



葉氏化工集團有限公司
Yip's Chemical Holdings Limited

於開曼群島註冊成立之有限公司
Incorporated in the Cayman Islands with limited liability
股份代號 Stock Code: 408

**CHANGE,
INNOVATE,
ACT**
變、創、做



2019
Annual Report 年報

集團宏圖

CORPORATE VISION





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概要 Highlights

本公司股東應佔純利
Profit attributable to owners
of the Company

272,907,000

港元HK\$

↑ **48%**

營業額
Revenue

10,464,834,000

港元HK\$

↓ **16%**

*淨銀行借貸佔本公司股東應佔權益的百分比為計算基準

*Measured by net bank borrowings as a percentage of equity attributable to owners of the Company

截至2019年12月31日止年度 (經審核)

For the year ended 31 December 2019 (audited)

每股盈利
Earnings per share

48.4

港仙HK CENTS

↑ **48%**

全年股息
Dividend for the year

20

港仙HK CENTS

↑ **25%**

借貸比率*
Gearing ratio*

33%

↓ **13** 個百分點
% points



公司資料 * Corporate Information *

董事會

非執行董事

葉志成先生(主席)
王旭先生
黃廣志先生*
古遠芬先生*
何百川先生*

* 獨立非執行董事

執行董事

葉子軒先生(副主席兼行政總裁)
葉鈞先生(副行政總裁)
何世豪先生(財務總裁)

高層領導團隊

葉子軒先生
葉鈞先生
何世豪先生
謝憶珠女士

審核委員會

黃廣志先生(委員會主席)
王旭先生
古遠芬先生
何百川先生

薪酬委員會

何百川先生(委員會主席)
王旭先生
黃廣志先生
古遠芬先生

Board of Directors

Non-executive Directors

Mr. Ip Chi Shing (Chairman)
Mr. Wong Yuk
Mr. Wong Kong Chi*
Mr. Ku Yuen Fun*
Mr. Ho Pak Chuen, Patrick*

* Independent Non-executive Directors

Executive Directors

Mr. Yip Tsz Hin (Deputy Chairman and Chief Executive Officer)
Mr. Ip Kwan (Deputy Chief Executive Officer)
Mr. Ho Sai Hou (Chief Financial Officer)

Senior Leadership Team

Mr. Yip Tsz Hin
Mr. Ip Kwan
Mr. Ho Sai Hou
Ms. Tse Yik Chu

Audit Committee

Mr. Wong Kong Chi (Chairman of the committee)
Mr. Wong Yuk
Mr. Ku Yuen Fun
Mr. Ho Pak Chuen, Patrick

Remuneration Committee

Mr. Ho Pak Chuen, Patrick (Chairman of the committee)
Mr. Wong Yuk
Mr. Wong Kong Chi
Mr. Ku Yuen Fun

安全健康環保委員會

古遠芬先生(委員會主席)
王旭先生
黃廣志先生
何百川先生

公司秘書

何世豪先生

核數師

德勤•關黃陳方會計師行
(香港執業會計師)
香港金鐘道八十八號
太古廣場一座三十五樓

律師

香港：

張秀儀 唐滙棟 羅凱栢 律師行
香港港灣道三十號新鴻基中心
五樓五零一室

開曼群島：

Maples and Calder
P.O. Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Health, Safety and Environment Committee

Mr. Ku Yuen Fun (Chairman of the committee)
Mr. Wong Yuk
Mr. Wong Kong Chi
Mr. Ho Pak Chuen, Patrick

Company Secretary

Mr. Ho Sai Hou

Auditor

Deloitte Touche Tohmatsu
(Certified Public Accountants)
35/F., One Pacific Place
88 Queensway, Hong Kong

Solicitors

in Hong Kong:

Cheung Tong & Rosa Solicitors
Rooms 501, 5/F., Sun Hung Kai Centre
30 Harbour Road, Hong Kong

in the Cayman Islands:

Maples and Calder
P.O. Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

公司資料 *
Corporate Information *

主要往來銀行

香港上海滙豐銀行有限公司
恒生銀行有限公司
中國銀行股份有限公司
法國巴黎銀行
瑞穗銀行
三菱UFJ銀行
中國建設銀行
中國工商銀行

主要股份過戶登記處

SMP Partners (Cayman) Limited
Royal Bank House
3rd Floor, 24 Shedden Road,
P.O. BOX 1586,
Grand Cayman KY1-1110
Cayman Islands

香港股份過戶登記處

卓佳秘書商務有限公司
香港
皇后大道東一八三號
合和中心五十四樓

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Bank of China Limited
BNP Paribas
Mizuho Bank, Ltd.
MUFG Bank, Ltd.
China Construction Bank
Industrial and Commercial Bank of China

Principal Share Registrar and Transfer Office

SMP Partners (Cayman) Limited
Royal Bank House
3rd Floor, 24 Shedden Road,
P.O. Box 1586,
Grand Cayman KY1-1110
Cayman Islands

Hong Kong Share Registrar and Transfer Office

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

公司資料 *
Corporate Information *

註冊辦事處

P.O. BOX 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

總辦事處及主要營業地點

香港灣仔
告士打道七十七至七十九號
富通大廈二十七樓

電話：(852) 2675 2288
圖文傳真：(852) 2675 2345
國際互聯網網址：
<http://www.yipschemical.com>

股份代號

408

* 載於本部份之本公司公司資料只包括於截至本年報日期止。有關於審閱期間，本公司董事及不同委員會成員變動，請參考董事會報告第44至59頁

Registered Office

P.O. Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Head Office and Principal Place of Business

27/F., Fortis Tower
Nos. 77-79 Gloucester Road
Wanchai, Hong Kong

Tel: (852) 2675 2288
Fax: (852) 2675 2345
Internet homepage:
<http://www.yipschemical.com>

Stock Code

408

* The information covered in this section only covers corporate information of the Company as at the date of this Annual Report. For directorship and membership of various committees of the Company during the period under review, please refer to the Directors' Report on pages 44 to 59



主席報告 — 回顧與展望 Chairman's Statement — Review and Outlook

主席
CHAIRMAN 葉志成先生
Mr. Ip Chi Shing



本人欣然向葉氏化工集團有限公司(「本公司」)及其附屬公司(統稱「葉氏化工」或「集團」或「本集團」)全體股東們呈報二零一九年集團的全年(「回顧年度」)業績概況。回顧年度內，集團所生產和銷售的產品，普遍性因為成本有所下降，引致銷售單價的下調。同時也因為集團繼續在致力優化客戶質素方面，持續取得不錯的成效，其最終導致集團的全年銷售額和銷售量分別錄得104.6億港元和138萬噸，比較去年分別下調15.5%和1%。然而在股東應佔純利方面，集團去年則取得頗令人欣慰的成果，錄得2.73億港元，較去年大幅增長47.7%。其中撇除因為年內出售一所上海物業，錄得一筆特殊收益後，核心盈利仍較去年錄得大幅的提升，其最主要的原因則是集團四大核心業務期內都在不同的程度上，績效得到了可喜的整固和大幅改善，致使去年部份虧損業務全部轉虧為盈(詳見行政總裁報告)。在財務表現方面也喜有不錯的呈報，多年來，集團始終秉持審慎理財，發展不忘穩健的原

I am pleased to present to all shareholders ("Shareholders") of Yip's Chemical Holdings Limited (the "Company") and its subsidiaries (collectively "Yip's Chemical" or the "Group") the annual results of the Group for the year 2019 ("year under review"). In the year under review, the products manufactured and sold by the Group saw a decline in unit selling prices due to cost reduction. As the Group sustained success in improving customer quality, sales revenue for the whole year was HK\$10.46 billion while sales volume was 1.38 million metric tons, down 15.5% and 1% respectively from the preceding year. Yet, for profit attributable to owners of the Company, the Group managed to achieve rather encouraging results by recording HK\$273 million, representing a significant jump of 47.7% from that in the preceding year. Even after a special one-off gain from the sale of a property in Shanghai was discounted, there was still a sharp year-on-year increase in core profitability. The main reason for this was that the performance of all four core business segments of the Group had, to one extent or another, been consolidated materially and improved considerably, so that all the business segments that recorded a loss in the preceding year had turned around and become profitable (please refer to the CEO's Report for details). The Group also has fairly good financial performance to report. Over the years, the Group has always upheld the principles of prudent financial management

主席報告 — 回顧與展望 Chairman's Statement — Review and Outlook

則，在應付期內惡劣的經營大環境下，信貸監控措施更趨嚴謹。各核心業務在資金運用方面均取得預期的優化，從而令集團期末的整體借貸比率從去年的46%，進一步下調至33%。在綜合各方面的評估和貫徹集團一向積極回饋股東的政策後，本公司董事會（「董事會」）建議向集團全體股東們派發期末股息每股13港仙，較去年的10港仙增加3港仙。連同已派發的中期股息，回顧年度全年合共派發股息每股20港仙，較去年每股的16港仙增加4港仙。

回顧

回顧年度內的整體經營大環境在宏觀的角度來說無疑是相當嚴峻和充滿挑戰的。首先是單邊主義和貿易保護主義全球復熾，引致多國、多地區的貿易磨擦不斷，地緣政治震蕩升溫，中國經濟增長速度有所放緩等因素，均對全球的經濟帶來負面的影響，全球性經濟氣氛一片低迷。另一方面與本集團業務最為息息相關的中國經濟表現，整年都深受中美貿易磨擦的不斷升溫和反覆糾紛所困擾。加上國內市場銀根持續非常緊絀，大部份企業投資意欲不振，終令國內的經濟增長逐漸下行的壓力愈來愈大。但從微觀的角度來說，回顧年度內人民幣匯率相對平穩，波幅在窄範圍上落，最重要的是，期內各類原材料價格受供求失衡所影響，普遍呈下滑趨勢，為集團在優化業務的進程中創造了非常有利的條件。再加上集團的各級管理團隊目標一致；決心一致，在成本控制和提升客戶質素、活化集團資產等各方面的不懈努力，其成效逐漸呈現。因此可說集團去年的整體業務表現，在一個極為困難的環境下能夠取得小進步，實是難能可貴和令人鼓舞的。

and steady development. In the face of the unfavourable operating environment in the year under review, the Group's credit monitoring measures had been further tightened. With all core business segments achieving expected optimisation in their capital utilisation, the Group's overall gearing ratio at year-end was reduced to 33% as compared with 46% in the preceding year. Upon summing up various assessments and giving due consideration to the long-held policy of actively rewarding Shareholders, the Company's Board of Directors (the "Board") recommended to pay a final dividend of HK13 cents per share to all Shareholders. This payout represents an increase of HK3 cents from the HK10 cents per share in the preceding year. Together with the interim dividend already paid out, total dividend for the full year under review is HK20 cents per share or an increase of HK4 cents from the HK16 cents per share for the preceding year.

Review

From a macro perspective, there is no doubt that the overall operating environment in the year under review was extremely harsh and challenging. First, there were incessant trade conflicts among various countries and regions caused by the rekindling of unilateralism and trade protectionism; there were ever-growing geopolitical shocks; and there was a slowdown of China's economic growth. All of these hurt the global economy to the extent that global economic sentiment was at all-time low. Second, throughout the year, China's economic performance, which is vitally associated with the Group's businesses, had been deeply unsettled because of the spiralling up and flip-flopping of Sino-US trade tensions. What was more, money supply in the mainland market had been extremely tight, and the majority of corporations had little appetite to invest, leading eventually to an increasing downturn pressure on the mainland's economic growth. But from a micro perspective, the Renminbi exchange rate had been relatively stable — fluctuating only within a narrow range. Most important of all, as a result of supply-demand imbalance, the prices of various types of raw materials had been trending downward within the year, creating a very favourable condition in the course of the Group's business optimisation. As the Group's management teams at various levels were all determined and had the same goals of controlling costs, raising customer quality and revitalising the Group's assets, the results of their efforts appeared gradually. So we can conclude that, under the exceedingly difficult situation, it is highly commendable and encouraging that the Group's business performance as a whole could gain a small step forward.

主席報告 — 回顧與展望

Chairman's Statement — Review and Outlook

展望

預期本年度的全球經濟大環境仍將繼續深受蔓延中的單邊主義和貿易保護主義所影響。在全球經濟一體化的進程中，沒有一個國家能獨善其身，短中期而言，環球經濟的復甦是絕對不令人樂觀的。同時預期對本集團業務構成影響的三大狀況，年內極有可能的呈現：(一)中美貿易磨擦的諸多不確定性仍將對國內經濟下行構成一定的壓力，縱然雙方的首階段協議已於一月完成簽署，但基於美國政府已確認中國為其戰略競爭對手，預期美國政府將實行多重打壓，措施盡出，可見矛盾不易在短期內化解；(二)中東地區的地緣政治驟然升級，國際之間就石油產量未能達成共識令原油供應較為不穩，導致部份化工原材料的供應和價格出現波動；(三)年初爆發的「新型冠狀病毒」(「新冠病毒」)仍未受控，疫情於全球蔓延。目前而言，疫情的發展仍難預測，各國政府以控制、消滅疫情為首要任務，採取一系列的行政措施應對，對經濟活動必然帶來負面影響。集團也將全力以赴，作出配合，帶領全體員工安然渡過這次的危機。

Outlook

It is foreseeable that the global economic environment this year will continue to be affected by proliferating unilateralism and trade protectionism. In the course of global economic integration, no one country can come out unscathed. In the short-to-medium term, there is little room of optimism about the prospect of global economic recovery. It is highly likely that the three situations described hereinafter that will affect the Group's businesses in the coming year will turn up. First, the various uncertainties surrounding the Sino-US trade conflict will continue to pose a downward pressure on the Chinese domestic economy despite the signing of a phase-one agreement by the two countries in January because the US government has already regarded China as its strategic competitor. So, in the days to come, it is expected that the US government will carry out multiple bouts of suppression through umpteen measures. In other words, the discord between the two countries is not expected to be reconciled easily in the short term. Second, the precipitous geopolitical escalation in the Middle East and the failure to reach consensus on the production volume of crude oil among nations will result in volatility in the supply and fluctuations in prices of certain chemical raw materials. Third, the outbreak of Coronavirus Disease 2019 ("COVID-19") that began early this year remains uncontrolled and has spread globally. Currently, it is still hard to predict how the pandemic will evolve, but as governments across countries make it their top priority to contain and eliminate the pandemic and adopt a series of administrative measures to deal with the situation, negative impacts on economic activities will be a certainty. The Group will do its best to collaborate in these efforts in the hope that all employees will stay safe and survive the crisis.

主席報告 — 回顧與展望 Chairman's Statement — Review and Outlook

面對諸多不明朗因素的二零二零年，集團始終堅信挑戰和機遇並存，本著時刻做好本份為己任。一方面將繼續致力深化二零一九年優化業務質素的成果，令各核心業務的基礎得以更加穩固，爭取市場更大份額。特別是為了配合國內進一步提振經濟，透過消費模式的改變，刺激內部消費增加，從而保持經濟平穩增長的國策，集團將更加注重和積極在房屋和汽車最大消費板塊的資源投放，預期在這方面取得的效益將較二零一九年更加彰顯。另一方面，集團也將繼續在穩固基業的基礎上，投放更多資源及資金，透過資本市場的運作，拓展一些與本行業相關的新業務，兩者均同時朝著環保化、終端化和服務化的目標並行，務求可讓集團業務更多元化，日漸踏上一個更健康和宏大的發展平台。與此同時，集團注視到近年集團價值被市場低估，為了令股東們的投資價值最大化，年內將會開展相關研究，探索各種可行性，務求盡快令集團的價值逐步得到合理的反映。

藉此謹代表董事會向集團全體員工們的辛勞付出和貢獻；所有持份者對集團的大力支持和指導；董事會和高層領導團隊的領導、勇於創新和衷誠合作，致以衷心的感謝。

葉志成
主席

二零二零年三月三十日

Facing year 2020 that is riddled with uncertainties, the Group strongly believes that challenges and opportunities co-exist and it will properly perform its allotted duties at all times. We will continue to entrench the achievements of business quality optimisation from year 2019 so that the foundation of all core business segments will be further reinforced to take on larger market shares. Particularly, attention will be paid to acting in complement with the national policy of maintaining steady economic growth by stimulating domestic consumption through changes in consumption patterns. We will, therefore, redouble our efforts in putting more resources into the two largest consumer sectors of housing and automobiles. It is expected that the benefits so obtained will be much more evident than year 2019. Additionally, we will allocate more resources and capital in expanding into new related businesses through equity market operations. Both of these strategies will move towards environmentally friendly, end-user oriented and service oriented so that the Group's businesses will be more diversified and on track to develop in healthier and grander scales. The Group has also noticed that its value has been underestimated by the market in recent years. To maximise the value of our Shareholders' investment, the Group will launch studies within this year to explore ways to ensure that its value will gradually be reasonably reflected.

On behalf of the Board, I would like to take this opportunity to convey our sincere gratitude to all of our employees for their efforts and contributions, to all our stakeholders for their unfailing support and advice, and to the Board and senior leadership team ("SLT") for their leadership, courageous innovation and sincere cooperation.

Ip Chi Shing
Chairman

30 March 2020



行政總裁報告 Report of the Chief Executive Officer

行政總裁
CHIEF EXECUTIVE OFFICER

葉子軒先生
Mr. Yip Tsz Hin



集團截至二零一九年十二月三十一日止年度的業績要項包括：

- 一. 總銷售額接近105億港元，比去年同期下降15.5%，主要是單體溶劑銷售單價下滑及集團總銷量噸數較去年輕微下跌1%；
- 二. 四項主要業務業績均超越內部預算案，並錄得盈利，是近年少見全面豐收的局面（詳見下列各業務的分析）；
- 三. 四項主要業務錄得經營溢利合共約4.3億港元，比對去年同期增加約9,600萬港元；
- 四. 順利完成上海青浦物業交易，物業經營溢利本年錄得1.4億港元，與去年同期相近；

Key aspects of the Group's performance for the year ended 31 December 2019 include:

1. Total sales revenue was nearly HK\$10.5 billion, down by 15.5% from the corresponding period in the preceding year. This was mainly due to a fall in the average selling price of solvents and a slight decline of 1% year-on-year in the Group's total product sales tonnage;
2. The performance of all four key business segments exceeded internal expectations and recorded profit — an all-round bumper year rarely seen in recent years (please refer to the analyses of individual business segments detailed below);
3. Total operating profit from the four key business segments was about HK\$430 million, up about HK\$96 million year-on-year;
4. With the transaction of the Qingpu property in Shanghai successfully completed, operating profit of the properties segment this year reached HK\$140 million, which was close to that of the preceding year;

行政總裁報告 Report of the Chief Executive Officer

- 五. 綜合上述因素，回顧年度集團股東應佔純利達2.73億港元，比去年同期大幅增長約8,800萬港元或47.7%；集團純利率達2.61%，比對去年同期增長接近1.1個百分點；
- 六. 資金運用繼續大幅改善，回顧年度集團營運資金淨流入達6.18億港元，導致借貸比率大幅下跌至33%，同比下降13個百分點；
- 七. 本年度營運特點總結為：銷售金額輕微下跌，毛利率上升，費用下降，純利率大幅上升以及借貸比率大幅下降等等。

集團五項業務分類回顧及展望如下：

溶劑

二零一九年度溶劑錄得銷量112萬噸及銷售單價均同比下滑，以致銷售額明顯回落約17%，兩組數據分別是下滑1%及13%。出口依然保持較好勢頭，全年出口量達到23.4萬噸，大致與去年持平。

上半年中美貿易戰影響擴大，大宗化工原材料價格明顯回落，溶劑亦不能獨善其身。儘管下半年努力追趕，年度經營溢利獲約2.8億港元，同比下跌近20%。

回顧二零一九年的艱難經營，面對材料價格下滑，毛利率隨之下滑。製造成本大幅上升，主要是為達致更環保的生產環境，例如華東、華南兩廠的燃煤鍋爐先後停止運作，分別改用圓區管網蒸氣和使用天然氣鍋爐，估算令年內製造(蒸氣)成本增加約5,000萬港元。

5. Combining the above factors, profit attributable to owners of the Company for the year under review was HK\$273 million or a growth of about HK\$88 million or 47.7% from the corresponding period in the preceding year. Net profit margin of the Group was 2.61%, which was a growth of almost 1.1 percentage points year-on-year;
6. As the use of capital continued to improve markedly, there was a net inflow of HK\$618 million in working capital, bringing down the gearing ratio significantly to 33%, which was a drop of 13 percentage points year-on-year;
7. The business operation this year can be summed up as follows: a slight decline in sales revenue, a rise in gross profit margin, a drop in expenses, a sharp rise in net profit margin and a precipitous drop in gearing ratio, etc.

The review and outlook of the Group's five business segments are as follows:

Solvents

In 2019, sales tonnage recorded 1.12 million metric tons, which together with the average selling price of solvents declining on a year-on-year basis, led to a significant drop in sales revenue of 17%. The decrease in sales tonnage and average selling price was respectively 1% and 13% year-on-year. Export remained buoyant, and the export volume for the whole year was 234,000 metric tons, a level comparable to the preceding year.

In the first half of 2019, as the effect of the Sino-US trade war multiplied, the prices of chemical raw materials fell significantly and solvents could not stay untouched. Though the solvents division made every effort to catch up in the second half of 2019, operating profit for the full year decreased almost 20% year-on-year to about HK\$280 million.

The business was fraught with difficulties in the year 2019 as gross profit margin fell following a decrease in raw material prices. Production costs rose sharply as a result of the Group's efforts to meet more environmentally friendly production standards. For example, the coal boilers in our Eastern China and Southern China plants had been successively phased out and replaced respectively by piped steam from the industrial park network and natural gas boilers. Thus, production cost (for steam) increased by about HK\$50 million.

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管理團隊積極面對困難，未雨綢繆，早定兩大措施：成立市場部指揮營銷和供應鏈兩部，把握商情，提升售價。另一方面技術進一步取得突破，全年節能節效估算增效約3,200萬港元。

華東泰興新生產線已於年內第三季順利投產。泰興廠的總產能已突破100萬噸，成為世界最大的醋酸酯生產廠。

展望二零二零年，我們將聚焦如下重點工作：

- 一. 將安全作為公司的最高利益，從上到下層層落實，全面提升安全文化；
- 二. 進一步發揮市場部的功能，維護好產品的市場價格。深化經營戰略，優化用戶和供應商，持續提升經營質量；
- 三. 落實華南生產基地。目前選址珠海高欄港，該園區擁有大型港口，配套成熟的大型化工設施，具競爭性的蒸氣成本等等。管理層將爭取在二零二零年上半年完成各項談判、立項、報批等相關手續。

塗料

二零一九年塗料業務管理層作出多項改革改善業績。在營銷方面，我們聚焦資源和精力提升整體的銷售質量，一方面減少過往較低效益的客戶，大力度拓展新客戶及大型客戶，取得初步的成果。在成本管理方面，我們透過促進跨部門訊息共用，在波動的原材料市場上降低採購成本，同時透過供應鏈的整合降低運營費用。回顧年度內銷售額雖然下滑12%，達到16億港元，但毛利率上升5個百分點，加上

In anticipation of the difficulties and as precaution measures, the management team had adopted a two-pronged approach. The first is to set up a marketing department to oversee sales and supply chain management while garnering market intelligence so as to identify opportunities for raising prices. The second was to obtain breakthroughs in technology, and this had resulted in energy and efficiency savings worth about HK\$32 million.

The new production line in the Taixing plant in Eastern China was successfully put into operation in the third quarter during the year. With a total capacity of over one million metric tons, the Taixing plant is now the world's largest plant of acetates.

Looking into 2020, we will focus on the following key areas:

1. Take safety as the first priority of the Group. This concept has to be put into practice from top-down to raise safety consciousness comprehensively;
2. Further engage the marketing department in maintaining the market price of our products. Entrench operating strategies in optimising users and suppliers to raise operating quality continuously;
3. Proceed with the Southern China production base project. The site for this production base is an industrial park in Gaolan Port, Zhuhai. Apart from port facilities, the industrial park has a full complement of chemical facilities, a supply of steam at competitive prices, etc. Management aims at completing all necessary negotiations as well as related procedures in project registration and approval in the first half of 2020.

Coatings

In 2019, management of the coatings business implemented a number of performance-improving reforms. In the area of sales, resources and efforts were directed to enhance overall sales quality. While the number of customers which had generated relatively lower profitability in the past was being pared down, substantive efforts were devoted into cultivating new and large customers. Initial success of this strategy is now evident. In the area of cost control, we managed to reduce cost in procuring from the volatile raw material market by facilitating inter-departmental information sharing. Simultaneously, we reduced operating expenses through the integration of supply chains. Consequently,

行政總裁報告 Report of the Chief Executive Officer

費用的節省，經營溢利由往年的650萬港元虧損大幅上升到5,660萬港元利潤。

在二零二零年，管理層將繼續發揮工業塗料業務在技術及製造方面的核心競爭力，鞏固業務線的利潤空間；同時，將致力促進建築塗料業務的發展，包括投入更多資源以拉動品牌影響力，持續改善客戶結構及拓展渠道，積極推動業務的長足發展。

油墨

油墨業務在回顧年度作出追求素質的銷售策略，對客戶和產品系列進行了系統性優化。雖然在回顧年度內銷售額下跌9%，但毛利率卻大幅上升4個百分點。在回顧年度內大力壓縮經營費用，特別是把三廠壓縮為兩廠運作，各項費用共大減約2,600萬港元，導致本業務經營溢利大幅上升至接近9,400萬港元，同比增長接近1.4倍。

新年度的工作重點包括：繼續擴大有質素的銷售，繼續研發環保性產品，繼續力壓經營費用。同時因應客戶有加大移廠到東南亞的趨勢，我們將成立專責部門去開拓該地區的新市場。

潤滑油

回顧年度內，潤滑油管理層聚焦在汽車潤滑油業務，透過和現有的渠道經銷商深度合作，提升了中高端產品比例。同時，管理層在基礎油等原材料市場波動的情況下把握了機會降低採購成本。最後，支持部門的結構大幅調整導致效率有所提升，費用降低。雖然回顧年度內銷售額下降25%至接近2.04億港元，但毛利率大幅上升6個百分點，結合運營費用的下降，最終經營溢利從去年3,870萬港元虧損達到640萬港元利潤，扭轉了多年的虧損局面。

though sales revenue slipped 12% in the year under review to HK\$1.6 billion, gross profit margin was up 5 percentage points which, together with expense savings, had resulted in a sharp increase in operating profit from a HK\$6.5 million loss in the preceding year to a HK\$56.6 million profit this year.

In 2020, management will continue to capitalise on the core competitiveness of the industrial coatings business in technology and manufacturing to bolster profitability in this business line. Meanwhile, it will focus on promoting the long-term development of the architectural coatings business by investing more resources to enhance brand influence, improve customer structure and expand sales channels.

Inks

In the year under review, in setting quality sales as its top priority, the inks business carried out systematic improvements in its customer structure and product lines. Though sales revenue was down 9% in the year under review, gross profit margin rose sharply by 4 percentage points. Operating expenses were greatly squeezed down in the year under review, particularly by running two plants instead of three. Consequently, a reduction of about HK\$26 million in various expenses was achieved, leading to a sharp increase in operating profit to close to HK\$94 million or a growth of close to 1.4 times year-on-year.

Key areas of work in the new financial year include: continuing to expand quality sales, develop environmentally friendly products and trim operating expenses. Since more and more customers are now transferring their plants to Southeast Asia, we are going to set up a special department to develop new markets in that region.

Lubricants

In the year under review, management of the lubricants business focused their attention on automotive lubricants and, by cooperating closely with distributors in existing sales channels, the proportion of medium-to-high end products sold was raised. Meanwhile, management managed to reduce procurement costs for base oil and other raw materials in times of price fluctuations. Lastly, by supporting substantial reorganization of the lubricants department, efficiency was raised while expenses were reduced. Therefore, though sales revenue fell 25% to close to HK\$204 million in the year under review, gross profit margin increased markedly by 6 percentage points. With a drop in operating expenses, operating profit reached HK\$6.4 million in the year under review from a HK\$38.7 million loss in the preceding year, turning around the loss-making situation of many years.

行政總裁報告

Report of the Chief Executive Officer

展望二零二零年，管理層將繼續實施渠道下沉，開發空白市場，擴大各地的汽車潤滑油經銷商網絡；同時，供應鏈系統將進一步自動化，提升效率及降低庫存。潤滑油業務在二零一九年的基礎上，將繼續穩步健康發展。

物業

物業分類營業額增加28%達1,400萬港元，上海張江的研發中心大樓於年內陸續出租予兩租客，加上香港粉嶺前總部的租金於年初上調，帶動租金收入上升。其他收入方面，主要為上海青浦物業出售交易於年內順利完成，錄得稅前收益1.56億港元，與去年物業公允值增值及出售惠州廠收益相若。綜合以上，物業分類經營溢利獲1.4億港元，同比增1%。

新業務 — 大嘜養車

集團不斷往「環保化」、「終端化」及「服務化」方向發展，積極開拓與「家」及「車」有關的商機。自從在二零一八年開始策略性投資大嘜養車後，集團和大嘜的創始團隊一直在業務上產生良好的協同效應，共同在汽車保養市場的發展上捕捉先機。於二零一九年，大嘜養車店增加了29家，全國網絡達到85家店，覆蓋了山東、廣東、江蘇、湖南及河北省，服務車輛次數接近20萬。

在二零二零年第一季，集團進一步對大嘜養車投入人民幣2,200萬元，持股比例增至61%，成為最大單一控股股東。集團對於大嘜養車創始團隊充滿信心，將繼續大力支持團隊擴大店舖網絡，為中國龐大終端車主群提供專業、快捷、高性價比的養車服務體驗。

In 2020, management will continue to carry out channel penetration and open up undeveloped markets so as to expand the automotive lubricant distributorship network in different locations. Meanwhile, the supply chain system will be further automated to raise efficiency and reduce inventory level. The objective is to ensure that the lubricants business can further develop steadily and healthily from its foundation in 2019.

Properties

Revenue from the properties segment rose 28% to HK\$14 million during the year under review. The increase in rental revenue was propelled by the successive letting of the Group's R&D Centre in Zhangjiang, Shanghai to two tenants during the year, and the increase in rents of the former headquarters building in Fanling early in the year. Other income stemmed mainly from the successful completion of the sale of the Qingpu property in Shanghai that generated a gain before tax of HK\$156 million, a level comparable to the increase in the fair value of properties combined with the earnings from the sale of a Huizhou plant site in the preceding year. Overall, operating profit of the properties segment was up 1% year-on-year to HK\$140 million.

New Business — Car Maintenance Operation of Damai

While striving to become more environmentally-friendly, end-user oriented and service-oriented, the Group is actively pursuing "household" and "automobile" related business opportunities. Since investing strategically in Damai, a car maintenance chain in China in 2018, the Group has generated desirable synergies with Damai's founding team in capturing pre-emptive opportunities in the car maintenance market. In 2019, Damai boasted an additional 29 shops, reaching a total of 85 in its nationwide network that covers Shandong, Guangdong, Jiangsu, Hunan and Hebei, serving close to 200,000 cars.

In the first quarter of 2020, the Group further invested RMB22 million in Damai, increasing its shareholding in Damai to 61% and becoming its largest single controlling shareholder. The Group has full confidence in Damai's founding team and will continue to support the team in expanding shop network with the aim of providing professional, quick and value-for-money car maintenance experience to the huge number of car owners in China.

行政總裁報告 Report of the Chief Executive Officer

展望

本年度工作重點：

- 一. 溶劑業務爭取穩定的利潤收益。爭取華南新廠動工建廠，改善技術持續進步；
- 二. 塗料、油墨業務擴大銷售，力保毛利率，力控、力壓經營費用。增加市場推廣力度，進一步發揮品牌效益；
- 三. 大嚙養車是集團開拓新業務的開始，我們將投放更多的資源，增加新店的開張，加速該業務形成規模效應。

經歷了三年的業務整合，集團業績在二零一九年度總算走出谷底，達到，甚而稍超了我們預期的整合效果。管理層有信心在此良好的基礎上，將能進一步發揮規模、品牌、研發等三大效應，為集團、為股東們獲取更佳的資金回報。

集團專注業務發展外，亦時刻心繫社會。二零二零年初，新冠病毒疫情蔓延多國，集團即時了解社區需求，充分發揮自身資源優勢，迅速調遣物資，全力支持各界抗疫工作。集團透過溶劑、塗料、油墨業務子公司向省、市政府、中華文化促進會、紅十字會、醫院等機構累計捐贈消毒酒精逾230噸，惠及廣東、江蘇、浙江、北京、上海等省市。我們相信，只要大家眾志成城，定能順利渡過此次難關。

葉子軒
行政總裁

二零二零年三月三十日

Outlook

Major focus areas of the current year include:

1. Solvents: aiming at generating steady profit; striving to begin the construction of the new plant in Southern China; sustaining improvements through better technologies.
2. Coatings and Inks: expanding sales and maintaining a desirable gross profit margin; controlling and compressing operating expenses; redoubling marketing efforts to maximize branding effects.
3. Car maintenance operation of Damai is our first venture into new business. We will invest more resources to open more shops to speed up economies of scale of Damai.

Having undergone three years of business consolidation, the Group's performance finally turned the corner in 2019 and achieved or even surpassed the effect of consolidation we had expected. Management has the confidence that, building on such a good foundation, we can further take advantage of the most of our economies of scale, brands and R&D to bring a better return on capital for the Group and our Shareholders.

Apart from an undivided focus on business development, Yip's Chemical also cares for the community at all times. In early 2020, with COVID-19 raging through multiple countries, the Group promptly came to grips with the needs of the community and leveraged its raw material advantages to rapidly deliver much sought-after supplies to various places to support efforts in combating the virus. Through the Group's solvents, coatings and inks subsidiaries, it donated more than 230 tonnes of alcohol for antiseptic use to provincial and municipal governments, the Chinese Culture Promotion Society, the Red Cross and a number of hospitals, benefiting provinces and municipalities including Guangdong, Jiangsu, Zhejiang, Beijing and Shanghai. It is our belief that, as long as we are all united, we would get through this health crisis smoothly.

Yip Tsz Hin
Chief Executive Officer

30 March 2020



集團主要物業 Group's Major Properties



位於香港灣仔的集團總部
The Group's headquarters in
Wanchai, Hong Kong



位於江蘇泰興的溶劑廠房
The solvents plant in Taixing, Jiangsu



位於廣東江門的溶劑廠房
The solvents plant in Jiangmen, Guangdong



位於上海金山的塗料廠房
The coatings plant in
Jinshan, Shanghai



位於四川成都的塗料廠房
The coatings plant in
Chengdu, Sichuan



位於廣東惠州的塗料廠房
The coatings plant in
Huizhou, Guangdong



位於廣東中山的油墨廠房
The inks plant in
Zhongshan, Guangdong

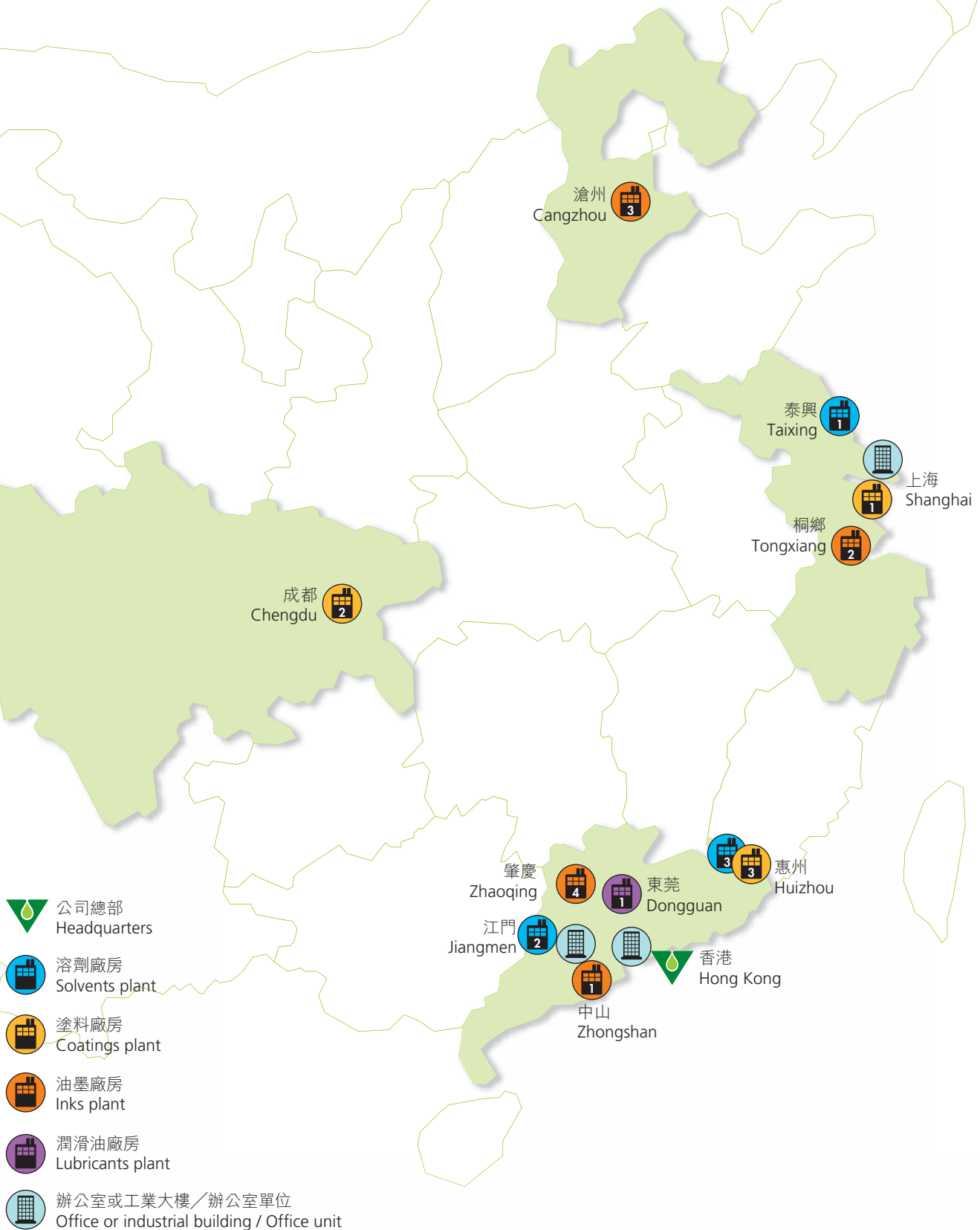


位於浙江桐鄉的油墨廠房
The inks plant in
Tongxiang, Zhejiang



位於廣東東莞的潤滑油廠房
The lubricants plant in
Dongguan, Guangdong

集團主要物業
Group's Major Properties



集團旗下物業組合包括用作營運或予以出租；其他正處於待租或待售階段。
The Group owns a portfolio of properties which are under use or leased out; others are held for lease or sales.

業務簡介 Business Profiles

溶劑
SOLVENTS



潤滑油
LUBRICANTS





油墨
INKS



塗料
COATINGS





業務簡介 — 溶劑 Business Profiles — Solvents

溶劑是集團最大的核心業務，集團為全球最大的醋酸酯類溶劑生產商。瞄準中國改革開放的發展機會，集團旗下子公司謙信化工發展有限公司於一九九三年與江門市啟盛化工發展有限公司成為合作夥伴，憑藉中外合資的優勢，互相取長補短，聯手打造了超過二十載的輝煌成績。

溶劑業務主要生產工業用的環保型有機溶劑，包括醋酸乙酯、醋酸正丁酯、醋酸混丁酯及丙烯酸丁酯，廣泛應用於塗料、製革、醫藥、黏合劑等行業，於華南及華東均設有生產基地。溶劑業務擁有強大的營銷隊伍和覆蓋全國以至世界各地的銷售網絡，並採用直銷主導的經營模式，除了可確保服務貼心到位外，亦可讓銷售團隊更了解客戶的需要，為業務重要優勢之一。

集團一向注重客戶，溶劑業務以客為本的售前及售後服務贏得客戶多年來的信賴及支持。我們與世界級的化工企業合作，採購質量優越穩定的原材料，保障產品質量。

面對中國龐大的市場需求，我們把握機遇，除了不斷擴大醋酸酯產能，在同業中確保領先優勢外，更致力開拓具有協同效應的相關新產品，以擴大產品組合。

Solvents form the largest part of the Group's core businesses and the Group is the world's largest acetate solvents producer. A major turn of event took place in 1993 when Handsome Chemical Development Limited, a subsidiary within the Group, set sight on the opportunities made available from the reform and liberalization in China and formed a joint venture with Jiangmen Qisheng Chemical Development Company Limited. By capitalizing on the advantages of a sino-foreign joint venture and by complementing each other, the two partners were able to achieve over 20 years of dazzling performance.

The Group produces mainly eco-friendly industrial organic solvents. These include ethyl acetate, normal butyl acetate, mixed butyl acetate and butyl acrylate which are extensively used in coatings, tannery, medicine and adhesives industries. The solvents division has established production bases in Southern and Eastern China. The business maintains a huge sales force and operates a sales network that covers the whole of China and reaches overseas. By operating mainly on a direct-sale basis, it manages not only in ensuring thorough and satisfactory services, but also in affording its sales team a better understanding of customer needs — a vital edge of the business.

The Group always value its customers and the pre-and post-sales customer-oriented services of the solvents business have, over the years, won the trust and support of customers. We cooperate with world-class chemical companies in sourcing raw materials of superior and stable quality as a way to guarantee product quality.

Facing China's huge market demand, we grasp full advantage of the opportunity not only by expanding its acetate solvents capacity to ensure its competitive edge in the industry, but also by developing new related products that offer synergic effects in order to expand our product portfolio.



業務簡介 — 塗料 Business Profiles — Coatings



紫荊花塗料集團(「塗料集團」)於二零一五年起正式營運，管理葉氏化工旗下於國內的建築塗料、工業塗料及樹脂業務。葉氏化工於二零一八年初收購「Camel」(駱駝)、「Aquapro」及「Viva」等塗料品牌，及其於香港、澳門及中國內地的建築塗料及工業塗料業務，歸紫荊花塗料集團管理。

建築塗料

建築塗料產品包括內外牆乳膠漆及木器漆。塗料集團銳意成為中國家裝漆市場的領導者，銷售點覆蓋全國大中城市和大部分鄉鎮，深受廣大用戶的好評和信賴。在建築工程界，通過提供專業的產品以及優質的服務，贏得了眾多知名房企的信賴，並結成長期戰略合作夥伴關係，令塗料集團的專業工程項目覆蓋全國各地。

隨著消費者對環保及健康的日益關注，塗料集團不斷創新，推出環保型的新產品，並研發一系列先進的環保技術，致力為消費者提供一個安全健康清新的家居環境。塗料集團於上海市金山區精細化工產業園區設有一所塗料產品、配套溶劑及輔料產品的生產基地。

The Bauhinia Coatings Group (the “coatings group”) officially commenced operation in 2015 and its business scope covers architectural coatings, industrial coatings and resins in the mainland. Yip’s Chemical acquired coatings brands, namely “Camel”, “Aquapro” and “VIVA” in early 2018, and their respective architectural and industrial coatings businesses in Mainland China, Hong Kong and Macau and are now managed by the coatings group.

Architectural Coatings

Architectural coatings include inner and outer emulsion wall paints and wood paints. The coatings group strives to be the leader in China’s household paints market. With sales outlets covering China’s large and medium-sized cities as well as the majority of townships, the coatings group has won favourable comments and goodwill from innumerable users. In the field of architecture and construction, professional products and exceptional services of the coatings group have gained the confidence of many well-known property developers. With long term strategic partnership forged with many of these developers, projects using the coatings group’s paints can now be found across the country.

With the growing environmental awareness and health consciousness of consumers, the coatings group has stayed innovative in order to provide consumers with a safe, healthy and refreshing home environment. It has rolled out a number of new eco-friendly products and developed a range of advanced environmental technologies. The coatings group has set up a production base in Jinshan Fine Chemical Industrial Park in Shanghai. This production base can produce coatings, complementary solvents and auxiliary products.



