed by both parties. This is a connected transaction which is exempted under Rule 14A.76 of the Listing Rules.

Year end balances

(c) Amount due from a non-controlling shareholder	(c) 應收一位非控股股東款項
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The amount is unsecured, interest free and repayable on demand.

30. 關連人士交易(續)

年內交易(續)

(b)(ii) 向關連人士支付的顧問費

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
744	2,232
2,232	—

附註：

- 由二零一九年一月一日至二零一九年三月三十一日，本集團向Lai先生支付由雙方協定的每月固定248,000港元顧問費。此交易為根據上市規則14A.76條而獲得豁免的關連交易。
- 由二零一九年四月一日至二零一九年十二月三十一日，本集團向一間由Lai先生擁有之公司支付由雙方協定的每月固定248,000港元顧問費。此交易為根據上市規則14A.76條而獲得豁免的關連交易。

年末餘額

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
3,106	4,697

該金額為無抵押、免息及按要求償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

30. Related party transactions (Continued)

Year end balances (Continued)

(d) Loan to a related company

On 1 August 2016, the Group advanced a loan of US\$10,000,000 (equivalent to HK\$77,746,000) to China Victory International Holdings Limited (“CVIL”), a wholly-owned subsidiary of Agria Corporation, for a term of 3 years.

The loan carried interest at 10.5% per annum and is repayable by 31 July 2019. The loan is secured by the entire issued shares of CVIL executed by Agria Group Limited (“AGL”), the immediate holding company of CVIL, and also guaranteed by a deed of corporate guarantee executed by Agria Corporation in favour of the Group. Mr. Lai Guanglin, a then director and ultimate controlling party of the Company, is also a controlling shareholder of Agria Corporation.

Pursuant to a resolution passed in a special general meeting on 23 February 2018, the Group and CVIL agreed to novate and AGL, a wholly owned subsidiary of Agria Corporation and the immediate holding company of CVIL, agreed to assume the Group’s loan to CVIL of US\$10,000,000 (equivalent to HK\$78,357,000) with all other terms and conditions remained unchanged.

On 9 May 2019, the Group entered into a loan agreement (“2019 Loan Agreement”) with AGL to renew the loan and the annual caps from 1 August 2019 to 31 July 2022.

The annual caps of the maximum principal loan outstanding for the financial years ended/ending 31 December 2019, 31 December 2020, 31 December 2021 and period ending 31 July 2022 were US\$10,000,000 for each year/period.

30. 關連人士交易(續)

年末餘額(續)

(d) 貸款予一間關連公司

於二零一六年八月一日，本集團向中滙國際集團有限公司(「CVIL」)(Agria Corporation的一間全資附屬公司)墊付期限3年的貸款10,000,000美元(相等於77,746,000港元)。

該貸款以年息10.5%計息，並將於二零一九年七月三十一日之前償還。該貸款由CVIL的直接控股公司Agria Group Limited(「AGL」)行使CVIL的全部已發行股份作擔保及Agria Corporation執行對本集團作公司擔保契約。本公司當時之董事兼最終控制人Lai Guanglin先生，亦為Agria Corporation控股股東。

根據於二零一八年二月二十三日舉行的股東特別大會上通過的決議案，本集團及CVIL同意更替及AGL(Agria Corporation的全資附屬公司及CVIL的直接控股公司)承擔本集團向CVIL的貸款10,000,000美元(相等於78,357,000港元)，其他條款和條件維持不變。

於二零一九年五月九日，本集團與AGL訂立貸款協議(「2019貸款協議」)，以更新貸款及年度上限，由二零一九年八月一日至二零二二年七月三十一日止。

截至二零一九年十二月三十一日、二零二零年十二月三十一日、二零二一年十二月三十一日止財政年度及截至二零二二年七月三十一日止期間，每個年度/期間之最高未償還貸款本金額年度上限均為10,000,000美元。

30. Related party transactions (Continued)

Year end balances (Continued)

(d) Loan to a related company (Continued)

The annual caps of the interest amounts for the financial years ended/ending 31 December 2019, 31 December 2020, 31 December 2021 and period ending 31 July 2022 were US\$441,000, US\$1,053,000, US\$1,050,000 and US\$610,000 respectively ("Annual Caps"). The 2019 Loan Agreement, Annual Caps of the principal loan outstanding and interest amounts were approved by the shareholders of the Company at the Company's special general meeting on 24 June 2019.