業務簡介 — 塗料 Business Profiles — Coatings

工業塗料

工業塗料的產品系列廣泛，包括傢俱木器、塑料及防腐塗料。在工業漆市場，塗料集團的工業漆多年來一直保持快速增長，通過專業的產品品質及服務，贏得了新老客戶的口碑和高度信賴。工業塗料旗下實驗室為中國合格評定國家認可委員會認可實驗室，可因應客戶要求提供相應檢測服務，除了為產品品質提供強力保證外，同時亦大大提升了集團與眾多國際品牌的終端用戶或使用單位的合作空間。

樹脂

塗料集團生產樹脂，並垂直整合至相關塗料成品，以提供更具競爭力之原材料及進一步提升產品質素。產品分丙烯酸樹脂、水性樹脂、醇酸樹脂、聚酯樹脂和聚氨酯固化劑等，可以依客戶的要求，開發客戶所需的塗料用樹脂。

駱駝漆

駱駝漆早於一九三二年於香港成立，其品牌產品一向備受矚目，而駱駝漆的行銷多年來遍及香港、澳門及中國內地。駱駝漆過去八十多年來於香港及華南塗料市場提供優質塗料，豐富的產品線涵蓋民用塗料、建築塗料及工業塗料。

集團深信收購駱駝漆等品牌將有助鞏固其在南中國的塗料市場地位，並與紫荊花塗料集團的原本業務在製造、技術、經銷及市場推廣領域創造更大協同效益，為將來在粵港澳大灣區的發展打好基礎。

Industrial Coatings

Industrial coatings consist of a range of products, including coatings for furniture and plastic, as well as anti-corrosive coatings. The industrial paints of the coatings group have been maintaining rapid growth over the years. Its superb product quality and professional services have succeeded in eliciting a high degree of trust from new and old customers alike. The industrial coatings laboratory of the coatings group is an accredited laboratory recognised by China National Accreditation Service for Conformity Assessment (“CNAS”), which can offer corresponding testing services based on customer’s requests. This not only provides solid guarantee on product quality, but also substantially expands the room for cooperation between the coatings group and the end-users or using entities of a host of international brands.

Resins

The coatings group produces resins, which will be vertically integrated with finished coating products so as to offer more competitive raw materials while further raising product quality. Its products range from acrylic resins, water-based resins and alkyd resins, to polyester resins and polyurethane curing agents. It can also develop resins to meet the specific needs of the customers.

Camel Paints

Camel was founded in Hong Kong in 1932. It is a well known brand and its products can be found in Hong Kong, Macau and Mainland China. For over 80 years, Camel has been providing the Hong Kong and Southern China markets with quality coatings. Its extensive product lines encompass household coatings, architectural coatings and industrial coatings.

The Group believes that the acquisition of Camel and other brands would help strengthen its market position in Southern China, and will create synergy effect with the current businesses of the coatings group on areas such as manufacturing, technology, distribution and marketing, building a solid foundation for the development into the Guangdong-Hong Kong-Macau Greater Bay Area in the future.

業務簡介 — 油墨 Business Profiles — Inks



葉氏化工的油墨業務始於一九九八年，旗下品牌「洋紫荊」油墨目前已發展為全國最大油墨供應商，並躋身全球頂級油墨企業二十強之列。洋紫荊油墨主要生產塑膠印刷油墨及紙品印刷油墨等產品，應用於食品、飲料、禮品包裝及紙張印刷等行業，在華南及華東地區的策略性據點皆設有生產基地，銷售網絡覆蓋全國。

為符合清潔生產要求，洋紫荊油墨率先採用獨立的無苯車間及管道化生產模式，並配備國內最先進的自控系統，是國內屈指可數的與企業資源管理相連接的油墨生產系統。洋紫荊油墨更是中國油墨行業中首批引入有害物質管理體系的企業，致力保障員工健康及保護環境。

洋紫荊油墨提倡綠色環保理念，無論在環保產品或綠色技術研發都達到行業上的領先水平。洋紫荊油墨除了獲得「優秀環保油墨生產商」稱號外，近年已成功開發揮發性有機化合物(VOC)含量低的水性油墨，其植物油環保型膠印油墨亦憑藉高效的環保性能及清潔的作業方式，獲得「綠色技術大獎」。同時，洋紫荊油墨亦設有為中國合格評定國家認可委員會認可的實驗室，提供專業的產品檢測服務，為產品品質保證提供堅強支持。

Yip's Chemical's inks business started in 1998. By now it is China's largest supplier of inks under the Bauhinia Variegata brand and one of the top 20 ink enterprises globally. Plastic printing inks and paper printing inks for use in food, drinks and gift packaging and paper printing are the main Bauhinia Variegata products. With manufacturing bases in strategic locations throughout Southern and Eastern China, these products are sold over a countrywide sales network.

In order to fulfill a clean production principle, Bauhinia Variegata takes the lead in establishing separate aromatic-free production plant and introducing fully piped manufacturing mode. The Bauhinia Variegata production system is not only equipped with the most advanced automatic controls, but is also one of the few in China linked to an Enterprise Resources Planning system. In addition, in its effort to protect employee health and the environment, Bauhinia Variegata has also become one of the pioneers in the China's inks industry in adopting a hazardous substance process management system.

Bauhinia Variegata is a staunch advocate of environmental protection and is leading the industry in both environmentally friendly products and green technologies. Not only is Bauhinia Variegata named as "Outstanding Eco-friendly Ink Manufacturer", it also successfully develops water-based inks with low volatile organic compounds (VOC); its eco-friendly vegetable oil offset printing inks has also won a "Green Technology Award" on the basis of its highly effective environmental properties and clean operation practices. In addition, equipped with a laboratory that has been certified by CNAS, Bauhinia Variegata provides a professional product testing service which gives a strong boost to product quality assurance.





業務簡介 — 潤滑油 Business Profiles — Lubricants



集團的潤滑油生產始於一九九二年，以「力士」為品牌的汽車及相關工業潤滑油產品種類多元化，包括發動機油、不凍液、系統冷卻液、剎車油、潤滑脂、齒輪油、自動排擋油、液壓油等，其研發的甲醇雙燃料發動機專用潤滑油更成功在國家高技術研究發展計劃（863計劃）的攻關項目獲得認可。以「博高」為品牌的高效能工業潤滑油及特種潤滑油，廣泛用於電子、家電、汽車、軸承製造、工程機械、鋼鐵、港口碼頭、水泥、玩具、紡織、金屬加工等行業。

潤滑油業務近年重點重塑「力士」潤滑油品牌和定位，通過產品升級、管道扁平化和終端門店賦能等策略，力爭在中國汽車後市場穩佔席位。同時，隨著國內需求的升級，潤滑油業務加大工業特種潤滑油的技術研發投入，致力在特種油脂及金屬加工油（液）的中高端市場上取得更大突破。

Yip's Chemical started engaging in the production of lubricants in 1992. Since then, it has rolled out a wide array of lubricants for use in automobiles and related industries under the Hercules brand name, including engine oils, antifreeze fluids, system coolants, brake oils, lubricating greases, gear oils, automatic gearbox oils, hydraulic oils, etc. The lubricating oil it has developed specifically for use in methanol dual-fuel engines has been recognised as a key achievement in the National High-tech R&D Programme of China (the "863 Programme"). The Group also produces a range of high-performance industrial lubricants and special lubricants under the Pacoil brand name. Pacoil products are used in various industries including electronics, home appliances, automobiles, bearing manufacturing, engineering machinery, steelworks, port terminals, cement works, toys manufacturing, textiles, metal processing, etc.

In recent years, the lubricants business has engaged mainly in re-building and repositioning the Hercules brand. Its objective is to secure a solid footing in the automotive aftermarket through strategies such as upgrading products, streamlining channels and empowering end-user stores. Concurrently, with the upgrading of domestic demand, investment in the R&D of industrial specialty lubricant technologies has been stepped up with the view of achieving greater breakthroughs in specialty greases and metal processing oils (liquids) for the medium to high-end markets.

業務簡介 — 大嘜養車 Business Profiles — Car Maintenance Operation of Damai



集團自從二零一八年開始策略性投資大嘜養車，抓緊汽車後市場商機。集團於二零二零年初進一步把持股比例增加至61%，成為大嘜養車的最大單一控股股東，支持其在全國發展養車連鎖店業務，為車主提供快速及標準化的換油服務。此舉通過完善整個產業鏈，積極探索集團服務化和終端化的嶄新發展方向。

The Group started to invest strategically in Damai since 2018 to capture pre-emptive opportunities in the car service market. The Group further increased its shareholding in the chain brand to 61% in the beginning of 2020, becoming the largest single controlling shareholder of Damai. The Group will support Damai's development of car maintenance chain outlets business in China, providing quick and standardized oil-changing service to car owners. The rationale for this new venture is to actively explore new ways in moving towards service and end-user oriented by the Group through a complete overhaul of the industry chain.

「大嘜養車」店舖網絡 Chain Store Network of Damai

(於二零一九年十二月三十一日)
(As at 31 December 2019)





五年財務概要表

Five Year Financial Summary

截至十二月三十一日止年度

For the year ended 31 December

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
業績	Results					
營業額	Revenue	10,464,834	12,388,283	10,280,001	8,555,646	8,584,225
銷售量(千噸)	Sales volume ('000 metric tons)	1,379	1,388	1,277	1,191	1,015
除稅前溢利	Profit before taxation	480,895	412,314	390,955	391,912	162,034
稅項	Taxation	(143,821)	(157,849)	(136,269)	(148,744)	(74,643)
本年度純利	Profit for the year	337,074	254,465	254,686	243,168	87,391
應佔溢利	Attributable to					
本公司股東	Owners of the Company	272,907	184,805	170,560	169,343	47,847
非控股權益	Non-controlling interests	64,167	69,660	84,126	73,825	39,544
		337,074	254,465	254,686	243,168	87,391
每股資料	Per share data					
每股盈利(港仙)	Earnings per share (HK cents)					
— 基本	— Basic	48.4	32.8	30.2	30.0	8.5
— 攤薄	— Diluted	48.4	32.8	30.2	30.0	8.5
每股股息(港仙)*	Dividend per share (HK cents)*	20.0	16.0	15.0	15.0	14.5

* 二零一五年之每股股息包括特別股息每股4.5港仙。

* Dividend per share in 2015 included special dividend HK4.5 cents per share.

財務比率	Financial ratios					
平均總資產回報率	Return on average total assets	3.4%	2.3%	2.2%	2.3%	0.6%
平均股東資金回報率	Return on average shareholders' funds	9.4%	6.4%	6.2%	6.6%	1.7%

於十二月三十一日

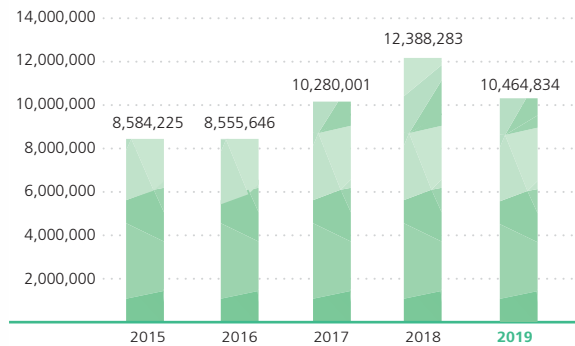
As at 31 December

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
資產及負債	Assets and Liabilities					
資產總值	Total assets	7,752,659	8,320,710	8,068,146	7,137,356	7,439,067
負債總值	Total liabilities	(4,190,462)	(4,886,284)	(4,516,968)	(4,132,368)	(4,394,868)
		3,562,197	3,434,426	3,551,178	3,004,988	3,044,199
本公司股東應佔權益	Equity attributable to owners of the Company	2,941,479	2,836,726	2,978,917	2,529,249	2,594,459
非控股權益	Non-controlling interests	620,718	597,700	572,261	475,739	449,740
		3,562,197	3,434,426	3,551,178	3,004,988	3,044,199
淨銀行借貸對股東 資金比率	Net bank borrowings to shareholders' funds	33%	46%	51%	50%	54%

五年財務概要表 Five Year Financial Summary

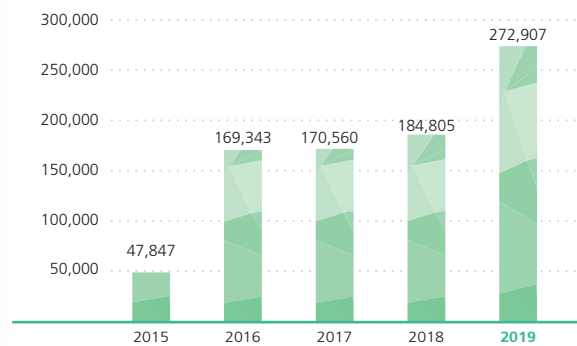
營業額 (千港元) Revenue (HK\$'000)

截至十二月三十一日止年度 For the year ended 31 December



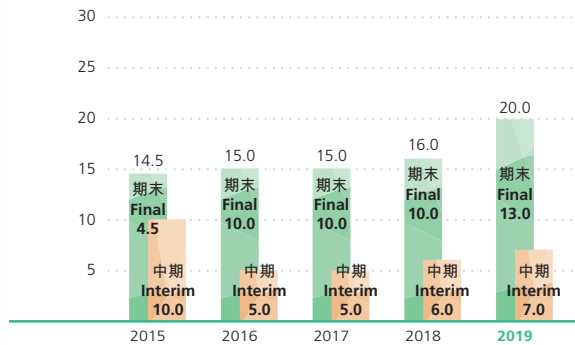
本公司股東應佔溢利 (千港元) Profit attributable to owners of the Company (HK\$'000)

截至十二月三十一日止年度 For the year ended 31 December



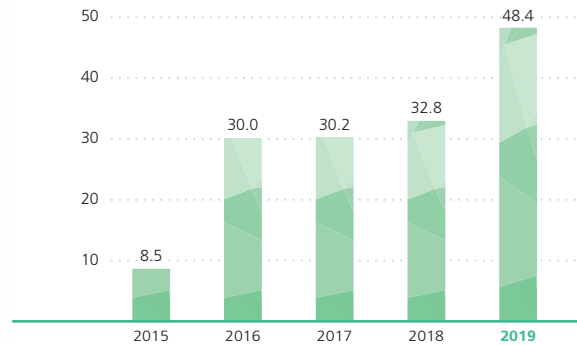
每股股息 (港仙) Dividend per share (HK cents)

截至十二月三十一日止年度 For the year ended 31 December



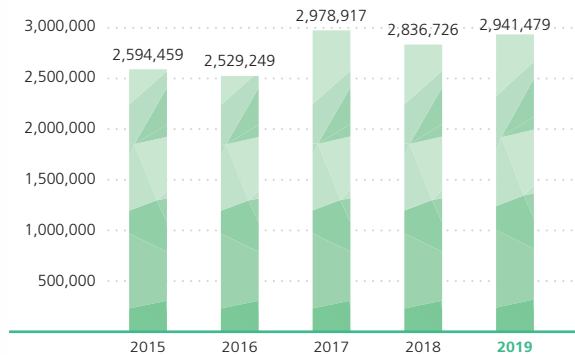
每股盈利 (港仙) Earnings per share (HK cents)

截至十二月三十一日止年度 For the year ended 31 December



本公司股東應佔權益 (千港元) Equity attributable to owners of the Company (HK\$'000)

於十二月三十一日 As at 31 December





營業額及分類業績之五年分析

Analysis of Turnover and Segment Results for the Past Five Years

營業額

Revenue

截至十二月三十一日止年度
For the year ended 31 December

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
溶劑	Solvents	7,403,491	8,947,624	7,046,878	5,225,315	5,006,792
塗料	Coatings	1,610,221	1,826,230	1,649,626	1,696,080	1,890,989
油墨	Inks	1,343,686	1,474,743	1,409,738	1,431,869	1,492,634
潤滑油	Lubricants	203,682	270,569	293,227	327,957	348,388
物業(附註)	Properties (Note)	14,195	11,048	—	NA	NA
交易抵銷	Elimination	(110,441)	(141,931)	(119,468)	(125,575)	(154,578)
總額	Total	10,464,834	12,388,283	10,280,001	8,555,646	8,584,225

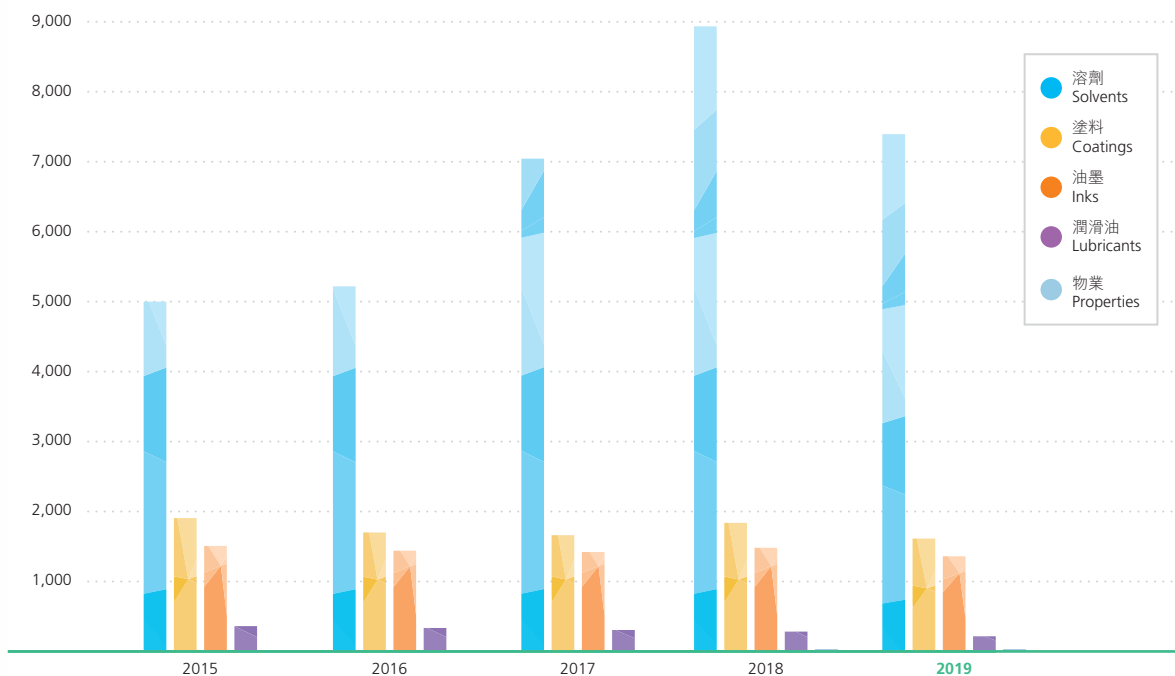
附註：於截至二零一八年十二月三十一日止年度，鑒於物業分類營運之重要性日增，本集團已修訂用於分配資源及評估表現之分類組織，經考慮加入新分類-物業。

Note: During the year ended 31 December 2018, in view of the continuing significance of the operation of the properties segment, the Group revised the organisation of segments that are used to allocate resources and assess performance, and considered to include a new segment, namely properties.

營業額 (百萬港元)

Revenue (HK\$Million)

截至十二月三十一日止年度 For the year ended 31 December



營業額及分類業績之五年分析
Analysis of Turnover and
Segment Results for the Past Five Years

分類業績

Segment Results

截至十二月三十一日止年度
For the year ended 31 December

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
溶劑	Solvents	277,904	344,689	393,338	339,892	135,596
塗料	Coatings	56,574	(6,497)	8,291	26,666	60,922
油墨	Inks	93,824	39,569	54,984	100,380	68,857
潤滑油	Lubricants	6,441	(38,660)	(8,405)	1,677	(25,519)
物業(附註)	Properties (Note)	140,272	138,697	39,641	NA	NA
交易抵銷	Elimination	31	278	(197)	(99)	353
總額	Total	575,046	478,076	487,652	468,516	240,209

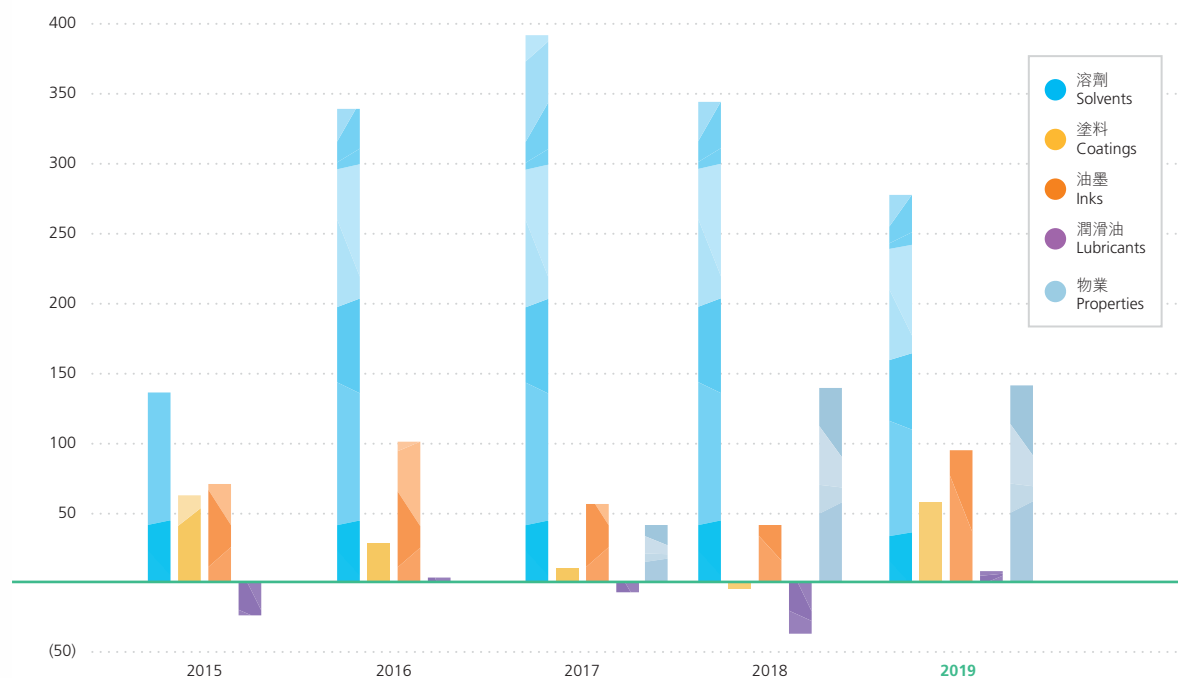
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Note: During the year ended 31 December 2018, in view of the continuing significance of the operation of the properties segment, the Group revised the organisation of segments that are used to allocate resources and assess performance, and considered to include a new segment, namely properties.

分類業績 (百萬港元)

Segment Results (HK\$Million)

截至十二月三十一日止年度 For the year ended 31 December





流動資金及財務資源 Liquidity and Financial Resources

於二零一九年十二月三十一日，集團的借貸比率(以淨銀行借貸佔本公司股東應佔權益為計算基準)為33% (二零一八年十二月三十一日：46%)，大幅改善13個百分點，主要由於出售上海青浦廠的款項已在本年收取及集團營運資金持續取得改善。

人民幣匯率於二零一九年內繼續因中美貿易磨擦持續而波動，全年人民幣匯率下跌1.9%，集團保持謹慎地管理外匯風險，務求減低人民幣匯率波動對集團業績之影響。因此，出售青浦廠之稅後所得款項已大部份匯回香港，而為進一步減低外匯風險，集團亦安排國內公司以派息方式從國內匯出款項。集團之香港銀行總借貸亦因上述原因而大幅減少，而集團亦會把盈餘資金在香港及國內不時購買保本或低風險之存款產品以賺取更高利息收入，回顧年度內淨利息支出為50,719,000港元(二零一八年：56,104,000港元)。

經營業務所產生之現金流量方面，期內集團錄得淨現金流入618,414,000港元(二零一八年：淨現金流入741,234,000港元)，對比去年經營淨現金流入減少主要因為本年應付賬及應計費用減少及存貨上升，扣除貿易應收賬款及應收票據回款及其他應收賬款的合併增加影響後，淨現金流入比去年減少。

As at 31 December 2019, the Group's gearing ratio (measured by net bank borrowings as a percentage of equity attributable to owners of the Company) was 33% (31 December 2018: 46%). The significant improvement of 13 percentage points in gearing ratio was mainly attributable to the receipt of sales proceeds of Qingpu property in Shanghai during the year as well as the continuous improvement in working capital.

The RMB exchange rate has continued to fluctuate throughout 2019 due to the ongoing Sino-US trade conflict and recorded a depreciation of 1.9%. The Group remained prudent in managing foreign exchange risks so as to minimise the impact of RMB fluctuation on its business results. As a result, a majority of the Qingpu sales proceeds after tax was remitted back to Hong Kong. To further reduce its foreign exchange exposure, the Group also arranged to repatriate funds from Mainland China in the form of declaring dividends. Bank borrowings in Hong Kong were thus substantially reduced. Surplus funds were also from time to time placed on principal-protected or low-risk deposits in Hong Kong and Mainland China for earning higher interest income. The net interest expenses during the year under review were HK\$50,719,000 (2018: HK\$56,104,000).

As for operating cash flow, the Group recorded a net cash inflow of HK\$618,414,000 (2018: net cash inflow of HK\$741,234,000). The slight decrease in operating cash inflow compared with the preceding year was mainly attributable to a decrease in creditors and accrued charges as well as an increase in inventories, after setting off the combined effect of increased receipts of trade and bills receivables and other receivables.

流動資金及財務資源 Liquidity and Financial Resources

於二零一九年十二月三十一日，集團的銀行總欠款為1,979,400,000港元(二零一八年十二月三十一日：2,640,377,000港元)，扣除短期銀行存款、銀行結餘以及現金1,009,542,000港元(二零一八年十二月三十一日：1,335,154,000港元)後，淨銀行借貸為969,858,000港元(二零一八年十二月三十一日：1,305,223,000港元)。銀行總欠款中，須於一年內清還之短期貸款為805,700,000港元(二零一八年十二月三十一日：1,320,977,000港元)，全數以港幣定值(二零一八年十二月三十一日：1,184,357,000港元以港幣定值，136,620,000港元以人民幣定值)。一年後到期的長期貸款為1,173,700,000港元(二零一八年十二月三十一日：1,319,400,000港元)，全數以港幣定值(二零一八年十二月三十一日：全數以港幣定值)。短期銀行存款、銀行結餘以及現金使用以下貨幣定值，包括270,831,000港元以港幣定值、623,555,000港元以人民幣定值、114,963,000港元以美元定值、193,000港元以其他貨幣等定值(二零一八年十二月三十一日：32,278,000港元以港幣定值、978,478,000港元以人民幣定值、324,383,000港元以美元定值、15,000港元以其他貨幣等定值)。

As at 31 December 2019, gross bank borrowings of the Group amounted to HK\$1,979,400,000 (31 December 2018: HK\$2,640,377,000). After the deduction of short-term bank deposits, bank balances and cash amounted to HK\$1,009,542,000 (31 December 2018: HK\$1,335,154,000), net bank borrowings amounted to HK\$969,858,000 (31 December 2018: HK\$1,305,223,000). Of the gross bank borrowings, HK\$805,700,000 (31 December 2018: HK\$1,320,977,000) were short-term loans repayable within one year. Such loans were all denominated in Hong Kong Dollars (31 December 2018: HK\$1,184,357,000 in Hong Kong Dollars and HK\$136,620,000 in RMB). Long-term loans repayable after one year amounted to HK\$1,173,700,000 (31 December 2018: HK\$1,319,400,000), and they were all denominated in Hong Kong Dollars (31 December 2018: all in Hong Kong Dollars). The short-term bank deposits, bank balances and cash were denominated in the following currencies: HK\$270,831,000 in Hong Kong Dollars, HK\$623,555,000 in RMB, HK\$114,963,000 in US Dollars and HK\$193,000 in other currencies (31 December 2018: HK\$32,278,000 in Hong Kong Dollars, HK\$978,478,000 in RMB, HK\$324,383,000 in US Dollars and HK\$15,000 in other currencies).

流動資金及財務資源 Liquidity and Financial Resources

為延續過往到期的中長期貸款，集團於二零一九年已合共取得480,000,000港元之三至五年長期雙邊貸款。於二零一九年十二月三十一日，中長期貸款(含一年內須償還之部份為625,700,000港元)佔所有銀行貸款的比例為91%，其中包括集團取得的一筆為期四年250,000,000港元的優惠利率綠色貸款，為旗下廠房的環保建設進行融資。由於集團部份借貸以浮動利率計息，借貸成本受利率波動影響。因此，為減低利率波動對集團融資成本的影響，集團不時與銀行簽訂利率掉期等協議，以固定部分中長期雙邊貸款之借貸利率，對沖貸款利率波動的風險。於二零一九年十二月三十一日，集團以定息安排的貸款分別佔其銀行總借貸及非流動借貸37%和40%。

於二零一九年十二月三十一日，共有21間香港及中國大陸銀行向集團提供合共5,967,771,000港元的銀行額度，足夠應付現時集團營運資金及擴展所需。銀行額度中，61%以港元定值、37%以人民幣定值及2%以美元定值。於二零一九年十二月三十一日，集團人民幣流動貸款額度為630,000,000人民幣(二零一八年十二月三十一日：690,000,000人民幣)，現時集團人民幣貸款額度充足，可應付人民幣匯率潛在波動及香港利率上升之影響。另外，集團已與主要銀行成立人民幣跨境現金池，以促進香港與國內之間的資金管理工作。集團將不時在香港和國內以港幣、美元、人民幣或其他外幣構建最理想的銀行貸款組合，繼續在降低借貸成本及控制匯兌風險之間取得理想平衡。

To refinance the previous mid-to-long-term loans due for repayment, the Group obtained bilateral long-term (three to five years) loans of HK\$480,000,000 in 2019. As at 31 December 2019, mid-to-long-term loans (including portions repayable within one year of HK\$625,700,000) accounted for 91% of the total bank loans of the Group. Among the mid-to-long-term loans, the Group obtained a four-year green loan of HK\$250,000,000 at preferential interest rate to fund the construction of environmental-friendly facilities at our plants. Since some of the borrowings of the Group carry interest at floating rates, borrowing costs are subject to interest rate fluctuation. To mitigate the impact of interest rate fluctuations on its financing costs, the Group, from time to time, makes arrangements such as interest rate swaps to fix the interest rates of some of its bilateral mid-to-long-term loans with banks, in order to hedge against the risk of such fluctuations. As at 31 December 2019, the Group's loans under fixed rate arrangement made up 37% and 40% of its total and non-current bank borrowings respectively.

As at 31 December 2019, a total of 21 banks in Hong Kong and Mainland China granted banking facilities totalling HK\$5,967,771,000 to the Group, providing the Group with sufficient funds to meet present working capital and expansion requirements. Of these banking facilities, 61%, 37% and 2% were denominated in Hong Kong Dollars, RMB and US Dollars respectively. As at 31 December 2019, the Group's RMB revolving loan facilities totalled at RMB630,000,000 (31 December 2018: RMB690,000,000). The Group currently has sufficient RMB loan portfolio to address exposure to potential RMB exchange rate fluctuation and impact from interest rate rises in Hong Kong. The Group has also set up cross-border RMB cash pools with its major banks to facilitate management of capital flow between Hong Kong and Mainland China. The Group will continue to strike an optimal balance between lowering borrowing costs and minimising currency exposure by structuring a favourable combination of Hong Kong Dollars, US Dollars, RMB or other foreign currency bank loans in Hong Kong and Mainland China.

獎項及榮譽 Awards and Recognitions



香港 Hong Kong

《財資》

2019年度環境、社會及企業管治大獎 — 金獎

The Asset

2019 Environmental, Social and Corporate Governance Awards — Gold Award

香港社會服務聯會

10年Plus「商界展關懷」標誌

The Hong Kong Council of Social Service

10 Years Plus “Caring Company” Logo

香港生產力促進局

第十屆香港傑出企業公民獎 — 銅獎
(中小型企業組別)

The Hong Kong Productivity Council

The 10th Hong Kong Outstanding Corporate Citizenship Awards — Bronze (SME category)

香港工業總會

工業獻愛心表揚計劃2019 — 卓越關懷大獎
(中小企業組別)及踴躍投入獎(中小企業組別)

Federation of Hong Kong Industries

Industry Cares Recognition Scheme 2019 — Outstanding Caring Award (SME Category) and The Most Devoted Award (SME Category)

《彭博商業週刊／中文版》及德勤

ESG領先企業2019

Chinese Edition of Bloomberg Businessweek and Deloitte

ESG Leading Enterprises 2019

本識顧問

香港ESG報告大獎2019
最佳ESG報告獎(小市值) — 嘉許獎

Alaya Consulting

Hong Kong ESG Reporting Awards 2019
Best ESG Report (Small Cap) – Commendation

世界綠色組織

「綠色辦公室」及「健康工作間」標誌

World Green Organisation

“Green Office” and “Eco-Healthy Workplace” Labels

《HR Asia》

2019年亞洲最理想工作公司

HR Asia

Best Company to Work for in Asia 2019

積金局

「積金好僱主」及「積金推廣獎」

Mandatory Provident Fund

Good MPF Employer and MPF Support Award

中國內地 Mainland China

《Coatings World》雜誌

2019年世界塗料企業第59位

Coatings World

Ranked 59th among the International Coatings Companies 2019

《Ink World》雜誌

2019年世界油墨企業第14位

Ink World

Ranked 14th among the International Ink Companies 2019

第九屆質量榜樣2019年度傳媒大獎

2019年度顧客滿意十佳品牌稱號

The 9th Quality Model Media Awards 2019

2019 Customer Satisfaction Top Ten Brand Name

中國日用化工協會油墨分會

2018年洋紫荊油墨產量及銷售收入名列第一

China Chemistry Industrial Association — Branch of Inks

Bauhinia Variegata Ink ranked 1st in sales volume and revenue in 2018

中國財經峰會冬季論壇

2019行業領軍品牌

China Finance Summit Winter Forum

Leading Industry Brand 2019

社會責任大會

2019年度社會責任誠信品牌獎

Social Responsibility Conference

Corporate Responsibility Honest Brand Award 2019

中國公益節

2019年度公益推動力大獎及2019年度責任品牌獎

China Charity Festival

Charity Motivation Award 2019 and Responsible Brand Award 2019



企業可持續發展 Corporate Sustainability

集團近年積極推動「環保化」、「終端化」和「服務化」，以達至集團「百年葉氏」願景。當中，我們持續在產品研發、生產過程，以至內部培訓方面，加強體現「環保化」，為保護地球的珍貴資源出一分力。

集團將為二零一九年度編製集團的第四份《環境、社會及管治報告》，並根據香港聯合交易所的《環境、社會及管治報告指引》進行披露。此獨立成刊的報告闡述了我們在員工、供應鏈、顧客、社區及環境方面等重要議題的管理方針及舉措，讓集團不斷監察及提升可持續發展表現。

集團一直與社會同行，二零二零年初，新冠肺炎於全球多國爆發，我們積極承擔企業社會責任，透過溶劑、塗料、油墨業務子公司向營運所在地機構累計捐贈消毒酒精逾230噸，為抗疫工作助力。

In recent years, the Group has been earnestly implementing environmentally friendly, end-user focused and service-oriented strategies to realise the vision of “A Century of Revered Leadership”. In particular, we reinforce our efforts in achieving environmental friendliness in the areas of product R&D, production processes and internal training to contribute to preserving the earth’s precious resources.

The Group will soon issue its fourth *Environmental, Social and Governance (“ESG”) Report* for 2019 in accordance with the Hong Kong Stock Exchange *ESG Reporting Guide*. This standalone report will depict our management approaches and measures in material issues related to our employees, supply chains, customers, communities and the environment. The process will facilitate the Group in monitoring and enhancing its sustainability performance continuously.

The Group has always been connecting with the society. In early 2020, in light of the COVID-19 outbreak in multiple countries, we actively undertook our corporate social responsibility. Through our solvents, coatings and inks subsidiaries, we donated more than 230 tonnes of antiseptic alcohol to organisations in areas where we operate to help combat the pandemic.

集團舉辦為期半年的內部環保活動—「敢於登『綠』」，帶領集團總部員工減少產生固體廢物、廚餘及廢紙，又走入社區推廣「惜食」理念，向長者傳遞關愛。

The Group holds a half-year-long internal environmental campaign, “Striving for Green” which calls for staff in the Group’s headquarters to reduce generating solid waste, food waste and waste paper, and to promote the “Food Wise” concept in the community while sending care to the elderly.



集團積極承擔企業社會責任，借助本身在原材料的網絡，透過不同子公司捐贈消毒酒精逾230噸，支援疫情防控。

The Group is committed to undertaking its corporate social responsibility by leveraging its raw materials network to donate over 230 tonnes of antiseptic alcohol through different subsidiaries to help combat the COVID-19 pandemic.

人力資源 Human Resources



於二零一九年十二月三十一日，集團之僱員人數合共為2,965人，其中77人來自香港，2,888人來自中國各個省份。

集團對人力資源資本的管理及發展非常重視。除鼓勵所有僱員透過內部、外部培訓課程及崗位轉換不斷自我提升外，集團還提供教育資助計劃讓員工自我增值，提高工作技能及績效，於工作上發揮所長。對於有承擔、有能力的員工，不論背景、地區、學歷，集團均提供合適之發展平台。集團亦會定期識別具發展潛力的員工，為他們制定發展計劃，確保能在職涯上不斷提升。集團現時的管理團隊，在各領域經過不斷的磨練而晉身管理層，負起領導集團發展的責任。除積極在內部提升優秀的員工外，集團亦會從外間直接聘用一些卓越的管理人才，或從香港、內地、及國際間的高等學府招聘有潛質的應屆畢業生加以培育。

集團提供具挑戰性的工作環境，設置多方面的激勵機制，鼓勵員工自強不息，從而不斷提升集團的人才競爭力，推動業務持續發展。集團不時參考市場趨勢檢討薪酬及獎勵政策，提供合理及具競爭力的薪酬與福利，包括底薪及以業績和個人表現為評核目標而發放的花紅，確保有效吸引和挽留人才。

As of 31 December 2019, the Group has a total number of 2,965 employees, among which 77 of them are from Hong Kong while the remaining 2,888 are from different provinces in China.

The Group places great emphasis on the management and development of human capital. The employees are encouraged to strive for improvement through internal and external training program, job rotation and participation in the Group's educational subsidy programmes, allowing for self-development in knowledge and skills and to maximize their potential in their work. We offer suitable platform for development of highly committed and capable employees, regardless of their background, geographical location or educational levels. The Group regularly identifies talented employees and tailor-makes career plan to support their continuous development. Through versatile experience in challenging roles, the current management team of the Group has come through the ranks to advance to positions of management. In addition to the focus of developing employees internally, the Group seeks not only to attract talent from outside but also recruit top graduates from the best tertiary institutions in Hong Kong, Mainland China, and abroad as well as providing them with training and development opportunities.

The Group offers a challenging work environment, sets up different programs for motivating employees to strive for improvement and to advance their skills in order to strive for the development of business. From time to time, the Group will make reference to market trends for reviewing its remuneration and reward policy so as to ensure reasonable and competitive compensation and benefits for its employees. These include basic salary as well as results and individual performance-based bonus to attract and retain talents.



董事及行政管理人員簡介 Directors' and Management Executives' Profiles



葉志成先生
Mr. Ip Chi Shing



葉子軒先生
Mr. Yip Tsz Hin

主席兼非執行董事

葉志成先生，現年七十二歲，為本集團主席及聯合創辦人，並於二零一二年轉任為本集團主席及本公司之非執行董事。葉先生專注於董事會的領導、集團長遠發展策略和集團人材規劃與傳承等。彼為本集團副主席、本集團行政總裁、本公司執行董事兼高層領導團隊成員葉子軒先生之兄長，亦為本集團副行政總裁、本公司執行董事及高層領導團隊成員葉鈞先生之父親。葉先生於二零零六年成立了「葉志成慈善基金有限公司」，現時致力於中港兩地之慈善工作包括中國助學及幫助香港弱勢社群，積極回饋社會。

執行董事

葉子軒先生，現年六十一歲，於一九七七年加入本集團。葉先生為本集團副主席、本集團行政總裁、本公司執行董事及高層領導團隊成員。葉先生在製造及經營石油化工產品方面累積超過四十年經驗。彼為本集團主席兼本公司非執行董事葉志成先生之弟。

Chairman and Non-executive Director

Mr. Ip Chi Shing, aged 72, is the Chairman and the Co-founder of the Group and Mr. Ip was re-designated as the Chairman of the Group and a Non-executive Director of the Company in 2012. Mr. Ip focuses on leading the Board, formulating the Group's long-term development strategy and the planning and inheritability of human resources of the Group. He is the brother of Mr. Yip Tsz Hin, the Deputy Chairman of the Group, the Chief Executive Officer of the Group, an Executive Director of the Company as well as a member of SLT and the father of Mr. Ip Kwan, the Deputy Chief Executive Officer of the Group, an Executive Director of the Company and a member of SLT. In 2006, Mr. Ip established "Ip Chi Shing Charitable Foundation Limited" with the current objectives of carrying out charity activities in China and Hong Kong including fostering education in China and providing care for the underprivileged groups in Hong Kong and making contributions to society.

Executive Directors

Mr. Yip Tsz Hin, aged 61, joined the Group in 1977. Mr. Yip is the Deputy Chairman of the Group, the Chief Executive Officer of the Group, an Executive Director of the Company and a member of SLT. Mr. Yip has over 40 years of experience in the manufacture of and trading in petrochemical products. He is the brother of Mr. Ip Chi Shing, the Chairman of the Group and a Non-executive Director of the Company.

董事及行政管理人員簡介 Directors' and Management Executives' Profiles



葉鈞先生
Mr. Ip Kwan (Francis)



何世豪先生
Mr. Ho Sai Hou

執行董事 (續)

葉鈞先生，現年三十七歲，於二零零七年加入本集團。葉先生現為本集團副行政總裁、本公司執行董事及高層領導團隊成員。彼曾任本集團企業發展總裁、紫荊花塗料集團聯席總裁、紫荊花塗料集團有限公司之總經理及集團董事助理。彼為集團主席兼非執行董事葉志成先生之子。彼持有倫敦經濟學院經濟及政治學士學位。在加入本集團前，彼曾任職於投資銀行行業三年。

何世豪先生，現年五十三歲，於二零一零年加入本集團。何先生現為本集團財務總裁、本公司執行董事、高層領導團隊成員及本公司公司秘書。何先生持有香港大學社會科學系會計學學士學位，並於二零零七年於中歐國際工商學院完成行政工商管理碩士學位。何先生曾於數間香港上市公司任職，為其集團財務總監、執行董事及公司秘書。彼為香港會計師公會會計師及特許公認會計師公會資深會員，彼在會計、財務、稅務及公司秘書方面具備超過二十年相關工作經驗。

Executive Directors (Continued)

Mr. Ip Kwan (Francis), aged 37, joined the Group in 2007. Mr. Ip is currently the Deputy Chief Executive Officer of the Group, an Executive Director of the Company and a member of SLT. He was previously the Chief Corporate Development Officer of the Group, a Co-President of the Bauhinia Coatings Group, the General Manager of the Bauhinia Coatings Group Limited and an assistant to Director of the Group. He is the son of Mr. Ip Chi Shing, the Chairman of the Group and a Non-executive Director of the Company. He graduated from the London School of Economics with a Bachelor's degree in Government and Economics. Before joining the Group, he had worked in the investment banking industry for three years.

Mr. Ho Sai Hou, aged 53, joined the Group in 2010. Mr. Ho is the Chief Financial Officer of the Group, an Executive Director of the Company, a member of SLT and the Company Secretary of the Company. Mr. Ho obtained a Bachelor of Social Sciences Degree in Accounting from The University of Hong Kong and completed his EMBA with The China Europe International Business School in 2007. Previously, Mr. Ho had worked for several listed companies in Hong Kong as their chief financial officer, executive director and company secretary. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He has over 20 years of experience in accounting, finance, taxation and company secretarial work.

董事及行政管理人員簡介 Directors' and Management Executives' Profiles



王旭先生
Mr. Wong Yuk



黃廣志先生
Mr. Wong Kong Chi

非執行董事

王旭先生，現年五十六歲，於二零一五年加入本集團。王先生現為本公司非執行董事。彼曾任本集團聯席行政總裁、本公司執行董事及高層領導團隊成員。王先生畢業於香港大學機械工程系並於一九九二年完成香港中文大學工商管理碩士課程。在加入本集團前，彼於全球最大的甲醇公司梅賽尼斯擔任中國策略及投資的董事總經理。彼亦於蜆殼集團服務超過二十六年並曾擔任殼牌特種油品中國／香港總經理及殼牌公司中國區下游業務的高級代表。王先生於石油化工業擁有三十多年的豐富經驗。

獨立非執行董事

黃廣志先生，現年六十二歲，於一九九三年獲委任為本公司獨立非執行董事。彼為特許公認會計師公會資深會員及香港會計師公會會計師。黃先生從事香港商人銀行業務十多年，並於一九九三年退休。黃先生並無擔任其他上市公司任何董事職位。

Non-executive Director

Mr. Wong Yuk, aged 56, joined the Group in 2015. Mr. Wong is currently a Non-executive Director of the Company. Mr. Wong was previously a Co-Chief Executive Officer of the Group, an Executive Director of the Company and a member of SLT. Mr. Wong obtained a Bachelor of Science degree in Mechanical Engineering from The University of Hong Kong and completed a Master in Business Administration with The Chinese University of Hong Kong in 1992. Before joining the Group, he was the Managing Director — China Strategy and Investment of Methanex, a global market leader in methanol. He had also worked with Shell for over 26 years and was its General Manager — Shell Specialities China/Hong Kong and China Local Senior Downstream Representative. Mr. Wong has more than 30 years of extensive experience in the petrochemical industry.

Independent Non-executive Directors

Mr. Wong Kong Chi, aged 62, has been an Independent Non-executive Director of the Company since 1993. He is a fellow member of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Wong retired in 1993 after working in the merchant banking industry for over 10 years. Mr. Wong does not hold any directorship in other listed companies.

董事及行政管理人員簡介 Directors' and Management Executives' Profiles



古遠芬先生
Mr. Ku Yuen Fun



何百川先生
Mr. Ho Pak Chuen, Patrick

獨立非執行董事 (續)

古遠芬先生，現年六十八歲，於二零零八年獲委任為本公司獨立非執行董事。古先生畢業於香港理工學院(現名香港理工大學)，及後開始於蜆殼化工集團工作。古先生在大中華區石油化工業務方面擁有豐富經驗。他曾出任香港蜆殼有限公司之董事、商界環保協會之董事局董事及天津國際石油儲運有限公司之主席。古先生並無擔任其他上市公司任何董事職位。

何百川先生，現年六十五歲，於二零一八年獲委任為本公司獨立非執行董事。何先生現為馮氏控股(1937)有限公司集團主席辦公室之集團董事總經理及利標品牌有限公司(00787.HK)之營運總裁。彼於陶氏化學公司服務四十年並於二零一八年退休。何先生在陶氏化學公司工作期間於化工行業累積豐富經驗。彼曾於陶氏總部密歇根州密德蘭擔任化學品和金屬部的全球業務總監，負責環氧乙烷、環氧丙烷以及衍生物業務。彼於一九九八年回歸香港任職陶氏亞太區總裁，環氧產品全球業務副總裁，其後出任陶氏生產、公共及政府事務亞太區副總裁。何先生曾於二零零一年至二零零三年擔任國際化學品製造商協會中國及香港區主席。彼於馮氏集團旗下多間私人公司擔任董事及並無於其他上市公司擔任任何董事職位。何先生畢業於加拿大皇后大學化學工程學士學位。

Independent Non-executive Directors

(Continued)

Mr. Ku Yuen Fun, aged 68, has been an Independent Non-executive Director of the Company since 2008. Mr. Ku graduated from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) and began his career at Shell Chemicals. Mr. Ku has extensive managerial experience in the oil & petrochemical industries in the Greater China region. He was a Director of Shell Hong Kong Limited, a Board Director of the Business Environment Council and the Chairman of Tianjin International Petroleum Storage and Transportation Company Limited. Mr. Ku does not hold any directorship in other listed companies.

Mr. Ho Pak Chuen, Patrick, aged 65, joined the Group as an Independent Non-executive Director in 2018. Mr. Ho is currently the Group Managing Director, Group Chairman Office of Fung (1937) Management Ltd as well as the Chief Operating Officer of Global Brands Group Holding Limited (00787.HK). He previously worked for The Dow Chemical Company, and retired in 2018 after 40 years of service. Mr. Ho has extensive experience in the chemical industry while working for The Dow Chemical Company. He was global business director for Ethylene Oxide, Propylene Oxide and Derivatives in Chemicals and Metals in Dow headquarters in Midland, Michigan. He returned to Hong Kong in 1998 as President for Dow Chemical, Asia Pacific region, Global Vice President for Epoxy & Specialty Chemicals then Asia Pacific vice president for manufacturing, public & government affairs. Mr. Ho was the chairman of Association of International Chemical Manufacturers (AICM) in Hong Kong/China in 2001–2003. He holds directorship in a number of private companies within the Fung Group of companies and not in other listed companies. Mr. Ho obtained a bachelor's degree in Chemical Engineering from Queen's University at Kingston, Canada.

董事及行政管理人員簡介 Directors' and Management Executives' Profiles

行政人員

謝憶珠女士，現年四十三歲，於二零零九年加入本集團。謝女士現為本集團人力資源及企業傳訊總監及高層領導團隊成員。彼持有香港浸會大學傳理系學士學位及愛爾蘭國立大學理學(財務)碩士。加入本集團前，彼從事於一家國際石油公司之對外事務工作。謝女士同時積極參與公職，現為勞工及福利局康復諮詢委員會委員、其屬下公眾教育小組委員，民政事務總署「夥伴倡自強」社區協作計劃諮詢委員會委員以及非政府組織創業軒執行委員。

鄺國照先生，現年五十五歲，於一九八七年加入本集團。鄺先生現為油墨組之總經理。鄺先生曾任本公司執行董事及高層領導團隊成員。彼持有香港公開大學工商管理碩士學位，並在石油化工的營銷和管理方面累積二十多年的經驗。

馮秉光先生，現年五十六歲，於二零一零年加入本集團。馮先生現為紫荊花塗料集團聯席總裁。彼曾任本集團高層領導團隊成員及資深人力資源總監。彼持有倫敦大學頒發經濟學學士學位及華威大學獲得工商管理碩士學位。彼同時獲香港中文大學和英國人事和發展協會頒發培訓管理文憑。馮先生擁有廣泛的人力資源專業經驗，包括組織發展，管理發展，人才管理和僱員關係等。他曾在保險、石油化工和醫藥等多個行業的跨國企業公司裏工作。加入本集團前，馮先生是香港一家上市公司的集團人力資源總監。

Management Executives

Ms. Tse Yik Chu, aged 43, joined the Group in 2009. Ms. Tse is currently the Director of Group Human Resources and Corporate Communications as well as a member of SLT. Ms. Tse obtained a Bachelor of Communication from the Hong Kong Baptist University and a Master of Science in Finance from the National University of Ireland. Prior to joining the Group, Ms. Tse engaged in corporate affairs in an international oil company. Ms. Tse also actively involves in public service and she is currently committee members of Rehabilitation Advisory Committee and its sub-committee on Public Education on Rehabilitation under Labour and Welfare Bureau. She is also a member of Advisory Committee on the Enhancing Self-Reliance Through District Partnership Program under the Home Affairs Department, and an executive member of a non-government organization called Support the Employment of People with Disabilities (SEPD).

Mr. Kwong Kwok Chiu, aged 55, joined the Group in 1987. Mr. Kwong is the General Manager of the Inks Group. Mr. Kwong was previously an Executive Director of the Company and a member of SLT. He obtained a Master's Degree in Business Administration from The Open University of Hong Kong and has over 20 years of experience in the field of marketing and management of petrochemical industry.

Mr. Fung Ping Kwong, aged 56, joined the Group in 2010. Mr. Fung is a Co-President of the Bauhinia Coatings Group. He was a member of SLT as well as the Head and Senior Leader of Group Human Resources of the Group. He obtained a Bachelor's Degree in Science (Economics) from The University of London, a Master's Degree in Business Administration from The University of Warwick and a Diploma in Training Management jointly conferred by The Chinese University of Hong Kong and The Institute of Personnel and Development, United Kingdom. Mr. Fung has extensive experience in different human resources areas including organisational development, management development, talent management and employee relations. He worked in a number of multi-national companies from insurance, petrochemical and pharmaceutical industries. Before joining the Group, he was the Group Human Resources Director of a Hong Kong listed company.

董事及行政管理人員簡介 Directors' and Management Executives' Profiles

行政人員 (續)

陳傳生先生，現年四十三歲，於二零零三年加入本集團。陳先生現為紫荊花塗料集團聯席總裁。彼曾任本集團管委會成員、集團財務總監，以及在本集團旗下附屬公司擔任不同的管理職位。彼持有香港中文大學工商管理學士及香港科技大學工商管理碩士學位，亦是香港會計師公會的資深會計師。

趙楚榜先生，現年五十八歲，資深工程師。趙先生於一九九三年加入本集團並於二零零五年獲委任為江門謙信化工發展有限公司之董事總經理。彼畢業於華南理工大學。趙先生從事化工業務超過三十年，具有豐富的管理工作經驗。

曾志先生，現年四十九歲，於二零零零年加入本集團。曾先生現為本集團潤滑油組總經理及彼曾任本集團附屬公司葉氏潤滑油(集團)有限公司之財務總監。彼畢業於中南財經大學會計學專業本科。彼亦為中國註冊會計師協會非執業會員。曾先生在石油化工領域有十九年管理經驗。加入本集團前，曾先生是一家於深圳證券交易所上市之上市公司物控部經理。

Management Executives (Continued)

Mr. Chan Chuen Sang, aged 43, joined the Group in 2003. Mr. Chan is a Co-President of the Bauhinia Coatings Group. He was a member of the Group Management Committee, Group Financial Controller, and served at various management positions in different subsidiaries of the Group. He obtained a Bachelor's Degree in Business Administration from the Chinese University of Hong Kong and a Master's Degree in Business Administration from the Hong Kong University of Science & Technology and he is also a fellow member of Hong Kong Institute of Certified Public Accountants.

Mr. Zhao Chu Bang, aged 58, is an experienced engineer. Mr. Zhao joined the Group in 1993 and has been the Managing Director of the Jiangmen Handsome Chemical Development Limited since 2005. He graduated from The South China University of Technology. Mr. Zhao has over 30 years of experience in the chemical industry and has extensive experience in management.

Mr. Zeng Zhi, aged 49, joined the Group in 2000. Mr. Zeng is currently the General Manager of the Lubricant Group and he was previously the Financial Controller of Yip's Lubricant Limited, a subsidiary of the Group. He graduated from Zhongnan University of Finance and Economics with a Bachelor's Degree in Accounting. He is also a non-practicing member of the Chinese Institute of Certified Public Accountants. Mr. Zeng has 19 years of experience in the field of petrochemical industry. Before joining the Group, he was the Product Material Control Manager of a listed company listed on the Shenzhen Stock Exchange.



董事會報告書 Directors' Report

本公司董事(「董事」)提呈集團於截至二零一九年十二月三十一日止年度之報告及經審核綜合財務報告。

主要業務及業務回顧

本公司為一間投資控股公司，其主要附屬公司從事製造及買賣溶劑、塗料、油墨、潤滑油並從事物業投資。於截至二零一九年十二月三十一日止年度，集團的主要業務之性質並無重大改變。

有關公司條例附表5規定於截至二零一九年十二月三十一日止年度內披露之活動詳情，包括對公司業務的中肯審視及連同財務關鍵表現指標(包括集團營業額、銷量及純利以及其業務分類之營業額及經營溢利、投資物業租金回報率及回報率)及對本公司業務未來可能發展之揭示，已詳載於本年報第8至17頁之主席報告及行政總裁報告。該等指標從業務發展及盈利能力方面說明集團在實現其「百年葉氏 引以為傲 備受尊崇」集團宏圖過程中的整體表現及其個別業務的表現。該等指標以及平均總資產回報率及平均股東資金回報率等其他財務指標過往五年的趨勢披露於本年報第28至29頁。如在該財政年度結束後發生的、對公司有影響的重大事件，將載於綜合財務報表附註。集團之流動資金及財務資源詳載於第32至34頁。除上述部份外，其他規定之活動詳情披露如下：

The directors of the Company (the “Directors”) present their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

Principal Activities and Business Review

The Company is an investment holding company. Its principal subsidiaries are engaged in the manufacture of and trading in solvents, coatings, inks, lubricants as well as engaged in properties investment. There were no significant changes in the nature of the Group's principal activities during the year ended 31 December 2019.

Details of the activities during the year ended 31 December 2019 as required by Schedule 5 of the Companies Ordinance including, a fair review of the business of the Group with financial performance indicators including revenue, sales volume and net profit of the Group as well as revenue and operating profit of its business segments, rental yield and return on investment properties and an indication of likely future development in the Company's business are explained in the Chairman's Statement and the Report of the Chief Executive Officer from pages 8 to 17 of this annual report. These indicators illustrate the performance of the Group as a whole and of its individual businesses in terms of business development and profitability in attaining its corporate vision of “Towards a Century of Revered Leadership”. The past five years' trend of these indicators together with other financial ratios of return on average total assets and return on average shareholders' funds are disclosed in pages 28 to 29 of this annual report. Particulars of important events affecting the Group that have occurred since the end of the financial year, if any, can be found in the notes to the consolidated financial statements. The Group's liquidity and financial resources are discussed in pages 32 to 34. Save for the above sections, details of the other activities required to be disclosed are explained as follows:

主要業務及業務回顧(續)

主要風險及不明朗因素

集團之業務及展望連同財務狀況及營運業績將受一些風險及不明朗因素影響，包括業務風險、營運風險及財務風險。業務風險方面：由於集團所有業務主要集中在中國大陸，故此集團將受到中國之經濟及政治發展及市場情況影響。營運風險方面：因為集團以製造化工產品為主，所以於營運期間需要承受環境、健康及安全方面之風險。財務風險方面：集團之金融工具將有市場風險(外匯風險、利率風險及其他價格風險)、信貸風險及流動資金風險。有關減低該等財務風險之政策已詳載於綜合財務報表附註36。

遵守相關法律及法規

就董事會及管理層所知，集團已於各重要方面遵守對集團業務及經營產生重大影響之相關法律及法規。年內，集團概無嚴重違反或不遵守適用法律及法規。

對本公司有重要影響的相關法律及法規其中包括，香港《公司條例》(香港法例第622章)、開曼群島公司法及與其業務有關的規例，包括健康、安全及環保、工作環境、僱傭等方面的規例。此外，香港聯合交易所有限公司(「聯交所」)證券上市規則(以最近的修改版本為準)(「上市規則」)亦適用於本公司。

本公司致力於透過內部監控、風險管理及培訓等多項措施，確保遵守該等規定。

環境政策

集團的環境政策，披露於本年報第36頁的企業可持續發展部份。

Principal Activities and Business Review (Continued)

Principal Risks and Uncertainties

The Group's businesses and prospects as well as financial conditions and results of operations will be affected by a number of risks and uncertainties including business risks, operational risks and financial risks. For business risks, all the Group's businesses are mainly carried out in the Mainland China so it will be subject to the impact from economic and political development and market situation of Mainland China. For operational risks, the Group is mainly engaged in manufacturing of chemical products and it is thus exposed to various environmental, health and safety risks in running its operations. For financial risks, there will be market risk (currency risk, interest rate risk and other price risk) for the Group's financial instruments, and credit risk and liquidity risk associated therewith. Details of the policies on how to mitigate these financial risks are set out in note 36 to the consolidated financial statements.

Compliance with the Relevant Laws and Regulations

As far as the Board and management are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

The relevant laws and regulations that have a significant impact on the Company include, among others, the Hong Kong Companies Ordinance (Chapter 622 of the laws of Hong Kong), the Cayman Islands Companies Law and the regulations in relation to its business including health, safety and environmental protection, workplace conditions and employment regulations. In addition, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (as amended from time to time) (the "Listing Rules") also apply to the Company.

The Company seeks to ensure compliance with these requirements through various measures such as internal control, risk management and trainings.

Environment Policies

The discussions on the Group's environmental policies are contained in the Corporate Sustainability section on page 36 of this annual report.

董事會報告書 Directors' Report

主要業務及業務回顧 (續)

與客戶、供應商、員工及其他持份者之關係

集團有大量的客戶和供應商散佈在不同行業和地區。集團與客戶和供應商之關係良好。由於集團五大客戶佔集團總營業額不足5%，且信貸涉及大量交易對手及客戶，本公司董事認為集團概無嚴重的信貸集中風險。關於信貸管理制度及授予客戶的信貸條件的進一步詳情載於綜合財務報表附註22。集團與員工，與投資者和股東的關係已分別詳載於第37頁人力資源部分及第82至84頁企業管治報告。

薪酬政策及長期激勵計劃

集團之薪酬政策概況已載於第37頁「人力資源」部份。

長期激勵計劃主要包括購股權計劃。購股權計劃詳情請參閱本報告第51至53頁及綜合財務報告附註38。

業績及盈利分配

於截至二零一九年十二月三十一日止年度，集團業績及本公司之盈利分配分別載於第93頁之綜合損益及其他全面收益表及綜合財務報告附註11。本年度內已向本公司股東（「股東」）派發中期股息每股7港仙。董事會建議派發期末股息每股13港仙予於二零二零年六月十二日辦公時間結束時名列於股東名冊上之股東，總金額為不少於73,323,000港元，溢利餘額保留於儲備。

Principal Activities and Business Review (Continued)

Relationship with Customers, Suppliers, Employees and other Stakeholders

The Group maintains a large number of customers and suppliers, which span across diverse industries and geographical areas. The Group maintains good relationships with its customers and suppliers. As the top 5 largest customers of the Group accounted for less than 5% of the Groups' total revenue, the Directors considers that the Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. Further details of the credit control system and credit terms granted to customers are shown in note 22 to the consolidated financial statements. The Group's relationship with its employees and with investors and Shareholders are shown in page 37 under the heading of Human Resources and in pages 82 to 84 under the Corporate Governance Report, respectively.

Emolument Policy and Long-term Incentive Plan

A general description of remuneration policy of the Group is set out in page 37 of the section headed "Human Resources".

Long-term incentive plan of the Company primarily consists of Share Option Schemes. Please refer to pages 51 to 53 of this report and note 38 to the consolidated financial statements for details of the Share Option Schemes.

Results and Appropriations

The results of the Group and appropriations of the Company for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 93 and note 11 to the consolidated financial statements, respectively. An interim dividend of HK7 cents per share was paid to the Shareholders during the year. The Directors recommend the declaration and distribution of a final dividend of HK13 cents per share, totalling not less than HK\$73,323,000 to Shareholders whose names appear on the Register of Members at the close of business on 12 June 2020 and the retention of the remaining profit in reserves.

董事會報告書 Directors' Report

已發行股份數目

本公司已發行股份數目於年內之變動詳情已載於綜合財務報告附註32。

股份是根據購股權計劃(定義見「購股權」部份)行使購股權發行。

儲備

集團儲備於年內之變動詳情已載於綜合財務報告第97頁之綜合權益變動表。

本公司可供派發期末股息之儲備指股份溢價、特別儲備及保留溢利。按照開曼群島公司法第22章規定，在受制於本公司之公司組織章程大綱及細則規定之情況下，以及如果在緊接派發股息後，本公司能在正常業務經營期間償還到期債務之情況下，本公司之股份溢價才能用作向股東進行分派或支付股息。按照本公司之公司組織章程細則，在滿足上述條例的前題下可從本公司於二零一九年十二月三十一日之股份溢價及保留溢利967,825,000港元(二零一八年：967,602,000港元)中撥款派發股息。

物業、廠房及設備與投資物業

集團物業、廠房及設備與投資物業於年內之變動詳情已分別載於綜合財務報告附註13及15。

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已載於綜合財務報告附註43。

Number of Issued Shares

Details of movements in the number of issued shares of the Company during the year are set out in note 32 to the consolidated financial statements.

The shares are issued pursuant to the exercise of the share options under the Share Option Schemes (as defined in the section headed "Share Options").

Reserves

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 97 of the consolidated financial statements.

The Company's reserves available for distribution of the final dividend represent the share premium, special reserve and retained profits. Under Chapter 22 of the Companies Law of the Cayman Islands, the share premium of the Company is available for distribution of or paying dividends to Shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution of dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends can be distributed out of the share premium and retained profits of the Company subjected to the satisfaction of the foregoing conditions, which amounted to HK\$967,825,000 as at 31 December 2019 (2018: HK\$967,602,000).

Property, Plant and Equipment and Investment Properties

Details of the movements in the property, plant and equipment and investment properties of the Group during the year are set out in notes 13 and 15 to the consolidated financial statements respectively.

Subsidiaries

Details of the Company's principal subsidiaries as at 31 December 2019 are set out in note 43 to the consolidated financial statements.

董事會報告書 Directors' Report

董事及服務合約

年內及於本報告日期董事如下：

主席兼非執行董事

葉志成先生

執行董事

葉子軒先生(副主席兼行政總裁)

(於二零一九年一月一日起轉任
行政總裁)

葉鈞先生(副行政總裁)

(由二零一九年一月一日起獲委任)

何世豪先生(財務總裁)

非執行董事

王旭先生(由二零一九年一月一日起
轉任為非執行董事)

獨立非執行董事

黃廣志先生

古遠芬先生

何百川先生

吳紹平先生(由二零一九年一月一
日起榮休並辭任)

遵照本公司組織章程細則第112條，主席兼非執行董事葉志成先生、獨立非執行董事黃廣志先生及古遠芬先生將於本公司於二零二零年六月二日即將舉行之本公司股東週年大會(「股東週年大會」)上依章告退，惟彼等願膺選連任董事。其餘所有董事則繼續留任。於本年度每位非執行董事及獨立非執行董事已接納其指定任期為直至其下一次需由股東重選之股東週年大會結束時為止。

於股東周年大會上獲提名膺選連任之董事概無與本公司或其附屬公司訂立任何本公司在一年內不可在不予賠償(法定賠償除外)的情況下終止之服務合約。

非執行董事及獨立非執行董事之袍金乃經本公司薪酬委員會建議及由董事會確定。

Directors and Service Contracts

The Directors for the year and as at the date of this report were:

Chairman & Non-executive Director

Mr. Ip Chi Shing

Executive Directors

Mr. Yip Tsz Hin (Deputy Chairman and Chief Executive Officer)
(re-designated as the Chief Executive Officer with effect from
1 January 2019)

Mr. Ip Kwan (Deputy Chief Executive Officer)
(appointed with effect from 1 January 2019)

Mr. Ho Sai Hou (Chief Financial Officer)

Non-executive Director

Mr. Wong Yuk (re-designated as a non-executive Director
with effect from 1 January 2019)

Independent Non-executive Directors

Mr. Wong Kong Chi

Mr. Ku Yuen Fun

Mr. Ho Pak Chuen, Patrick

Mr. Ng Siu Ping (retired and resigned with effect from
1 January 2019)

In accordance with article 112 of the Company's Articles of Association, Mr. Ip Chi Shing, being the Chairman and a Non-executive Director, and Mr. Wong Kong Chi and Mr. Ku Yuen Fun, being Independent Non-executive Directors, will retire by rotation at the forthcoming annual general meeting of the Company to be held on 2 June 2020 (the "AGM") and, being eligible, will offer themselves for re-election as Directors at the forthcoming annual general meeting. All remaining Directors will continue to be in office. Each of the Non-executive and Independent Non-executive Directors were appointed for a specific term until the closing of the next annual general meeting of the Company at which he is subject to re-election by the Shareholders.

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

The fees of the Non-executive and Independent Non-executive Directors are recommended by the Remuneration Committee of the Company and determined by the Board.

董事會報告書 Directors' Report

董事及服務合約 (續)

應付予董事之酬金乃參考其資格及經驗，承擔的責任，對本公司之貢獻及類似職位於現時市場薪酬水平釐定。

董事及最高行政人員於證券之權益及淡倉

盡本公司所知，於二零一九年十二月三十一日，董事及最高行政人員於本公司股份中的權益(定義見證券及期貨條例(「證券及期貨條例」)第XV部份)須(a)根據證券及期貨條例第XV部份第7及第8部知會本公司及聯交所(包括彼等根據證券及期貨條例之該等條文被假設或視為擁有之權益或淡倉)；或(b)根據證券及期貨條例第352條記載置存之登記冊內的權益；或(c)根據上市發行人董事進行證券交易的標準守則知會本公司及聯交所的權益如下：

好倉

Directors and Service Contracts

(Continued)

The emolument payable to the Directors is determined with reference to their qualification and experience, responsibilities undertaken, contribution to the Company and the prevailing market level of remuneration of similar position.

Directors' and Chief Executives' Interests and Short Positions in Securities

To the best of the Company's knowledge, as at 31 December 2019, the interests of the Directors and chief executives in the shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provision of the SFO); or (b) to be recorded in the register to be kept pursuant to Section 352 of the SFO; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange were as follows:

Long positions

		所持普通股份及相關股份數目 Number of Ordinary Shares and Underlying Shares held				於二零一九年 十二月三十一日 佔本公司 已發行股本 之百分比 Percentage of the Issued Share Capital of the Company as at 31.12.2019	
董事姓名 Name of Directors		股份權益 Interests in Shares 個人 Personal	股份權益 Interests in Shares 家族 Family	股份權益 Interests in Shares 公司 Corporate	購股權權益 ¹ Interests in Share Options ¹ 個人 Personal	總數 Total	
葉志成先生	Mr. Ip Chi Shing	155,042,532	8,802,000 (a)	24,380,000 (b)	—	188,224,532	33.37%
葉子軒先生	Mr. Yip Tsz Hin	31,316,248	14,000,000 (c)	—	—	45,316,248	8.03%
葉鈞先生	Mr. Ip Kwan	11,084,000	—	—	290,000	11,374,000	2.02%
何世豪先生	Mr. Ho Sai Hou	—	—	—	200,000	200,000	0.04%
王旭先生	Mr. Wong Yuk	—	—	—	—	—	—
黃廣志先生	Mr. Wong Kong Chi	—	100,000 (d)	—	—	100,000	0.02%
古遠芬先生	Mr. Ku Yuen Fun	20,680	14,000 (e)	—	—	34,680	0.01%
何百川先生	Mr. Ho Pak Chuen, Patrick	—	—	—	—	—	—

董事會報告書 Directors' Report

董事及最高行政人員於 證券之權益及淡倉(續)

好倉(續)

附註：

- (a) 此等股份當中，6,796,000股由葉志成先生與妻子梁碧瑜女士共同持有，2,006,000股則由其妻子持有。
- (b) 此等股份分別由一間葉志成慈善基金有限公司之慈善組織(20,300,000股)和一間葉氏關愛延續基金有限公司(4,080,000股)所持有。葉志成先生於葉志成慈善基金有限公司和葉氏關愛延續基金有限公司的股東大會分別擁有50% (與其妻子共有100%) 及60% (與其弟妹共有100%)之投票權，故被視為擁有在該兩間公司持有此等股份之權益。
- (c) 此等股份由葉子軒先生之妻子葉曹家麗女士持有。
- (d) 此等股份由黃廣志先生之妻子詹小慧女士持有。
- (e) 此等股份由古遠芬先生之妻子蘇艷霞女士持有。
- ¹ 所有購股權為非上市實物結算股本衍生工具。

董事在本公司購股權計劃(即部分相關股份)下所持有購股權之詳情可見下一節「購股權」。

葉志成先生、葉子軒先生及葉志成先生妻子梁碧瑜女士各持有本公司之附屬公司葉氏恒昌(集團)有限公司之無投票權遞延股一股。

Directors' and Chief Executives' Interests and Short Positions in Securities (Continued)

Long positions (Continued)

Notes:

- (a) Out of these shares, 6,796,000 shares are jointly held with Madam Liang Bih Yu, the wife of Mr. Ip Chi Shing and 2,006,000 shares are held by his wife.
- (b) These shares are held respectively by Ip Chi Shing Charitable Foundation Limited, a charitable organisation (20,300,000 shares) and Yip's Care Extension Foundation Limited, a limited company, (4,080,000 shares). Mr. Ip Chi Shing controls 50% (together with his wife control 100%) and 60% (together with his younger sister and brother control 100%) of the voting power at the general meetings of Ip Chi Shing Charitable Foundation Limited and Yip's Care Extension Foundation Limited respectively. He is therefore deemed to be interested in these shares held by these two corporations.
- (c) These shares are held by Madam Yip Tso Ka Lai, Brenda, the wife of Mr. Yip Tsz Hin.
- (d) These shares are held by Madam Jim Siu Wai, the wife of Mr. Wong Kong Chi.
- (e) These shares are held by Madam So Yim Ha, the wife of Mr. Ku Yuen Fun.
- ¹ All the share options are unlisted physically settled equity derivatives.

Details of the share options held by the Directors under the Company's Share Option Schemes (i.e. part of the interests in the underlying shares) are shown in the next section headed "Share Options".

Each of Mr. Ip Chi Shing, Mr. Yip Tsz Hin and Madam Liang Bih Yu, the wife of Mr. Ip Chi Shing, holds one non-voting deferred share of Yip's H.C. (Holding) Limited, a subsidiary of the Company.

董事及最高行政人員於證券之權益及淡倉(續)

好倉(續)

除上文所披露者及董事以本公司或其附屬公司受托人身份持有附屬公司若干代名人股份外，於二零一九年十二月三十一日，各董事或最高行政人員均沒有於本公司或其任何相聯法團(按證券及期貨條例)之證券中持有任何權益或淡倉。

購股權

股東於二零一二年五月二十五日舉行之股東周年大會上已批准採納新購股權計劃(「新計劃」)及終止本公司於二零零二年九月三日已採納的舊計劃(「舊計劃」)，連同新計劃，統稱為(「購股權計劃」)，新計劃將於二零二二年五月二十四日到期屆滿。而在舊計劃終止前授出之購股權將繼續生效並可根據舊計劃之規則下行使。而新計劃之主要目的是確定及激勵合資格參與人士作出貢獻、提供獎勵、協助本公司挽留合資格參與人士及招攬額外僱員，並向彼等提供直接經濟利益，以達致本公司之長期業務目標。新計劃之詳情已載於綜合財務報告附註38。

Directors' and Chief Executives' Interests and Short Positions in Securities (Continued)

Long positions (Continued)

Other than as disclosed above and certain nominee shares in subsidiaries held by Directors in trust for the Company or its subsidiaries, as at 31 December 2019, none of the Directors or chief executives held any interests or short positions in the securities of the Company or any of its associated corporations as defined in the SFO.

Share Options

The Shareholders at the AGM held on 25 May 2012 approved the adoption of a new share option scheme (the "New Share Option Scheme") and the termination of the old share option scheme which was adopted by the Company on 3 September 2002 (the "Old Share Option Scheme", together with the "New Share Option Scheme", collectively known as "Share Option Schemes"). The New Share Option Scheme will expire on 24 May 2022. Options granted under the Old Share Option Scheme prior to its termination will continue to be valid and exercisable in accordance with the rules thereof. The main purpose of the New Share Option Scheme is to recognise and motivate the contribution of eligible participants, to provide incentives to them, to help the Company retain eligible participants and recruit additional employees and to provide them with a direct economic interest in attaining the long term business objectives of the Company. Particulars of the New Share Option Scheme are set out in note 38 to the consolidated financial statements.

董事會報告書 Directors' Report

購股權 (續)

於截至二零一九年十二月三十一日止年度內，根據本公司購股權計劃已授予若干董事(及其聯繫人(如有))及僱員購股權之變動如下：

Share Options (Continued)

During the year ended 31 December 2019, movements in the number of share options which had been granted to certain Directors (and their associates, if any) and employees under the Company's Share Option Schemes are as follows:

	授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權行使期 Exercise period of share options	購股權數目 Number of Share Options		
				於二零一九年 一月一日 尚未行使 Outstanding as at 1.1.2019	本年內 已失效/註銷 Lapsed/ Cancelled during the year	於二零一九年 十二月三十一日 尚未行使 Outstanding as at 31.12.2019
董事						
Director						
葉鈞先生	二零零九年十月五日	4.536	二零零九年十月五日至 二零一九年十月四日	90,000	(90,000)	—
Mr. Ip Kwan	5 October 2009		5 October 2009 to 4 October 2019			
	二零一三年一月十一日	5.942	二零一五年一月十一日至 二零二三年一月十日	200,000	—	200,000
	11 January 2013		11 January 2015 to 10 January 2023			
何世豪先生	二零一三年一月十一日	5.942	二零一五年一月十一日至 二零二三年一月十日	200,000	—	200,000
Mr. Ho Sai Hou	11 January 2013		11 January 2015 to 10 January 2023			
				490,000	(90,000)	400,000
集團其他員工¹						
Other employees¹						
	二零零九年十月五日	4.536	二零零九年十月五日至 二零一九年十月四日	490,000	(490,000)	—
	5 October 2009		5 October 2009 to 4 October 2019			
	二零一三年一月十一日	5.942	二零一五年一月十一日至 二零二三年一月十日	3,790,000	(230,000)	3,560,000
	11 January 2013		11 January 2015 to 10 January 2023			
				4,280,000	(720,000)	3,560,000
				4,770,000	(810,000)	3,960,000

¹ 葉鈞先生於二零一九年一月一日起獲委任為執行董事及其購股權數目已由「集團其他員工」轉到「董事」。

¹ Mr. Ip Kwan was appointed as Executive Director with effect from 1 January 2019 and his number of share options was transferred from "Other employees" to "Directors".

董事會報告書
Directors' Report**購股權** (續)

於截至二零一九年十二月三十一日止年度內，並無授出購股權予董事或僱員，亦未有購股權遭行使。

於本報告日期，若行使全部尚未行使的購股權，可發行本公司股份合共為3,960,000股，佔本公司於本報告日期已發行股本約0.70%。

除上文所披露者外，於年內任何時間，本公司或其任何附屬公司概無參與任何安排，以使董事藉收購本公司或任何其他法人團體之股份或債券而獲益。

除上文所披露者外，於年內各董事或其配偶或十八歲以下之子女均無任何權利以認購本公司之證券，或曾行使任何該權利。

Share Options (Continued)

During the year ended 31 December 2019, no share option was granted to Directors or employees, and no share option has been exercised.

The total number of Shares of the Company that could be issued upon the exercise of all outstanding share options as at the date of this annual report are 3,960,000 Shares, which represents approximately 0.70% of the issued share capital of the Company as at the date of this annual report.

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement whose object(s) is/are to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other than as disclosed above, none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

董事會報告書 Directors' Report

主要股東

盡本公司所知，於二零一九年十二月三十一日，根據證券及期貨條例第336條規定所存置之登記冊所載或已知會本公司持有本公司股份或相關股份權益之本公司股東(除上文所披露的本公司董事或最高行政人員外)如下：

好倉

主要股東名稱

Name of Substantial Shareholders

身份 Capacity

附註 Notes

所持股份數目 Number of shares held

於二零一九年 十二月三十一日 佔本公司已發行 股本之百分比 Percentage of the issued share capital of the Company as at 31.12.2019

葉鳳娟女士 Ms. Ip Fung Kuen	實益擁有人 Beneficial Owner	1	47,547,913	8.43%
FMR LLC	公司權益 Corporate Interest	2	39,640,000	7.03%
FIDELITY PURITAN TRUST	實益擁有人 Beneficial Owner	3	28,220,000	5.00%

除上文披露的本公司董事或最高行政人員外

other than the Directors or chief executives of the Company disclosed above

附註：

Note:

1. 持有股份數目之計算為(i)葉女士根據證券及期貨條例披露持有本公司已發行股份之權益為47,592,000股；(ii)葉女士於二零一二年六月購買955,913股股份及(iii)葉女士於二零一五年三月出售1,000,000股股份。

1. The calculation of the number of shares held takes into account (i) the interests of Ms. Ip in the issued share capital of the Company disclosed under the SFO (i.e. 47,592,000); (ii) the acquisition of 955,913 shares by Ms. Ip in June 2012 and (iii) the disposal of 1,000,000 shares by Ms. Ip in March 2015.

主要股東 (續)

好倉 (續)

附註：(續)

2. FMR LLC透過FMR Co., Inc.間接持有39,640,000股本公司股份。FMR Co., Inc.由FMR LLC之全資附屬公司Fidelity Management & Research Company全資擁有。本公司獲通知於上述由FMR Co., Inc.持有之39,640,000股本公司股份中，3,710,000股本公司股份替FMR LLC全資擁有之Fidelity Management Trust Company持有，而7,536,000股本公司股份替FMR LLC若干僱員及股東最終擁有之Fidelity Investments Canada ULC持有。該等FMR LLC僱員及股東擁有Fidelity Canada Investors LLC之100%股權，而Fidelity Canada Investors LLC擁有483A Bay Street Holdings LP之64%股權。483A Bay Street Holdings LP擁有BlueJay Lux 1 S.a.r.l之100%股權，而BlueJay Lux 1 S.a.r.l擁有FIC Holdings ULC之100%股權，繼而FIC Holdings ULC擁有Fidelity Investments Canada ULC之100%股權。
3. Fidelity Puritan Trust 直接持有28,220,000股本公司股份，本公司獲告知該股份視為FMR LLC名下之權益。

除上文所披露外，於二零一九年十二月三十一日，除了以上一節「董事及最高行政人員於證券之權益及淡倉」已披露之權益外，概無人士通知本公司指彼等在本公司股份中的權益或淡倉需根據證券及期貨條例第336條登記。

購買、出售或贖回本公司之上市證券

於截至二零一九年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

Substantial Shareholders (Continued)

Long positions (Continued)

Note: (Continued)

2. FMR LLC held 39,640,000 shares of the Company indirectly through FMR Co., Inc. FMR Co., Inc. is wholly owned by Fidelity Management & Research Company, which is a wholly-owned subsidiary of FMR LLC. The Company was notified that of the above mentioned 39,640,000 shares of the Company held by FMR Co., Inc., 3,710,000 shares of the Company were held for Fidelity Management Trust Company, which is wholly-owned by FMR LLC, while 7,536,000 shares of the Company were held for Fidelity Investments Canada ULC, which is ultimately owned by certain employees and shareholders of FMR LLC. Those employees and shareholders of FMR LLC own 100% equity interest in Fidelity Canada Investors LLC, which owns 64% equity interest in 483A Bay Street Holdings LP. 483A Bay Street Holdings LP owns 100% equity interest in BlueJay Lux 1 S.a.r.l., which owns 100% equity interest in FIC Holdings ULC, which in turn owns 100% equity interest in Fidelity Investments Canada ULC.
3. 28,220,000 shares of the Company were held directly by Fidelity Puritan Trust and the Company were notified that such shares are deemed interest of FMR LLC.

Save as disclosed above, as at 31 December 2019, no person, other than the interests disclosed above in the section "Directors' and Chief Executives' Interests and Short Positions in Securities", had notified the Company of an interest or short position in the shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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

During the year ended 31 December 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

董事會報告書 Directors' Report

主要供應商及客戶

在截至二零一九年十二月三十一日止年度內，集團前五名客戶之營業總額佔集團總營業額少於30%。

集團前五名供應商之購貨總額佔集團總購貨額少於30%。

於二零一九年十二月三十一日，各董事、其聯繫人士或就董事所知擁有本公司股本5%以上之股東概無在集團前五名供應商中擁有任何權益。

公司管治

本公司之企業管治報告詳情載於本年報第60至84頁之「企業管治報告」。

公眾持股量

根據本公司所得的公開資料及董事所知，在截至二零一九年十二月三十一日止年度全期及於本報告日期，公眾人士持有之股份百分比按上市規則不少於本公司已發行股份25%之足夠公眾持股量。

股票掛鈎協議

除上文所披露之新計劃及舊計劃外，於年內或年末，本公司概無訂立將會或可導致本公司發行股份之股票掛鈎協議，或要求本公司訂立任何協議將會或可導致本公司發行股份之股票掛鈎協議。

捐款

在截至二零一九年十二月三十一日止年度內，集團作出慈善及其他捐款合共約3,389,000港元。

Major Suppliers and Customers

During the year ended 31 December 2019, the aggregate sales attributable to the Group's five largest customers accounted for less than 30% of the Group's total turnover.

The aggregate purchases attributable to the Group's five largest suppliers accounted for less than 30% of the Group's total purchases.

As at 31 December 2019, none of the Directors, their associates or any Shareholders (which to the best knowledge of the Directors own more than 5% of the Company's share capital) had any interest in the Group's five largest suppliers.

Corporate Governance

Report on the Company's corporate governance is set out in "Corporate Governance Report" on pages 60 to 84 of this annual report.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 December 2019 and at the date of this report, there is sufficient public float of not less than 25% of the Company's total issued shares capital as required under the Listing Rules.

Equity-linked Agreements

Other than the New Share Option Scheme and the Old Share Option Scheme as disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

Donations

During the year ended 31 December 2019, the Group made charitable and other donations amounting to HK\$3,389,000.

董事會報告書 Directors' Report

獲准許之彌償條文

根據本公司之組織章程細則，本公司每位董事、核數師或其他行政人員有權作為本公司董事、核數師或其他行政人員就任何法律訴訟(不論是民事或刑事)抗辯而獲判勝訴或獲裁定無罪，其所導致或蒙受之一切損失或責任從本公司資產中獲得彌償。

本公司已就其董事及行政人員可能面對因企業活動產生之法律訴訟、為董事及行政人員之職責作適當之投保安排。

有關獲准許之彌償條文已於回顧年度內一直生效，並於本報告獲批准時目前生效。

關連交易及董事之合約權益

本集團於截至二零一九年十二月三十一日止年度內訂立之關連人士交易於綜合財務報表附註41披露。下列各有關連人士交易，根據上市規則第十四A章之定義構成符合最低豁免水平的交易，並按第14A.76(1)條豁免關連交易要求。

- (a) 在截至二零一九年十二月三十一日止年度內，本集團支付960,000港元(二零一八年：960,000港元)租金予港德投資有限公司，葉志成先生(「本公司控股股東及董事」)於該公司持有實益權益。
- (b) 在截至二零一九年十二月三十一日止年度內，本集團收取葉志成慈善基金有限公司的租金及使用費為492,000港元(二零一八年：501,000港元)及服務費收入為53,000港元(二零一八年：53,000港元)，葉志成先生為本公司控股股東及董事並擁有上述公司控股權益。

Permitted Indemnity Provision

The Articles of Association of the Company provides that each Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

The Company has arranged for appropriate insurance to cover Director's and officer's liabilities in respect of legal actions against its Directors and officers arising out of corporate activities.

Such permitted indemnity provisions have been in force throughout the year under review and is currently in force at the time of the approval of this report.

Connected Transactions and Directors' Interests in Contracts

The related party transactions entered into by the Group during the year ended 31 December 2019 are disclosed in note 41 to the consolidated financial statements. Each of the following related party transaction constitutes a de minimis transaction under Chapter 14A of the Listing Rules and is therefore exempt from the connected transaction requirements under rule 14A.76(1).

- (a) During the year ended 31 December 2019, the Group paid rent of HK\$960,000 (2018: HK\$960,000) to Goldex Investments Limited in which Mr. Ip Chi Shing (the controlling shareholder of the Company and a Director) has beneficial interests.
- (b) During the year ended 31 December 2019, the Group received rent and license fee of HK\$492,000 (2018: HK\$501,000) and service fee income of HK\$53,000 (2018: HK\$53,000) from Ip Chi Shing Charitable Foundation Limited in which Mr. Ip Chi Shing, the controlling shareholder of the Company and a Director, has controlling interest.

董事會報告書 Directors' Report

關連交易及董事之合約 權益 (續)

- (c) 主要管理人員為本公司董事及行政人員。支付給他們的薪酬詳情載於綜合財務報告附註6。

除以上所披露者外，於本年度年終時或年內任何時間並不存在本公司或其任何附屬公司有份參與本公司董事、與董事關連之實體及本公司或其附屬公司的控股股東擁有重大直接或間接權益之重大合約。

須予披露交易

出售紫荊花製漆(上海)有限公司全部股份權益

於二零一九年一月十八日，大中漆廠有限公司(「大中漆」)與上海重固新雲尚置業有限公司(「上海重固」)連同上海重固之擔保人上海青浦重固資產經營有限公司及上海重固儲禦實業發展有限公司訂立股權收購協議(「收購協議」)。據收購協議，上海重固已同意購買，而大中漆已同意出售紫荊花製漆(上海)有限公司(為中國上海市青浦區重固鎮北青公路6511號的業權的持有人)，代價為人民幣269,946,938.64元(相當於約307,335,000港元)。相關交易於二零一九年八月七日完成。交易詳情已載於二零一九年一月十八日於聯交所網頁刊登之公告。

管理及行政合同

除與本公司董事及全職僱員所訂立之僱員合約，於年內本公司並沒有就本公司全部或主要業務之管理及行政訂立或存在合同。

Connected Transactions and Directors' Interests in Contracts

(Continued)

- (c) The key management personnel are the Directors and the management executives of the Company. The details of the remuneration paid to them are set out in note 6 to the consolidated financial statements.