Under the 2019 Loan Agreement, the clause of the share mortgage executed by AGL, being the sole shareholder of CVIL, over the entire issued shares of CVIL in favour of the Group has been removed. Save as the above amendments, all other terms of the 2019 Loan Agreement remain unchanged and continue in full force and effect.

For the year ended 31 December 2019, the interest income from AGL amounted to approximately US\$1,050,000 (equivalent to HK\$8,254,000) (2018: US\$1,050,000 (equivalent to HK\$8,252,000)).

As at 31 December 2019, the loan to AGL amounted to US\$10,000,000 (equivalent to HK\$78,229,000) (31 December 2018: US\$10,000,000 (equivalent to HK\$78,540,000)).

30. 關連人士交易(續)

年末餘額(續)

(d) 貸款予一間關連公司(續)

截至二零一九年十二月三十一日、二零二零年十二月三十一日、二零二一年十二月三十一日止財政年度及截至二零二二年七月三十一日止期間，利息金額年度上限分別為441,000美元、1,053,000美元、1,050,000美元及610,000美元(「年度上限」)。本公司股東已於二零一九年六月二十四日舉行的股東特別大會上批准2019貸款協議、貸款本金額及利息金額之年度上限。

根據2019貸款協議，以本集團為受益人，由AGL(為CVIL的唯一股東)就CVIL的全部已發行股份設立的股份抵押為擔保的條款已刪除。除上述修訂外，2019貸款協議之所有其他條款維持不變及繼續具十足效力及作用。

截至二零一九年十二月三十一日止年度，從AGL所得的利息收入約為1,050,000美元(相等於8,254,000港元)(二零一八年：1,050,000美元(相等於8,252,000港元))。

於二零一九年十二月三十一日，貸款予AGL的金額為10,000,000美元(相等於78,229,000港元(二零一八年十二月三十一日：10,000,000美元(相等於78,540,000港元)))。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31. Statement of financial position and reserve movement of the Company

31. 本公司財務狀況表及儲備變動

		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
	Note 附註		
ASSETS			
Non-current assets			
Property, plant and equipment		52	81
Investments in subsidiaries		90,440	90,435
		<u>90,492</u>	<u>90,516</u>
Current assets			
Prepayments and other receivables		494	486
Tax recoverable		2,873	2,103
Amounts due from subsidiaries		39,781	39,791
Cash and bank balances		1,332	2,046
		<u>44,480</u>	<u>44,426</u>
Total assets		<u>134,972</u>	<u>134,942</u>
EQUITY			
Equity holders			
Share capital		26,665	26,665
Reserves		99,626	102,567
	(i)	<u>126,291</u>	<u>129,232</u>
LIABILITIES			
Current liabilities			
Other payables		1,089	2,166
Amounts due to subsidiaries		7,592	3,544
		<u>8,681</u>	<u>5,710</u>
Total equity and liabilities		<u>134,972</u>	<u>134,942</u>
Net current assets		<u>35,799</u>	<u>38,716</u>
Total assets less current liabilities		<u>126,291</u>	<u>129,232</u>

The statement of financial position of the Company was approved by the board of Directors on 27 March 2020 and was signed on its behalf:

本公司的財務狀況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：

Lai Fulin 賴福麟
Director 董事

Yu Ben Ansheng 俞安生
Director 董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

31. Statement of financial position and reserve movement of the Company (Continued)

Note:

- (i) Reserve movement of the Company

At 1 January 2018	於二零一八年一月一日
Loss for the year	本年度虧損
Share-based payment	以股份為基礎的付款
Transfer upon lapse of share options	因購股權失效轉撥
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
Loss for the year	本年度虧損
Share-based payment	以股份為基礎的付款
Transfer upon lapse of share options	因購股權失效轉撥
At 31 December 2019	於二零一九年十二月三十一日

Note:

The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of World Trade Bun Kee (BVI) Ltd. and the value of net assets of the underlying subsidiaries acquired by the Company in 2000. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders, subject to a solvency test. At the Group level, the contributed surplus is reclassified into its component of reserves of the underlying subsidiaries.