Other than disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director, an entity connected with a Director, and a controlling shareholder of the Company or its subsidiary companies had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Discloseable Transaction

Disposal of entire equity interests in 紫荊花製漆(上海)有限公司

On 18 January 2019, Bauhinia Paints Manufacturing Limited ("BPM") entered into an equity interest purchase agreement ("S/P Agreement") with 上海重固新雲尚置業有限公司 ("上海重固"), as well as 上海青浦重固資產經營有限公司 and 上海重固儲禦實業發展有限公司, being guarantors of 上海重固. Under the S/P Agreement, 上海重固 agreed to purchase and BPM agreed to sell the entire equity interest in 紫荊花製漆(上海)有限公司, which was the owner of a premise situated at 中國上海市青浦區重固鎮北青公路 6511號 (6511, Beiqing Highway, Chonggu Town, Qingpu Area, Shanghai, People's Republic of China*) at a consideration of RMB269,946,938.64 (equivalent to approximately HK\$307,335,000). The relevant transaction was completed on 7 August 2019. The details of the transaction were disclosed in the announcement published on the Stock Exchange's website on 18 January 2019.

* For identification purposes only

Contracts Concerning Management and Administration

Save for employment contracts with Directors and full time employees of the Company, no contracts concerning the management and administration of the whole or any principal business of the Company were entered into or subsisted during the year.

董事會報告書 Directors' Report

優先購買權

本公司之公司組織章程細則及開曼群島公司法概無有關優先購買權之條文，規定本公司須向現有股東提出按照彼等所持股份比例發售新股之建議。

核數師

截至二零一九年十二月三十一日止年度之財務報告已由德勤•關黃陳方會計師行審計，核數師的任期將在公司即將舉行之股東周年大會屆滿，惟合資格並願意應聘連任。有關重新委聘德勤•關黃陳方會計師行為本公司核數師之決議案將於本公司即將舉行之股東周年大會上提呈。

承董事會命
葉志成
主席

香港，二零二零年三月三十日

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's Articles of Association or the Companies Law of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

Auditor

The consolidated financial statements for the year ended 31 December 2019 have been audited by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, who shall retire and, being eligible, will offer themselves for re-appointment at the forthcoming AGM. A resolution will be submitted to the forthcoming AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company.

On behalf of the Board
Ip Chi Shing
Chairman

Hong Kong, 30 March 2020



企業管治報告

Corporate Governance Report

遵例聲明

本公司致力維持高水準之企業管治，以達到集團對其僱員、顧客、供應商、商業夥伴和股東們所得之價值實現最大化及保障他們的權益兩大目標。本公司在截至二零一九年十二月三十一日止年度內，除並無設立提名委員會外，本公司均遵守上市規則附錄十四之「企業管治守則及企業管治報告」(「守則」)。本公司並無設立提名委員會的原因已於下述一節「董事會組成」載列。(守則條文第A.5.1項至A.5.4項)

上市公司董事進行證券交易的標準守則

本公司已採納上市規則有關上市公司董事證券交易的附錄十所載的標準守則(「標準守則」)作為董事進行證券交易行為的標準。在作出特定查詢後，本公司所有董事確認在截至二零一九年十二月三十一日止年度已遵守標準守則規定的標準。

Statement of Compliance

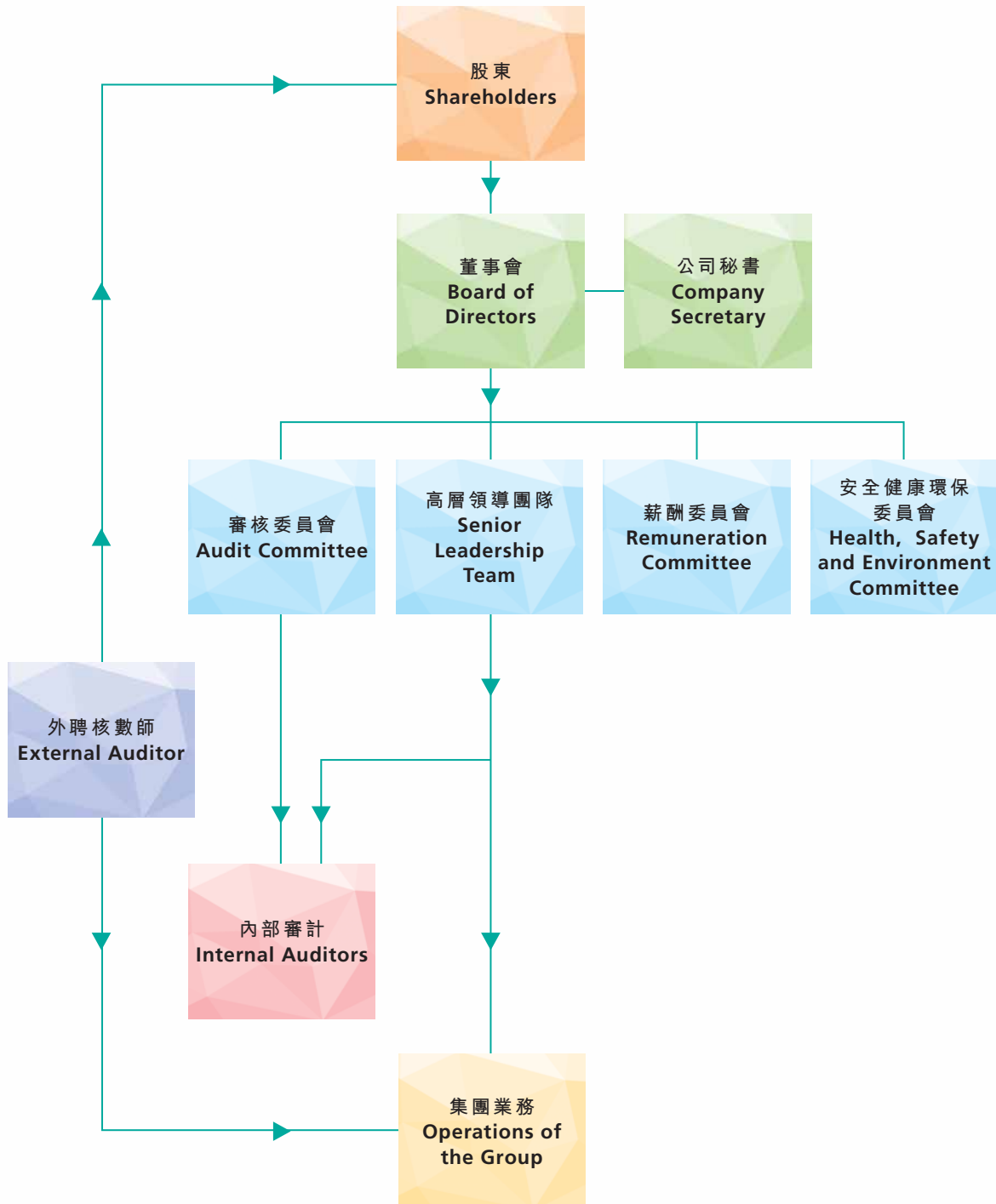
The Company is committed to maintaining high standards of corporate governance so as to achieve the Group's objectives of maximizing values for its employees, customers, suppliers, business partners and Shareholders, and safeguarding their interests. The Company has complied with all code provisions of the "Corporate Governance Code and Corporate Governance Report" (the "CG Code") contained in Appendix 14 to the Listing Rules throughout the year ended 31 December 2019 except that the Company does not have a nomination committee on the ground as stated under the section headed "Composition of the Board" (CG Code provisions A.5.1 to A.5.4).

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. After making specific enquiries, all Directors have confirmed that they have fully complied with the required standard as set out in the Model Code during the year ended 31 December 2019.

企業管治報告
Corporate Governance Report

企業管治架構圖
Corporate Governance Structure



企業管治報告 Corporate Governance Report

董事會

董事會主要職責為制定集團政策、監察該等政策的落實執行、並就集團的整體管理提供監督及協助。

董事會組成

於本年報日期，集團主席為葉志成先生，董事會共由八位董事組成，包括三位執行董事、兩位非執行董事及三位獨立非執行董事。獨立非執行董事的數目按上市規則第3.10A條規定佔董事會成員人數超過三分之一。本公司每位非執行董事及獨立非執行董事的指定任期為直至本公司下一個股東週年大會需由股東重選為止。列明董事會成員職位及職能的名單已登載於本公司及聯交所網站內。

於二零一九年一月一日起，吳紹平先生榮休及辭任本公司的獨立非執行董事，葉子軒先生及王旭先生亦分別轉任集團行政總裁及本公司非執行董事。王旭先生亦辭任聯席行政總裁。於二零一九年一月一日起，葉鈞先生獲委任為集團副行政總裁及本公司執行董事。

各董事之履歷載於第38至第41頁董事及行政人員簡介。主席葉志成先生為(i)集團行政總裁、本公司執行董事及高層領導團隊成員葉子軒先生之兄長、以及(ii)集團副行政總裁、本公司執行董事及高層領導團隊成員葉鈞先生之父親。除上述披露外，董事之間概無其他關係。

本公司確認已經根據上市規則第3.13條收到三位獨立非執行董事就其獨立性而作出的年度確認函，並仍認為獨立非執行董事是獨立的。其中一名獨立非執行董事具備專業會計資格及相關財務管理經驗。

The Board

The Board's principal duties are setting policies, monitoring the execution of such policies, and providing supervision and assistance to the overall management of the Group.

Composition of the Board

As of the date of this annual report, the Board is chaired by Mr. Ip Chi Shing and comprised a total of eight Directors, namely, three Executive Directors, two Non-executive Directors and three Independent Non-executive Directors. The number of Independent Non-executive Directors represents more than one-third of the Board which fulfills the requirement under Rule 3.10A of the Listing Rules. Each of the Non-executive Directors and Independent Non-executive Directors is appointed for a specific term until the closing of the relevant annual general of the Company at which he is eligible for re-election by the Shareholders. The list of Directors with their roles and functions is available on the websites of the Company and the Stock Exchange.

With effect from 1 January 2019, Mr. Ng Siu Ping retired and resigned as an Independent Non-executive Director of the Company, while Mr. Yip Tsz Hin and Mr. Wong Yuk were re-designated as the Chief Executive Officer of the Group and a Non-executive Director of the Company respectively. Mr. Wong Yuk resigned as a Co-Chief Executive Officer as well. Mr. Ip Kwan was appointed as the Deputy Chief Executive Officer of the Group and an Executive Director of the Company with effect from 1 January 2019.

Biographic details of the Directors are set out in the section of Directors' and Management Executives' Profiles on pages 38 to 41. Mr. Ip Chi Shing, the Chairman, is (i) the elder brother of Mr. Yip Tsz Hin who is a Chief Executive Officer of the Group, an Executive Director of the Company and a member of the SLT, and (ii) the father of Mr. Ip Kwan, who is the Deputy Chief Executive Officer of the Group, an Executive Director of the Company and a member of SLT. Save as disclosed above, the Directors are not otherwise related to each other.

The Company has received annual confirmations from all three Independent Non-executive Directors in respect of their independence as set out in Rule 3.13 of the Listing Rules and still considers the Independent Non-executive Directors to be independent. One of the Independent Non-executive Directors possess the appropriate professional accounting qualifications and related financial management experience.

企業管治報告 Corporate Governance Report

董事會 (續)

董事會組成 (續)

董事會不時就其組成及成員作出檢討，確保董事會具備集團業務要求的技能、經驗及多元化範疇的平衡，以便有效履行職責。目前，董事會負責新董事之提名及委任工作。本公司認為由整個董事會履行提名委員會的職能更為有利及高效。

董事會已制定了董事會成員多元化政策（「多元化政策」）以制訂達致董事會成員多元化的方法。多元化政策撮要如下：

- 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、知識及於本集團的服務年期。最終將按人選的長處及可為董事會提供的貢獻而作決定
- 董事會將匯報董事會在多元化層面的組成，並監督多元化政策的執行
- 董事會將在適當時候檢討多元化政策，以確保本政策行之有效

The Board (Continued)

Composition of the Board (Continued)

The Board regularly reviews its composition and membership to ensure that it has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business to discharge its responsibilities effectively. Currently, the Board is responsible for the nomination and appointment of new Directors. The Company considers it is more beneficial and efficient for the full Board to perform the functions of the nomination committee.

The Board adopted the Board Diversity Policy (the "Diversity Policy") which sets out the approach to achieve diversity on the Board. The Diversity Policy is summarized as follows:

- the selection of candidates of the Board 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 to the Group. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board
- the Board will report on the Board's composition under diversified perspectives and monitor the implementation of the Diversity Policy
- the Board will review the Diversity Policy at appropriate times so as to ensure its effectiveness

企業管治報告 Corporate Governance Report

董事會 (續)

董事會組成 (續)

董事會已制定了提名政策(「提名政策」)以列明甄選、委任及重新委任本公司董事的準則及程序。提名政策撮要如下：

- 董事會根據以下考慮因素甄選人選或重新委任現任董事會成員：
 - (a) 誠信信譽
 - (b) 於化工或石油化工工業尤其是溶劑、塗料、油墨、潤滑油及其他相關市場的成就及經驗
 - (c) 可投入的時間及代表相關界別的利益
 - (d) 多元化政策內述之多元化範疇
 - (e) 根據上市規則定義之獨立非執行董事之獨立性
 - (f) 董事會可能不時釐定的任何其他相關因素
 - (g) 平衡執行董事在不同管理領域的比例
 - (h) 平衡執行董事、非執行董事及獨立非執行董事在董事會的比例

The Board (Continued)

Composition of the Board (Continued)

The Board adopted the Nomination Policy (the “Nomination Policy”) which sets out the criteria and procedures for the selection, appointment/re-appointment of directors of the Company. The Nomination Policy is summarized as follows:

- the selection of candidates or re-appointment of any existing member(s) of the Board will be based on the following criteria:
 - (a) Reputation for integrity
 - (b) Accomplishment and experience in the chemical or petrochemical industry, in particular, in the solvents, coatings, inks, lubricants and other related markets
 - (c) Commitment in respect of available time and relevant interest
 - (d) Diversity perspectives as mentioned in the Diversity Policy
 - (e) Independence for the independent non-executive directors as defined in Listing Rules
 - (f) Any other relevant factors as may be determined by the Board from time to time
 - (g) Balanced representation of different management domain of executive directors
 - (h) Balanced representation on the Board by executive directors, non-executive directors and independent non-executive directors

企業管治報告 Corporate Governance Report

董事會 (續)

董事會組成 (續)

- 提名及甄選程序如下：
 - (a) 董事會應最少每五年一次檢討董事會之規模、組成及架構，及考慮繼任計劃。
 - (b) 建議人選將被要求提交所需個人資料，以供董事會按照上述甄選準則評估有關人選是否合適。
 - (c) 董事會任何現任成員須根據本公司組織章程細則重選連任時，董事會須就重新任命建議人選時應用上述甄選準則。
 - (d) 董事會於進行提名、甄選及委任／重新委任程序時，須確保不時遵守本公司組織章程細則、開曼群島法例及上市規則。

董事會每八年或在適當時候檢討提名政策以確保其能有效地執行。

董事會已於二零零八年採納股息政策（「股息政策」）並於二零一七年修訂，及董事會會根據股息政策考慮應否派發股息予股東。股息政策撮要如下：

- 集團盈利狀況與派息比率：一般情況，集團的派息比率約在40%至60%之間（除特殊情況外）。
- 經營環境：假如集團認為不明朗的經營環境因素對集團未來的盈利狀況構成不利的影響，集團可酌量削減派息比率以保留現金作流動資金。
- 集團的現金流與資本及營運開支：無論在任何情況下，集團必須保留足夠的現金流以應付中港兩地日常營運開支所需。

The Board (Continued)

Composition of the Board (Continued)

- The nomination and selection procedures are:
 - (a) The Board shall conduct, at least once every five (5) years, a review of the size, composition and structure of the Board and consider the Board succession plan.
 - (b) Proposed candidate(s) will be asked to submit the necessary personal information in order for the Board to assess the suitability of the candidate(s) based on the above listed criteria.
 - (c) When any existing member(s) of the Board is subject to re-election according to the articles of association of the Company, the Board shall apply the above listed criteria to the proposed candidate(s) on his/her/their re-appointment.
 - (d) The Board shall ensure the procedures of nomination, selection and appointment/re-appointment to comply with the articles of association of the Company, the law of the Cayman Islands and the Listing Rules from time to time.

The Board will review the Nomination Policy once every eight (8) years or at appropriate times so as to ensure its effectiveness.

The Board adopted the Dividend Policy (“Dividend Policy”) in 2008 and amended such policy in 2017. The Board considers that dividends should be paid to Shareholders in accordance with the Dividend Policy. The Dividend Policy is summarized as follows:

- The Group’s profitability and dividend payout ratio: In general, the Group’s dividend payout ratio is between 40% and 60% (except in special circumstances).
- Operating environment: If the Group believes that uncertain operating environment factors adversely affect the Group’s future profitability, the Group may reduce the dividend payout ratio to retain cash flows.
- The Group’s cash flows and capital and operation expenditures: In all circumstances, the Group must maintain sufficient cash flows to meet the daily operation expenditures arising from both China and Hong Kong.

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董事會 (續)

董事會組成 (續)

- 除現金外，股息亦可以公司股票、認股權證或其他類似形式派發。
- 一般而言，中期股息應約佔預計全年預測股息的30%至40%。
- 在特殊情況下，集團可考慮派發特別股息。

董事會每五年或在適當時候檢討股息政策以確保其能有效地執行。

在截至二零一九年十二月三十一日止年度，董事會已檢討以下守則及指引：

- (a) 董事買賣本公司股份的行為守則；
- (b) 集團操守及行為守則；
- (c) 產品品質安全風險管理政策；
- (d) 集團預算案政策；及
- (e) 集團資訊政策及處理內幕消息指引。

本公司已購買董事及高級職員責任及公司補償保險。

The Board (Continued)

Composition of the Board (Continued)

- In addition to cash, dividends may also be distributed in company stocks, warrants or other similar forms.
- In general, the interim dividend should be approximately 30% to 40% of the projected full-year dividend.
- In special circumstances, the Group may consider issuing a special dividend.

The Board will review the Dividend Policy once every five (5) years or at appropriate times so as to ensure its effectiveness.

During the year ended 31 December 2019, the Board reviewed the following guidelines and policies.

- (a) Code of conduct for the transaction of shares of the Company by directors;
- (b) Code of conduct of the Group;
- (c) Risk management policy on product quality and safety;
- (d) Group budget planning policy; and
- (e) Group information policy and guidelines for handling inside information.

Directors and officers liability and company reimbursement insurance coverage has also been arranged by the Company.

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董事會 (續)

董事會運作

在截至二零一九年十二月三十一日止年度，董事會共舉行了五次董事會常規會議、十一次其他會議及一次非執行董事會議。各董事於有關會議之出席次數載列如下：

The Board (Continued)

Operation of the Board

During the year ended 31 December 2019, five regular Board meetings, 11 other Board meetings and a Non-executive Directors meeting were held. The attendance of each Director at these meetings is shown in the table below:

		董事會常規 會議出席率	董事會其他 會議出席率
		Regular Board Meetings Attendance	Other Board Meetings Attendance
執行董事：	Executive Directors:		
葉子軒先生	Mr. Yip Tsz Hin	5/5	11/11
葉鈞先生 ¹	Mr. Ip Kwan ¹	5/5	10/11
何世豪先生	Mr. Ho Sai Hou	5/5	11/11
		董事會常規 會議出席率	非執行董事 會議出席率
		Regular Board Meetings Attendance	Non-executive Directors Meetings Attendance
非執行董事：	Non-executive Directors:		董事會其他 會議出席率
葉志成先生(主席)	Mr. Ip Chi Shing (Chairman)	5/5	0/11
王旭先生 ²	Mr. Wong Yuk ²	4/5	0/11
		董事會常規 會議出席率	非執行董事 會議出席率
		Regular Board Meetings Attendance	Non-executive Directors Meetings Attendance
獨立非執行董事：	Independent Non-executive Directors:		董事會其他 會議出席率
黃廣志先生	Mr. Wong Kong Chi	5/5	0/11
古遠芬先生	Mr. Ku Yuen Fun	5/5	0/11
何百川先生	Mr. Ho Pak Chuen, Patrick	5/5	0/11

¹ 葉鈞先生於二零一九年一月一日起獲委任執行董事。

¹ Mr. Ip Kwan was appointed as an Executive Director with effect from 1 January 2019.

² 王旭先生於二零一九年一月一日起轉任非執行董事。

² Mr. Wong Yuk was re-designated as a Non-executive Director with effect from 1 January 2019.

企業管治報告 Corporate Governance Report

董事會 (續)

董事會運作 (續)

在二零一九年十二月三十一日止年度內，舉行了五次董事會常規會議，親身出席與會董事均有積極參與。除舉行董事常規會議外，董事會於二零一九年度亦召開了十一個其他董事會會議，以批准日常事務或討論董事會當時任何有需要注意之事宜。按守則條文第A.2.7項，董事會主席與所有非執行董事及獨立非執行董事舉行了一次並無執行董事出席的會議。

在截至二零一九年十二月三十一日止年度內，本公司之公司秘書（「公司秘書」），確保（當中包括）各董事可獲得其所需要的資料及遵循所有董事會程序。同時公司秘書亦負責為各董事提供持續專業發展之機會，以發展及更新彼等的知識及技能，確保彼等向董事會作出知情及恰當之貢獻。董事亦獲提供本公司表現、財務狀況及前景的每月更新資料，以便董事會整體及各董事適當地履行其職務。公司秘書何世豪先生為本公司全職僱員。於本回顧年度，何先生確認其已遵守需接受不少於十五小時的相關專業培訓的規定。

董事培訓及專業發展

在截至二零一九年十二月三十一日止年度，葉鈞先生作為新執行董事於委任後已獲提供全面、正式及特為其安排的就任需知培訓。

本公司不時地為董事安排內部培訓，形式包括講座、工作坊及閱覽有關法律、規則及條例、管理、財務及商業事項等的最新發展資料，以便各董事提高及更新自身的知識和技能。

The Board (Continued)

Operation of the Board (Continued)

During the year ended 31 December 2019, 5 regular Board meetings were held which involved the active participation in person by all the attending Directors. Besides these regular Board meetings, 11 other Board meetings were convened during 2019 to approve routine business or discuss any matters that required the Board's timely attention. The Chairman of the Board held a meeting with all Non-executive Directors and Independent Non-executive Directors without the presence of Executive Directors in accordance with CG Code Provision A.2.7.

During the year ended 31 December 2019, the role of the company secretary of the Company ("Company Secretary") included, amongst others, ensuring that the Directors have access to all necessary information and that all Board procedures were followed. The Company Secretary was also responsible for offering opportunities of continuing professional development to all Directors to develop and refresh their knowledge and skills to help ensure that their contribution to the Board remains informed and relevant. Directors were also provided with monthly updates on the Company's performance, financial position and prospects to enable the Board as a whole and each Director to properly discharge their duties. The Company Secretary, Mr. Ho Sai Hou, is a full time employee of the Company. Mr. Ho confirmed that he fulfilled the requirement of taking no less than 15 hours of relevant professional training during the year under review.

Directors' Training and Professional Development

During the year ended 31 December 2019, Mr. Ip Kwan, a newly appointed Executive Director is offered comprehensive, formal and tailored induction upon his appointment.

The Company, from time to time, provides in-house trainings for the Directors in the form of seminars, workshops and reading materials on the latest development of applicable laws, rules and regulations, management, financial and business issues to develop and refresh their knowledge and skills.

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董事會 (續)

董事培訓及專業發展 (續)

另外，本公司鼓勵所有董事參與各專業培訓研討會及課程。根據董事所提供的記錄，董事截至二零一九年十二月三十一日止年度所接受的培訓概要如下：

The Board (Continued)

Directors' Training and Professional Development (Continued)

In addition, all Directors are encouraged to participate in various professional development seminars and courses. A summary of training received by Directors during the year ended 31 December 2019 according to the records provided by the Directors is as follows:

董事	Directors	培訓類別 Type of trainings		
		內部培訓 In-house training	Seminars and/or conferences and/of forums	閱讀材料及網上學習 Reading and online studying
葉志成先生(主席)	Mr. Ip Chi Shing (Chairman)			✓
葉子軒先生	Mr. Yip Tsz Hin			✓
葉鈞先生 ¹	Mr. Ip Kwan ¹	✓		✓
何世豪先生	Mr. Ho Sai Hou	✓	✓	✓
王旭先生 ²	Mr. Wong Yuk ²			✓
黃廣志先生	Mr. Wong Kong Chi			✓
古遠芬先生	Mr. Ku Yuen Fun			✓
何百川先生	Mr. Ho Pak Chuen, Patrick			✓

¹ 葉鈞先生於二零一九年一月一日起獲委任執行董事。

¹ Mr. Ip Kwan was appointed as an Executive Director with effect from 1 January 2019.

² 王旭先生於二零一九年一月一日起轉任非執行董事。

² Mr. Wong Yuk was re-designated as a Non-executive Director with effect from 1 January 2019.

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董事會 (續)

董事會授權

董事會為本公司的最高權力實體，集體負責領導、策劃及監控集團業務，及履行企業管治責任和職能，相關工作內容在需由董事會作出決定的事項清單內有詳細說明。在截至二零一九年十二月三十一日止年度內，董事會主席一職由葉志成先生擔任，葉子軒先生擔任集團行政總裁及葉鈞先生擔任集團副行政總裁。於二零一九年一月一日起，王旭先生轉任本公司非執行董事及辭任聯席行政總裁、葉子軒先生轉任集團行政總裁及葉鈞先生獲委任為集團副行政總裁及本公司執行董事。

如下部所述，本公司成立了高層領導團隊（「領導團隊」），在截至二零一九年十二月三十一日止，葉子軒先生及葉鈞先生負責監察集團領導團隊及其他高層管理人員之工作。以上之架構是為了清楚明確的分別主席管理董事會的職責以及管理層監督集團整體內部運作的職責。

董事會已授權給領導團隊，而該等職責包括但不限於制定和推行政策及業務發展策略，以及對集團不同業務單位的表現作出監控。領導團隊現有成員合共四位成員，當中包括三位本公司執行董事葉子軒先生、葉鈞先生及何世豪先生。領導團隊的一名前任成員王旭先生於二零一九年一月一日辭任領導團隊職務。

The Board (Continued)

Delegation by the Board

The Board, as the highest governing body, is collectively responsible for leading, planning and controlling the businesses of the Group, and also for performing the corporate governance duties and functions as more specifically set out in the list of matters reserved for the Board. During the year ended 31 December 2019, the position of the Chairman of the Board was held by Mr. Ip Chi Shing, and the position of Chief Executive Officer was held by Mr. Yip Tsz Hin and the position Deputy Chief Executive Officer was held by Mr. Ip Kwan. With effect from 1 January 2019, Mr. Wong Yuk was re-designated as a Non-executive Director of the Company and resigned as a Co-Chief Executive Officer, Mr. Yip Tsz Hin was re-designated as the Chief Executive Officer of the Group as well as Mr. Ip Kwan was appointed as the Deputy Chief Executive Officer of the Group and an Executive Director of the Company.

As disclosed in the section below, the Company established SLT. During the year ended 31 December 2019, Mr. Yip Tsz Hin and Mr. Ip Kwan oversaw the work of SLT and other senior management of the Group. The above structure is to ensure a clear distinction between the Chairman's duty to manage the Board and the management's duty to oversee the overall internal operation of the Group.

The Board has delegated to SLT with broad management responsibilities including, but not limited to, formulating and implementing policies and business strategies, as well as supervising the performance of the Group's different business segments. SLT currently comprises a total of four members, three of them are Executive Directors of the Company, namely Mr. Yip Tsz Hin, Mr. Ip Kwan and Mr. Ho Sai Hou. Mr. Wong Yuk, a former member of SLT, resigned from the SLT with effect from 1 January 2019.

企業管治報告 Corporate Governance Report

董事會 (續)

董事會授權 (續)

本公司設有一份指定須由董事會作出決定事項之正式清單，並會定期檢討該清單。該等較重要事項包括：

- 制定長期目標及策略
- 批准初步業績公告
- 批准年度預算
- 批准主要資本開支、收購及出售
- 制定風險管理政策
- 批准須予公佈的交易及關連交易
- 建議及宣派股息
- 委任新董事
- 成立董事會委員會
- 檢討及監察內部監控及風險管理系統
- 檢討及監察遵守法律及監管規定及企業管治實施之政策及實施及守則條文之遵守
- 批准重要政策及指引

The Board (Continued)

Delegation by the Board (Continued)

A formal schedule of matters reserved for the Board is maintained and is subject to regular review. The more important matters include:

- setting long term objectives and strategies
- approving preliminary results announcements
- approving annual budgets
- approving major capital expenditure, acquisitions and disposals
- establishing risk management policies
- approving notifiable transactions and connected transactions
- declaring and recommending the payment of dividends
- appointing new Directors
- establishing Board committees
- reviewing and monitoring of internal control and risk management systems
- reviewing and monitoring the policies and practices on compliance with legal and regulatory requirements and practices on corporate governance and compliance with CG Code
- approving major policies and guidelines

企業管治報告 Corporate Governance Report

董事會 (續)

高層領導團隊

領導團隊成員

葉子軒先生

葉鈞先生

何世豪先生

謝憶珠女士

領導團隊之職務及責任

- 協助董事會制定政策和策略
- 執行並實施董事會制定的政策與策略計劃
- 管治及監控子集團業務
- 協助及協調子集團的運作，為集團爭取最佳效益

目前，董事會有三個委員會，分別為薪酬委員會、審核委員會及安全健康環保委員會。所有董事委員會根據其職權範圍書由董事會授權。

The Board (Continued)

Senior Leadership Team

SLT members

Mr. Yip Tsz Hin

Mr. Ip Kwan

Mr. Ho Sai Hou

Ms. Tse Yik Chu

Duties and responsibilities of SLT

- Assist the Board in setting policies and strategies
- Execute the policies and strategic plans set by the Board
- Supervise the businesses of subsidiaries
- Assist and co-ordinate the operations of subsidiaries, and maximize the benefits for the Group

Currently, there are three Board committees, namely the Remuneration Committee, Audit Committee and Health, Safety and Environment Committee. All the Board committees are empowered by the Board under their own terms of reference.

企業管治報告 Corporate Governance Report

薪酬委員會及董事及高級管理層之薪酬

薪酬委員會於二零零五年六月成立，在截至二零一九年十二月三十一日止年度內，由四位獨立非執行董事組成，何百川先生為薪酬委員會主席。於二零一九年一月一日起，吳紹平先生辭任薪酬委員會主席及何百川先生獲委任為薪酬委員會主席，而王旭先生亦獲委任為薪酬委員會成員。薪酬委員會主要角色及功能如下：

- 設立正規而具透明度的程序制訂集團薪酬政策
- 向董事會建議集團所有董事及高級管理層薪酬之政策及結構
- 釐定各執行董事及高級管理層之薪酬待遇
- 就非執行董事的薪酬向董事會提出建議

最新之薪酬委員會之職權範圍書登載於本公司及聯交所網站內，亦可向公司秘書要求提供查閱。

The Remuneration Committee and Remuneration of Directors and Senior Management

The Remuneration Committee was formed in June 2005. During the year ended 31 December 2019, the Remuneration Committee consisted of four Independent Non-executive Directors. Mr. Ho Pak Chuen, Patrick was the chairman of the Remuneration Committee. With effect from 1 January 2019, Mr. Ng Siu Ping resigned as the Chairman of the Remuneration Committee and Mr. Ho Pak Chuen, Patrick was appointed as the Chairman of the Remuneration Committee while Mr. Wong Yuk was appointed as a member of the Remuneration Committee. Major roles and functions of the Remuneration Committee include:

- establishing a formal and transparent procedure for developing the Group's remuneration policy
- making recommendation to the Board on the Group's policy and structure for the remuneration of Directors and senior management
- determining the remuneration packages of all individual Executive Directors and senior management
- making recommendations to the Board on the remuneration of Non-executive Directors

The updated version of terms of reference of the Remuneration Committee is available on the Company's website and the Stock Exchange's website and from the Company Secretary upon request.

企業管治報告 Corporate Governance Report

薪酬委員會及董事及高級管理層之薪酬(續)

薪酬委員會舉行了一次會議，各成員於該會議之出席次數載列如下：

成員	Members	出席率 Attendance
何百川先生 ¹	Mr. Ho Pak Chuen, Patrick ¹	1/1
黃廣志先生	Mr. Wong Kong Chi	1/1
古遠芬先生	Mr. Ku Yuen Fun	1/1
王旭先生 ²	Mr. Wong Yuk ²	1/1

¹ 何百川先生於二零一九年一月一日獲委任薪酬委員會主席。

² 王旭先生於二零一九年一月一日獲委任薪酬委員會成員。

於該會議上，薪酬委員會：

- 檢討及審批執行董事及高級管理人員二零二零年的調薪幅度
- 檢討二零一九年高級管理人員獎勵方案的成效及討論二零二零年度的獎勵方案
- 討論長期激勵方案以挽留人才，尤其是對集團長遠發展具影響力的管理人員

董事酬金包括因管理本公司及其附屬公司事務而付給董事之款項。在截至二零一九年十二月三十一日止年度支付予本公司各董事及高級管理層的金額詳列於綜合財務報告附註6。

The Remuneration Committee and Remuneration of Directors and Senior Management (Continued)

The Remuneration Committee held one meeting and the attendance of each member at this meeting is shown in the table below:

Members	Attendance
Mr. Ho Pak Chuen, Patrick ¹	1/1
Mr. Wong Kong Chi	1/1
Mr. Ku Yuen Fun	1/1
Mr. Wong Yuk ²	1/1

¹ Mr. Ho Pak Chuen, Patrick was appointed as the Chairman of the Remuneration Committee on 1 January 2019.

² Mr. Wong Yuk was appointed as a member of the Remuneration Committee on 1 January 2019.

In this meeting, the Remuneration Committee:

- reviewed and approved the salary adjustment for Executive Directors and senior management for the year 2020
- reviewed the effectiveness of the reward scheme for senior management for the year 2019 and discuss the reward scheme for the year 2020
- discussed the long-term incentive scheme in order to retain talents, in particular, the management who have impacts on the long-term development of the Group

Directors' emoluments consisted of payments to Directors in connection with the management of the affairs of the Company and its subsidiaries. The fees paid to each Director and senior management for the year ended 31 December 2019 are set out in Note 6 to the consolidated financial statements.

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審核委員會

審核委員會於一九九八年十一月成立，在截至二零一九年十二月三十一日止年度內，由四位獨立非執行董事組成，主席為黃廣志先生。於二零一九年一月一日起，吳紹平先生辭任審核委員會成員，王旭先生於同日獲委任審核委員會成員。審核委員會主要職責如下：

- 審閱集團財務資料
- 監管集團財務匯報制度、風險管理及內部監控程序
- 監察集團與外聘核數師的關係

審核委員會之職權範圍已登載於本公司及聯交所網站內，並可向公司秘書要求提供查閱。

審核委員會於截至二零一九年十二月三十一日止年度舉行了四次會議，各成員於有關會議之出席次數載列如下：

Members	Members	出席率 Attendance
黃廣志先生	Mr. Wong Kong Chi	4/4
古遠芬先生	Mr. Ku Yuen Fun	4/4
何百川先生	Mr. Ho Pak Chuen, Patrick	3/4
王旭先生 ¹	Mr. Wong Yuk ¹	4/4

¹ 王旭先生於二零一九年一月一日獲委任審核委員會成員。

The Audit Committee

The Audit Committee was formed in November 1998. During the year ended 31 December 2019, the Audit Committee comprised four Independent Non-executive Directors and was chaired by Mr. Wong Kong Chi. With effect from 1 January 2019, Mr. Ng Siu Ping resigned as a member of the Audit Committee and Mr. Wong Yuk was appointed as a member of the Audit Committee. Major duties of the Audit Committee include:

- reviewing financial information of the Group
- overseeing the Group's financial reporting system, risk management and internal control procedures
- monitoring the relationship between the Group and its external auditor

The terms of reference of the Audit Committee is available on the Company's website and the Stock Exchange's website and from the Company Secretary upon request.

The Audit Committee held four meetings during the year ended 31 December 2019 and the attendance of each member at these meetings is shown in the table below:

¹ Mr. Wong Yuk was appointed as a member of the Audit Committee with effect from 1 January 2019.

企業管治報告 Corporate Governance Report

審核委員會 (續)

在該等會議中，審核委員會：

- 在集團二零一八年年度及二零一九年中期業績提交董事會批准前對其進行審閱。在進行審閱的過程中，審核委員會專注於集團表現與上年業績之重大偏差，以及判斷、選擇及應用會計政策之主要範圍及遵守法律及監管規定
- 審閱內部審計部之報告、與內部審計主管就重大發現進行討論，檢討內部審計部的資源是否足夠及內部審計功能之有效性並批准內部審計計劃
- 按已設有之指引及程序審閱集團之風險管理及內部監控系統並進行檢討
- 與集團之外聘核數師就核數計劃進行討論、按其保持獨立性之政策就其獨立性進行評估，以及檢討其所提供之非核數服務範圍
- 檢討集團在會計、內部審計及財務報告方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否足夠
- 批核集團之外聘核數師的酬金

審核委員會已於二零二零年三月二十六日之審核委員會會議上審閱集團截至二零一九年十二月三十一日止年度的經審核綜合財務報告。

The Audit Committee (Continued)

In those meetings, the Audit Committee:

- reviewed the 2018 annual and 2019 interim results before submitting the same to the Board for approval and in doing so, the committee focused on material deviations of the Group's performance from past year's results, major areas of judgment, selection and application of accounting policies and compliance with legal and regulatory requirements
- received reports from the internal audit department, discussed material findings with the head of internal audit, reviewed the adequacy of resources of the internal audit department and effectiveness of the internal audit function and approved the internal audit plan
- reviewed the effectiveness of the Group's risk management and internal control systems in accordance with established guidelines and procedures
- discussed the audit plan with the Group's external auditor and assessed its independence with reference to its policies for maintaining independence and reviewed the extent of non-audit services provided
- considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting function
- approved the audit fees paid to the Group's external auditor

An Audit Committee meeting was held on 26 March 2020 to review the Group's audited consolidated financial statements for the year ended 31 December 2019.

企業管治報告
Corporate Governance Report

安全健康環保委員會

安全健康環保委員會(「安委會」)於二零一二年一月成立，以提高集團對健康、安全及環保工作的重視。在截至二零一九年十二月三十一日止年度內，安委會由四位獨立非執行董事組成，主席由古遠芬先生出任。自二零一九年一月一日起，吳紹平先生辭任安委會成員及王旭先生獲委任為安委會成員。安委會主要職責包括：

- 集團的「安全健康環保政策」的採納及更新
- 集團對健康、安全及環保的風險胃納的釐定
- 管理集團就「健康安全環保」的監控環境(包括組織架構、獎懲制度、資源投放、作業文化等)

安委會之職權範圍已登載於本公司網站內，並可向公司秘書要求提供查閱。

安委會於截至二零一九年十二月三十一日止年度舉行了五次會議，各成員於有關會議之出席次數載列如下：

成員	Members	出席率 Attendance
古遠芬先生	Mr. Ku Yuen Fun	5/5
黃廣志先生	Mr. Wong Kong Chi	5/5
何百川先生	Mr. Ho Pak Chuen, Patrick	4/5
王旭先生 ¹	Mr. Wong Yuk ¹	5/5

¹ 王旭先生於二零一九年一月一日獲委任安委會成員。

Health, Safety and Environment Committee

The Health, Safety and Environment (“HSE”) Committee was established in January 2012 in order to enhance the importance of the health, safety and environmental protection works to the Group. During the year ended 31 December 2019, the HSE Committee comprised four Independent Non-executive Directors members and was chaired by Mr. Ku Yuen Fun. With effect from 1 January 2019, Mr. Ng Siu Ping resigned as a member of the HSE Committee and Mr. Wong Yuk was appointed as a member of the HSE Committee. Major duties of the HSE Committee include:

- the adoption and renewal of the Group’s HSE policies
- determining the Group’s appetite for HSE risk
- managing the Group’s monitoring environment for HSE matters, including organization structure, reward and punishment systems, resource inputs, operation culture, etc.

The terms of reference of the HSE Committee is available on the Company’s website and from the Company Secretary upon request.

During the year ended 31 December 2019, the HSE Committee held five meetings and the attendance of each member at these meetings is shown in the table below:

¹ Mr. Wong Yuk was appointed as a member of the HSE Committee with effect from 1 January 2019.

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安全健康環保委員會 (續)

在該等會議中，安委會：

- 檢討集團於二零一八年度健康、安全及環保表現及審視集團二零一九年度健康、安全及環保計劃
- 議定集團健康、安全及環保管理系統建立時間表
- 滙報各廠房健康、安全及環保項目進度
- 檢討各廠房健康、安全及環保部門組織架構

問責及核數

董事及核數師需承擔的責任

董事承認彼等編製集團財務報表及彼等向股東發佈公告之責任，並承諾就集團之表現、狀況及前景作出均衡、清晰及全面之評估。董事會並不知悉任何可能對集團繼續作持續經營之能力產生嚴重懷疑之重大不確定因素。

核數師之報告責任於第85至92頁之獨立核數師報告內陳述。

風險管理及內部監控

董事會確認其對集團風險管理及內部監控系統負責。系統旨在管理而非消除未能達成業務目標的風險，而且只能就重大失實陳述或損失作出合理而非絕對的保證。

Health, Safety and Environment Committee (Continued)

In those meetings, the HSE Committee:

- reviewed the Group's HSE performance in 2018 and overview the Group's 2019 HSE plan
- planned the schedule of setting up the Group's HSE Management System
- reported the progress of HSE projects of operation sites
- reviewed the organisation of HSE functions in operation sites

Accountability and Audit

Directors' and Auditor's responsibilities

The Directors acknowledge their responsibilities for preparing the financial statements of the Group and their announcements to Shareholders and commit to the presentation of a balanced, clear and comprehensive assessment of the Group's performance, position and prospects. The Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

The Auditor's reporting responsibilities are stated in the Independent Auditor's Report on pages 85 to 92.

Risk Management and Internal Control

The Directors acknowledge their responsibility for the risk management and internal control systems of the Group. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

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風險管理及內部監控 (續)

此外，董事會透過以下架構及程序持續監督集團的風險管理及內部監控系統：

- 成立不同董事委員會並制訂清晰的委員會職權範圍，以監控風險及控制主要業務活動。董事委員會定期直接與集團高層管理人員溝通，並向董事會匯報重大發現及就提升集團風險管理及內部監控系統的有效性提出建議。
- 董事會授權集團管理人員進行業務活動，同時推行集團政策及建立集團權限，以確保有關活動審慎進行並於風險與回報之間取得平衡。根據集團政策及集團權限，集團管理人員需定期向董事會匯報主要營運風險及在進行重大交易時取得董事會審批。

董事會每年：

- 接收各董事委員會提交的年度報告，該等報告總結各董事委員會過往一年的業務及來年的重點工作。
- 每年檢討集團風險管理及內部監控系統的有效性，檢討方向包括：
 - 重大風險及其改變；
 - 財務匯報程序；
 - 上市規則遵守情況；
 - 重大監控失誤及不足之處；及
 - 集團財務及內審功能於資源、員工的資歷及經驗、人員培訓及預算方面是否足夠。

Risk Management and Internal Control (Continued)

Furthermore, the Board oversees the Group's risk management and internal control systems on an ongoing basis through the following structures and processes:

- Various Board sub-committees are set up with clear terms of reference to monitor risks and controls of key business activities. These Board sub-committees engage directly with senior management of the Group regularly and report to the Board on material findings and make recommendations to improve the effectiveness of the Group's risk management and internal control systems.
- Whilst the Board delegates wide powers to the management to conduct business activities, it also promulgates Group Policies (GPs) and establishes Group Authorization Limits (GAs) to ensure that such activities are conducted prudently and that proper balance is maintained between risks and rewards. Under these GPs and GAs, management is required to report to the Board regularly on major operational risks and to seek Board's specific approval on material transactions.

Annually, the Board:

- Receives annual reports from each of its sub-committees which summarize the businesses covered during the past year and major work focus for the following year.
- Conducts an annual review of the effectiveness of the Group's risk management and internal control systems regarding:
 - significant risks and their changes;
 - financial reporting procedures;
 - Listing Rule compliance;
 - significant control failings and weaknesses; and
 - adequacy of resources, staff qualifications and experience, training and budget of the Group's financial and internal audit functions.