31. 本公司財務狀況表及儲備變動 (續)

附註：

- (i) 本公司儲備之變動

	Share premium	Contributed surplus (note)	Share-based payment reserve	Accumulated deficits	Total
	股份溢價	繳入盈餘 (附註)	為基礎的 付款儲備	累計虧損	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	126,618	86,759	5,252	(111,020)	107,609
Loss for the year	-	-	-	(5,071)	(5,071)
Share-based payment	-	-	29	-	29
Transfer upon lapse of share options	-	-	(925)	925	-
At 31 December 2018 and 1 January 2019	126,618	86,759	4,356	(115,166)	102,567
Loss for the year	-	-	-	(2,946)	(2,946)
Share-based payment	-	-	5	-	5
Transfer upon lapse of share options	-	-	(4,012)	4,012	-
At 31 December 2019	126,618	86,759	349	(114,100)	99,626

附註：

本公司之繳入盈餘乃指本公司為換取 World Trade Bun Kee (BVI) Ltd. 全部已發行普通股而發行之股份面值與本公司所收購有關附屬公司於二零零零年之資產淨值兩者間之差額。根據百慕達一九八一年公司法(經修訂)，繳入盈餘在符合有關無力償還債務之測試之情況下，可供分派予股東。在本集團之賬目上，繳入盈餘重新分類為有關附屬公司之儲備組成部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

32. Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules)

(a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive for the year ended 31 December 2018 and 2019 is set out below:

32. 董事的利益和權益(根據香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)及香港《上市規則》的規定而作出的披露)

(a) 董事及行政總裁酬金

各董事及行政總裁於截至二零一八年及二零一九年十二月三十一日止年度的酬金載列如下：

Name of Directors	董事姓名	For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度							Total	
		Fees	Salary	Discretionary bonuses	Housing allowance	Estimated monetary value of other benefits (note (vi))	Employer's contributions to a retirement benefit scheme	Remunerations paid or receivable in respect of office as director		Emoluments paid or receivable in respect of director's other service in connection with the management of the affairs of the Company or its subsidiary undertaking
		袍金	薪金	酌情花紅	房屋津貼	其他福利的估計貨幣價值 (附註(vi))	僱主對退休福利計劃之供款	擔任董事或應收的酬金	就接納企業的事務擔任其他董事服務而支付或應收的酬金	總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Lai Fulin	賴福麟	-	2,757	623	-	140	18	-	-	3,538
Yu Ben Ansheng (note (ii))	俞安生(附註(ii))	-	2,627	-	-	140	18	-	-	2,785
Wong Yee Shuen, Wilson	黃以信	200	-	-	-	-	-	-	-	200
Chen Wei Wen	陳偉文	150	-	-	-	-	-	-	-	150
Guan Zhiqiang	管志強	200	-	-	-	-	-	-	-	200
		550	5,384	623	-	280	36	-	-	6,873

Notes to the Consolidated Financial Statements

綜合財務報表附註

32. Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules) (Continued)

(a) Directors' and chief executive's emoluments (Continued)

32. 董事的利益和權益(根據香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)及香港《上市規則》的規定而作出的披露)(續)

(a) 董事及行政總裁酬金(續)

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking
作為董事(不論是本公司或其附屬公司企業)提供服務而支付或應收的酬金

Name of Directors	董事姓名	Fees	Salary	Discretionary bonuses	Housing allowance	Estimated monetary value of other benefits (note (iv))	Employer's contributions to a retirement benefit scheme	Emoluments paid or receivable in respect of director's other service in connection with the management of the affairs of the Company or its subsidiary undertaking		Total
								Remunerations paid or receivable in respect of office as director	Emoluments paid or receivable in respect of other services	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Lai Guanglin (note (i))	Lai Guanglin (附註(i))	-	863	-	-	362	-	-	-	1,225
Lai Fulin	賴福麟	-	2,407	1,103	-	140	18	-	-	3,668
Yu Ben Ansheng (note (ii))	俞安生(附註(ii))	-	2,561	463	-	140	18	-	-	3,182
U Kean Seng (note (iii))	余建成(附註(iii))	48	-	-	-	-	-	-	-	48
Wong Yee Shuen, Wilson	黃以信	200	-	-	-	-	-	-	-	200
Chen Wei Wen	陳偉文	150	-	-	-	-	-	-	-	150
Guan Zhiqiang	管志強	200	-	-	-	-	-	-	-	200
		598	5,831	1,566	-	642	36	-	-	8,673

Notes to the Consolidated Financial Statements

綜合財務報表附註

32. Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules) (Continued)

(a) Directors' and chief executive's emoluments (Continued)

Notes:

- (i) Mr. Lai Guanglin resigned as executive director and Chairman of the Company on 30 March 2018.
- (ii) Mr. Yu Ben Ansheng is the Chief Executive Officer of the Company.
- (iii) Mr. U Keng Seng resigned as non-executive director of the Company on 30 March 2018.
- (iv) Other benefits include share option and other allowance.

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year (2018: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year (2018: Nil).