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風險管理及內部監控 (續)

董事會於二零一三年採納集團資訊政策及處理內幕消息指引，並於二零一六年十二月一日修訂上述政策及指引。集團已成立團隊以管理及控制內幕消息（「內幕消息團隊」）。內幕消息團隊成員包括任何董事會成員、集團財務總裁、公司秘書部代表及任何授權人員。內幕消息團隊成員審查及監督集團的活動以識別是否存在任何內幕消息，並如有則及時作出準確及充分的披露。

本公司設有內部審計功能。內部審計部於一九九七年成立，獨立地監察內部監控程序之實施及符合集團政策，並就內部監控系統之有效性提出建議。內審部主管同時向集團何世豪先生（集團財務總裁、本公司執行董事及公司秘書及領導團隊成員）及審核委員會匯報。

核數師之酬金

截至二零一九年十二月三十一日止年度，已付予／應付予集團外聘核數師德勤•關黃陳方會計師行之費用如下：

所提供之服務	Services rendered	付／應付酬金 Fee paid/payable 千港元 HK\$'000
審核服務	Audit services	3,600
非審核服務	Non-audit services	
審閱中期報告	Interim review	550

Risk Management and Internal Control (Continued)

The Board adopted “the Group Information Policy and Guidelines for Handling Inside Information” in 2013 and revised the aforesaid policy and guidelines on 1 December 2016. The Group formed a team to manage and control its inside information (the “IS Team”). The IS Team members include any Board members, the Chief Financial Officer, a representative from the Company Secretarial Department and any authorised persons. The IS Team members review and monitor the Group’s activities to identify if there is any inside information and if so to make accurate and adequate disclosure in a timely manner.

The Company has an internal audit function. The internal audit department was set up in 1997 to monitor independently the implementation of the internal control procedures, compliance with group policies and to make recommendations on the effectiveness of the internal control systems. The head of internal audit reports jointly to Mr. Ho Sai Hou (the Chief Financial Officer of the Group, an Executive Director and the Company Secretary of the Company and a member of SLT) and to the Audit Committee.

Auditor’s Remuneration

For the year ended 31 December 2019, the fee paid/payable to the Group’s external auditor, Messrs. Deloitte Touche Tohmatsu, is set out as follows:

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股東權益

本公司只有一個類別的股份。所有股份有相同的投票權及有權獲得宣派的股息。股東權益(除其他事項外)已列載於本公司的重列組織章程細則(「重列章程細則」)及開曼群島公司法。

股東召開股東大會的權利與程序

根據重列章程細則第68條，股東大會可應本公司兩名或以上股東之書面要求而召開，有關要求須送達本公司於香港之主要營業地點(或倘本公司不再設置上述主要營業地址，則為註冊辦事處)，當中列明大會之主要商議事項並由該等請求人簽署，惟該等請求人於送達要求之日須持有本公司不少於十分之一附帶於本公司股東大會投票權之繳足股本。

股東大會亦可應本公司任何一名股東(彼為一間認可結算所(或其代理人))之書面要求而召開，有關要求須送達本公司於香港之主要營業地點(或倘本公司不再設置上述主要營業地址，則為註冊辦事處)，當中列明大會之主要商議事項並由該請求人簽署，惟該請求人於送達要求之日須持有本公司不少於十分之一附帶於本公司股東大會投票權之繳足股本。

倘董事會於送達要求之日起計二十一日內並無按既定程序於往後的二十八日內召開大會，則請求人自身或代表彼等所持全部投票權50%以上之任何請求人可按盡量接近董事會召開大會之相同方式召開股東大會，惟按上述方式召開之任何大會不得於送達有關要求之日起計三個月屆滿後召開，且本公司須向請求人償付因應董事會未有召開大會而致使彼等須召開大會所合理產生之所有開支。

Shareholders' Rights

The Company has only one class of shares. All shares have the same voting rights and are entitled to all dividends declared. The rights of the Shareholders are set out in, amongst others, the restated articles of association of the Company (the "Restated Articles") and the Companies Law of the Cayman Islands.

Rights and Procedures for Shareholders to convene a General Meeting

Pursuant to Article 68 of the Restated Articles, a general meeting shall be convened on the written requisition of any two or more Shareholders deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company which carries the rights of voting at the a meeting.

A general meeting may also be convened on the written requisition of any one shareholder which is a recognized clearing house (or its nominee) deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitioner, provided that such requisitioner held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at a general meeting of the Company.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 28 days, the requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

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股東召開股東大會的 權利與程序 (續)

根據重列章程細則第116條，概無任何退任董事外之人士(除非獲董事會推薦)有資格於股東大會上參選董事一職，除非於一段為期最少七日之期間(須不早於寄發指定進行選舉之大會之通告後一日開始，且不遲於有關大會日期前七日結束)內，由一名有權出席有關通告所指之大會並於會上投票之本公司股東(並非獲建議參選之人士)向公司秘書發出其有意建議該名人士參選之書面通知，而該名獲建議參選之人士亦發出書面簽署通知表明其參選之意願。

於股東大會上提呈建議

有關遞呈必須列明會議目的，並由遞呈要求人士簽署及將相關文件送到本公司位於香港的總辦事處及主要營業地點，且可由多份相類似之文件(各文件須由一名或多名遞呈要求人士簽署)組成。

向董事會提出詢問

股東可將其書面詢問郵寄到本公司位於香港的總辦事處及主要營業地點，或透過本公司網頁(www.yipschemical.com)的「聯絡我們」以電郵方式提出。

股東會議

董事會致力與股東維持溝通，為此透過股東週年大會與股東直接交流。

Rights and Procedures for Shareholders to convene a General Meeting (Continued)

Pursuant to Article 116 of the Restated Articles, no person other than a retiring Director shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least 7 days, commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such election and ending no later than 7 days prior to the date of such meeting, there has been given to the Company Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

Putting Forward Proposals at Shareholders' Meeting

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the Hong Kong head office and principal place of business of the Company, and may consist of several documents in like form each signed by one or more requisitionists.

Right to put enquiries to the Board

Shareholders may send their written enquiries to the Company by post to the Hong Kong head office and principal place of business of the Company or via e-mail through the Company's website (please refer to "Contact Us" at www.yipschemical.com).

Shareholders' Meetings

The Board strives to maintain an on-going dialogue with the Shareholders and in particular, through annual general meeting to communicate with Shareholders directly.

企業管治報告
Corporate Governance Report

股東會議 (續)

二零一九年股東週年大會於二零一九年六月四日舉行。各董事於是次會議之出席情況載列如下：

Shareholders' Meetings (Continued)

The 2019 AGM was held on 4 June 2019. The attendance of each Director at this meeting is shown in the table below:

執行董事	Executive Directors	股東週年大會 出席率 AGM Attendance
葉子軒先生	Mr. Yip Tsz Hin	1/1
葉鈞先生 ¹	Mr. Ip Kwan ¹	1/1
何世豪先生	Mr. Ho Sai Hou	1/1

¹ 葉鈞先生於二零一九年一月一日獲委任執行董事。

¹ Mr. Ip Kwan was appointed as an Executive Director with effect from 1 January 2019.

非執行董事	Non-executive Directors	股東週年大會 出席率 AGM Attendance
葉志成先生	Mr. Ip Chi Shing	1/1
王旭先生 ¹	Mr. Wong Yuk ¹	1/1

¹ 王旭先生於二零一九年一月一日轉任非執行董事。

¹ Mr. Wong Yuk was re-designated as a Non-executive Director with effect from 1 January 2019.

獨立非執行董事	Independent Non-executive Directors	股東週年大會 出席率 AGM Attendance
黃廣志先生	Mr. Wong Kong Chi	1/1
古遠芬先生	Mr. Ku Yuen Fun	1/1

在截至二零一九年十二月三十一日止年度內，本公司的組織章程文件並無變動。本公司重列章程細則最新版本已登載於本公司及聯交所網站內，並可向公司秘書要求提供查閱。

During the year ended 31 December 2019, there is no change in the Company's constitutional documents. The latest version of the Restated Articles of the Company is available on the Company's and the Stock Exchange's website and from the Company Secretary upon request.

企業管治報告 Corporate Governance Report

投資者關係及股東通訊

集團致力在業務上每個環節維持高水平企業管治，適時向投資者及股東提供準確及具透明度的資訊，力求與持份者保持良好的雙向溝通。

集團深明與投資者和股東保持適時溝通之重要性。因此，集團投資者關係及企業傳訊部定期與投資者和股東會面，透過持續性的對話，建立長期的良好關係。集團每年在公佈中期及全年業績後隨即舉行大型投資者簡介會或電話會議，並且其後安排網上錄播，讓關注本集團業績的香港、國內及海外的投資者及股東能適時了解集團的營運表現及重大的企業發展。除了業績公佈外，集團亦定期與投資者及股東安排一對一會面或電話會議，確保他們對公司的發展有透徹的了解。集團每年舉辦股東週年大會，通過直接和公開的對話，與股東保持良好的互動溝通。

除了與機構投資者會面，集團亦重視與零售投資者的溝通。集團定期舉辦傳媒簡介會，向媒體更新集團最新的發展情況，藉此提升集團於零售投資者層面的透明度。為確保集團的重要資訊能夠適時及公平地發佈，集團廣泛利用集團網站上載中期及全年財務報告、公告、新聞稿和簡報等資料，讓投資者和股東可快捷方便地於網站內查閱及下載所需資料，讓各界緊貼集團的最新業務發展。集團亦建立葉氏化工面書(Facebook)專頁及微信(WeChat)訂閱號，定期發放集團的最新資訊，集團期望藉此兩社交平台增加與本地、國內及海外持份者的建設性對話。

Investor Relations and Communication with Shareholders

The Group strives to maintain a high level of corporate governance in every facet of its business; provide investors and Shareholders with accurate, transparent and timely information; and seek good two-way communication with stakeholders.

The Group fully understands the importance of maintaining timely communication with investors and Shareholders. In this regard, the Group's Investor Relations and Corporate Communications Department regularly holds meetings with investors and Shareholders so as to build a good long-term relationship through continuing dialogues. Immediately after the announcement of interim and annual results every year, the Group will hold an investor briefing or audio conference. A webcast or recorded audio conference will also be hosted subsequently so that investors and Shareholders from Hong Kong, Mainland China or the overseas will be able to learn timely of the Group's operating performance and major development. Apart from the results announcements, the Group will also arrange regular one-on-one meetings or teleconferences with investors and Shareholders to ensure that they have a thorough understanding of the Group's development. In the annual general meeting of Shareholders every year, the Group is able to maintain good interactive communication with Shareholders through direct and open dialogues.

In addition to meeting with institutional investors, the Group also values its communication with retail investors. Therefore media briefings are held regularly to update the media the Group's latest development and to increase the Group's transparency at the retail investor level. To ensure timely and fair announcement of important information about the Group, the Group extensively uses its corporate website for uploading interim and annual financial statements, announcements, press releases and presentation materials. Investors and Shareholders can thus quickly and easily browse or download the information they need so that they can keep abreast of the latest development of the Group. The Group has also set up Yip's Chemical Facebook page and WeChat subscription page for posting the Group's latest information regularly. The Group expects to enhance constructive and engaging conversations with various stakeholders from Hong Kong, Mainland China and the overseas through these social media platforms.

獨立核數師報告 Independent Auditor's Report



Deloitte.

德勤

致葉氏化工集團有限公司
(於開曼群島註冊成立之有限公司)
股東

TO THE SHAREHOLDERS OF
YIP'S CHEMICAL HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

意見

本核數師行已審核刊載於第93頁至第268頁有關葉氏化工集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報告，此綜合財務報告包括於二零一九年十二月三十一日之綜合財務狀況表及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報告附註，包括主要會計政策概要。

本行認為，該等綜合財務報告已根據香港會計師公會頒佈之香港財務報告準則真實而中肯地反映 貴集團於二零一九年十二月三十一日之綜合財務狀況及 貴集團於截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定妥為編製。

Opinion

We have audited the consolidated financial statements of Yip's Chemical Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 93 to 268, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 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.

獨立核數師報告 Independent Auditor's Report

意見之基礎

本行已根據香港會計師公會頒佈之香港核數準則進行審核。本行就該等準則承擔之責任在本報告核數師就審核綜合財務報告須承擔之責任一節作進一步闡述。根據香港會計師公會之專業會計師道德守則(「守則」)，本行獨立於貴集團，並已按照守則履行其他道德責任。本行相信，本行所獲得之審核憑證充足及適當地為本行之意見提供基礎。

關鍵審核事項

關鍵審核事項是根據本行之專業判斷，認為對審核本期綜合財務報告最為重要之事項。該等事項在本行審核整體綜合財務報告及出具意見時處理，而本行不會對該等事項提供單獨意見。

Basis for Opinion

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

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.

獨立核數師報告 Independent Auditor's Report



關鍵審核事項

本行之審核如何處理
關鍵審核事項

貿易應收款項之預期信貸損失估計

本行識別貿易應收款項之預期信貸損失估計為關鍵審核事項，原因是貿易應收款項對貴集團之綜合財務狀況而言屬重大，且於評估貴集團貿易應收款項於報告期末之預期信貸損失涉及主觀判斷及管理層估算。

於二零一九年十二月三十一日，貴集團之貿易應收款項淨額約為1,420,946,000港元，佔貴集團總資產約18.3%，當中約298,377,000港元已逾期。

誠如綜合財務報告附註4所披露，貴集團管理層於考慮每筆貿易應收款項之還款歷史及逾期狀況後，將具有類似損失模式之不同應收賬款分組，並按照據此得出之撥備矩陣估算貿易應收款項全期預期信貸損失金額。估計損失率乃以歷史觀察所得違約率除以應收賬款預期年期計算得出，並就前瞻性資料調整。此外，已出現信貸減值之貿易應收款項進行個別預期信貸損失評估。於考慮預期未來信貸損失時，出現信貸減值之貿易應收款項之損失撥備金額按資產賬面金額與估計未來現金流量現值兩者之差額計量。

誠如綜合財務報告附註36所披露，貴集團本年已確認貿易應收款項之減值淨額1,920,000港元，而貴集團於二零一九年十二月三十一日貿易應收款項之全期預期信貸損失撥備約為54,930,000港元。

本行就貿易應收款項之預期信貸損失估計採用之程序包括：

- 瞭解管理層估算貿易應收款項損失撥備時採用之主要控制；
- 抽樣測試管理層於二零一九年十二月三十一日制訂撥備矩陣所用資料之可信性，方法為將個別分析項目比對相關支持文件；及
- 質疑管理層釐定於二零一九年十二月三十一日貿易應收款項信貸損失撥備之基準及判斷，包括對出現信貸減值貿易應收款項之識別、管理層將其餘貿易應收賬款分類至撥備矩陣不同類別之合理程度，以及每個撥備矩陣類別應用之估計損失率之基準（參照歷史資料）。

Key Audit Matters

Key audit matter

Expected credit losses assessment of trade receivables

We identified expected credit losses ("ECL") assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the ECL of the Group's trade receivables at the end of the reporting period.

As at 31 December 2019, the Group's net trade receivables amounting to approximately HK\$1,420,946,000, which represented approximately 18.3% of total assets of the Group and out of these trade receivables of approximately HK\$298,377,000 were past due.

As disclosed in note 4 to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of trade receivables based on provision matrix through grouping of various debtors that have similar loss patterns, after considering repayment history and past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. In addition, trade receivables that are credit-impaired are assessed for ECL individually. The loss allowance amount of the credit-impaired trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

As disclosed in note 36 to the consolidated financial statements, the Group recognised net impairment of trade receivables amount of HK\$1,920,000 for the year and the Group's lifetime ECL provision on trade receivables amounted to approximately HK\$54,930,000 as at 31 December 2019.

How our audit addressed
the key audit matter

Our procedures in relation to ECL assessment of trade receivables included:

- Understanding key controls on how the management estimates the loss allowance for trade receivables;
- Testing the integrity of information used by management to develop the provision matrix, as at 31 December 2019, on a sample basis, by comparing individual items in the analysis with the relevant supporting documents; and
- Challenging management's basis and judgement in determining credit loss allowance on trade receivables as at 31 December 2019, including their identification of credit-impaired trade receivables, the reasonableness of management's grouping of the remaining trade debtors into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information).

獨立核數師報告 Independent Auditor's Report

關鍵審核事項 (續)

關鍵審核事項	本行之審核如何處理關鍵審核事項
存貨撥備	<p>本行就存貨撥備採用之程序包括：</p> <ul style="list-style-type: none"> 瞭解 貴集團之存貨撥備政策及管理層對存貨撥備評估之關鍵控制； 評價 貴集團之存貨撥備政策之合理程度； 抽樣測試支持文件內之存貨賬齡分析；及 抽樣測試支持文件內之存貨後續銷售或用途。
<p>本行識別存貨撥備為關鍵審核事項，原因是存貨撥備以管理層於報告期末後對陳舊或過時存貨之識別，以及估算製成品售價之估計及判斷為依據作出。存貨撥備乃以管理層考慮存貨之估計完成成本、當前市況、賬齡分析及其後售價後評估之可變現淨值為依據作出。</p> <p>誠如綜合財務報告附註21所披露，於二零一九年十二月三十一日，扣除備抵之存貨賬面金額為947,003,000港元。</p>	

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Allowance for inventories</i></p> <p>We identified the allowance for inventories as a key audit matter as the allowance for inventories is made based on management's identification of aged or obsolete inventories and estimation and judgement on estimating selling prices of finished goods subsequent to the end of reporting period. Allowance is applied to inventories based on assessment of net realisable value by management, by considering the estimated costs of completion, current market conditions, aging analysis and subsequent selling prices of the inventories.</p> <p>As disclosed in note 21 to the consolidated financial statements, as at 31 December 2019, the carrying amount of inventories, net of allowance, was HK\$947,003,000.</p>	<p>Our procedures in relation to allowance for inventories included:</p> <ul style="list-style-type: none"> Obtaining an understanding of the Group's provision policy on inventory and key controls on the management's assessment on the allowance for inventories; Evaluating the reasonableness of the Group's provision policy on inventories; Testing the aging analysis of inventories, on a sample basis, to the supporting documents; and Testing the subsequent sales or usage of inventories, on a sample basis, to the supporting documents.

獨立核數師報告 Independent Auditor's Report



其他資料

貴公司董事須對其他資料負責。其他資料包括年報內之所有資料，但不包括綜合財務報告及本行之相關核數師報告。

本行對綜合財務報告之意見並不涵蓋其他資料，本行亦不對該等其他資料發表任何形式之鑒證結論。

就本行審核綜合財務報告之工作而言，本行有責任閱讀其他資料，而在此過程中，本行會考慮其他資料是否與綜合財務報告或本行在審核過程中之所知情況存在重大抵觸或者似乎存在重大錯誤陳述之情況。基於本行已執行之工作，如果本行之結論為其他資料存在重大錯誤陳述，本行需要報告該事實。在這方面，本行沒有任何報告。

董事及管治層就綜合財務報告須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實而中肯之綜合財務報告，並對其認為為使綜合財務報告之編製不存在由於欺詐或錯誤而導致之重大錯誤陳述所需之內部控制負責。

在編製綜合財務報告時，董事負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，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，或別無其他實際之替代方案。

管治層須負責監督貴集團的財務報告過程。

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

獨立核數師報告 Independent Auditor's Report

核數師就審核綜合財務報告須承擔之責任

本行之目標，是對綜合財務報告整體是否不存在由於欺詐或錯誤而導致之重大錯誤陳述取得合理保證，並按照本行所協定之應聘條款僅向閣下(作為整體)出具包括本行意見之核數師報告，除此之外，本報告別無其他目的。本行不會就本報告之內容向任何其他人士負上或承擔任何責任。合理鑒證是高水平之鑒證，但不能保證按照香港核數準則進行之審核，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，且倘合理預期該錯誤陳述(個別或整體)影響綜合財務報告使用者之經濟決策，則被視為重大錯誤陳述。

在根據香港核數準則進行審核之過程中，本行運用了專業判斷，保持了專業懷疑態度。本行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報告存在重大錯誤陳述之風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當之審核憑證，作為本行意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審核相關之內部控制，以設計適當之審核程序，但目的並非對貴集團內部控制之有效性發表意見。
- 評價董事所採用會計政策之恰當性及作出會計估計及相關披露之合理性。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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



核數師就審核綜合財務報告須承擔之責任 (續)

- 對董事採用持續經營會計基礎之恰當性作出結論。根據所獲取之審核憑證，確定是否存在與事件或情況有關之重大不確定性，導致可能對貴集團之持續經營能力產生重大疑慮。如果本行總結存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報告中之相關披露，或假若有關披露不足，則修訂本行之意見。本行之結論是基於核數師報告日止所取得之審核憑證。然而，未來事件或情況可能導致貴集團不能持續經營。
- 評價綜合財務報告之整體列報方式、結構和內容，包括披露，以及綜合財務報告是否中肯地呈列相關交易和事件。
- 就貴集團內公司或業務活動之財務資料獲取充足、適當之審核憑證，以便對綜合財務報告發表意見。本行負責集團審核之方向、監督和執行。本行為審核意見承擔全部責任。

本行與管治層溝通(其中包括)審核之計劃範圍及時間以及重大審核發現，包括本行在審核中識別出內部控制之任何重大不足。

本行亦向管治層提交聲明，表明本行已符合有關獨立性之相關專業道德要求，並與彼等溝通可能合理被認為會影響本行獨立性之所有關係及其他事項，以及在適用情況下之相關防範措施。

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

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

獨立核數師報告 Independent Auditor's Report

核數師就審核綜合財務 報告須承擔之責任 (續)

從與管治層溝通之事項中，本行確定哪些事項對本期綜合財務報告之審核最為重要，因而構成關鍵審核事項。本行在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見之情況下，如果合理預期在本行報告中溝通某事項造成之負面後果超過產生之公眾利益，本行決定不應在報告中溝通該事項。

出具本獨立核數師報告之審核項目合夥人是黃琳菁。

德勤•關黃陳方會計師行
執業會計師
香港

二零二零年三月三十日

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

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

The engagement partner on the audit resulting in the independent auditor's report is Wong Lam Ching.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 March 2020

綜合損益及其他全面收益表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

			二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
營業額	Revenue	5	10,464,834	12,388,283
銷售成本	Cost of sales		(8,988,537)	(10,855,134)
毛利	Gross profit		1,476,297	1,533,149
其他收入	Other income		67,180	55,622
其他收益及虧損	Other gains and losses	7	(67,804)	76,187
出售附屬公司之收益	Gain on disposal of subsidiaries	34	162,713	28,406
銷售及經銷費用	Selling and distribution expenses		(425,028)	(449,763)
一般及行政費用	General and administrative expenses		(644,038)	(762,576)
財務費用	Finance costs	8	(73,442)	(67,512)
應佔聯營公司業績	Share of results of associates		(14,983)	(1,199)
除稅前溢利	Profit before taxation	9	480,895	412,314
稅項	Taxation	10	(143,821)	(157,849)
本年純利	Profit for the year		337,074	254,465
其他全面(支出)收益：	Other comprehensive (expense) income:			
不會重新分類為	Items that will not be reclassified to			
損益之項目：	profit or loss:			
因折算至呈列貨幣而	Exchange differences arising on translation			
產生之匯兌差額	to presentation currency		(88,832)	(252,290)
按公允值計入其他	Fair value changes on equity instruments			
全面收益之權益	at fair value through other			
工具之公允值	comprehensive income		9,930	(4,187)
變動				
轉撥物業、廠房及	Transfer of property, plant and equipment			
設備至投資物業	to investment properties			
— 重估盈餘	— Surplus on revaluation		4,113	—
— 遞延稅項	— Deferred taxation		(1,045)	—
			(75,834)	(256,477)
其後可重新分類為	Items that may be reclassified subsequently to			
損益之項目：	profit or loss:			
現金流對沖中對沖	Fair value changes on hedging instruments			
工具之公允值	in cash flow hedge			
變動				
— 利率掉期合約	— Interest rate swap contracts		(3,455)	(231)
因折算海外業務而	Exchange differences arising on translation			
產生之匯兌差額	of foreign operations		(4,340)	(13,226)
			(7,795)	(13,457)
本年其他全面支出	Other comprehensive expense for the year		(83,629)	(269,934)
本年全面收益(支出)	Total comprehensive income (expense) for			
總額	the year		253,445	(15,469)

綜合損益及其他全面收益表 Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
	附註 NOTE		
本年純利應佔份額：	Profit for the year attributable to:		
本公司股東	Owners of the Company	272,907	184,805
非控股權益	Non-controlling interests	64,167	69,660
		337,074	254,465
本年全面收益(支出)	Total comprehensive income (expense) for the		
總額應佔份額：	year attributable to:		
本公司股東	Owners of the Company	200,638	(52,236)
非控股權益	Non-controlling interests	52,807	36,767
		253,445	(15,469)
每股盈利	Earnings per share		
— 基本	— Basic	HK48.4 cents 港仙	HK32.8 cents 港仙
— 攤薄	— Diluted	HK48.4 cents 港仙	HK32.8 cents 港仙

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綜合財務狀況表

Consolidated Statement of Financial Position

於二零一九年十二月三十一日 At 31 December 2019

			二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
	附註 NOTES			
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	13	1,956,629	1,558,088
預付土地租金	Prepaid lease payments	14	—	232,436
投資物業	Investment properties	15	344,001	252,561
於聯營公司之權益	Interests in associates	16	25,133	23,289
按公允值計入其他 全面收益之權益 工具	Equity instruments at fair value through other comprehensive income	17	21,680	11,750
商譽	Goodwill	18	112,776	112,776
無形資產	Intangible assets	19	69,044	71,299
已付購買物業、 廠房及設備之 訂金	Deposits paid for acquisition of property, plant and equipment		17,736	102,328
衍生金融工具	Derivative financial instruments	24	1,144	3,086
			2,548,143	2,367,613
流動資產	Current assets			
存貨	Inventories	21	947,003	831,485
貿易應收款項及 應收票據	Trade and bills receivables	22	2,794,945	3,185,746
其他應收賬款及 預付款項	Other debtors and prepayments	22	372,812	386,416
預付土地租金	Prepaid lease payments	14	—	6,333
應收聯營公司款項	Amounts due from associates	23	22,661	—
衍生金融工具	Derivative financial instruments	24	2,261	3,654
按公允值計入 損益之債務工具	Debt instrument at fair value through profit or loss	17	55,292	—
短期銀行存款 — 於三個月內 到期	Short-term bank deposits — with original maturity within three months	25	349,292	208,046
銀行結餘及現金	Bank balances and cash	25	660,250	1,127,108
			5,204,516	5,748,788
分類為持作出售之 資產	Assets classified as held for sale	26	—	204,309
			5,204,516	5,953,097

綜合財務狀況表 Consolidated Statement of Financial Position

於二零一九年十二月三十一日 At 31 December 2019

		附註 NOTES	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
流動負債	Current liabilities			
應付賬款及 應計費用	Creditors and accrued charges	27	2,028,678	2,077,436
合約負債	Contract liabilities	28	34,423	25,695
應付稅款	Taxation payables		70,737	61,446
衍生金融工具	Derivative financial instruments	24	35	—
租賃負債	Lease liabilities	29	19,271	—
借貸— 一年內到期	Borrowings — amount due within one year	30	805,700	1,320,977
			2,958,844	3,485,554
與分類為持作出售之 資產相關之負債	Liabilities associated with assets classified as held for sale	26	—	70,162
			2,958,844	3,555,716
流動資產淨值	Net current assets		2,245,672	2,397,381
總資產減流動負債	Total assets less current liabilities		4,793,815	4,764,994
非流動負債	Non-current liabilities			
衍生金融工具	Derivative financial instruments	24	85	—
租賃負債	Lease liabilities	29	41,979	—
借貸— 一年後到期	Borrowings — amount due after one year	30	1,173,700	1,319,400
遞延稅項負債	Deferred tax liabilities	31	15,854	11,168
			1,231,618	1,330,568
			3,562,197	3,434,426
股本及儲備	Capital and reserves			
股本	Share capital	32	56,403	56,403
儲備	Reserves		2,885,076	2,780,323
本公司股東應佔權益	Equity attributable to owners of the Company		2,941,479	2,836,726
非控股權益	Non-controlling interests		620,718	597,700
			3,562,197	3,434,426

董事會已於二零二零年三月三十日批准及授權刊發第93頁至第268頁之綜合財務報告，並由以下董事代表簽署：

The consolidated financial statements on pages 93 to 268 were approved and authorised for issue by the Board of Directors on 30 March 2020 and are signed on its behalf by:

葉志成先生
董事

葉子軒先生
董事

Mr. Ip Chi Shing
DIRECTOR

Mr. Yip Tsz Hin
DIRECTOR

綜合權益變動表

Consolidated Statement of Changes in Equity

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



		歸屬於本公司股東 Attributable to owners of the Company													Non-controlling interests		Total
		Share capital	Share premium	Share option reserve	Non-distributable reserve	Hedging reserve	Investment revaluation reserve	Translation reserve	Legal reserve	Capital redemption reserve	Property revaluation reserve	Retained profits	Total		Total		
		股本	股份溢價	購股權儲備	不可分派儲備	對沖儲備	投資重估儲備	匯兌儲備	法定儲備	資本回購儲備	物業重估儲備	保留溢利	合計	非控股權益	合計		
		HK\$'000	HK\$'000	HK\$'000	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	千港元	千港元	千港元		
					(Note a) (附註a)				(Note b) (附註b)								
於二零一八年一月一日	At 1 January 2018	56,389	504,902	5,280	67,666	6,971	—	215,787	154,456	5,416	117,671	1,844,379	2,978,917	572,261	3,551,178		
本年純利	Profit for the year	—	—	—	—	—	—	—	—	—	—	184,805	184,805	69,660	254,465		
因折算呈列貨幣而產生不會重新分類為損益之匯兌差額	Exchange differences arising on translation to presentation currency that will not be reclassified to profit or loss	—	—	—	—	—	—	(219,397)	—	—	—	—	(219,397)	(32,893)	(252,290)		
因折算海外業務而產生可重新分類為損益之匯兌差額	Exchange differences arising on translation of foreign operations that may be reclassified to profit or loss	—	—	—	—	—	—	(13,226)	—	—	—	—	(13,226)	—	(13,226)		
現金流對沖中對沖工具之公允值變動	Fair value change on hedging instruments in cash flow hedge	—	—	—	—	(231)	—	—	—	—	—	—	(231)	—	(231)		
按公允值計入其他全面收益之權益工具之公允值變動	Fair value changes on equity instruments at fair value through other comprehensive income	—	—	—	—	—	(4,187)	—	—	—	—	—	(4,187)	—	(4,187)		
本年全面(支出)收益總額	Total comprehensive (expense) income for the year	—	—	—	—	(231)	(4,187)	(232,623)	—	—	—	184,805	(52,236)	36,767	(15,469)		
小計	Sub-total	56,389	504,902	5,280	67,666	6,740	(4,187)	(16,836)	154,456	5,416	117,671	2,029,184	2,926,681	609,028	3,535,709		
因購股權獲行使而以溢價發行之股份	Shares issued at premium upon exercise of share options	14	287	(28)	—	—	—	—	—	—	—	—	273	—	273		
因發行股份而產生之成本	Cost incurred in connection with issue of shares	—	(1)	—	—	—	—	—	—	—	—	—	(1)	—	(1)		
取消購股權及轉入保留溢利	Share options cancelled and transfer to retained profits	—	—	(490)	—	—	—	—	—	—	—	490	—	—	—		
轉讓	Transfer	—	—	—	—	—	—	—	8,313	—	—	(8,313)	—	—	—		
已付本公司股東股息	Dividends paid to owners of the Company	—	—	—	—	—	—	—	—	—	—	(90,227)	(90,227)	—	(90,227)		
已付附屬公司非控股股東股息	Dividends paid to non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	(11,328)	(11,328)		
於二零一八年十二月三十一日	At 31 December 2018	56,403	505,188	4,762	67,666	6,740	(4,187)	(16,836)	162,769	5,416	117,671	1,931,134	2,836,726	597,700	3,434,426		
本年純利	Profit for the year	—	—	—	—	—	—	—	—	—	—	272,907	272,907	64,167	337,074		
因折算呈列貨幣而產生不會重新分類為損益之匯兌差額	Exchange differences arising on translation to presentation currency that will not be reclassified to profit or loss	—	—	—	—	—	—	(77,472)	—	—	—	—	(77,472)	(11,360)	(88,832)		
因折算海外業務而產生可重新分類為損益之匯兌差額	Exchange differences arising on translation of foreign operations that may be reclassified to profit or loss	—	—	—	—	—	—	(4,340)	—	—	—	—	(4,340)	—	(4,340)		
現金流對沖中對沖工具之公允值變動	Fair value change on hedging instruments in cash flow hedge	—	—	—	—	(3,455)	—	—	—	—	—	—	(3,455)	—	(3,455)		
按公允值計入其他全面收益之權益工具之公允值變動	Fair value changes on equity instruments at fair value through other comprehensive income	—	—	—	—	—	9,930	—	—	—	—	—	9,930	—	9,930		
轉讓物業、廠房及設備至投資物業	Transfer of property, plant and equipment to investment properties	—	—	—	—	—	—	—	—	—	—	4,113	—	4,113	4,113		
— 重估盈餘	— Surplus on revaluation	—	—	—	—	—	—	—	—	—	—	(1,045)	—	(1,045)	(1,045)		
— 遞延稅項	— Deferred taxation	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
本年全面(支出)收益總額	Total comprehensive (expense) income for the year	—	—	—	—	(3,455)	9,930	(81,812)	—	—	3,068	272,907	200,638	52,807	253,445		
小計	Sub-total	56,403	505,188	4,762	67,666	3,285	5,743	(98,648)	162,769	5,416	120,739	2,204,041	3,037,364	650,507	3,687,871		
附屬公司撤銷註冊及出售時獲回	Release upon deregistration and disposal of subsidiaries	—	—	—	(18,800)	—	—	(15,375)	(17,514)	—	548	51,141	—	—	—		
取消購股權及轉入保留溢利	Share options cancelled and transfer to retained profits	—	—	(659)	—	—	—	—	—	—	—	659	—	—	—		
轉讓	Transfer	—	—	—	—	—	(9,930)	—	10,080	—	—	(150)	—	—	—		
已付本公司股東股息	Dividends paid to owners of the Company	—	—	—	—	—	—	—	—	—	—	(95,885)	(95,885)	—	(95,885)		
已付附屬公司非控股股東股息	Dividends paid to non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	(29,789)	(29,789)		
於二零一九年十二月三十一日	At 31 December 2019	56,403	505,188	4,103	48,866	3,285	(4,187)	(114,023)	155,335	5,416	121,287	2,159,806	2,941,479	620,718	3,562,197		

附註：

Notes:

- (a) 不可分派儲備指若干於中華人民共和國(「中國」)成立之附屬公司將保留溢利撥充資本，用於該等附屬公司之資本再投資及用作以下各項之資金：(i)彌補以往年度虧損或(ii)擴大生產運作。
- (b) 不可分派之法定儲備為香港以外附屬公司根據有關註冊地點之法定要求撥入之溢利。

- (a) The non-distributable reserve represents capitalisation of retained profits of certain subsidiaries established in the People's Republic of China (the "PRC") for capital re-investment in these subsidiaries and funds shall be used to (i) make up prior year losses or (ii) expand production operations.
- (b) The legal reserve is non-distributable and represents the transfer of profits of a subsidiary outside Hong Kong pursuant to the legal requirements in the relevant place of registration.

綜合現金流量表

Consolidated Statement of Cash Flows

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

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
經營業務所產生之現金流	Cash flows from operating activities		
除稅前溢利	Profit before taxation	480,895	412,314
經以下調整：	Adjustments for:		
無形資產攤銷	Amortisation of intangible assets	2,234	2,061
預付土地租金攤銷	Release of prepaid lease payments	—	6,744
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	160,949	181,158
投資物業公允價值變動之虧損(收益)	Loss (gain) on fair value change of investment properties	11,887	(115,771)
出售附屬公司之收益	Gain on disposal of subsidiaries	(162,713)	(28,406)
出售持作出售之資產之收益	Gain on disposal of assets held for sale	—	(2,727)
出售其他非流動資產之收益	Gain on disposal of other non-current asset	—	(6,460)
財務費用	Finance costs	73,442	67,512
利息收入	Interest income	(22,723)	(11,408)
按公允價值計入損益之債務工具公允價值變動之虧損	Loss on fair value change on debt instrument at fair value through profit or loss	568	—
出售/註銷物業、廠房及設備之虧損淨額	Net loss on disposals/written off of property, plant and equipment	30,298	30,893
商譽之減值虧損	Impairment loss on goodwill	—	642
應佔聯營公司業績於聯營公司之權益之減值虧損	Share of results of associates Impairment loss on interests in associates	14,983	1,199
貿易應收款項於預期信貸損失模型下之已確認減值虧損淨額	Net impairment loss under expected credit loss model recognised on trade receivables	1,920	9,017
滯銷存貨(撥回)撥備	(Reversal of) allowance for slow-moving inventories	(6,482)	5,801
註銷存貨	Written off of inventories	12,502	16,807
外匯匯率變動對往來公司賬戶結餘所產生之影響	Effect of foreign exchange rate changes on intra-group balances	17,512	25,271
未計營運資金變動前之經營業務現金流	Operating cash flows before movements in working capital	627,929	594,647
存貨增加	Increase in inventories	(140,520)	(8,295)
貿易應收款項及應收票據減少	Decrease in trade and bills receivables	341,608	75,672
其他應收賬款及預付款項減少(增加)	Decrease (increase) in other debtors and prepayments	2,488	(68,574)
應付賬款及應計費用(減少)增加	(Decrease) increase in creditors and accrued charges	(91,987)	322,740
合約負債增加(減少)	Increase (decrease) in contract liabilities	9,390	(28,733)
營運所產生之現金	Cash generated from operations	748,908	887,457
已付中國所得稅	PRC Income Tax paid	(130,494)	(146,223)
經營業務所產生之淨現金	Net cash from operating activities	618,414	741,234

綜合現金流量表

Consolidated Statement of Cash Flows

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

	附註 NOTES	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
投資業務所用之現金流			
投資業務所用之現金流			
購買物業、廠房及設備		(254,267)	(65,216)
購入按公允值計入損益之債務工具		(55,686)	—
向於聯營公司之權益注資		(34,461)	—
收購業務之淨現金流出	33	(11,154)	(125,181)
已付購買物業、廠房及設備之訂金		(6,475)	(170,928)
向聯營公司所作之貸款		(1,214)	—
出售附屬公司之所得款項淨額	34	298,523	38,281
已收利息		22,723	11,408
出售物業、廠房及設備之所得款項		3,769	2,016
購入於聯營公司之權益		—	(24,501)
購入按公允值計入其他全面收益之權益工具		—	(11,750)
增添預付土地租金		—	(3,196)
購入無形資產		—	(1,386)
出售其他非流動資產之所得款項		—	11,060
出售分類為持作出售之非流動資產之資產之所得款項		—	5,377
投資業務所用之淨現金		(38,242)	(334,016)

綜合現金流量表

Consolidated Statement of Cash Flows

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

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
融資業務所產生之現金流	Cash flows from financing activities		
新增借貸	Borrowings raised	1,645,044	1,870,704
償還借貸	Repayment of borrowings	(2,306,021)	(1,698,732)
已付股息	Dividends paid	(95,885)	(90,227)
已付利息	Interest paid	(73,442)	(67,512)
已付附屬公司 非控股股東股息	Dividends paid to non-controlling shareholders of subsidiaries	(29,789)	(11,328)
支付租賃負債	Payment of lease liabilities	(24,190)	—
已付股份發行成本	Share issue cost paid	—	(1)
發行股份之所得 款項	Proceeds from issue of shares	—	273
融資業務(所用) 所產生之淨現金	Net cash (used in) from financing activities	(884,283)	3,177
現金及現金等額淨 (減少)增加	Net (decrease) increase in cash and cash equivalents	(304,111)	410,395
年初之現金及現金 等額	Cash and cash equivalents at beginning of the year	1,335,154	946,074
轉入分類為持作 出售之資產之現金	Cash transferred to assets classified as held for sale	—	(135)
外匯匯率變動所產生 之影響	Effect of foreign exchange rate changes	(21,501)	(21,180)
年末之現金及現金 等額	Cash and cash equivalents at end of the year	1,009,542	1,335,154
現金及現金等額結餘 分析	Analysis of balances of cash and cash equivalents		
於三個月內到期之 短期銀行存款	Short-term bank deposits with original maturity within three months	349,292	208,046
銀行結餘及現金	Bank balances and cash	660,250	1,127,108
		1,009,542	1,335,154

綜合財務報告附註

Notes to the Consolidated Financial Statements

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



1. 一般資料

本公司為一間在開曼群島註冊成立之獲豁免公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點地址於本年報公司資料內披露。

綜合財務報告以港元呈列，而本公司之功能貨幣為人民幣。本公司選擇港元作為其呈報貨幣之原因，是基於本公司為一間股份於聯交所上市之公眾公司，而且大部分投資者位於香港。

本公司為一間投資控股公司，其主要附屬公司從事製造及買賣溶劑、塗料、油墨及潤滑油，以及物業投資及持有業務。

1. GENERAL

The Company is an exempted company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

The consolidated financial statements are presented in Hong Kong dollars while the functional currency of the Company is Renminbi (“RMB”). The reason for selecting Hong Kong dollars as its presentation currency is because the Company is a public company with the shares listed on the Stock Exchange, where most of its investors are located in Hong Kong.