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2019, the Company did not pay consideration to any third parties for making available directors' services (2018: Nil).

32. 董事的利益和權益(根據香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)及香港《上市規則》的規定而作出的披露)(續)

(a) 董事及行政總裁酬金(續)

附註：

- (i) Lai Guanglin先生於二零一八年三月三十日辭任本公司執行董事及主席一職。
- (ii) 俞安生先生是本公司的首席執行官。
- (iii) 余建成先生於二零一八年三月三十日辭任為本公司非執行董事。
- (iv) 其他福利包括購股權及其他津貼。

(b) 董事的退休福利

年內，概無董事收取或應收退休福利(二零一八年：無)。

(c) 董事的終止福利

年內，概無董事收取或應收終止董事服務福利(二零一八年：無)。

(d) 就提供董事服務而向第三方提供的對價

於二零一九年十二月三十一日年度內，本公司並沒有就獲取董事服務而支付第三方的對價(二零一八年：無)。

32. Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules) (Continued)

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2019, there is no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled bodies corporate by and connected entities with such directors (2018: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 30, there are no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2018: Nil).

33. Business Combination

On 1 August 2018, the Group acquired a 66.7% interest in 貴州中冠新能源有限公司 (Guizhou Zhongguan New Energy Limited*) ("Zhongguan New Energy") at an aggregate consideration of RMB10,000,000 (equivalent HK\$11,553,000) by way of capital injection. Zhongguan New Energy is principally engaged in the manufacturing and sales of biomass pellet fuel products in Mainland China.

The acquired business contributed revenue of approximately HK\$2.2 million and net loss of approximately HK\$3.5 million to the Group for the period from 1 August 2018 to 31 December 2018. If the acquisition had occurred on the 1 January 2018, there will be no material impact on the Group's consolidated revenue and profit for the year ended 31 December 2018.

* For identification purpose only

32. 董事的利益和權益(根據香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)及香港《上市規則》的規定而作出的披露)(續)

(e) 向董事、受該等董事控制的法人團體及該董事的關連主體提供的貸款、準貸款和其他交易的資料

於二零一九年十二月三十一日年度內，概無以董事、受該等董事控制的法團及關連實體為受益人之貸款、準貸款或其他交易(二零一八年：無)。

(f) 董事在交易、安排或合同的重重大權益

除附註30所披露者外，並無有關本公司業務而本公司作為其中一方且本公司董事於其中(不論直接或間接)擁有重大權益(於本年年底或於年內任何時間)的重大交易、安排及合同(二零一八年：無)。

33. 業務合併

於二零一八年八月一日，本集團以總代價人民幣10,000,000(等值11,553,000港元)之現金注資，收購貴州中冠新能源有限公司(「中冠新能源」)之66.7%權益。中冠新能源主要於中國內地從事生產及銷售生物質顆粒燃料產品。

由二零一八年八月一日至二零一八年十二月三十一日，該收購業務為本集團貢獻收入約為2,200,000港元及虧損淨額約為3,500,000港元。倘若收購於二零一八年一月一日發生，將不會對本集團截至二零一八年十二月三十一日止的綜合收入及溢利有重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33. Business Combination (Continued)

The fair value of the identifiable assets and liabilities of Zhongguan New Energy acquired as at the date of acquisition is as follows:

Fair value of identifiable assets acquired and liabilities assumed:

Property, plant and equipment
Inventory
Prepayment and other receivables
Amount due from non-controlling shareholder
Cash
Deposits and other payables
Deferred tax liabilities

收購識別資產及承擔負債的公允值：

物業、廠房及設備
存貨
預付款項及其他應收款項
應收非控股股東款項
現金
按金及其他應付款項
遞延稅項負債

HK\$'000
千港元

Net assets

資產淨值

17,330

Non-controlling interests

非控股權益

(5,777)

Net assets acquired

購入資產淨值

11,553

Satisfied by:

以下列方式支付：

Cash injection

現金注資

11,553

Net cash outflow arising on acquisition:

收購事項之淨現金流出：

Cash consideration paid

已付現金代價

11,553

Cash acquired

已收購現金

(898)

10,655

Acquisition-related costs involved are insignificant to the Group, and had been included in administrative expenses of the Group for the year end of 31 December 2018.

33. 業務合併(續)

於收購日期收購之中冠新能源識別資產及負債之公允值如下：

7,336
357
5,219
4,727
898
(772)
(435)

17,330
(5,777)

11,553

以下列方式支付：
現金注資 11,553

收購事項之淨現金流出：
已付現金代價 11,553
已收購現金 (898)

10,655

收購相關成本對本集團而言並不顯著，並已計入本集團截至二零一八年十二月三十一日止年度的行政費用中。

Notes to the Consolidated Financial Statements

綜合財務報表附註

34. Particulars of the principal subsidiaries

34. 主要附屬公司資料

Name 名稱	Principal Activities 主要業務	Particulars of issued and fully paid share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage 百分比 Attributable to the Group 本集團應佔	Held by subsidiaries 附屬公司持有
<i>Incorporated and operating in Hong Kong</i> <i>在香港成立及經營</i>				
Bun Kee (International) Limited 彬記(國際)有限公司	Trading of construction materials, mainly pipes and fittings in Hong Kong 於香港從事建築材料 (主要為管道及管件)之貿易	100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each 100股每股面值1港元之普通股及 3,000,000股每股面值1港元之 無投票權遞延股份	100	100
Hamerwind Logistic Company Limited 時風物流有限公司	Provision of warehousing and logistic services in Hong Kong 於香港提供倉貯及物流服務	800 ordinary shares of HK\$100 each 800股每股面值100港元之普通股	100	100
<i>Established and operating in Macao</i> <i>在澳門成立及經營</i>				
Bun Kee Building Material and Equipment (Macao) Co., Ltd. 彬記建材及設備(澳門)有限公司	Trading of construction materials, mainly pipes and fittings in Macao 於澳門從事建築材料(主要為管道 及管件)之貿易	MOP50,000 50,000澳門幣	100	100
<i>Established and operating in the PRC</i> <i>在中國成立及經營</i>				
Guizhou Zhongguan New Energy Limited*(note) 貴州中冠新能源有限公司(附註)	Manufacture and sale of biomass pellet fuel products in the PRC 於中國生產及銷售生物質顆粒燃料 產品	RMB15,000,000 人民幣15,000,000	66.67	66.67

Note:

The entity is established as a limited liability equity joint venture in the PRC.

附註：

實體於中國成立的有限責任合資企業。

35. Subsequent event

There is an outbreak of coronavirus disease (COVID-19) in early 2020 throughout the world. The Group expects the economy in Hong Kong, Macao and the PRC to be negatively impacted and this may potentially affect the Group's business and financial performance in 2020. The Group will pay close attention to the development of the epidemic and evaluate its impact on the financial position and operating results.

35. 期後事項

二零二零年初，新型冠狀病毒(COVID-19)在全球爆發。本集團預期香港、澳門及中國的經濟將受到負面影響，並有可能對本集團二零二零年的業務及財務表現產生潛在的影響。本集團將密切關注疫症的發展並評估其對財務狀況和經營業績的影響。

* For identification purpose only

Five-Year Financial Summary

五年財務概要

Results	業績	2015	2016	2017	2018	2019
		二零一五年 HK\$'000 千港元	二零一六年 HK\$'000 千港元	二零一七年 HK\$'000 千港元	二零一八年 HK\$'000 千港元	二零一九年 HK\$'000 千港元
Revenue	收入	<u>611,534</u>	<u>619,203</u>	<u>650,461</u>	<u>538,155</u>	<u>531,371</u>
Profit before income tax	稅前溢利	39,585	57,860	84,174	29,472	5,874
Tax expense	稅項支出	<u>(5,562)</u>	<u>(7,297)</u>	<u>(9,386)</u>	<u>(4,621)</u>	(1,444)
Profit for the year	本年度溢利	<u>34,023</u>	<u>50,563</u>	<u>74,788</u>	<u>24,851</u>	<u>4,430</u>
Attributable to:	歸屬於：					
Equity holders of the Company	本公司權益持有人	34,023	50,572	74,945	26,015	6,790
Non-controlling interests	非控股權益	<u>–</u>	<u>(9)</u>	<u>(157)</u>	<u>(1,164)</u>	(2,360)
		<u>34,023</u>	<u>50,563</u>	<u>74,788</u>	<u>24,851</u>	<u>4,430</u>
Assets and liabilities	資產及負債					
Total assets	總資產	531,414	598,173	671,953	672,880	795,370
Total liabilities	總負債	<u>(146,288)</u>	<u>(161,905)</u>	<u>(159,911)</u>	<u>(131,447)</u>	(249,334)
Total equity	總權益	<u>385,126</u>	<u>436,268</u>	<u>512,042</u>	<u>541,433</u>	<u>546,036</u>



冠力國際有限公司
Softpower International Limited