The Company is an investment holding company. Its principal subsidiaries are engaged in the manufacture of and trading in solvents, coatings, inks and lubricants, property investment and holding.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

2. 應用新訂香港財務報告準則及香港財務報告準則之修訂

於本年度強制生效之新訂香港財務報告準則及香港財務報告準則之修訂

於本年度，本集團首次應用以下由香港會計師公會頒佈之新訂香港財務報告準則及香港財務報告準則之修訂：

香港財務報告準則 租賃 第16號	
香港(國際財務報告 詮釋委員會) — 詮釋第23號	所得稅處理之不確定性
香港財務報告準則 第9號之修訂	具有負補償之提前還款 特性
香港會計準則 第19號之修訂	計劃修訂、縮減或結算
香港會計準則 第28號之修訂	於聯營公司及合營企業 之長期權益
香港財務報告 準則之修訂	香港財務報告準則二零 一五年至二零一七年 週期之年度改進

除下述者外，於本年度應用新訂香港財務報告準則以及香港財務報告準則之修訂及詮釋對本集團本年度及過往年度之財務狀況及表現及／或本綜合財務報告所載之披露事項並無重大影響。

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

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

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

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

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

綜合財務報告附註 Notes to the Consolidated Financial Statements

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



2. 應用新訂香港財務報告準則及香港財務報告準則之修訂 (續)

2.1 香港財務報告準則第16號「租賃」

於本年度，本集團首次應用香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號「租賃」(「香港會計準則第17號」)及相關詮釋。

租賃之定義

本集團已選擇可行權宜方法，就先前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」識別為租賃之合約應用香港財務報告準則第16號，而並無對先前並未識別為包含租賃之合約應用該準則。因此，本集團並無重新評估於初始應用日期前已存在之合約。

對於在二零一九年一月一日或之後訂立或修改之合約，本集團於評估合約是否包含租賃時按照香港財務報告準則第16號所載之規定應用租賃之定義。

作為承租人

本集團已追溯應用香港財務報告準則第16號，並於初始應用日期二零一九年一月一日確認累積影響。

於二零一九年一月一日，本集團透過採用香港財務報告準則第16號C8(b)(ii)之過渡安排確認額外租賃負債及使用權資產(金額相等於就任何預付土地租金經調整之相關租賃負債)。於初始應用日期之任何差額乃於期初保留溢利確認，比較資料不予重列。

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

2.1 HKFRS 16 “Leases”

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 “Leases” (“HKAS 17”), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) — Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

2. 應用新訂香港財務
報告準則及香港財務
報告準則之修訂 (續)

2.1 香港財務報告準則
第16號「租賃」(續)

作為承租人 (續)

當於過渡期間根據香港財務報告準則第16號應用經修改追溯方法時，本集團已在與各別租賃合約相關之情況下，按逐項租賃基準對先前根據香港會計準則第17號分類為經營租賃之租賃應用下列可行權宜方法：

- i. 選擇不就租賃年期於由初始應用日期起計12個月內結束之租賃確認使用權資產及租賃負債；
- ii. 計量於初始應用日期之使用權資產時豁除初始直接成本；
- iii. 對於類似經濟環境下有類似相關資產類別且具有類似剩餘年期之租賃組合應用單一貼現率。具體而言，香港及中華人民共和國（「中國」）物業之若干租賃之貼現率乃按組合基準釐定；及
- iv. 基於在初始應用日期之事實及情況，事後釐定本集團附帶延期及終止選擇權之租賃之租賃年期。

就先前分類為經營租賃之租賃確認租賃負債時，本集團已應用於初始應用日期相關集團公司之遞增借貸利率。相關集團公司所應用之平均遞增借貸利率介乎於4.35%至4.75%之範圍。

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

2.1 HKFRS 16 “Leases” (Continued)

As a lessee (Continued)

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- iii. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in Hong Kong and the People’s Republic of China (“PRC”) was determined on a portfolio basis; and
- iv. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension and termination options.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The average incremental borrowing rates applied by the relevant group entities range from 4.35% to 4.75%.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

2. 應用新訂香港財務
報告準則及香港財務
報告準則之修訂 (續)

2.1 香港財務報告準則
第16號「租賃」(續)

作為承租人 (續)

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

2.1 HKFRS 16 “Leases” (Continued)

As a lessee (Continued)

		於二零一九年 一月一日 At 1 January 2019 千港元 HK\$'000
於二零一八年十二月三十一日 已披露之經營租賃承擔 減：確認豁免 — 短期租賃	Operating lease commitments disclosed as at 31 December 2018 Less: Recognition exemption — short-term leases	84,383 (497) <u>83,886</u>
於二零一九年一月一日應用 香港財務報告準則第16號時 確認有關經營租賃按相關遞增 借貸利率貼現之租賃負債	Lease liabilities discounted at relevant incremental borrowing rates relating to operating leases recognised upon application of HKFRS 16 as at 1 January 2019	<u>70,210</u>
分析為	Analysed as	
流動	Current	15,827
非流動	Non-current	54,383
		<u>70,210</u>

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

2. 應用新訂香港財務
報告準則及香港財務
報告準則之修訂 (續)

2. APPLICATION OF NEW AND
AMENDMENTS TO HONG
KONG FINANCIAL REPORTING
STANDARDS ("HKFRSs") (Continued)

2.1 香港財務報告準則
第16號「租賃」(續)

2.1 HKFRS 16 "Leases" (Continued)

作為承租人 (續)

As a lessee (Continued)

使用權資產於二零一九年一月一
日之賬面金額如下：

The carrying amount of right-of-use assets as at 1 January
2019 comprises the following:

		使用權資產 Right-of-use assets 千港元 HK\$'000
應用香港財務報告準則第16號時 確認有關經營租賃之 使用權資產	Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	70,210
從預付土地租金重新分類(附註)	Reclassified from prepaid lease payments (Note)	238,769
		<u>308,979</u>
按類別：	By class:	
租賃土地	Leasehold land	238,769
租賃物業	Leased properties	70,210
		<u>308,979</u>

附註：於二零一八年十二月三十一日，中國租賃土地之前期付款分類為預付土地租金。於應用香港財務報告準則第16號時，預付土地租金之非流動部分232,436,000港元及流動部分6,333,000港元已重新分類為使用權資產。

Note: Upfront payments for leasehold lands in the PRC were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the non-current and current portion of prepaid lease payments amounting to HK\$232,436,000 and HK\$6,333,000 respectively were reclassified to right-of-use assets.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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2. 應用新訂香港財務報告準則及香港財務報告準則之修訂 (續)

2.1 香港財務報告準則第16號「租賃」(續)

作為出租人

按照香港財務報告準則第16號之過渡條文，本集團無須於過渡期間就本集團為出租人之租賃作出任何調整，但會由初始應用日期起按照香港財務報告準則第16號將該等租賃入賬，比較資料不予重列。

於應用香港財務報告準則第16號時，本集團會將已訂立但於初始應用日期後開始有關現有租賃合約項下相同相關資產之新租賃合約入賬，猶如現有租賃已於二零一九年一月一日修改。應用有關準則對本集團於二零一九年一月一日之綜合財務狀況表並無影響。然而，自二零一九年一月一日起，修改後與經修訂租賃年期有關之租賃付款於延長後之租賃年期內以直線法確認為收入。

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

2.1 HKFRS 16 “Leases” (Continued)

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group’s consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

綜合財務報告附註
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2. 應用新訂香港財務
報告準則及香港財務
報告準則之修訂(續)

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

2.1 香港財務報告準則
第16號「租賃」(續)

2.1 HKFRS 16 “Leases” (Continued)

作為出租人(續)

As a lessor (Continued)

於二零一九年一月一日之綜合財務狀況表內確認之金額已作下列調整。並不包括不受變動影響之分項。

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

		先前呈報於 二零一八年 十二月三十一日 之賬面金額	調整	根據 香港財務報告 準則第16號於 二零一九年 一月一日之 賬面金額
		Carrying amounts previously reported at 31 December 2018 千港元 HK\$'000	Adjustments 千港元 HK\$'000	Carrying amounts under HKFRS 16 at 1 January 2019 千港元 HK\$'000
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	1,558,088	308,979	1,867,067
預付土地租金	Prepaid lease payments	232,436	(232,436)	—
流動資產	Current assets			
預付土地租金	Prepaid lease payments	6,333	(6,333)	—
流動負債	Current liabilities			
租賃負債	Lease liabilities	—	15,827	15,827
非流動負債	Non-current liabilities			
租賃負債	Lease liabilities	—	54,383	54,383

附註：為根據間接法呈報截至二零一九年十二月三十一日止年度之經營業務所產生現金流，已如上文所披露基於二零一九年一月一日之期初財務狀況表計算營運資金變動。

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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



2. 應用新訂香港財務報告準則及香港財務報告準則之修訂 (續)

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂

本集團並無提早應用下列已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂：

香港財務報告準則第17號	保險合約 ¹
香港財務報告準則第3號之修訂	業務之定義 ²
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間出售或貢獻資產 ³
香港會計準則第1號及香港會計準則第8號之修訂	重大之定義 ⁴
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂	利率基準改革 ⁴

- 1 就二零二一年一月一日或之後開始之年度期間生效
- 2 就收購日期為於二零二零年一月一日或之後開始之首個年度期間初或之後之業務合併及資產收購生效
- 3 就某待定期日或之後開始之年度期間生效
- 4 就二零二零年一月一日或之後開始之年度期間生效

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 3	Definition of a Business ²
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 ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴

- 1 Effective for annual periods beginning on or after 1 January 2021
- 2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
- 3 Effective for annual periods beginning on or after a date to be determined
- 4 Effective for annual periods beginning on or after 1 January 2020

綜合財務報告附註
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截至二零一九年十二月三十一日止年度 For the year ended 31 December 2019

**2. 應用新訂香港財務
報告準則及香港財務
報告準則之修訂** (續)

**已頒佈但尚未生效之
新訂香港財務報告準則
及香港財務報告準則之
修訂** (續)

除上述新訂香港財務報告準則及香港財務報告準則之修訂外，二零一八年已頒佈經修改財務報告概念框架準則。其後續修訂「提述香港財務報告準則概念框架的修訂」將就二零二零年一月一日或之後開始之年度期間生效。

除下述香港財務報告準則及概念框架之修訂外，本公司董事預計應用所有其他新訂香港財務報告準則及香港財務報告準則之修訂於可見將來不會對綜合財務報告產生重大影響。

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

**New and amendments to HKFRSs in
issue but not yet effective** (Continued)

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

Except for the amendments to HKFRSs and Conceptual Framework mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.



綜合財務報告附註 Notes to the Consolidated Financial Statements

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

2. 應用新訂香港財務報告準則及香港財務報告準則之修訂 (續)

香港會計準則第1號及香港會計準則第8號之修訂「重大之定義」

該等修訂修飾重大之定義，載入作出重大判斷時之附加指引及解釋。具體而言，該等修訂：

- 載入「隱藏」重大資料之概念，其影響與遺漏或錯誤陳述資料類同；
- 以「可合理地預期影響」取代「可能會影響」作為影響使用者之重大程度門檻；及
- 載入「主要使用者」一詞之應用，而非簡單提述「使用者」，因在決定於財務報告披露之資料時，「使用者」被視為過於廣泛。

該等修訂亦配合所有香港財務報告準則之定義，並就本集團於二零二零年一月一日開始之年度期間強制生效。預期應用該等修訂不會對本集團之財務狀況及業績造成重大影響，惟可能影響綜合財務報告之呈列及披露。

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

Amendments to HKAS 1 and HKAS 8 “Definition of Material”

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of “obscuring” material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from “could influence” to “could reasonably be expected to influence”; and
- include the use of the phrase “primary users” rather than simply referring to “users” which was considered too broad when deciding what information to disclose in the financial statements.

The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

綜合財務報告附註
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**2. 應用新訂香港財務
報告準則及香港財務
報告準則之修訂** (續)

**二零一八年財務報告概
念框架(「新框架」)及
提述香港財務報告準則
概念框架的修訂**

新框架：

- 重新引入監管及審慎等字眼；
- 引入以權利為重點之新資產定義及可能較其所取代者更為廣泛之新負債定義，但並無改變負債與權益工具之間的區別；
- 討論歷史成本及現值之計量方法，並就如何為特定資產或負債選擇計量基準提供額外指引；

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

**Conceptual Framework for
Financial Reporting 2018 (the “New
Framework”) and the Amendments
to References to the Conceptual
Framework in HKFRS Standards**

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;



綜合財務報告附註 Notes to the Consolidated Financial Statements

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

2. 應用新訂香港財務報告準則及香港財務報告準則之修訂 (續)

二零一八年財務報告概念框架(「新框架」)及提述香港財務報告準則概念框架的修訂 (續)

- 指出財務表現之主要計量指標為損益，並且僅於特殊情況下方會使用其他全面收益，並僅用於資產或負債現值變動所產生之收入或開支；及
- 討論不確定性、終止確認、會計單位、報告公司及合併財務報告。

新框架已作出後續修訂，致使若干香港財務報告準則內之提述已更新至新框架，而部分香港財務報告準則仍提述該框架之先前版本。該等修訂就二零二零年一月一日或之後開始之年度期間生效，並允許提前應用。除仍舊提述該框架先前版本之特定準則外，本集團將於新框架之生效日期依據新框架釐定會計政策，特別是其他會計準則未有處理之交易、事件或情況。

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

Conceptual Framework for Financial Reporting 2018 (the “New Framework”) and the Amendments to References to the Conceptual Framework in HKFRS Standards

(Continued)

- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

綜合財務報告附註 Notes to the Consolidated Financial Statements

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3. 主要會計政策

綜合財務報告乃按照香港會計師公會所頒佈之香港財務報告準則編製。此外，綜合財務報告包括聯交所證券上市規則（「上市規則」）及香港公司條例所規定之適用披露事項。

綜合財務報告乃按歷史成本法編製，惟如下文所載會計政策所闡述於各報告期末按公允值計量之若干物業及金融工具除外。

歷史成本一般以交換貨品及服務所付代價之公允值為基礎。

公允值為於市場參與者之間在計量日進行之有序交易中出售一項資產所收取或轉移一項負債所支付之價格，無論該價格為直接觀察到之結果或是採用其他估值技術作出之估計。在估計一項資產或負債公允值時，本集團會計及在市場參與者於計量日為該資產或負債定價時將會考慮之資產或負債特徵。在本綜合財務報告作計量及／或披露用途之公允值乃按此基準釐定，惟香港財務報告準則第2號「以股份為基礎付款」範圍內之以股份為基礎付款交易、根據香港財務報告準則第16號（由二零一九年一月一日起）或香港會計準則第17號（應用香港財務報告準則第16號前）入賬之租賃交易，以及與公允值類似但並非公允值之計量（如香港會計準則第2號「存貨」中之可變現淨值或香港會計準則第36號「資產減值」中之使用價值）除外。

非金融資產之公允值計量計及市場參與者以最高及最佳用途使用資產，或透過出售資產予將會以最高及最佳用途使用資產之另一市場參與者而產生經濟利益之能力。

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based payment”, leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

綜合財務報告附註 Notes to the Consolidated Financial Statements

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3. 主要會計政策 (續)

就按公允值交易之金融工具及投資物業，以及於其後期間計量公允值時使用不可觀察輸入數據之估值技術而言，該估值技術會作校正，致使於初始確認時，估值技術結果相等於交易價格。

此外，就財務報告而言，公允值計量基於公允值計量之輸入數據可觀察程度及公允值計量之輸入數據對其整體之重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據為公司於計量日可取得相同資產或負債之活躍市場報價(未經調整)；
- 第二級輸入數據為就資產或負債可直接或間接觀察之輸入數據(第一級包括之報價除外)；及
- 第三級輸入數據為資產或負債之不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報告包含本公司及由本公司及其附屬公司控制之公司之財務報告。取得控制權乃指本公司：

- 對被投資方擁有權力；
- 因參與被投資方業務而承受或有權獲得可變回報；及
- 有能力行使其權力以影響其回報。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

綜合財務報告附註 Notes to the Consolidated Financial Statements

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

3. 主要會計政策 (續)

綜合基準 (續)

倘事實及情況顯示上列三項控制權因素其中一項或多項改變，則本集團會重估是否仍然控制被投資方。

本集團於取得附屬公司之控制權時開始將該附屬公司綜合入賬，並於失去附屬公司之控制權時停止將該附屬公司綜合入賬。具體而言，年內收購或出售之附屬公司之收入及支出由本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團終止控制該附屬公司當日為止。

損益及其他全面收益各項目歸屬於本公司股東及非控股權益。附屬公司之全面收益總額歸屬於本公司股東及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

本集團會在必要時對附屬公司之財務報告作出調整，以令其會計政策與本集團者一致。

與本集團成員公司間交易有關之所有集團內公司間之資產及負債、權益、收入、支出及現金流於綜合賬目時完全抵銷。

於附屬公司之非控股權益與本集團於其中之權益分開呈列，其指賦予持有人權利於清盤時按比例分佔相關附屬公司淨資產之目前所有權權益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

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3. 主要會計政策 (續)

本集團於現有附屬公司之權益之變動

當本集團失去附屬公司之控制權時，本集團會終止確認該附屬公司之資產及負債以及非控股權益(如有)。收益或虧損乃於損益確認，並按(i)已收代價公允值及任何保留權益公允值之總額與(ii)資產(包括商譽)之賬面金額及本公司股東應佔該附屬公司負債之差額計算。本集團會將先前就該附屬公司於其他全面收益確認之所有金額入賬，猶如本集團已直接出售該附屬公司之相關資產或負債(即按適用香港財務報告準則所指明/允許重新分類至損益或轉撥至另一權益類別)。當本集團向一間現有聯營公司出售於附屬公司之權益時，本集團會就該附屬公司內之非相關權益於損益確認出售收益/虧損，餘額則扣減其於該聯營公司之權益。

業務合併

收購業務利用收購法入賬。於業務合併中轉讓之代價按公允值計量，而公允值乃按本集團為交換被收購方控制權轉讓之資產、本集團向被收購方前擁有人產生之負債及本集團發行之股本權益於收購日之公允值總和計算。收購相關成本一般於產生時在損益確認。

於收購日，所收購可識別資產及所承擔負債乃按公允值確認，惟以下情況除外：

- 遞延稅項資產或負債及僱員福利安排相關資產或負債分別按照香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable HKFRSs). When the Group disposes of its interest in a subsidiary to an existing associate, the Group recognises a gain/loss on disposal in respect of the unrelated interest in the subsidiary in profit or loss and the remaining amount as a reduction in its interest in the associate.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;

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3. 主要會計政策 (續)

業務合併 (續)

- 有關被收購方以股份為基礎付款安排或為取代被收購方以股份為基礎付款安排訂立之本集團以股份為基礎付款安排之負債或權益工具，於收購日按照香港財務報告準則第2號「以股份為基礎付款」計量(見有關以股份為基礎付款交易之會計政策)；
- 按照香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售之資產(或出售組別)按照該準則計量；及
- 租賃負債按剩餘租賃付款(定義見香港財務報告準則第16號)之現值確認及計量，猶如所收購租賃於收購日期屬新租賃，惟(a)租期於收購日期12個月內屆滿；或(b)相關資產屬低價值之租賃除外。使用權資產按與相關租賃負債相同之金額確認及計量，並作調整以反映優於或遜於市場條款之租賃條款。

商譽按所轉讓代價、被收購方任何非控股權益金額與收購方以往所持被收購方股本權益之公允值(如有)之總和，超出所收購可識別資產及所承擔負債於收購日之淨額之差額計量。倘經重新評估後，所收購可識別資產與所承擔負債於收購日之淨額高於所轉讓代價、被收購方任何非控股權益金額與收購方以往所持被收購方股本權益之公允值(如有)之總和，則差額即時於損益確認為議價收購收益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 “Share-based Payment” at the acquisition date (see the accounting policy on share-based payment transactions);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net amounts of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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3. 主要會計政策 (續)

業務合併 (續)

非控股權益(屬於目前擁有權權益及於進行清盤時賦予持有人權利按比例分佔相關附屬公司淨資產)初始按非控股權益佔被收購方可識別淨資產已確認金額之比例或公允值計量。計量基準乃按個別交易選取。其他類別之非控股權益按公允值計量。

當本集團於業務合併中轉讓之代價包括或然代價安排時，或然代價乃按收購日之公允值計量，並計入作為於業務合併中轉讓之代價之一部分。合資格作計量期間調整之或然代價之公允值變動會追溯調整。計量期間調整為於「計量期間」(不得超過由收購日起計一年)因取得於收購日已存在事件及情況之額外資料而作出之調整。

不符合作為計量期間調整之或然代價之其後會計處理，取決於或然代價如何分類。分類為權益之或然代價於其後報告日期不會重新計量，其後結算於權益入賬。分類為資產或負債之或然代價於其後報告日期重新計量至公允值，而相應收益或虧損乃於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair values.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that does not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

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3. 主要會計政策 (續)

商譽

收購業務產生之商譽按於業務收購日(請參閱有關業務合併之會計政策)之成本減累計減值虧損(如有)列賬。

為進行減值測試，商譽會分配至本集團各個(或各組)預期因合併協同效應而得益之現金產生單位，而該個或該組單位指就內部管理目的監控商譽之最低水平且不超過一個經營分類。

各個(或各組)獲分配商譽之現金產生單位每年或於有減值跡象時更頻密地測試減值。就於某報告期因收購而產生之商譽，獲分配商譽之現金產生單位(或現金產生單位組別)於該報告期末前測試減值。倘現金產生單位之可收回金額低於賬面金額，則減值虧損會先作分配以減低任何分配至該單位之商譽之賬面金額，其後則按該個(或該組)單位內各資產賬面金額之比例分配至單位內其他資產。

當出售相關現金產生單位或相關現金產生單位組別內任何現金產生單位時，商譽之應佔金額會於釐定出售損益之金額時計算在內。當本集團出售現金產生單位(或某組現金產生單位內之現金產生單位)內之一項經營時，所出售商譽之金額基於所出售之經營(或現金產生單位)及該個(或該組)所保留現金產生單位之部分相對價值計量。

本集團有關收購聯營公司產生之商譽之政策於下文描述。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of business (see the accounting policy on business combinations) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

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3. 主要會計政策 (續)

於聯營公司之權益

聯營公司為本集團對其擁有重大影響力之公司。重大影響力為參與決定被投資方財務及經營政策之權力，但非對該等政策之控制權或共同控制權。

聯營公司之業績及資產與負債利用權益會計法列入本綜合財務報告。就權益會計目的採用之聯營公司財務報告利用與本集團於類似情況下就同類交易及事件採用之一致會計政策編製。根據權益法，於聯營公司之投資初始於綜合財務狀況報表按成本確認，並於其後就確認本集團應佔該聯營公司溢利或虧損及其他全面收益調整。聯營公司淨資產之變動(損益及其他全面收益除外)不予入賬，除非該等變動導致本集團所持擁有權權益有變。當本集團應佔一間聯營公司之虧損超出本集團於該聯營公司之權益(包括實質上構成本集團於聯營公司淨投資一部分之任何長期權益)時，本集團會終止確認其應佔之進一步虧損。額外虧損僅於本集團已產生法定或推定責任或代表該聯營公司付款時方予確認。

於一間聯營公司之權益自被投資方成為聯營公司當日起利用權益法入賬。收購於一間聯營公司之權益時，投資成本超出本集團應佔被投資方可識別資產及負債公允淨值之任何差額乃確認為商譽，並計入該項投資之賬面金額內。本集團應佔可識別資產及負債公允淨值超出投資成本之任何差額經重新評估後，即時於收購該項投資之期間在損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An interest in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the interest in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

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3. 主要會計政策 (續)

於聯營公司之權益 (續)

本集團會評估是否有客觀證據顯示於一間聯營公司之權益可能出現減值。當存在任何客觀證據時，該項投資(包括商譽)之全部賬面金額會按照香港會計準則第36號以單一資產方式測試減值，方法是比較其可收回金額(使用價值與公允值減處置成本之較高者)與其賬面金額。任何已確認之減值虧損不會分配至構成該項投資賬面金額組成部分之任何資產(包括商譽)。有關減值虧損之任何撥回乃於該項投資之可收回金額其後增加時按照香港會計準則第36號確認。

當某集團公司與本集團一間聯營公司進行交易時，在本集團之綜合財務報告確認之與該聯營公司進行交易所產生之損益，僅限於與本集團無關之聯營公司權益。

客戶合約營業額

本集團會於履約責任達成時(或隨着履約責任達成)確認營業額，即當特定履約責任相關貨品或服務之「控制權」轉移至客戶時。

履約責任指一項或一組明確貨品或服務或一系列大致相同之明確貨品或服務。

倘符合下列其中一項條件，則控制權乃隨時間轉移，而營業額會參照全面達成相關履約責任之進度隨時間確認：

- 隨着本集團履約，客戶同時收取及耗用本集團履約所帶來之利益；

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in associates (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers

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

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

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

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3. 主要會計政策 (續)

客戶合約營業額 (續)

- 隨着本集團履約，本集團履約創建或提升客戶所控制之資產；或
- 本集團履約並無產生對本集團有替代用途之資產，且本集團享有可強制執行權利收回迄今已履約部分之款項。

否則，營業額於客戶取得明確貨品或服務之控制權的時間點確認。

合約負債指本集團向客戶轉移貨品或服務之責任，而本集團已就此向該客戶收取代價(或代價已到期收取)。

在某一時間點確認營業額： 全面達成履約責任的計量

根據香港財務報告準則第15號之控制權轉移方法，產品銷售營業額一般於獲客戶接受時(即客戶有能力指示產品使用並取得產品絕大部分餘下利益之時間點)確認。

保用

倘客戶有權選擇單獨購買保用，則本集團將保用入賬列為單獨履約責任，並將部分交易價分配至該履約責任。倘客戶無權選擇單獨購買保用，則本集團按照香港會計準則第37號「撥備、或然負債及或然資產」將保用入賬，除非保用為客戶提供保證產品符合協定規格以外之服務(即服務類保用)。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

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

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

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

A point in time revenue recognition: measurement of complete satisfaction of a performance obligation

Under the transfer-of-control approach in HKFRS 15, revenue from sales of product is generally recognised when customer acceptance has been obtained, which is the point of time when the customer has the ability to direct the use of the product and obtain substantially all of the remaining benefits of the product.

Warranties

If a customer has the option to purchase a warranty separately, the Group accounts for the warranty as a separate performance obligation and allocates a portion of the transaction price to that performance obligation. If a customer does not have the option to purchase a warranty separately, the Group accounts for the warranty in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" unless the warranty provides the customer with a service in addition to the assurance that the product complies with agreed-upon specifications (i.e. service-type warranties).

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3. 主要會計政策 (續)

租賃

租賃之定義(按照附註2中之過渡應用香港財務報告準則第16號時)

倘某合約給予權利在一段時間內控制所識別資產之使用以換取代價，則該合約屬租賃或包含租賃。

就於初始應用日期或之後訂立或修改或因業務合併而產生之合約而言，本集團於開始、修改日期或收購日期(如適用)基於香港財務報告準則第16號下之定義評估合約是否屬租賃或包含租賃。除非合約條款及條件其後有變，否則該合約將不作重新評估。

本集團作為承租人(按照附註2中之過渡應用香港財務報告準則第16號時)

將代價分配至合約之組成部分

就包含一項租賃組成部分及一項或以上附加租賃或非租賃組成部分之合約而言，本集團按租賃組成部分之相對單獨價格及非租賃組成部分之彙總單獨價格的基準，將合約代價分配至各個租賃組成部分，包括收購物業擁有權益之合約(包括租賃土地及非租賃樓宇部分)，惟不能可靠地作出相關分配時，則作別論。非租賃組成部分按其相對單獨價格與租賃組成部分分開。

短期租賃

本集團對於租賃年期為自開始日期起計12個月或以內且不包含購買選擇權之辦公室租賃應用短期租賃確認豁免。短期租賃之租賃付款於租賃年內以直線法或另一系統化基準確認為開支。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2)

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably. Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

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3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人(按照附註2中之過渡應用香港財務報告準則第16號時)(續)

使用權資產

使用權資產之成本包括：

- 初始計量租賃負債之金額；
- 於開始日期或之前支付之任何租賃付款減任何已收租賃獎勵；
- 本集團產生之任何初始直接成本；及
- 本集團將於拆除及移除相關資產、復修相關資產位處之場址或將相關資產復修至租賃條款規定之狀況時產生之估計成本。

使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。

本集團合理確定會於租賃年期結束時取得相關租賃資產擁有權之使用權資產於開始日期至可使用年期結束計算折舊，否則使用權資產於估計可使用年期與租賃年期兩者之較短者以直線法計算折舊。

本集團於「物業、廠房及設備」內呈列不符合投資物業定義之使用權資產，所屬分項與呈列如擁有相應相關資產者相同。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property in “property, plant and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned.

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3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人(按照附註2中之過渡應用香港財務報告準則第16號時)(續)

可退回租賃按金

已付之可退回租賃按金根據香港財務報告準則第9號「金融工具」入賬，初始按公允值計量。對於初始確認時公允值之調整會被視為額外租賃付款，並計入使用權資產之成本。

租賃負債

於租賃開始日期，本集團按於該日未支付之租賃付款之現值確認及計量租賃負債。計算租賃付款之現值時，倘租賃內含之利率無法輕易地釐定，則本集團會使用於租賃開始日期之遞增借貸利率。

租賃付款包括：

- 固定付款(包括實質固定付款)減任何應收租賃獎勵；
- 取決於指數或比率之可變租賃付款(使用於開始日期之指數或比率初始計量)；及
- 預期本集團根據剩餘價值擔保應付之金額。

於開始日期後，租賃負債乃透過利息孳長及租賃付款調整。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 “Financial Instruments” and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- amounts expected to be payable by the Group under residual value guarantees.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

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3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人(按照附註2中之過渡應用香港財務報告準則第16號時)(續)

租賃負債 (續)

每當出現下列情況時，本集團會重新計量租賃負債(並對相關使用權資產作出相應調整)：

- 租賃年期已更改或對行使其購買選擇權之評估有變，在此情況下，相關租賃負債乃透過利用於重新評估日期之經修訂貼現率貼現經修訂租賃付款重新計量。
- 因檢討市場租金後市場租金率有變而引致租賃付款變動，在此情況下，相關租賃負債乃透過利用初始貼現率貼現經修訂租賃付款重新計量。

本集團於綜合財務狀況表內呈列租賃負債為單一分項。

租賃修改

倘出現下列情況，則本集團將租賃修訂入賬列為一項獨立租賃：

- 進行修改時透過加入使用一項或多項相關資產之權利，令租賃範圍增加；及
- 租賃之代價按與範圍增加之單獨價格相符之金額及為反映特定合約之情況而對該單獨價格進行之任何適當調整增加。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人(按照附註2中之過渡應用香港財務報告準則第16號時)(續)

租賃修改 (續)

對於並無入賬列作一項獨立租賃之租賃修訂，本集團會透過利用於修改生效日期之經修訂貼現率貼現經修訂租賃付款，基於經修改租賃之租賃年期重新計量租賃負債。

本集團透過對相關使用權資產作出相應調整，將租賃負債之重新計量入賬。當經修改合約包含一項租賃組成部分及一項或以上附加租賃或非租賃組成部分，本集團按租賃組成部分之相對單獨價格及非租賃組成部分之彙總單獨價格的基準，將經修改合約代價分配至各個租賃組成部分。

本集團作為承租人(於二零一九年一月一日前)

每當租賃條款將擁有權之絕大部分風險及回報轉移予承租人時，租賃會分類為融資租賃。所有其他租賃均分類為經營租賃。

經營租賃付款(包括收購根據經營租賃持有之土地之成本)於相關租賃年期內以直線法確認為支出。根據經營租賃產生之或然租金於產生期間確認為支出。

與經營租賃有關之租賃獎勵被視為租賃付款之組成部分，而獎勵之利益總額按直線法確認為租金支出扣減。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Lease modifications (Continued)

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessee (prior to 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives relating to operating leases are considered as integral part of lease payments, the aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

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3. 主要會計政策 (續)

租賃 (續)

本集團作為出租人

租賃分類及計量

本集團為出租人之租賃分類為融資租賃或經營租賃。每當租賃條款將有關資產擁有權所附帶之絕大部分風險及回報轉移予承租人時，該合約會分類為融資租賃。所有其他租賃均分類為經營租賃。

經營租賃之租金收入於相關租賃年期內以直線法在損益確認。磋商及安排經營租賃產生之初始直接成本加進租賃資產之賬面金額，而該等成本於租賃年期內以直線法確認為開支。

於本集團日常業務過程中產生之租金收入呈列為營業額。

本集團作為出租人(按照附註2中之過渡應用香港財務報告準則第16號時)

將代價分配至合約之組成部分

當合約包含租賃及非租賃組成部分時，本集團應用香港財務報告準則第15號分配合約代價至租賃及非租賃組成部分。非租賃組成部分按其相對單獨售價與租賃組成部分分開。

可退回租賃按金

已收之可退回租賃按金根據香港財務報告準則第9號入賬，初始按公允值計量。對於初始確認時公允值之調整會被視為承租人之額外租賃付款。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

The Group as a lessor (upon application of HKFRS 16 in accordance with transitions in note 2)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

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3. 主要會計政策 (續)

租賃 (續)

本集團作為出租人(按照附註2中之過渡應用香港財務報告準則第16號時)(續)

分租賃

當本集團為中介出租人時，本集團會將主租賃與分租賃入賬列為兩項獨立合約。本集團參照主租賃所產生之使用權資產(而非相關資產)將分租賃分類為融資或經營租賃。

租賃修改

本集團由經營租賃修改之生效日期起將修改入賬列為新租賃，當中會將任何就原租賃預付或累計之租賃付款視為新租賃之租賃付款的一部分。

物業、廠房及設備

物業、廠房及設備乃持有用於生產或提供貨品或服務或作行政用途之有形資產(下述在建物業除外)。物業、廠房及設備於綜合財務狀況表按成本減其後累計折舊及其後累計減值虧損(如有)列賬。

正在建造以作生產、供應或行政用途之樓宇按成本減任何已確認之減值虧損列賬。成本包括將資產送達及達致可按管理層計劃方式運作之所需地點及狀況直接應佔之任何成本，以及(就合資格資產而言)按照本集團會計政策撥充資本之借貸成本。此等資產之折舊基準與其他物業資產相同，乃於資產可作擬定用途時開始計算。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessor (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.



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3. 主要會計政策 (續)

物業、廠房及設備 (續)

將來供業主自用之發展中樓宇

當樓宇正在發展過程中以作生產或行政用途時，預付土地租金於建築期之攤銷撥備列入作為在建樓宇成本之一部分。在建樓宇按成本減任何已識別減值虧損列賬。成本包括將資產送達及達致可按管理層計劃方式運作之所需地點及狀況直接應佔之任何成本，以及(就合資格資產而言)按照本集團會計政策撥充資本之借貸成本。此等資產之折舊基準與其他物業資產相同，乃於資產可作擬定用途時開始計算。

於租賃土地及樓宇之所有權權益

當本集團支付包括租賃土地及樓宇部分之物業所有權權益付款時，整項代價按於初始確認時之相對公允值比例在租賃土地與樓宇部分之間分配。

倘相關付款能可靠地分配，則於入賬列作經營租賃之租賃土地之權益於綜合財務狀況表呈列為「使用權資產」(於應用香港財務報告準則第16號時)或「預付土地租金」(於應用香港財務報告準則第16號前)。當代價不能於非租賃樓宇部分與相關租賃土地之未分割權益之間分配時，整項物業分類為物業、廠房及設備。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

(Continued)

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "right-of-use assets" (upon application of HKFRS 16) or "prepaid lease payments" (before application of HKFRS 16) in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

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3. 主要會計政策 (續)

物業、廠房及設備 (續)

於租賃土地及樓宇之所有權權益 (續)

倘物業因結束業主自用令用途改變而變為投資物業，則該項目(包括相關租賃土地(根據香港財務報告準則第16號)或預付土地租金(根據香港會計準則第17號))賬面金額與公允值之任何差額於轉移日在其他全面收益確認及於物業重估儲備累計。相關重估儲備將於日後物業出售或報廢時直接轉入保留溢利。

除在建工程外，本集團會確認折舊，以於資產之估計可使用年期內利用直線法註銷扣除估計剩餘價值後之資產成本。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討，而任何估計變動之影響按前瞻性基準入賬。

物業、廠房及設備項目於處置時或當繼續使用該資產預期不會產生未來經濟利益時終止確認。因處置或報廢物業、廠房及設備項目而產生之任何收益或虧損按該資產之出售所得款項與賬面金額之差額釐定並於損益確認。

投資物業

投資物業為持作賺取租金及／或資本增值之物業。

投資物業初始按成本(包括任何直接引起之開支)計量。於初始確認後，投資物業按公允值計量，並作調整以撇除任何預付或應計經營租賃收入。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

(Continued)

Ownership interests in leasehold land and building (Continued)

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land under HKFRS 16 or prepaid lease payments under HKAS 17) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair values, adjusted to exclude any prepaid or accrued operating lease income.

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3. 主要會計政策 (續)

投資物業 (續)

投資物業公允值變動產生之收益或虧損於產生期間計入損益。

投資物業於處置或永久不再使用及預期其處置不會產生未來經濟利益時終止確認。因終止確認該物業而產生之任何收益或虧損按該資產之處置所得款項淨額與賬面金額之差額計算，並於該物業終止確認期間計入損益。

持作出售之非流動資產

非流動資產如將主要透過出售交易而非持續使用收回賬面金額，則分類為持作出售。只有當資產可按現狀即時出售，並只受出售有關資產之一般及慣常條款所限，且極有機會售出時，方會被視為已符合上述條件。管理層必須承諾實行出售計劃，而出售預期應可於由分類日起計一年內符合確認為已完成出售之資格。

當本集團承諾實行涉及失去附屬公司控制權之出售計劃時，若符合上述標準，則該附屬公司之所有資產及負債乃分類為持作出售，不論本集團於進行出售後會否保留相關附屬公司之非控股權益。

當本集團承諾實行涉及處置於聯營公司或合營企業之投資或其部分投資之出售計劃時，若符合上述標準，則將予處置之投資或其部分之投資乃分類為持作出售，而本集團將由該項投資(或其部分之投資)分類為持作出售之時起終止就分類為持作出售之部分使用權益法。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to a plan for the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

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3. 主要會計政策 (續)

持作出售之非流動資產

(續)

分類為持作出售之非流動資產(及出售組別)按過往之賬面金額及公允值減出售成本兩者之較低者計量，惟香港財務報告準則第9號範圍內之金融資產以及投資物業繼續按照相應各節所載之會計政策計量除外。

無形資產

分開收購之無形資產

分開收購且具有限定可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有限定可使用年期之無形資產於估計可使用年內以直線法確認攤銷。估計可使用年期及攤銷方法於各報告期末審閱，而任何估計變動之影響乃按前瞻性基準入賬。獨立收購且具有限定可使用年期之無形資產按成本減任何其後累計減值虧損列賬。

於業務合併中收購之無形資產

於業務合併中收購之無形資產與商譽分開確認，並初始按於收購日之公允值(被視為成本)確認。

於初始確認後，於業務合併中收購且具有限定可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列報，基準與分開收購之無形資產相同。於業務合併中收購且具有限定可使用年期之無形資產按成本減任何其後累計減值虧損列賬。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-current assets held for sale

(Continued)

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell, except for financial assets within the scope of HKFRS 9 and investment properties which continue to be measured in accordance with the accounting policies as set out in respective sections.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that acquired separately are carried at costs less accumulated amortisation and any accumulated impairment loss. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

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3. 主要會計政策 (續)

無形資產 (續)

於業務合併中收購之無形資產 (續)

無形資產於處置或當使用或處置預期不會產生未來經濟利益時終止確認。因終止確認無形資產而產生之收益或虧損按該資產之處置所得款項淨額與賬面金額之差額計量，並於該資產終止確認時在損益確認。

物業、廠房及設備、使用權資產及無形資產(商譽除外)之減值

於報告期末，本集團檢討其具有有限可使用年期之物業、廠房及設備、使用權資產及無形資產之賬面金額，以確定有否跡象顯示該等資產出現減值虧損。倘若有該等跡象，本集團會估計資產之可收回金額以釐定減值虧損之程度(如有)。具有無限期可使用年期之無形資產及尚未可供使用之無形資產至少每年及當有跡象顯示可能減值時進行減值測試。

物業、廠房及設備、使用權資產及無形資產之可收回金額乃個別估計。當不大可能個別估計可收回金額時，本集團會估計該資產所屬現金產生單位之可收回金額。

此外，本集團評估公司資產有否可能減值跡象。倘存在有關跡象，當可識別合理及一致之分配基準時，公司資產亦會分配至個別現金產生單位，或於其他情況下，按可識別之合理及一致分配基準分配至現金產生單位之最小組合。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (Continued)

Intangible assets acquired in a business combination (Continued)

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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3. 主要會計政策 (續)

物業、廠房及設備、 使用權資產及無形 資產(商譽除外)之減值

(續)

可收回金額乃公允值減出售成本及使用價值之較高者。於評估使用價值時，估計未來現金流使用反映貨幣時間價值之當前市場評估，以及反映資產(或現金產生單位)(未調整估計未來現金流)之特定風險之稅前貼現率，貼現至其現值。

倘一項資產(或一個現金產生單位)之可收回金額估計會低於其賬面金額，則資產(或現金產生單位)之賬面金額會調低至其可收回金額。就不能按合理一致之基準分配至現金產生單位之公司資產或部分公司資產而言，本集團會比較一組現金產生單位之賬面金額(包括已分配至該組現金產生單位之公司資產或部分公司資產之賬面金額)與該組現金產生單位之可收回金額。於分配減值虧損時，減值虧損首先分配作扣減任何商譽之賬面金額(如適用)，其後根據該單位或該組現金產生單位內各項資產之賬面金額，按比例分配至其他資產。一項資產之賬面金額不會調低至低於其公允值減出售成本(如可計量)、其使用價值(如可釐定)及零(以最高者為準)。由此本應已分配至該項資產之減值虧損金額會按比例分配至該單位或該組現金產生單位內其他資產。減值虧損會即時於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

(Continued)

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

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3. 主要會計政策 (續)

物業、廠房及設備、 使用權資產及無形 資產(商譽除外)之減值

(續)

倘減值虧損其後撥回，則資產(或一項現金產生單位或一組現金產生單位)之賬面金額會調高至其經修訂之估計可收回金額，惟增加後之賬面金額不得超過以往年度假設並無就資產(或一項現金產生單位或一組現金產生單位)確認減值虧損下釐定之賬面金額。減值虧損撥回會即時於損益確認。

存貨

存貨以成本及可變現淨值兩者之較低者列賬。存貨成本按加權平均法釐定。可變現淨值指存貨估計售價減成交之所有估計成本及達致銷售所需成本。

金融工具

金融資產及金融負債於集團公司成為工具合約條文之訂約方時確認。所有按常規途徑進行之金融資產買賣按結算日基準確認及終止確認。常規買賣指須於市場規例或慣例訂立之時限內交付資產之金融資產買賣。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

(Continued)

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

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

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3. 主要會計政策 (續)

金融工具 (續)

金融資產及金融負債初始按公允值計量，惟初始按照香港財務報告準則第15號計量之客戶合約所產生貿易應收款項除外。收購或發行金融資產及金融負債直接引起之交易成本(按公允值計入損益之金融資產或金融負債除外)乃於初始確認時加入金融資產或金融負債之公允值或自金融資產或金融負債之公允值扣除(如適用)。收購按公允值計入損益之金融資產或金融負債直接引起之交易成本即時於損益確認。

實際利率法為計算金融資產或金融負債攤銷成本及於相關期間內分配利息收入及利息支出之方法。實際利率為於金融資產或金融負債預期年期或(如適用)更短期間內將估計日後現金收款及付款(包括所有構成實際利率組成部分之已付或已收費用及款項、交易成本及其他溢價或折讓)精確貼現至於初始確認時之賬面淨額之利率。

金融資產

金融資產之分類及其後計量

金融資產如符合以下條件，則其後以按攤銷成本計量：

- 該金融資產於旨在收取合約現金流之業務模型內持有；及
- 合約條款於特定日期產生現金流，而該現金流僅為支付本金及未償還本金利息。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

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3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (續)

金融資產如符合以下條件，則其後以按公允值計入其他全面收益計量：

- 該金融資產於旨在出售及收取合約現金流之業務模型內持有；及
- 合約條款於特定日期產生現金流，而該現金流僅為支付本金及未償還本金利息。

所有其他金融資產其後以按公允值計入損益之方式計量，惟於初始應用香港財務報告準則第9號／初始確認金融資產日期，本集團可以不可撤回地選擇於其他全面收益呈列股本投資（倘其既非持作買賣亦非收購方於香港財務報告準則第3號「業務合併」適用範圍內之業務合併中確認之或然代價）之其後公允值變動。

金融資產如屬下述情況，即持作買賣：

- 購入之主要目的為於短期內出售；或
- 於初始確認時為本集團合併管理之已識別金融工具組合之一部分，且近期有短期獲利之實際模式；或
- 其為並非指定而有效的對沖工具之衍生工具。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

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

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (續)

此外，本集團可以不可撤回地將一項須按攤銷成本或按公允值計入其他全面收益計量之金融資產，指定按公允值計入損益計量，前提為此舉抵銷或大幅降低會計錯配情況。

攤銷成本及利息收入

其後按攤銷成本計量之金融資產之利息收入利用實際利率法確認。利息收入透過對金融資產之賬面總額應用實際利率計算，惟其後出現信貸減值之金融資產除外(見下文)。對於其後出現信貸減值之金融資產，利息收入透過自下一個報告期起對金融資產之攤銷成本應用實際利率確認。倘出現信貸減值之金融工具之信貸風險改善，使金融資產不再出現信貸減值，則利息收入透過釐定資產不再出現信貸虧損後之報告期初起對該金融資產之賬面總額應用實際利率確認。

指定按公允值計入其他全面收益之權益工具

於按公允值計入其他全面收益之權益工具之投資其後按公允值計量，公允值變動產生之收益及虧損於其他全面收益確認並於投資重估儲備累計；且無須進行減值評估。累積收益或虧損將不會於股本投資處置時重新分類至損益，並將轉撥至保留溢利。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

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

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

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3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

指定按公允值計入其他全面收益之權益工具 (續)

當本集團收取股息之權利確立時，來自此等於權益工具之投資之股息會於損益確認，除非股息明確代表收回部分投資成本。股息計入損益內之「其他收入」分項。

按公允值計入損益之金融資產

不符合按攤銷成本或按公允值計入其他全面收益或指定為按公允值計入其他全面收益計量條件之金融資產按公允值計入損益計量。

按公允值計入損益之金融資產於各報告期末按公允值計量，任何公允值收益或虧損於損益確認。於損益確認之淨收益或虧損包括所賺取之利息，惟不包括就金融資產賺取之任何股息，並計入損益內之「其他收益及虧損」分項。

金融資產減值

本集團以預期信貸損失模型對根據香港財務報告準則第9號計提減值之金融資產(包括貿易應收款項及應收票據、其他應收賬款、應收聯營公司款項、短期銀行存款及銀行結餘)進行減值評估。預期信貸損失金額於各報告日期更新，以反映信貸風險自初始確認以來之變動。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Equity instruments designated as at FVTOCI (Continued)

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes interest earned but excludes any dividend earned on the financial asset and is included in the "other gains and losses" line item in profit or loss.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and bills receivables, other debtors, amounts due from associates, short-term bank deposits and bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

全期預期信貸損失指於相關工具之預期可使用年期內所有可能發生之違約事件產生之預期信貸損失。相反，12個月預期信貸損失指預期於報告日期後12個月內可能發生之違約事件導致之全期預期信貸損失部分。評估乃基於本集團之歷史信貸損失經驗進行，並就債務人之特定因素、整體經濟狀況以及對於報告日期當前狀況之評估以及對未來狀況之預測調整。

本集團一直就貿易應收款項(並無重大融資組成部分)確認全期預期信貸損失。本集團利用具有適當分組之撥備矩陣集體評估該等貿易應收款項之預期信貸損失。

就所有其他工具而言，本集團計量之損失撥備等於12個月預期信貸損失，除非信貸風險自初始確認以來顯著增加，本集團會確認全期預期信貸損失。對是否確認全期預期信貸損失之評估乃基於自初始確認以來發生違約之可能性或風險顯著增加。

(i) 信貸風險顯著增加

於評估自初始確認以來信貸風險是否已顯著增加時，本集團會比較於報告日期金融工具發生違約之風險與於初始確認日期金融工具發生違約之風險。在進行該評估時，本集團會考慮合理且具理據支持之定量及定性資料，包括歷史經驗及無需付出不必要成本或努力即可獲得之前瞻性資料。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these trade receivables are assessed collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

綜合財務報告附註 Notes to the Consolidated Financial Statements

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3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

- (i) 信貸風險顯著增加 (續)
- 尤其是，在評估信貸風險是否已顯著增加時會考慮以下資料：
- 金融工具之外部(如能獲得)或內部信貸評級實際或預期會顯著惡化；
 - 信貸風險之外部市場指標顯著惡化，如信貸息差大幅增加、債務人之信貸違約掉期價格；
 - 預計會導致債務人履行其債務義務之能力大幅下降之業務、財務或經濟狀況之現有或預測不利變化；
 - 債務人之經營業績實際或預期顯著惡化；
 - 導致債務人履行其債務義務之能力大幅下降之債務人監管、經濟或技術環境之實際或預期之重大不利變化。

不論上述評估之結果如何，本集團假定，當合約付款逾期超過30天時，自初始確認以來信貸風險已顯著增加，除非本集團另有合理且具理據支持之資料證明有其他狀況則作別論。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- (i) Significant increase in credit risk (Continued)
- In particular, the following information is taken into account when assessing whether credit risk has increased significantly:
- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
 - significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
 - existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
 - an actual or expected significant deterioration in the operating results of the debtor;
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

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3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 信貸風險顯著增加 (續)

本集團定期監察識別信貸風險有否大幅增加時所用標準之成效，並作出適當修訂，以確保該等標準足以於款項逾期前識別顯著增加之信貸風險。

(ii) 違約之定義

就內部信貸風險管理而言，本集團認為，當內部編製或來自外界資料來源之資料顯示債務人不大可能向其債權人(包括本集團)清償所有款項(不計本集團持有之任何抵押品)時，即發生違約事件。

不論上述結果如何，本集團認為，當某項金融資產逾期超過90天時，即出現違約，除非本集團有合理且具理據支持之資料顯示延遲違約標準更為恰當。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

- (iii) 出現信貸減值之金融資產
- 當發生一項或多項事件，對某項金融資產之估計未來現金流構成不利影響時，該項金融資產已出現信貸減值。金融資產出現信貸減值之證據包括與以下事件有關之可觀察數據：
- (a) 發行人或借款人出現重大財政困難；
 - (b) 違反合約，例如欠付或拖欠事件；
 - (c) 基於與借款人財政困難有關之經濟或合約理由，借款人之一名或多名貸款人給予借款人在其他情況下不會考慮之一項或多項優惠；
 - (d) 借款人有可能面臨破產或其他財務重組；或
 - (e) 該金融資產因財政困難而失去活躍市場。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- (iii) Credit-impaired financial assets
- A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- (a) significant financial difficulty of the issuer or the borrower;
 - (b) a breach of contract, such as a default or past due event;
 - (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
 - (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
 - (e) the disappearance of an active market for that financial asset because of financial difficulties.

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3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(iv) 註銷政策

當有資料顯示交易對方面對嚴重財政困難，且無實際收回希望(例如交易對方已遭清盤或進入破產程序)時，本集團會註銷金融資產。本集團仍可能在適當情況下考慮法律意見，然後根據其收回程序就已註銷之金融資產採取強制執行行動。註銷構成終止確認事件。任何其後收回乃於損益確認。

(v) 預期信貸損失之計量及確認

預期信貸損失之計量為違約概率、違約損失(即違約時之損失程度)及違約時風險敞口之函數。違約概率及違約損失之評估乃基於歷史數據並就前瞻性資料調整。預期信貸損失之估計反映中肯地就發生各種違約風險之概率加權釐定之金額。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

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3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(v) 預期信貸損失之計量及
確認 (續)

一般而言，預期信貸損失為按照合約應付本集團之所有合約現金流與本集團預期收取之所有現金流之差額（按初始確認時釐定之實際利率貼現）。

倘集體計量預期信貸損失或顧及未能取得個別工具之證據的情況，則按以下基準對金融工具分組：

- 金融工具之性質（即本集團之貿易應收款項及應收票據以及其他應收賬款各自作為一個組別評估）；
- 逾期情況；
- 債務人之性質、規模及行業；及
- 外部信貸評級（如可獲得）。

管理層定期檢討分組，確保各組合中之項目繼續具備類似之信貸風險特徵。

利息收入基於金融資產之賬面總額計算，除非金融資產出現信貸減值，在此情況下，利息收入基於金融資產之攤銷成本計算。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and bills receivables and other debtors are each assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具

分類為債務或權益

由集團公司發行之債務及權益工具乃按照合約安排之實質內容與金融負債及權益工具之定義分類為金融負債或權益。

權益工具

權益工具為證明擁有本集團資產剩餘權益(經扣除其所有負債)之任何合約。本集團發行之權益工具按已收所得款項(經扣除直接發行成本後)確認。

按攤銷成本計量之金融負債

金融負債(包括應付賬款及其他應付賬款以及借貸)其後利用實際利率法按攤銷成本計量。

終止確認

本集團僅於收取資產現金流之合約權利屆滿時，或向另一公司轉讓金融資產及資產擁有權絕大部分風險及回報時終止確認金融資產。本集團如無轉讓或保留所有權之絕大部分風險及回報並繼續控制所轉讓資產，則會確認其於資產之保留權益及其可能須支付金額之相關負債。倘本集團保留已轉讓金融資產擁有權之絕大部分風險及回報，則本集團繼續確認該金融資產，亦就已收取之所得款項確認已抵押借貸。

於終止確認按攤銷成本計量之金融資產時，資產賬面金額與已收及應收代價總和之差額，會於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debts and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including creditors and other payables and borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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3. 主要會計政策 (續)

金融工具 (續)

終止確認 (續)

於終止確認本集團於初始確認時已選擇按公允值計入其他全面收益計量之權益工具投資時，以往於投資重估儲備累計之累積收益或虧損不會重新分類至損益，惟轉撥至保留溢利。

當且僅當本集團之責任獲解除、取消或已到期時，本集團方會終止確認金融負債。已終止確認之金融負債賬面金額與已付及應付代價之差額會於損益確認。

衍生金融工具

衍生工具初始按衍生工具合約訂立當日之公允值確認，其後按報告期末之公允值重新計量。所產生之收益或虧損即時於損益確認，除非該衍生工具是指定而有效之對沖工具，在此情況下，於損益確認之時間取決於對沖關係之性質。

對銷金融資產與金融負債

當且僅當本集團現時擁有可依法強制執行權利對銷已確認金額，且有意按淨額基準結算或同時變現資產及結算負債時，金融資產與金融負債方會對銷，淨額於綜合財務狀況表呈列。

對沖會計法

本集團指定若干衍生工具為現金流對沖之衍生工具(即利率掉期合約)。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition (Continued)

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair values at the date when derivative contracts are entered into and are subsequently remeasured to their fair values at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Hedge accounting

The Group designates certain derivatives as hedging instruments for cash flow hedges (i.e. interest rate swap contracts).

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3. 主要會計政策 (續)

金融工具 (續)

對沖會計法 (續)

於對沖關係開始時，本集團記錄對沖工具與被對沖項目之關係，連同其風險管理目標及其進行各類對沖交易之策略。再者，於對沖開始及進行期間，本集團記錄對沖工具是否能高度有效地對銷被對沖項目因被對沖風險而引致之現金流變動。

對沖關係及成效之評估

就對沖成效評估而言，本集團於對沖關係符合以下所有對沖成效要求時，考慮對沖工具是否有效對銷被對沖風險所引起之被對沖項目之現金流變動：

- 被對沖項目與對沖工具間存在經濟關係；
- 信貸風險之影響不主導因該經濟關係而引起之價值變動；及
- 對沖關係之對沖比率與本集團實際對沖之被對沖項目數目以及公司實際用於對沖被對沖項目數目之對沖工具數量之間之對沖比率相同。

倘對沖關係不再符合有關對沖比率之對沖成效要求，但指定之對沖關係風險管理目標保持不變，則本集團會調整對沖關係之對沖比率(即重新平衡對沖)，以再次符合合資格標準。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

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3. 主要會計政策 (續)

金融工具 (續)

對沖會計法 (續)

現金流對沖

指定及符合現金流對沖之衍生工具及其他合資格對沖工具之公允值變動之有效部分於其他全面收益確認及於對沖儲備項下累計，惟以被對沖項目自開始對沖起之累積公允值變動為限。與無效部分有關之收益或虧損即時於損益確認及計入「其他收益及虧損」分項。

先前於其他全面收益確認及於權益累計之金額於被對沖項目在損益確認之期間重新分類至損益，一併列於已確認之被對沖項目。然而，當被對沖之預測交易導致確認非金融資產或非金融負債時，先前於其他全面收益確認及於對沖儲備累計之收益及虧損自權益(即對沖儲備)內轉出，並計入非金融資產或非金融負債成本之初始計量中。此轉賬不會影響其他全面收益。再者，倘本集團預期於現金流對沖儲備累計之部分或全部虧損不會於未來收回，則該金額即時重新分類至損益。

終止對沖會計法

本集團僅會於對沖關係(或其部分)不再達至合資格條件(於重新平衡後(如適用))時，方會按前瞻性基準終止對沖會計法。此舉包括對沖工具到期或出售、終止或獲行使的情況。終止對沖會計法可以影響整項或僅一部分的對沖關係，而在後者的情況下，餘下的對沖關係繼續使用對沖會計法。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the "other gains and losses" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in the hedging reserve are transferred from the equity (i.e. hedging reserve) and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Discontinuation of hedge accounting

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

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3. 主要會計政策 (續)

金融工具 (續)

對沖會計法 (續)

終止對沖會計法 (續)

就現金流對沖而言，於其他全面收益確認及當時於權益累計之任何收益或虧損於權益保留，並於預測交易最終確認時於損益確認。當預料一項預測交易不再發生，於權益累計之收益或虧損即時於損益確認。

外幣

於編製各個別集團公司之財務報告時，以該公司功能貨幣以外之貨幣(外幣)進行之交易按交易日之通行匯率確認。於報告期末，以外幣定值之貨幣項目按該日之通行匯率重新折算。按公允值列賬並以外幣定值之非貨幣項目按於公允值釐定當日之通行匯率重新折算。按外幣過往成本計量之非貨幣項目不予重新折算。

結算貨幣項目及重新折算貨幣項目所產生之匯兌差額於產生之期間在損益確認，惟因既無計劃亦不大可能發生結算之應收或應付海外業務之貨幣項目(因此構成於海外業務淨投資之一部分)之匯兌差額除外，該等匯兌差額初始於其他全面收益確認，並於處置或部分處置本集團權益時自權益重新分類至損益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

Discontinuation of hedge accounting (Continued)

For cash flow hedge, any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

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3. 主要會計政策 (續)

外幣 (續)

就呈列綜合財務報告而言，本集團海外業務之資產及負債按於報告期末之通行匯率折算為本集團之呈列貨幣(即港元)。收入及支出按該期間之平均匯率折算，除非匯率於該期間內大幅波動，於此情況下，則採用於交易日之通行匯率。所產生之匯兌差額(如有)於其他全面收益確認及於權益內的匯兌儲備項下累計(歸屬於非控股權益，如適用)。

處置海外業務(即處置本集團於海外業務之全部權益，或涉及喪失對包括海外業務在內之附屬公司控制權之處置事項)時，就本公司股東應佔該項業務於權益累計之所有匯兌差額會重新分類至損益。此外，就處置部分附屬公司但未導致本集團失去對該附屬公司之控制權而言，其按比例應佔累計匯兌差額重新歸屬於非控股權益，且不會於損益確認。

於二零零五年一月一日或之後，於收購海外業務時就所收購可識別資產產生之商譽及公允值調整乃視為該海外經營業務之資產及負債處理，並按於報告期末之通行匯率折算。所產生之匯兌差額於其他全面收益確認。

於二零零五年一月一日前，於收購海外業務時就所收購可識別資產產生之商譽及公允值調整乃視為收購方之非貨幣外幣項目處理，並以收購日之通行歷史成本入賬。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. 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), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income.

Goodwill and fair value adjustments on identifiable assets acquired arising on acquisition of foreign operations before 1 January 2005 are treated as non-monetary foreign currency items of the acquirer and reported using the historical cost prevailing at the date of the acquisition.

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3. 主要會計政策 (續)

借貸成本

收購、建造或生產合資格資產(為需耗用長時間以達致擬定用途或可供出售之資產)之直接應佔借貸成本計入該等資產之成本，直至該等資產大致可達致擬定用途或可供出售時為止。

由二零一九年一月一日起，於相關資產可達致擬定用途或可供出售後仍未償還之任何特定借貸，計入一般借貸總項中以計算一般借貸之資本化比率。特定借貸在等候作合資格資產開支前，用作短期投資所得之投資收入會從合資格資本化之借貸成本中扣除。

所有其他借貸成本於產生之期間在損益確認。

政府補助金

於有合理保證本集團將會符合政府補助金所附條件及收取補助金前，本集團不會確認政府補助金。

補償已產生支出或虧損或為向本集團提供即時財務資助而不涉及日後相關費用之應收政府補助金，於成為應收之期間在損益確認。

稅項

稅項指當期應課稅額與遞延稅項之總和。

當期應課稅額以本年應課稅溢利為基礎。應課稅溢利有別於除稅前溢利，乃由於在其他年度應課稅或可扣減之收入或支出，以及永不課稅及扣減之項目。本集團當期稅項負債按報告期末時已執行或實質上已執行之稅率計算。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

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

Effective 1 January 2019, any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. 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.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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3. 主要會計政策 (續)

稅項 (續)

就綜合財務報告內資產及負債賬面金額與計算應課稅溢利時使用之相應稅基之暫時差異確認遞延稅項。一般就所有應課稅暫時差異確認遞延稅項負債，並一般在日後可能有應課稅溢利可供使用可扣減暫時差異之情況下就所有可扣減暫時差異確認遞延稅項資產。如暫時差異來自既不影響應課稅溢利亦不影響會計溢利之交易中初始確認(業務合併除外)其他資產或負債，則不會確認該等遞延資產及負債。此外，倘暫時差異來自初始確認商譽，則不會確認遞延稅項負債。

本集團按與於附屬公司及聯營公司之投資相關之應課稅暫時差異確認遞延稅項負債，惟倘本集團可控制暫時差異之撥回及暫時差異有可能於可見將來不會撥回則作別論。僅在很可能取得足夠應課稅溢利可供使用暫時差異之利益，且暫時差異預期於可見未來撥回之情況下，方會確認與該等投資相關之可扣稅暫時差異所產生之遞延稅項資產。

遞延稅項資產之賬面金額會於每個報告期末檢討，並在不大可能有足夠應課稅溢利以供收回全部或部分資產時扣減。

計量遞延稅項資產及負債之稅率乃預期於清償負債或變現資產之期間應用之稅率(以報告期末已執行或實質上已執行之稅率(及稅法)為基礎)。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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3. 主要會計政策 (續)

稅項 (續)

遞延稅項負債及資產之計量反映本集團於報告期末預期收回或清償資產及負債之賬面金額之方式所導致之稅務後果。

為計量利用公允值模型計量之投資物業之遞延稅項，該等物業之賬面金額乃假定透過銷售全數收回，除非該假定被推翻。當投資物業可予折舊及以於旨在隨時間而非透過銷售耗用投資物業所含所有經濟利益絕大部分之業務模型內持有時，有關假定會被推翻。

為本集團確認使用權資產及相關租賃負債之租賃交易計量遞延稅項而言，本集團首先釐定稅項扣減是否源自使用權資產或租賃負債。

就稅項扣減乃源自租賃負債之租賃交易而言，本集團分別對使用權資產及租賃負債應用香港會計準則第12號「所得稅」之規定。由於應用初始確認豁免，與使用權資產及租賃負債有關之暫時差異不會於初始確認時及於租賃期內確認。

當本集團擁有可依法強制執行權利對銷當期稅項資產與當期稅項負債，且當遞延稅項資產及負債與由同一稅務機關向同一課稅公司徵收之所得稅有關時，本集團會對銷遞延稅項資產及負債。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

綜合財務報告附註 Notes to the Consolidated Financial Statements

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3. 主要會計政策 (續)

稅項 (續)

當期稅項及遞延稅項會於損益確認，惟當其與其他全面收益或直接於權益確認之項目相關時，當期稅項及遞延稅項亦分別於其他全面收益或直接於權益確認。倘因對業務合併進行初始會計處理而產生當期稅項或遞延稅項，則稅務影響乃計入業務合併之會計處理。

退休福利成本

當僱員已提供服務賦予彼等權利獲得供款時，向約定供款退休福利計劃作出之付款會確認為支出。

短期僱員福利

短期僱員福利按預期於僱員提供服務時支付之福利之未貼現金額確認。所有短期僱員福利會確認為支出，除非另一項香港財務報告準則規定或允許將福利計入資產成本。

於扣除任何已付金額後，本集團就僱員累算福利(如工資及薪金以及年假)確認負債。

以股份為基礎付款交易

以權益結算以股份為基礎付款交易

授予僱員之購股權

向僱員及其他提供類似服務之人士作出之以權益結算以股份為基礎付款按權益工具於授出日期之公允值計量。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as expenses when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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3. 主要會計政策 (續)

以股份為基礎付款 交易 (續)

以權益結算以股份為基礎 付款交易 (續)

授予僱員之購股權 (續)

於授出日期釐定以權益結算以股份為基礎付款之公允值(並無考慮所有非市場歸屬條件)，於歸屬期(按照本集團估計最終將會歸屬之權益工具計算)以直線法支銷，並相應增加權益(購股權儲備)。於各報告期末，基於對所有相關非市場歸屬條件之評估，本集團修改預期歸屬之估計權益工具數目。修改原估計之影響(如有)於損益確認，致使累計支出反映經修改估計，並相應調整購股權儲備。

當購股權獲行使時，以往於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日後被沒收或於屆滿日仍未獲行使時，以往於購股權儲備確認之金額將轉撥至保留溢利。

4. 重大會計判斷及估計 不明朗因素之主要 來源

於應用附註3所述之本集團會計政策時，本公司董事須就不能隨時從其他來源得出之資產及負債賬面金額作出判斷、估計及假設。該等估計及相關假設乃基於歷史經驗及被視為有關之其他因素作出。實際結果可能有別於該等估計。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions

(Continued)

Equity-settled share-based payment transactions (Continued)

Share options granted to employees (Continued)

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When the share options are exercised, the amount previously recognised in the share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

綜合財務報告附註 Notes to the Consolidated Financial Statements

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4. 重大會計判斷及估計不明朗因素之主要來源 (續)

該等估計及相關假設乃按持續基準檢討。倘會計估計之修改僅影響修改估計之期間，有關修改於該期間確認；倘修改影響本期間及未來期間，則於作出修改期間及未來期間確認。

應用會計政策之關鍵判斷

下文為本公司董事於應用本集團會計政策過程中作出，且對綜合財務報告確認之金額有最重大影響之關鍵判斷，惟涉及估計者除外。

投資物業之遞延稅項

就計量使用公允值模型計量之投資物業所產生之遞延稅項負債而言，本公司董事已審閱本集團之投資物業組合，並總結本集團之投資物業並非根據旨在隨時間消耗投資物業內含所有經濟利益絕大部分之業務模型持有。因此，本公司董事已釐定並無推翻使用公允值模型計量之投資物業之賬面金額全數透過出售收回之「出售」前設。在相應出售該等投資物業無須繳納所得稅的情況下，本集團並無確認位於香港之投資物業公允值變動產生之任何遞延稅項。

估計不明朗因素之主要來源

管理層已作出以下對綜合財務報告已確認金額有最重大影響，且極具風險導致對下一個財政年度之資產及負債賬面金額作出重大調整之估計。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

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

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimation, that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the investment property portfolio of the Group and concluded that none of the investment properties of the Group are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, the directors of the Company have determined that the "sale" presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has not recognised any deferred taxes on changes in fair value of investment properties located in Hong Kong to the extent in which the disposals of those investment properties are not subject to income taxes.

Key sources of estimation uncertainty

Management had made the following estimations that have the most significant effect on the amounts recognised in the consolidated financial statements and a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

綜合財務報告附註 Notes to the Consolidated Financial Statements

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4. 重大會計判斷及估計 不明朗因素之主要 來源 (續)

商譽及具有無限可使用 年期之無形資產之 估計減值

釐定商譽及具有無限可使用年期之無形資產有否減值須估計獲分配商譽及具有無限可使用年期之無形資產之現金產生單位(或一組現金產生單位)之使用價值。在計算使用價值時,本集團須估計該現金產生單位(或一組現金產生單位)預期產生之未來現金流,並以適當之貼現率計算現值。於二零一九年十二月三十一日,商譽及具有無限可使用年期之無形資產之賬面金額分別為112,776,000港元及35,377,000港元(二零一八年:112,776,000港元及35,377,000港元)。可收回金額計算方法之詳情於附註20披露。

貿易應收款項之預期 信貸損失撥備

本集團使用撥備矩陣計算貿易應收款項之預期信貸損失。撥備率以具有類似損失模式之不同應收賬款分組下貿易應收款項之還款歷史及逾期狀況為基礎。撥備矩陣建基於本集團之歷史違約率,並會考慮無需付出不必要成本或努力即可獲得之合理且具理據支持之前瞻性資料。本集團在各報告日期重估歷史觀察所得違約率,並會考慮前瞻性資料之變動。此外,已出現信貸減值之貿易應收款項進行個別預期信貸損失評估。預期信貸損失撥備對估計變動敏感。有關預期信貸損失及本集團貿易應收款項之資料於附註36及22披露。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Estimated impairment of goodwill and intangible assets with indefinite useful lives

Determining whether goodwill and intangible assets with indefinite useful lives are impaired requires an estimation of the value in use of the cash-generating units (or group of cash-generating units) to which goodwill and intangible assets with indefinite useful lives have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or group of cash-generating units) and a suitable discount rate in order to calculate the present value. As at 31 December 2019, the carrying amount of goodwill and intangible assets with indefinite useful lives were HK\$112,776,000 and HK\$35,377,000, respectively, (2018: HK\$112,776,000 and HK\$35,377,000). Details of the recoverable amount calculation are disclosed in note 20.

Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on repayment history and past due status of respective trade receivables as grouping of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with credit-impaired are assessed for ECL individually. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 36 and 22.

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4. 重大會計判斷及估計不明朗因素之主要來源 (續)

估計存貨撥備

本集團管理層於各報告期末審閱賬齡分析，並對已確定為不再適用於運營之已過時及滯銷存貨項目計提撥備。可變現淨值之估計建基於估計完成成本、當前市況、賬齡分析及其後存貨售價。倘可變現淨值低於賬面金額，則可能產生減值虧損。於二零一九年十二月三十一日，存貨之賬面金額約為947,003,000港元(已扣除滯銷存貨撥備15,339,000港元)(二零一八年：831,485,000港元(已扣除滯銷存貨撥備22,168,000港元))。

於聯營公司之權益之估計減值

於二零一九年十二月三十一日，由於出現減值跡象，本集團已進行於聯營公司之權益之減值評估。釐定應否確認減值虧損時須估計相關聯營公司之可收回金額，即使用價值與公允值減出售成本之較高者。計算使用價值須本集團管理層估計本集團應佔預期聯營公司所產生估計未來現金流之現值，包括聯營公司經營業務所產生之現金流。倘實際現金流少於或多於預期，或事實及情況有變導致修改未來現金流估計，則可能產生重大減值撥回或進一步確認減值，將於作出撥回或進一步確認期間在損益確認。

於二零一九年十二月三十一日，於聯營公司之權益之賬面金額為25,133,000港元(二零一八年：23,289,000港元)，當中已計及年內於損益確認之減值12,657,000港元(二零一八年：無)。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Estimated allowance for inventories

The management of the Group reviews an aged analysis at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in operation. Estimation of net realisable value is based on estimated costs of completion, current market conditions, aging analysis and subsequent selling prices of the inventories. Where the net realisable value is less than the carrying amount, impairment loss may arise. As at 31 December 2019, the carrying amount of inventories is approximately HK\$947,003,000 (net of allowance for slow-moving inventories of HK\$15,339,000) (2018: HK\$831,485,000 (net of allowance for slow-moving inventories of HK\$22,168,000)).

Estimated impairment of interests in associates

As at 31 December 2019, in view of indication of impairment, the Group performed impairment assessment on interests in associates. Determining whether impairment loss should be recognised requires an estimation of the recoverable amount of the relevant associates which is the higher of value in use and fair value less costs of disposal. The value in use calculation requires the management of the Group to estimate its share of present value of the estimated future cash flows expected to be generated by the associates, including the cash flows from the operations of the associates. In cases where the actual cash flows are less or more than expected, or change in facts and circumstances which result in revision of future cash flows estimation, a material reversal or further recognition of impairment may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

As at 31 December 2019, the carrying amount of the interests in associates amounted to HK\$25,133,000 (2018: HK\$23,289,000), after taking into account the impairment of HK\$12,657,000 (2018: nil) recognised in profit or loss during the year.

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**4. 重大會計判斷及估計
不明朗因素之主要
來源** (續)

公允值計量及估值過程

就財務報告而言，本集團部分資產及負債按公允值計量。本集團管理層負責釐定公允值計量之適當估值技術及輸入數據。

在估計資產或負債之公允值時，本集團盡可能使用現有可觀察市場數據。本集團亦可能委聘第三方合資格估值師進行估值。本集團管理層與合資格外聘估值師緊密合作設立適用估值技術及對模型之輸入數據，並向本公司董事會匯報估值結果以解釋資產及負債公允值波動之原因。

於估計若干資產及金融工具類別之公允值時，本集團採用包括並非建基於可觀察市場數據之輸入數據之估值技術。有關釐定各種資產及負債公允值所用估值技術、輸入數據及主要假設之詳細資料載於附註15、17、24及36。

**4. CRITICAL ACCOUNTING
JUDGEMENT AND KEY SOURCES
OF ESTIMATION UNCERTAINTY**

(Continued)

**Fair value measurements and
valuation processes**

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The management of the Group is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. The Group may engage third party qualified valuers to perform the valuation. The management of the Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model, and will report the valuation findings to the board of directors of the Company to explain the cause of fluctuations in the fair value of the assets and liabilities.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of assets and financial instruments. Notes 15, 17, 24 and 36 provide detail information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

綜合財務報告附註 Notes to the Consolidated Financial Statements

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5. 營業額及分類資料

營業額

營業額指年內就向客戶銷售貨品已收及應收之款項(扣除折扣及銷售相關稅項)以及年內已收及應收租戶之租金收入。

分類資料

為進行管理，本集團於香港財務報告準則第8號下之可呈報經營分類包括五個業務分部，即(i)溶劑、(ii)塗料、(iii)油墨、(iv)潤滑油及(v)物業。本集團乃按該等分部呈報其經營分類資料。

於截至二零一八年十二月三十一日止年度，鑒於物業分類營運之重要性日增，本集團已修訂用於分配資源及評估表現之分類組織，並考慮加入新分類—物業。分類業績之計量基準已因加入該等物業應佔之分類業績而改變。於截至二零一九年十二月三十一日止年度，可呈報及經營分類並無變動。

本集團可呈報分類之主要業務如下：

溶劑	—	製造及買賣單體溶劑及相關產品
塗料	—	製造及買賣塗料及相關產品
油墨	—	製造及買賣油墨及相關產品
潤滑油	—	製造及買賣潤滑油產品
物業	—	物業投資及持有本集團並非用作生產廠房、研發、中央行政辦公室亦不用作其他經營分類之物業，包括但不限於供出租之物業

5. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the amount received and receivable for goods sold to customers during the year, net of discounts and sales related taxes, and rental income received and receivable from tenants during the year.

Segment information

For management purposes, the Group's reportable segments under HKFRS 8 included five business divisions, namely (i) solvents, (ii) coatings, (iii) inks, (iv) lubricants and (v) properties. These divisions are the basis on which the Group reports its operating segments information.

During the year ended 31 December 2018, in view of the continuing significance of the operation of the properties segment, the Group revised the organisation of segments that were used to allocate resources and assess performance, and considered to include a new segment, namely properties. The basis of measurement of segment results had been changed by including the segment results attributable to these properties. There is no change in reportable and operating segments during the year ended 31 December 2019.

Principal activities of the Group's reportable segments are as follows:

Solvents	—	manufacture of and trading in raw solvents and related products
Coatings	—	manufacture of and trading in coatings and related products
Inks	—	manufacture of and trading in inks and related products
Lubricants	—	manufacture of and trading in lubricants products
Properties	—	property investment and holding of the Group's properties not used for production plants, research and development, central administration office, and not used for other operating segments, including but not limited to properties for rental

綜合財務報告附註 Notes to the Consolidated Financial Statements

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

5. 營業額及分類資料 (續)

分類資料 (續)

於達致本集團之呈報分類時，並無合併計算經營分類。

經營分類之會計政策與附註3所描述之本集團會計政策相同。

分類業績指本年各分類在分配利息收入、應佔聯營公司業績、於聯營公司權益之減值虧損、中央行政費用、財務費用及未分配其他收入前賺取之溢利或產生之虧損。此乃向本公司行政總裁(本集團之主要營運決策者)呈報之資料，旨在作出資源分配及表現評估。

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

No operating segments have been aggregated in arriving at the reporting segments of the Group.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3.

Segment results represent the profit earned or loss incurred for the year by each segment without allocation of interest income, share of results of associates, impairment loss on interests in associates, central administration costs, finance costs and unallocated other income. This is the information reported to the Chief Executive Officer of the Company, the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment.

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5. 營業額及分類資料 (續)

分類資料 (續)

(a) 分類營業額及業績

本集團於回顧年度按可呈報及經營分類劃分之營業額及業績分析如下：

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

(a) Segment revenue and results

An analysis of the Group's revenue and results by reportable and operating segments for the year under review is as follows:

		溶劑	塗料	油墨	潤滑油	物業	可呈報 分類總計	抵銷	綜合
		Solvents	Coatings	Inks	Lubricants	Properties	Reportable segment total	Elimination	Consolidated
		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
截至二零一九年十二月三十一日止年度	Year ended 31 December 2019								
分類營業額	Segment revenue								
客戶合約營業額	Revenue from contracts with customers								
— 於某一時間點 確認貨品銷售	— sales of goods recognised at a point of time								
對外銷售	External sales	7,294,264	1,610,154	1,343,175	203,526	—	10,451,119	—	10,451,119
分類間銷售	Inter-segment sales	109,227	67	511	156	—	109,961	(109,961)	—
對外租金收入，固定 租賃付款	External rental income, fixed lease payments	—	—	—	—	13,715	13,715	—	13,715
分類間租金收入， 固定租賃付款	Inter-segment rental income, fixed lease payments	—	—	—	—	480	480	(480)	—
總額	Total	7,403,491	1,610,221	1,343,686	203,682	14,195	10,575,275	(110,441)	10,464,834
業績	Results								
分類業績	Segment results	277,904	56,574	93,824	6,441	140,272	575,015	31	575,046
應佔聯營公司業績(附註)	Share of results of associates (note)								(14,983)
於聯營公司之權益之 減值虧損(附註)	Impairment loss on interests in associates (note)								(12,657)
未分配收入	Unallocated income								24,584
未分配費用	Unallocated expenses								(17,653)
財務費用	Finance costs								(73,442)
除稅前溢利	Profit before taxation								480,895

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5. 營業額及分類資料 (續)

分類資料 (續)

(a) 分類營業額及業績 (續)

	Year ended	溶劑	塗料	油墨	潤滑油	物業	可呈報 分類總計	抵銷	綜合
		Solvents 千港元 HK\$'000	Coatings 千港元 HK\$'000	Inks 千港元 HK\$'000	Lubricants 千港元 HK\$'000	Properties 千港元 HK\$'000	segment total 千港元 HK\$'000	Elimination 千港元 HK\$'000	Consolidated 千港元 HK\$'000
截至二零一八年十二月三十一日止年度	31 December 2018								
分類營業額	Segment revenue								
客戶合約營業額	Revenue from contracts with customers								
— 於某一時間點 確認貨品銷售	— sale of goods recognised at a point of time								
對外銷售	External sales	8,806,956	1,826,136	1,474,084	270,499	—	12,377,675	—	12,377,675
分類間銷售	Inter-segment sales	140,668	94	659	70	—	141,491	(141,491)	—
對外租金收入	External rental income	—	—	—	—	10,608	10,608	—	10,608
分類間租金收入	Inter-segment rental income	—	—	—	—	440	440	(440)	—
總額	Total	8,947,624	1,826,230	1,474,743	270,569	11,048	12,530,214	(141,931)	12,388,283
業績	Results								
分類業績	Segment results	344,689	(6,497)	39,569	(38,660)	138,697	477,798	278	478,076
未分配收入	Unallocated income								21,784
未分配費用	Unallocated expenses								(20,034)
財務費用	Finance costs								(67,512)
除稅前溢利	Profit before taxation								412,314

貨品銷售營業額於貨品之控制權轉移時(即已送交貨品時)確認。

收取分類間銷售/租金收入與收取對外銷售/租金收入之條款相近。

附註：於截至二零一八年十二月三十一日止年度，應佔聯營公司業績列入潤滑油組別之分類業績。於截至二零一九年十二月三十一日止年度，本公司董事已修改潤滑油組別之分類業績架構，應佔聯營公司業績及於聯營公司之權益之減值虧損列作未分配業務線。

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

(a) Segment revenue and results (Continued)

The revenue from sales of goods are recognised when control of the goods has transferred, being the time when the goods have been delivered.

Inter-segment sales/rental income are charged at the similar terms as external sales/rental income.

Note: During the year ended 31 December 2018, the share of results of associates was presented as segment results for lubricants group. The directors of the Company has revised the organisation of the segment results of lubricants group and the share of results of associates and impairment loss on interests in associates were presented as unallocated business stream during the year ended 31 December 2019.

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5. 營業額及分類資料 (續)

分類資料 (續)

(b) 其他資料

於計量分類損益或分類資產時包括下列金額：

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

(b) Other information

Amounts included in the measurement of segment profit or loss or segment assets:

	Year ended	可呈報					企業	綜合	
		溶劑	塗料	油墨	潤滑油	物業			分類總計
	31 December 2019	Solvents	Coatings	Inks	Lubricants	Properties	Corporate	Consolidated	
	十二月三十一日止年度	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
	Year ended	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
非流動資產添置 (附註)	Additions to non-current assets (Note)	260,318	47,722	46,131	3,531	—	357,702	36,033	393,735
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	59,512	48,145	42,117	4,403	1,177	155,354	5,595	160,949
無形資產攤銷	Amortisation of intangible assets	—	1,900	334	—	—	2,234	—	2,234
貿易應收款項於預期信貸損失模型下之已確認減值虧損(撥回)淨額	Net (reversal of) impairment loss under expected credit loss model recognised on trade receivables	(1,435)	(628)	(2,723)	6,706	—	1,920	—	1,920
滯銷存貨撥備/(撥備撥回)	Allowance for/(reversal of allowance for) slow-moving inventories	188	(120)	(1,075)	(5,475)	—	(6,482)	—	(6,482)
註銷存貨	Written off of inventories	5,040	1,311	5,511	640	—	12,502	—	12,502
出售/註銷物業、廠房及設備之虧損淨額	Net loss on disposal/written off of property, plant and equipment	4,469	121	20,906	215	3,885	29,596	702	30,298
出售附屬公司之收益	Gain on disposal of subsidiaries	—	—	—	6,361	156,352	162,713	—	162,713
投資物業公允值變動之(收益)虧損	(Gain) loss on fair value change of investment properties	(111)	—	—	—	11,998	11,887	—	11,887

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5. 營業額及分類資料 (續)

分類資料 (續)

(b) 其他資料 (續)

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

(b) Other information (Continued)

		溶劑	塗料	油墨	潤滑油	物業	可呈報 分類總計	企業	綜合
		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	segment total 千港元 HK\$'000	Corporate 千港元 HK\$'000	Consolidated 千港元 HK\$'000
截至二零一八年	Year ended								
十二月三十一日止年度	31 December 2018								
非流動資產添置 (附註)	Additions to non-current assets (Note)	164,527	146,670	39,784	29,129	—	380,110	1,433	381,543
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	87,606	39,491	39,952	5,090	594	172,733	8,425	181,158
預付土地租金攤銷	Release of prepaid lease payments	1,491	2,750	945	—	174	5,360	1,384	6,744
無形資產攤銷	Amortisation of intangible assets	—	1,742	319	—	—	2,061	—	2,061
貿易應收款項於預期 信貸損失模型下之 已確認減值虧損 (撥回)淨額	Net impairment loss (reversal of) under expected credit loss model recognised on trade receivables	13,941	(4,157)	(1,289)	522	—	9,017	—	9,017
滯銷存貨撥備/ (撥備撥回)	Allowance for/(reversal of allowance for) slow- moving inventories	4,069	(1,775)	(103)	3,610	—	5,801	—	5,801
註銷存貨	Written off of inventories	5,420	4,065	4,081	3,241	—	16,807	—	16,807
商譽之減值	Impairment of goodwill	642	—	—	—	—	642	—	642
出售/註銷物業、 廠房及設備之 虧損淨額	Net loss on disposal/written off of property, plant and equipment	22,431	2,569	4,138	144	1,611	30,893	—	30,893
應佔聯營公司業績	Share of results of associates	—	—	—	1,199	—	1,199	—	1,199
出售其他非流動資產之 收益	Gain on disposal of other non-current assets	—	—	—	—	—	—	(6,460)	(6,460)
投資物業公允值變動之 收益	Gain on fair value change of investment properties	—	—	—	—	(115,771)	(115,771)	—	(115,771)

附註：非流動資產不包括金融工具。

Note: Non-current assets excluded financial instruments.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

5. 營業額及分類資料 (續)

分類資料 (續)

- (c) 本集團按可呈報及經營分類劃分的分類資產及分類負債分析如下：

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

- (c) An analysis of the Group's segment assets and segment liabilities by reportable and operating segments is as follows:

		溶劑 Solvents	塗料 Coatings	油墨 Inks	潤滑油 Lubricants	物業 Properties	綜合 Consolidated
		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
於二零一九年 十二月三十一日		At 31 December 2019					
資產	Assets						
可呈報分類資產	Reportable segment assets	3,279,021	1,344,239	1,437,739	133,227	339,171	6,533,397
其他未分配資產	Other unallocated assets						1,219,262
綜合總資產	Consolidated total assets						7,752,659
負債	Liabilities						
可呈報分類負債	Reportable segment liabilities	1,187,577	503,762	367,345	43,292	2,573	2,104,549
應付稅款	Taxation payables						70,737
遞延稅項負債	Deferred tax liabilities						15,854
其他未分配負債	Other unallocated liabilities						1,999,322
綜合總負債	Consolidated total liabilities						4,190,462
於二零一八年 十二月三十一日		At 31 December 2018					
資產	Assets						
可呈報分類資產	Reportable segment assets	3,095,182	1,375,517	1,567,502	220,318	456,992	6,715,511
其他未分配資產	Other unallocated assets						1,605,199
綜合總資產	Consolidated total assets						8,320,710
負債	Liabilities						
可呈報分類負債	Reportable segment liabilities	1,262,621	421,224	351,307	44,824	73,438	2,153,414
應付稅款	Taxation payables						61,446
遞延稅項負債	Deferred tax liabilities						11,168
其他未分配負債	Other unallocated liabilities						2,660,256
綜合總負債	Consolidated total liabilities						4,886,284

綜合財務報告附註 Notes to the Consolidated Financial Statements

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

5. 營業額及分類資料 (續)

分類資料 (續)

(d) 為監控分類表現及分配資源至各分類：

- 除短期銀行存款、銀行結餘及現金、衍生金融工具、按公允值計入其他全面收益之權益工具、於聯營公司之權益、應收聯營公司款項及其他未分配資產外，所有資產分配至經營分類；及
- 除應付稅款、遞延稅項負債、衍生金融工具、借貸及其他未分配負債外，所有負債分配至經營分類。

地區資料

截至二零一九年十二月三十一日止年度，本集團對外客戶之營業額，絕大部分來自中國的客戶（取得營業額之集團公司所在地地方），其金額為8,698,464,000港元（二零一八年：10,200,624,000港元）。本集團絕大部分非流動資產（不包括若干位於香港之投資物業以及物業、廠房及設備、若干商譽及無形資產以及衍生金融工具）亦位於中國（持有該等資產之集團公司所在地地方），其金額為2,149,691,000港元（二零一八年：1,861,924,000港元）。

主要客戶

於兩個報告期內，本集團沒有個別客戶貢獻本集團營業額超過百分之十。

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

(d) For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than short-term bank deposits, bank balances and cash, derivative financial instruments, equity instruments at FVTOCI, interests in associates, amounts due from associates and other unallocated assets; and
- all liabilities are allocated to operating segments other than taxation payables, deferred tax liabilities, derivative financial instruments, borrowings and other unallocated liabilities.

Geographical information

The Group's revenue from external customers for the year ended 31 December 2019 was substantially generated from customers located in the PRC (place of domicile of the group entities that derive revenue) amounting to HK\$8,698,464,000 (2018: HK\$10,200,624,000). Substantially all of the Group's non-current assets excluding certain investment properties and property, plant and equipment located in Hong Kong, certain goodwill, intangible assets and derivative financial instruments were also located in the PRC (place of domicile of the group entities that hold such assets) amounting to HK\$2,149,691,000 (2018: HK\$1,861,924,000).

Major customers

No individual customer of the Group has contributed over 10% of the revenue of the Group for both reporting periods.

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6. 董事薪酬及僱員酬金

已付或應付予8位(二零一八年: 9位)董事各自之酬金如下:

6. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the 8 (2018: 9) directors were as follows:

	執行董事			非執行董事		獨立非執行董事			合計	行政管理人員
	Executive directors			Non-executive directors		Independent non-executive directors				
	葉子軒	葉鈞 ^a	何世豪	葉志成	王旭 ^a	黃廣志	古遠芬	何百川 ^a	Total	Management executives
	Yip Tsz Hin	Ip Kwan ^a	Ho Sai Hou	Ip Chi Shing	Wong Yuk ^a	Wong Kong Chi	Ku Yuen Fun	Chuen, Patrick ^a		
	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
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(附註c)	(附註c)								
	(Note c)	(Note c)								
截至二零一九年十二月三十一日止年度	Year ended 31 December 2019									
袍金	—	—	—	—	200	200	200	200	800	—
其他酬金	Other emoluments									
薪金及其他福利(附註a)	3,794	1,690	2,332	1,476	—	—	—	—	9,292	9,524
酌情花紅(附註b)	1,362	643	848	—	—	—	—	—	2,853	3,339
退休福利計劃供款	277	156	215	—	—	—	—	—	648	642
酬金總額	5,433	2,489	3,395	1,476	200	200	200	200	13,593	13,505

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6. 董事薪酬及僱員酬金
(續)

6. DIRECTORS' REMUNERATION AND
EMPLOYEES' EMOLUMENTS (Continued)

	執行董事		非執行董事			獨立非執行董事			合計	行政管理人員		
	Executive directors		Non-executive directors			Independent non-executive directors						
	葉子軒	王旭*	何世豪	葉志成	唐滙棟*	吳紹平*	黃廣志	古遠芬	何百川 [^]			
	Yip	Wong	Ho	Ip	Tong	Ng	Wong	Ku	Chuen,			
	Tsz Hin	Yuk*	Sai Hou	Chi Shing	Wui Tung*	Siu Ping*	Kong Chi	Yuen Fun	Patrick [^]	Total	Management	
	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	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	(附註c)	(附註c)										
	(Note c)	(Note c)										
截至二零一八年	Year ended											
十二月三十一日	31 December 2018											
止年度												
袍金	Fees	400	400	400	—	137	200	500	300	115	2,452	—
其他酬金	Other emoluments											
薪金及其他福利	Salaries and other benefits (Note a)	3,344	2,656	1,908	1,436	—	—	—	—	—	9,344	10,878
(附註a)												
酌情花紅	Discretionary bonus (Note b)	47	47	47	—	—	—	—	—	—	141	1,831
(附註b)												
退休福利計劃供款	Retirement benefit scheme contributions	235	100	176	—	—	—	—	—	—	511	678
酬金總額	Total emoluments	4,026	3,203	2,531	1,436	137	200	500	300	115	12,448	13,387

以上所示執行董事之酬金主要涉及彼等就管理本公司及本集團事務提供之服務。以上所示非執行董事及獨立非執行董事之酬金主要涉及彼等作為本公司董事提供之服務。

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The emoluments of the non-executive directors and independent non-executive directors shown above were mainly for their services as directors of the Company.

綜合財務報告附註 Notes to the Consolidated Financial Statements

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

6. 董事薪酬及僱員酬金

(續)

附註：

- (a) 截至二零一九年十二月三十一日止年度，以上所載董事之薪金及其他福利包括經營租賃租金960,000港元(二零一八年：1,310,000港元)。
- (b) 酌情花紅乃參考年度經營業績、個人表現及可比市場統計數據決定。
- (c) 葉子軒先生及葉鈞先生(二零一八年：葉子軒先生及王旭先生)分別為本公司之行政總裁及副行政總裁(二零一八年：聯席行政總裁)，上文所披露彼等之酬金包括彼等作為行政總裁所提供服務之酬金。
- * 已獲委任為本公司執行董事，於二零一九年一月一日生效。
- # 於二零一九年一月一日調任本公司非執行董事。
- ⊙ 董事任期至二零一八年六月五日舉行之二零一八年度股東週年大會結束止。
- % 已退任及辭任本公司獨立非執行董事，於二零一九年一月一日生效。
- ^ 已獲委任為本公司獨立非執行董事，於二零一八年六月五日生效。

本集團5位酬金最高人士中2位(二零一八年：3位)為本公司董事，彼等之酬金已於上文披露。其餘3位(二零一八年：2位)人士之酬金如下：

6. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS (Continued)

Notes:

- (a) The directors' salaries and other benefits above included operating leases rentals of HK\$960,000 (2018: HK\$1,310,000) for the year ended 31 December 2019.
- (b) The discretionary bonus is determined with reference to the operating results, individual performance and comparable market statistics during the year.
- (c) Mr. Yip Tsz Hin and Mr. Ip Kwan (2018: Mr. Yip Tsz Hin and Mr. Wong Yuk) were the Chief Executive Officer and Deputy Chief Executive Officer respectively (2018: the Co-Chief Executive Officers) of the Company, and their emoluments disclosed above included those for services rendered by them as the Chief Executive.
- * Appointed as an executive director of the Company with effect from 1 January 2019.
- # Re-designated as a non-executive director of the Company on 1 January 2019.
- ⊙ Terms of directorship lasted until the conclusion of 2018 annual general meeting held on 5 June 2018.
- % Retired and resigned as an independent non-executive director of the Company with effect from 1 January 2019.
- ^ Appointed as an independent non-executive director of the Company with effect from 5 June 2018.

Of the five individuals with the highest emoluments in the Group, two (2018: three) were directors of the Company whose emoluments are disclosed above. The emoluments of the remaining three (2018: two) individuals were as follows:

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6. 董事薪酬及僱員酬金

(續)

薪金及其他福利	Salaries and other benefits
酌情花紅	Discretionary bonus
退休福利	Retirement benefits

6. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS (Continued)

二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
6,215	3,566
2,535	2,904
330	83
9,080	6,553

在兩個報告期內，本集團並無向5位最高薪人士(包括董事)支付吸引其加入或當其加入時之酬金或離職賠償。此外，沒有董事在兩個報告期內放棄任何酬金。

During both reporting periods, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no director waived any emoluments during both reporting periods.

其餘3位(二零一八年：2位)人士之酬金範圍如下：

The emoluments of the remaining three (2018: two) individuals were within the following bands:

2,000,001港元至 2,500,000港元	HK\$2,000,001 to HK\$2,500,000
2,500,001港元至 3,000,000港元	HK\$2,500,001 to HK\$3,000,000
3,500,001港元至 4,000,000港元	HK\$3,500,001 to HK\$4,000,000
4,000,001港元至 4,500,000港元	HK\$4,000,001 to HK\$4,500,000

二零一九年 2019 僱員人數 Number of employees	二零一八年 2018 僱員人數 Number of employees
—	1
2	—
1	—
—	1
3	2

行政管理人員(不包括本公司董事)之酬金範圍如下：

The emoluments of the management executives (excluding the directors of the Company) were within the following bands:

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6. 董事薪酬及僱員酬金

(續)

6. DIRECTORS' REMUNERATION AND
EMPLOYEES' EMOLUMENTS (Continued)

		二零一九年 2019 僱員人數 Number of employees	二零一八年 2018 僱員人數 Number of employees
0港元至1,000,000港元	HK\$0 to HK\$1,000,000	1	1
1,000,001港元至 1,500,000港元	HK\$1,000,001 to HK\$1,500,000	—	2
1,500,001港元至 2,000,000港元	HK\$1,500,001 to HK\$2,000,000	2	1
2,000,001港元至 2,500,000港元	HK\$2,000,001 to HK\$2,500,000	—	2
2,500,001港元至 3,000,000港元	HK\$2,500,001 to HK\$3,000,000	2	—
3,500,001港元至 4,000,000港元	HK\$3,500,001 to HK\$4,000,000	1	—
4,000,001港元至 4,500,000港元	HK\$4,000,001 to HK\$4,500,000	—	1
		6	7

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7. 其他收益及虧損

本集團之其他收益(虧損)包括：

7. OTHER GAINS AND LOSSES

The Group's other gains (losses) comprise of:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
因外幣結餘及交易而產生之淨匯兌虧損	Net exchange loss arising from foreign currency balances and transactions	(10,474)	(8,219)
出售/註銷物業、廠房及設備之虧損淨額	Net loss on disposal/written off of property, plant and equipment	(30,298)	(30,893)
於聯營公司之權益之已確認減值虧損	Impairment loss recognised on interests in associates	(12,657)	—
投資物業公允值變動之(虧損)收益(附註15)	(Loss) gain on fair value change of investment properties (note 15)	(11,887)	115,771
貿易應收款項於預期信貸損失模型下之已確認減值虧損淨額	Net impairment losses under ECL model recognised on trade receivables	(1,920)	(9,017)
按公允值計入損益之債務工具公允值變動之虧損	Loss from change in fair value of debt instrument at FVTPL	(568)	—
商譽之已確認減值虧損(附註)	Impairment loss recognised on goodwill (note)	—	(642)
出售持作出售之資產之收益	Gain on disposal of assets held for sale	—	2,727
出售其他非流動資產之收益	Gain on disposal of other non-current asset	—	6,460
		(67,804)	76,187

附註：於截至二零一八年十二月三十一日止年度內，因結束溶劑分類酒精生產業務而確認商譽減值虧損642,000港元。

Note: During the year ended 31 December 2018, an impairment loss on goodwill of HK\$642,000 was recognised due to the termination of the ethanol production business lines of solvents segment.

8. 財務費用

8. FINANCE COSTS

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
銀行借貸之利息	Interest on bank borrowings	72,293	68,391
指定為浮息債務現金流對沖之利率掉期產生之收益淨額	Net gain arising on interest rate swaps designated as cash flow hedges of floating rate debts	(1,849)	(879)
租賃負債之利息	Interest on lease liabilities	2,998	—
		73,442	67,512

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9. 除稅前溢利

9. PROFIT BEFORE TAXATION

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
除稅前溢利乃於扣除下列各項後達致：	Profit before taxation has been arrived at after charging:		
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	160,949	181,158
減：於存貨中撥充資本	Less: capitalised in inventories	(96,901)	(105,844)
		64,048	75,314
員工成本，包括董事薪酬(附註6)	Staff costs, including directors' remuneration (note 6)	604,621	659,473
減：於存貨中撥充資本	Less: capitalised in inventories	(211,097)	(209,324)
		393,524	450,149
租賃物業之經營租賃付款	Operating lease payments in respect of rented premises	不適用 N/A	19,518
短期租賃開支	Short term leases expense	6,866	不適用 N/A
預付土地租金攤銷	Release of prepaid lease payments	不適用 N/A	6,744
無形資產攤銷	Amortisation of intangible assets	2,234	2,061
核數師酬金	Auditor's remuneration	3,600	3,100
滯銷存貨淨撥備	Net allowance for slow-moving inventories	—	5,801
確認為開支之存貨成本	Cost of inventories recognised as an expense	8,988,537	10,855,134
註銷存貨	Written off of inventories	12,502	16,807
並計入下列各項：	and after crediting:		
滯銷存貨撥備淨撥回(附註)	Net reversal of allowance for slow-moving inventories (note)	6,482	—
利息收入	Interest income	22,723	11,408
已確認之政府補助金	Government grants recognised	16,255	13,600

附註：由於若干滯銷原材料用於生產，故年內就存貨確認撥備撥回。

Note: The reversal of allowance recognised on inventories during the year as certain slow-moving raw materials were utilised for production.

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10. 稅項

10. TAXATION

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
即期稅項 — 中國	Current tax — PRC		
本年度	Current year	81,383	96,987
預扣稅	Withholding tax	58,780	25,229
		140,163	122,216
遞延稅項(附註31)	Deferred taxation (note 31)		
香港	Hong Kong	2,149	1,573
中國	PRC	1,509	34,060
		3,658	35,633
		143,821	157,849

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司之稅率自二零零八年一月一日起為25%。

本集團若干於中國經營之附屬公司符合資格作為高新技術企業或設於中國西部地區之鼓勵類產業企業，有權享有15%之所得稅率。中國企業所得稅已於計入該等稅務優惠後計提撥備。

預扣稅指就貸款予中國附屬公司產生之利息收入及從若干中國附屬公司自二零零八年一月一日起賺取之溢利中分派之股息確認之稅項。源自中國之利息收入須按7%之稅率確認預扣稅，而中國企業所得稅法實施條例規定，須就從若干中國附屬公司賺取之溢利中分派之股息確認預扣稅，從有關溢利中向股東分派之股息須按5%或10%之稅率繳納預扣稅。此外，於截至二零一九年十二月三十一日止年度內，本集團根據企業所得稅法按10%之稅率就出售一間附屬公司之收益確認預扣稅約25,864,000港元(二零一八年：就轉讓一間附屬公司之收益確認1,498,000港元)。

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in the PRC is 25% from 1 January 2008 onwards.

Certain of the Group's subsidiaries operating in the PRC are either eligible as High and New Technology Enterprise or operating in encouraged industries in Western Region of China, and are entitled to an income tax rate of 15%. EIT of the PRC has been provided for after taking these tax incentives into account.

The withholding tax represented taxation recognised in respect of interest income derived from loans to subsidiaries in the PRC and dividends to be distributed from profits earned by certain subsidiaries in the PRC starting from 1 January 2008. The withholding tax is recognised for interest income derived from the PRC at tax rate of 7% and dividends to be distributed from profits earned by certain subsidiaries in the PRC in accordance with the Implementation Regulation of the EIT Law of the PRC that requires withholding tax with tax rate at 5% or 10% for dividend upon the distribution of such profits to the shareholders. Furthermore, during the year ended 31 December 2019, the Group recognised the withholding tax of approximately HK\$25,864,000, in respect of the gain on disposal of a subsidiary (2018: HK\$1,498,000 in respect of gain on transfer of a subsidiary) in the PRC with tax rate of 10% under the EIT Law.

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10. 稅項 (續)

於其他司法權區產生之稅項乃按有關司法權區之通行稅率計算。

本年支出與除稅前溢利之對賬如下：

10. TAXATION (Continued)

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The charge for the year can be reconciled to the profit before taxation as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
除稅前溢利	Profit before taxation	480,895	412,314
按本地所得稅稅率25% (二零一八年：25%) 計算之稅項支出	Tax charge at the domestic income tax rate of 25% (2018: 25%)	120,224	103,079
不可扣稅開支之稅務 影響	Tax effect of expenses not deductible for tax purposes	33,607	29,279
無須課稅收入之稅務 影響	Tax effect of income not taxable for tax purposes	(41,137)	(19,516)
未確認稅項虧損之稅務 影響	Tax effect of tax losses not recognised	30,965	74,883
使用之前未確認稅項 虧損之稅務影響	Tax effect of utilisation of tax losses previously not recognised	(6,150)	(11,877)
若干附屬公司之優惠稅率 對所得稅之影響	Effect of income tax on concessionary rates for certain subsidiaries	(51,768)	(42,102)
對未分派溢利之預扣稅 影響	Effect of withholding tax on undistributed profits	34,711	21,655
出售一間附屬公司之 收益之預扣稅影響	Effect of withholding tax on gain on disposal of a subsidiary	25,864	—
轉讓一間附屬公司之 收益之預扣稅影響	Effect of withholding tax on gain on transfer of a subsidiary	—	1,498
其他	Others	(2,495)	950
本年稅項	Taxation for the year	143,821	157,849

本地所得稅稅率乃使用本集團絕大部分業務所在司法權區之稅率。

The domestic income tax rate is a tax rate in the jurisdiction where the operation of the Group is substantially based.

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11. 股息

11. DIVIDENDS

	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
年內確認為派發之股息： Dividends recognised as distribution during the year:		
二零一九年中期股息： Interim dividend for 2019 of HK7.0 每股7.0港仙(二零一八年：6.0港仙) cents (2018: HK6.0 cents) per share	39,482	33,838
二零一八年期末股息： Final dividend for 2018 of HK10.0 每股10.0港仙(二零一八年：二零一七年 期末股息10.0港仙) cents (2018: Final dividend for 2017 of HK10.0 cents) per share	56,403	56,389
	95,885	90,227

董事建議就截至二零一九年十二月三十一日止年度派發相等於每股13港仙之期末股息，總金額不少於73,323,000港元。股息待股東在應屆股東週年大會上批准。

Final dividend equivalent to HK13 cents per share totalling not less than HK\$73,323,000, in respect of the year ended 31 December 2019 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

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12. 每股盈利

本公司股東應佔每股基本及攤薄盈利乃基於下列數據計算：

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
本公司股東應佔本年 純利以及用於計算 每股基本及攤薄 盈利之盈利	Profit for the year attributable to owners of the Company and earnings for the purposes of calculating basic and diluted earnings per share	272,907	184,805
		股份數目 Number of shares	
		千股 '000	千股 '000
用於計算每股基本 盈利之加權平均股數	Weighted average number of shares for the purpose of calculating basic earnings per share	564,029	563,933
可能對普通股產生之 攤薄影響： 購股權	Effect of dilutive potential ordinary shares: Share options	—	30
用於計算每股攤薄 盈利之加權平均股數	Weighted average number of shares for the purpose of calculating diluted earnings per share	564,029	563,963

計算每股攤薄盈利時並無假設本公司之購股權按4.536港元及5.942港元之行使價獲行使，原因是二零一九年及二零一八年該等購股權之行使價高於股份之平均市價。

The computation of diluted earnings per share does not assume the exercise of the Company's options of exercise prices of HK\$4.536 and HK\$5.942 because the exercise prices of those options were higher than the average market price for shares for both 2019 and 2018.

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13. 物業、廠房及設備

13. PROPERTY, PLANT AND EQUIPMENT

		在建工程	租賃土地	租賃物業	自置物業	傢俬、裝置及 辦公室設備 Furniture, fixtures and office equipment	汽車	廠房及機器	合計
		Construction in progress	Leasehold land	Leased properties	Owned properties	Motor vehicles	Plant and machinery	Total	
		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	
成本值	AT COST								
於二零一八年一月一日	At 1 January 2018	48,444	—	—	1,045,526	193,209	1,357,054	2,682,849	
貨幣調整	Currency realignment	(3,151)	—	—	(46,925)	(7,503)	(71,595)	(130,928)	
重新分類	Reclassifications	(9,409)	—	—	98	9,311	—	—	
添置	Additions	7,323	—	—	509	10,280	132,802	154,790	
出售/註銷	Disposals/written off	—	—	—	(2,298)	(2,944)	(68,040)	(79,585)	
收購業務時購入(附註33)	Acquired on acquisition of business (note 33)	—	—	—	—	—	993	993	
出售一間附屬公司 (附註34(d))	Disposal of a subsidiary (note 34(d))	—	—	—	(7,739)	—	—	(7,739)	
重新分類為持作出售 (附註26)	Reclassified as held for sale (note 26)	—	—	—	(4,340)	—	(11,525)	(18,357)	
於二零一八年 十二月三十一日	At 31 December 2018	43,207	—	—	984,831	199,861	1,339,689	2,602,023	
於應用香港財務報告準則 第16號時調整	Adjustment upon application of HKFRS 16	—	277,911	70,210	—	—	—	348,121	
於二零一九年一月一日 (經重列)	At 1 January 2019 (restated)	43,207	277,911	70,210	984,831	199,861	1,339,689	2,950,144	
貨幣調整	Currency realignment	(822)	(3,591)	(1,000)	(15,888)	(2,458)	(25,592)	(52,179)	
重新分類	Reclassifications	(1,616)	—	—	1,616	—	—	—	
添置	Additions	25,463	—	30,236	76,866	4,183	300,812	441,495	
出售/註銷	Disposals/written off	(2,196)	—	—	(4,152)	(22,980)	(37,303)	(73,413)	
轉入投資物業產生之 重估盈餘	Surplus on revaluation arising from transfer to investment properties	—	—	—	4,113	—	—	4,113	
轉入投資物業(附註15)	Transfer to investment property (note 15)	—	(48,190)	—	(63,559)	—	—	(111,749)	
出售附屬公司(附註34(b))	Disposal of subsidiaries (note 34(b))	—	—	(25,049)	—	(3,255)	(914)	(29,218)	
於二零一九年 十二月三十一日	At 31 December 2019	64,036	226,130	74,397	983,827	175,351	1,576,692	3,129,193	

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13. 物業、廠房及設備 (續)

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

		在建工程	租賃土地	租賃物業	傢俬、裝置及 自置物業 辦公室設備 Furniture, fixtures and office equipment	汽車	廠房及機器	合計
		Construction in progress	Leasehold land	Leased properties	Owned properties	Motor vehicles	Plant and machinery	Total
		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
折舊及攤銷	DEPRECIATION AND AMORTISATION							
於二零一八年一月一日	At 1 January 2018	—	—	—	223,557	129,996	31,087	609,289
貨幣調整	Currency realignment	—	—	—	(13,054)	(5,564)	(1,459)	(41,051)
本年折舊	Depreciation for the year	—	—	—	32,845	17,126	2,095	129,092
出售/註銷時抵銷	Eliminated on disposals/ written off	—	—	—	(277)	(2,402)	(5,109)	(38,888)
出售一間附屬公司時抵銷 (附註34(d))	Elimination on disposal of a subsidiary (note 34(d))	—	—	—	(7,325)	—	—	—
重新分類為持作出售 (附註26)	Reclassified as held for sale (note 26)	—	—	—	(2,883)	(2,059)	—	(11,081)
於二零一八年 十二月三十一日	At 31 December 2018	—	—	—	232,863	137,097	26,614	647,361
於應用香港財務報告準則 第16號時調整	Adjustment upon application of HKFRS 16	—	39,142	—	—	—	—	—
於二零一九年一月一日 (經重列)	At 1 January 2019 (restated)	—	39,142	—	232,863	137,097	26,614	647,361
貨幣調整	Currency realignment	—	—	(202)	(5,307)	(1,908)	(2,557)	(14,727)
本年折舊	Depreciation for the year	—	5,718	17,022	30,857	13,183	2,180	91,989
出售/註銷時抵銷	Eliminated on disposals/ written off	—	—	—	(1,331)	(18,619)	(6,334)	(13,063)
轉入投資物業(附註15)	Transfer to investment property (note 15)	—	—	—	(6,900)	—	—	—
出售附屬公司時抵銷 (附註34(b))	Elimination on disposal of subsidiaries (note 34(b))	—	—	—	—	(455)	—	(59)
於二零一九年 十二月三十一日	At 31 December 2019	—	44,860	16,820	250,182	129,298	19,903	711,501
賬面值	CARRYING VALUES							
於二零一九年 十二月三十一日	At 31 December 2019	64,036	181,270	57,577	733,645	46,053	8,857	865,191
於二零一八年 十二月三十一日	At 31 December 2018	43,207	—	—	751,968	62,764	7,821	692,328

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13. 物業、廠房及設備 (續)

以上所述之物業、廠房及設備項目(不包括在建工程)乃以直線法按以下年率折舊:

租賃土地	以租賃之尚餘年期計算
自置物業	以租賃年期或2.5%·以較短者計算
租賃物業	以租賃年期計算
傢俬、裝置及辦公室設備	4.5%至25%
汽車	9%至25%
廠房及機器	5%至20%

本集團作為承租人
使用權資產(計入物業、廠房及設備)

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Leasehold land	Over the remaining term of the lease
Owned properties	Over the shorter of the term of the lease or 2.5%
Leased properties	Over the term of lease
Furniture, fixtures and office equipment	4.5% to 25%
Motor vehicles	9% to 25%
Plant and machinery	5% to 20%

The Group as lessee
Right-of-use assets (included in property, plant and equipment)

		租賃土地 Leasehold land 千港元 HK\$'000	租賃物業 Leased properties 千港元 HK\$'000	廠房及機器 Plant and machinery 千港元 HK\$'000	合計 Total 千港元 HK\$'000
於二零一九年 一月一日	As at 1 January 2019				
賬面金額	Carrying amounts	238,769	70,210	—	308,979
於二零一九年 十二月三十一日	As at 31 December 2019				
賬面金額	Carrying amounts	181,270	57,577	3,717	242,564
截至二零一九年 十二月三十一日 止年度	For the year ended 31 December 2019				
折舊費用	Depreciation charge	5,718	17,022	8,374	31,114
與租賃年期於由 租賃開始日期 起計12個月內 結束之短期 租賃及其他 租賃有關之開支 (附註)	Expense relating to short-term leases within and other leases with lease terms end 12 months of the lease commencement date (note)				6,866
租賃現金流出總額	Total cash outflow for leases				34,054
添置使用權資產	Additions to right-of-use assets				42,266

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13. 物業、廠房及設備 (續)

本集團作為承租人 (續)

使用權資產 (計入物業、 廠房及設備) (續)

附註：本集團就員工宿舍定期訂立短期租賃。於二零一九年十二月三十一日，短期租賃組合與所披露之短期租賃組合相近。

本集團於兩個年度均就業務營運租用廠房及機器以及租賃土地及樓宇。租賃合約已訂立之固定租賃年期介乎1年至21年。租賃條款個別磋商，涵蓋眾多不同條款及條件。於釐定租賃年期及評估不可撤銷年期長短時，本集團應用合約之定義，以釐定合約可強制執行之年期。

此外，本集團自置若干工業樓宇 (作為主要生產設施) 及辦公室樓宇。本集團為該等物業權益 (包括相關租賃土地) 之登記業主。本集團已為收購該等物業權益支付一筆過預付款項。該等自置物業之租賃土地組成部分只於款項可以可靠地分配時，方會分開呈列。

14. 預付土地租金

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group as lessee (Continued)

Right-of-use assets (included in property, plant and equipment) (Continued)

Note: The Group regularly entered into short-term leases for staff quarters. As at 31 December 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases as disclosed.

For both years, the Group leases plant and machinery and leasehold land and buildings for its operations. Lease contracts are entered into for fixed term of 1 year to 21 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold land. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

14. PREPAID LEASE PAYMENTS

二零一八年
2018
千港元
HK\$'000

本集團之預付土地租金包括：	The Group's prepaid lease payments comprised:	
位於中國之租賃土地	Leasehold land located in the PRC	238,769
作報告用途分析：	Analysed for reporting purposes as:	
非流動資產	Non-current assets	232,436
流動資產	Current assets	6,333
		238,769

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14. 預付土地租金 (續)

攤銷預付土地租金之租賃年期介乎20年至50年。

誠如附註2所詳述，於二零一九年一月一日採納香港財務報告準則第16號時，本集團於二零一八年十二月三十一日之預付土地租金已重新分類為物業、廠房及設備。

15. 投資物業

本集團根據經營租賃出租若干辦公室及倉庫，租金應每月支付。

由於所有租賃均以相關集團公司之功能貨幣定值，故本集團並無因該等租賃安排而面對外幣風險。該等租賃合約並無載列剩餘價值擔保或承租人於租賃年期結束時購買物業之選擇權。

14. PREPAID LEASE PAYMENTS (Continued)

The lease term over which the prepaid lease payments are amortised ranged from 20 years to 50 years.

As detailed in note 2, the Group's prepaid lease payments as at 31 December 2018 have been reclassified as property, plant and equipment upon adoption of HKFRS 16 on 1 January 2019.

15. INVESTMENT PROPERTIES

The Group leases out various offices and warehouses under operating leases with rentals payable monthly.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee or lessee's option to purchase the property at the end of lease term.

		千港元 HK\$'000
公允值	FAIR VALUE	
於二零一八年一月一日	At 1 January 2018	332,771
貨幣調整	Currency realignment	(3,574)
公允值增加	Increase in fair value	115,771
重新分類為持作出售之資產 (附註26)	Reclassified as assets held for sale (note 26)	(192,407)
於二零一八年十二月三十一日	At 31 December 2018	252,561
貨幣調整	Currency realignment	(1,522)
公允值減少	Decrease in fair value	(11,887)
自物業、廠房及設備轉入(附註)	Transfer from property, plant and equipment (note)	104,849
於二零一九年十二月三十一日	At 31 December 2019	344,001

附註：於截至二零一九年十二月三十一日止年度內，本集團變更其部分物業之用途，並將其出租予獨立第三方以獲取租金收入。該等物業於轉移當天之公允值與賬面值之差額4,113,000港元已於物業重估儲備確認。

Note: During the year ended 31 December 2019, the Group changed the use of certain of its properties and has leased them out to independent third parties for rental income. The difference between the fair values of the properties and their carrying values at date of transfer was recognised in property revaluation reserve amounting to HK\$4,113,000.

綜合財務報告附註 Notes to the Consolidated Financial Statements

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



15. 投資物業 (續)

於截至二零一九年十二月三十一日止年度內，投資物業公允值之變動(屬未變現虧損)11,887,000港元已計入損益(計入其他收益及虧損)。

本集團投資物業於二零一九年十二月三十一日之公允值乃按與本集團並無關連之獨立合資格專業估值師於報告期末進行之估值釐定。管理層與合資格外聘估值師緊密合作，建立適當之估值技術及模型之輸入數據。

本集團投資物業於二零一九年十二月三十一日及二零一八年十二月三十一日以及自物業、廠房及設備轉入當天之估值乃使用直接比較法釐定，並假設這些物業均經參照有關市場上可資比較銷售交易在現況下交吉出售，或使用收入法釐定，並計及當前轉移物業權益之市場租金，及就任何潛在復歸收入計提適當撥備。直接比較法建基於類似地點之類似物業近期市場可觀察交易。收入法建基於類似地點之類似物業近期市場可觀察租金收入。

於估計物業之公允值時，物業之最高及最佳用途為目前用途。若干投資物業之公允值已作調整，以剔除預付應計經營租賃收入，避免重複入賬。

本集團位於香港及中國之投資物業之公允值分類為公允值級別第三級。兩個年度均無轉入或轉出第三級。

15. INVESTMENT PROPERTIES (Continued)

The change in fair value, being an unrealised loss, on investment properties amounted to HK\$11,887,000 during the year ended 31 December 2019 is included in profit or loss (included in other gains and losses).

The fair values of the Group's investment properties as at 31 December 2019 have been arrived at on the basis of valuations carried out at the end of the reporting period by an independent qualified professional valuer, which is not connected with the Group. The management works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model.

The valuation of Group's investment properties at 31 December 2019 and 31 December 2018, and the date of transfer from property, plant and equipment was arrived at by using direct comparison approach assuming sale of the properties in their existing states with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market, or by using income approach taking into account the current market rent passing of the property interest with due provision for any reversionary income potential. The direct comparison approach is based on market observable recent transactions of similar properties in similar location. The income approach is based on market observable recent rental income of similar properties in similar locations.

In estimating the fair values of the properties, the highest and best use of the properties is their current use. The fair values of certain investment properties have been adjusted to exclude prepaid on accrued operating lease income to avoid double counting.

The fair values of the Group's investment properties situated in Hong Kong and the PRC are classified as Level 3 of the fair value hierarchy. There were no transfers into or out of Level 3 during both years.

綜合財務報告附註 Notes to the Consolidated Financial Statements

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

15. 投資物業 (續)

下表載列於二零一九年十二月三十一日及二零一八年十二月三十一日有關如何釐定該等投資物業之公允值(尤其是所使用之估值技術及輸入數據), 以及公允值計量按照其輸入數據之可觀察程度進行分類之公允值級別之資料。

於綜合財務狀況表內

本集團所持投資物業之

賬面值

Carrying value of investment

properties held by the Group in the

consolidated statement

of financial position

於二零一九年十二月三十一日

At 31 December 2019

位於香港之葉氏化工大廈整棟樓連同
4個貨車停車位及4個私家車停車位
217,000,000港元

The whole of Yip's Chemical Building
together with 4 lorry parking spaces and
4 private car parking spaces in Hong Kong
HK\$217,000,000

位於香港之富通大廈27樓若干部分
22,561,000港元

A certain portions of the 27th Floor of
Fortis Tower in Hong Kong
HK\$22,561,000

公允值級別

Fair value
hierarchy

第三級

Level 3

第三級

Level 3

估值技術

Valuation technique(s)

收入法, 經計及物業現有租賃
所得及/或當前市場可達致
之租金收入淨額, 及就租賃
之潛在復歸收入計提適當撥
備。

Income approach taking into
account the net rental income
of the property derived from
the existing lease
and/or achievable in the
existing market with due
allowance for the reversionary
income potential of the lease.

直接比較法, 假設在現況下銷
售及經參照有關市場上可供
查閱之可資比較銷售交易。

Direct comparison method
assuming sale in their existing
states and by reference to
comparable sales transactions
as available in the relevant
market.

重大無法觀察輸入數據

Significant
unobservable input(s)

每平方米市場租金(採用市場直
接可資比較數據, 並計及地
點及其他個別因素(例如大小、
樓宇設施、樓層、樓齡等))介
乎12港元至13港元及資本化比
率4.0%。

Market rent per square feet,
using market direct comparable
and taking into account of
location and other individual
factors such as size, building
facilities, levels, age of
building, etc., which is ranging
from HK\$12/sq.ft to
HK\$13/sq.ft and capitalisation
rate is 4.0%.

每平方米價格(採用市場直接可
資比較數據, 並計及地點及
其他個別因素(例如大小、樓
宇設施、樓層、樓齡等))介乎
24,300港元至25,700港元。

Price per square feet, using
market direct comparable
and taking into account of
location and other individual
factors such as size, building
facilities, levels, age of
building, etc., which is ranging
from HK\$24,300/sq.ft to
HK\$25,700/sq.ft.

無法觀察輸入數據與
公允值之關係

Relationship of
unobservable inputs
to fair value

每平方米市場租金微升或
資本化比率微跌將大幅
提高公允值。

A slight increase in the
market rent per square
feet or a slight decrease
in the capitalisation
rate used will increase
significantly the fair
value.

每平方米價格微升將大幅
提高公允值。

A slight increase in the
price per square feet will
increase significantly the
fair value.

綜合財務報告附註 Notes to the Consolidated Financial Statements

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

15. 投資物業 (續)

於綜合財務狀況表內
本集團所持投資物業之
賬面值

Carrying value of investment
properties held by the Group in the
consolidated statement
of financial position

公允值級別

Fair value
hierarchy

估值技術

Valuation technique(s)

重大無法觀察輸入數據

Significant
unobservable input(s)

無法觀察輸入數據與
公允值之關係

Relationship of
unobservable inputs
to fair value

位於中國廣東省江門市之商業物業 7,261,000港元	第三級	直接比較法，假設在現況下銷售及經參照有關市場上可供查閱之可資比較銷售交易。	每平方米價格(採用市場直接可資比較數據，並計及地點及其他個別因素(例如大小、樓宇設施、樓層、樓齡等))介乎7,390港元至7,520港元。	每平方米價格微升將大幅提高公允值。
Commercial properties in Jiangmen City, Guangdong Province, the PRC HK\$7,261,000	Level 3	Direct comparison method assuming sale in their existing states and by reference to comparable sales transactions as available in the relevant market.	Price per square meter, using market direct comparable and taking into account of location and other individual factors such as size, building facilities, levels, age of building, etc., which is ranging from HK\$7,390/sq.m to HK\$7,520/sq.m.	A slight increase in the price per square meter will increase significantly the fair value.
位於中國上海浦東區張江之工業物業 97,179,000港元	第三級	直接比較法，假設在現況下銷售及經參照有關市場上可供查閱之可資比較銷售交易。	每平方米價格(採用市場直接可資比較數據，並計及地點及其他個別因素(例如大小、樓宇設施、樓層、樓齡等))介乎12,900港元至18,600港元。	每平方米價格微升將大幅提高公允值。
Industrial property in Zhangjiang, Pudong District, Shanghai, the PRC HK\$97,179,000	Level 3	Direct comparison method assuming sale in their existing states and by reference to comparable sales transactions as available in the relevant market.	Price per square meter, using market direct comparable and taking into account of location and other individual factors such as size, building facilities, levels, age of building, etc., which is ranging from HK\$12,900/sq.m to HK\$18,600/sq.m.	A slight increase in the price per square meter will increase significantly the fair value.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

15. 投資物業 (續)

15. INVESTMENT PROPERTIES (Continued)

於綜合財務狀況表內 本集團所持投資物業之 賬面值 Carrying value of investment properties held by the Group in the consolidated statement of financial position	公允值級別 Fair value hierarchy	估值技術及 主要輸入數據 Valuation technique(s) and key input(s)	重大無法觀察 輸入數據 Significant unobservable input(s)	無法觀察輸入數據與 公允值之關係 Relationship of unobservable inputs to fair value
於二零一八年十二月三十一日 At 31 December 2018				
位於香港之葉氏化工大廈整棟樓連同 4個貨車停車位及4個私家車停車位 230,000,000港元	第三級	收入法，經計及物業現有租賃 所得及／或當前市場可達致 之租金收入淨額，及就租賃 之潛在復歸收入計提適當撥 備。	每平方呎市場租金(採用市場直 接可資比較數據，並計及地 點及其他個別因素(例如大小、 樓宇設施、樓層、樓齡等))介 乎12.00港元至17.00港元及資 本化比率4.0%。	每平方呎市場租金微升或 資本化比率微跌將大幅 提高公允值。
The whole of Yip's Chemical Building together with 4 lorry parking spaces and 4 private car parking spaces in Hong Kong HK\$230,000,000	Level 3	Income approach taking into account the net rental income of the property derived from the existing lease and/or achievable in the existing market with due allowance for the reversionary income potential of the lease.	Market rent per square feet, using market direct comparable and taking into account of location and other individual factors such as size, building facilities, levels, age of building, etc., which is ranging from HK\$12.00/ sq.ft to HK\$17.00/sq.ft and capitalisation rate is 4.0%.	A slight increase in the market rent per square feet or a slight decrease in the capitalisation rate used will increase significantly the fair value.
位於香港之富通大廈27樓若干部分 22,561,000港元	第三級	直接比較法，假設在現況下銷 售及經參照有關市場上可供 查閱之可資比較銷售交易。	每平方呎價格(採用市場直接可 資比較數據，並計及地點及 其他個別因素(例如大小、樓 宇設施、樓層、樓齡等))介乎 24,500港元至26,500港元。	每平方呎價格微升將大幅 提高公允值。
A certain portions of the 27th Floor of Fortis Tower in Hong Kong HK\$22,561,000	Level 3	Direct comparison method assuming sale in their existing states and by reference to comparable sales transactions as available in the relevant market.	Price per square feet, using market direct comparable and taking into account of location and other individual factors such as size, building facilities, levels, age of building, etc., which is ranging from HK\$24,500/sq.ft to HK\$26,500/sq.ft.	A slight increase in the price per square feet will increase significantly the fair value.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

16. 於聯營公司之權益

16. INTERESTS IN ASSOCIATES

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
非上市聯營公司投資成本	Cost of investment on associates, unlisted	55,346	24,501
應佔收購後虧損及其他 全面支出	Share of post-acquisition losses and other comprehensive expenses	(16,182)	(1,199)
就於聯營公司之權益 確認之減值虧損 (附註)	Impairment loss recognised on interests in associates (note)	(12,657)	—
貨幣調整	Currency realignment	(1,374)	(13)
		25,133	23,289

附註：於二零一九年十二月三十一日，於聯營公司之權益之賬面金額已按照香港會計準則第36號「資產減值」作為單一資產測試減值。本集團已考慮聯營公司之估計可收回金額，並基於聯營公司之使用價值決定於損益確認12,657,000港元作為於聯營公司之權益之減值虧損。

Note: As at 31 December 2019, the carrying amount of the interests in associates has been tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset. The Group takes into consideration the estimation of recoverable amount of the associates and determined that an amount of HK\$12,657,000 was recognised in profit or loss as an impairment loss on interests in associates based on the value in use of the associates.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

16. 於聯營公司之權益 (續)

於報告期末，本集團聯營公司之詳情如下：

16. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's associates at the end of the reporting period are as follows:

聯營公司名稱 Name of associate	註冊成立國家 Country of incorporation	主要營業地點 Principal place of business	本集團持有 股本權益之百分比 Percentage of equity interest held by the Group		主要業務 Principal activity
			二零一九年 2019	二零一八年 2018	
			直接持有 Directly held		
河北大麥汽車維修服務有限公司 (「河北大麥」)	中國 PRC	中國 PRC	38.58% (附註a)	27.75%	投資控股及提供汽車保養服務 Investment holding and provision of car maintenance services
間接持有 Indirectly held					
山東大嘜汽車維修服務有限公司	中國 PRC	中國 PRC	38.58% (附註a)	27.75%	提供汽車保養服務 Provision of car maintenance services
南京大嘜汽車維修服務有限公司	中國 PRC	中國 PRC	38.58% (附註a)	27.75%	提供汽車保養服務 Provision of car maintenance services
東莞市大嘜趣車服務有限公司	中國 PRC	中國 PRC	38.58% (附註34(b))	—	提供汽車保養服務 Provision of car maintenance services

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

16. 於聯營公司之權益 (續)

16. INTERESTS IN ASSOCIATES (Continued)

聯營公司名稱 Name of associate	註冊成立國家 Country of incorporation	主要營業地點 Principal place of business	本集團持有 股本權益之百分比 Percentage of equity interest held by the Group		主要業務 Principal activity
			二零一九年 2019	二零一八年 2018	
			間接持有 (續) Indirectly held (Continued)		
中山市大嘜趣車 服務有限公司	中國 PRC	中國 PRC	38.58% (附註34(b))	—	提供汽車保養服務 Provision of car maintenance services
佛山市大嘜趣車 服務有限公司	中國 PRC	中國 PRC	38.58% (附註34(b))	—	提供汽車保養服務 Provision of car maintenance services
長沙市大嘜趣車 服務有限公司	中國 PRC	中國 PRC	38.58% (附註34(b))	—	提供汽車保養服務 Provision of car maintenance services
江門市大嘜趣車 服務有限公司	中國 PRC	中國 PRC	38.58% (附註b)	—	提供汽車保養服務 Provision of car maintenance services

附註：

- (a) 本集團於截至二零一九年十二月三十一日止年度內增購該等聯營公司之股本權益。
- (b) 該聯營公司於截至二零一九年十二月三十一日止年度內註冊成立。

Notes:

- (a) The Group has acquired additional equity interest of the associates during the year ended 31 December 2019.
- (b) The associate was incorporated during the year ended 31 December 2019.

綜合財務報告附註
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截至二零一九年十二月三十一日止年度 For the year ended 31 December 2019

17. 按公允值計入其他
全面收益之權益
工具／按公允值計入
損益之債務工具

17. EQUITY INSTRUMENTS AT
FAIR VALUE THROUGH OTHER
COMPREHENSIVE INCOME/DEBT
INSTRUMENT AT FAIR VALUE
THROUGH PROFIT OR LOSS

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
按公允值計入其他全面 收益之股本投資：	Equity investments at fair value through other comprehensive income:		
— 非上市股本證券 (附註a)	— Unlisted equity securities (note a)	21,680	11,750
按公允值計入損益之 債務投資：	Debt investment at fair value through profit or loss:		
— 香港境外上市債務 證券(附註b)	— Debt security listed outside Hong Kong (note b)	55,292	—

附註：

(a) 非上市股本投資指本集團於在香港及中國成立之私人公司之股本權益，本公司董事已選擇指定該等投資為按公允值計入其他全面收益之權益工具，原因是本集團擬持有該等股本投資作長期策略用途。於二零一八年十二月三十一日，該等權益工具包括於Common Good (Cayman) Holdings Limited (「Common Good Cayman」)及其附屬公司之3.29%股本權益。於年內，Green Monday Holdings Limited (「Green Monday」)註冊成立，並透過向Common Good Cayman發行新股作為代價，收購Common Good Cayman之附屬公司。Common Good Cayman向其股東分派Green Monday股份，故於集團重組完成後，本集團最終持有Green Monday之0.7%股本權益。

於二零一九年十二月三十一日，權益工具之公允值21,680,000港元(二零一八年：11,750,000港元)乃管理層基於近期投資交易中之股份市值得出之估算。

Notes:

(a) The unlisted equity investments represent the Group's equity interest in private entities established in HK and the PRC and the directors of the Company have elected to designate these investments in equity instruments at FVTOCI as the Group intends to hold these equity investments for long term strategic purposes. The equity instruments comprised of 3.29% equity interests in Common Good (Cayman) Holdings Limited ("Common Good Cayman") and its subsidiaries as at 31 December 2018. During the year, Green Monday Holdings Limited ("Green Monday") was incorporated and acquired the subsidiaries of Common Good Cayman by issuing new shares to Common Good Cayman as consideration. Common Good Cayman distributed shares of Green Monday to its shareholders and the Group eventually holds 0.7% equity interests in Green Monday upon completion of the group restructuring.

As at 31 December 2019, the fair value of the equity instruments of HK\$21,680,000 (2018: HK\$11,750,000) was derived by the management estimation with reference to the market value of the shares in recent investment transactions.

綜合財務報告附註
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截至二零一九年十二月三十一日止年度 For the year ended 31 December 2019



17. 按公允值計入其他
全面收益之權益
工具／按公允值計入
損益之債務工具 (續)

附註：(續)

- (b) 於二零一九年十二月三十一日，債務證券之公允值乃基於金融市場報價釐定，並得到可觀察輸入數據支持。於截至二零一九年十二月三十一日止年度內，於損益確認公允值減少568,000港元。

17. EQUITY INSTRUMENTS AT
FAIR VALUE THROUGH OTHER
COMPREHENSIVE INCOME/DEBT
INSTRUMENT AT FAIR VALUE
THROUGH PROFIT OR LOSS (Continued)

Notes: (Continued)

- (b) As at 31 December 2019, the fair value of the debt security was determined based on the quoted price from financial market supported by observable inputs. During the year ended 31 December 2019, a decrease in fair value of HK\$568,000 was recognised in profit or loss.

18. 商譽

18. GOODWILL

		千港元 HK\$'000
成本值	AT COST	
於二零一八年一月一日	At 1 January 2018	71,462
收購業務時產生(附註33)	Arising on acquisition of business (note 33)	43,844
於二零一八年十二月三十一日及 二零一九年十二月三十一日	At 31 December 2018 and 31 December 2019	115,306
減值	IMPAIRMENT	
於二零一八年一月一日	At 1 January 2018	1,888
減值	Impairment	642
於二零一八年十二月三十一日及 二零一九年十二月三十一日	At 31 December 2018 and 31 December 2019	2,530
賬面值	CARRYING VALUE	
於二零一八年十二月三十一日及 二零一九年十二月三十一日	At 31 December 2018 and 31 December 2019	112,776

有關商譽減值測試之詳情於附註20披露。

Particulars regarding impairment testing of goodwill are disclosed in note 20.

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19. 無形資產

19. INTANGIBLE ASSETS

		商標及 專利品牌 Trademarks and patent brands 千港元 HK\$'000	客戶關係 Customer relationship 千港元 HK\$'000	總計 Total 千港元 HK\$'000
成本值	AT COST			
於二零一八年 一月一日	At 1 January 2018	1,952	—	1,952
收購業務(附註33)	Acquisition of business (note 33)	35,377	36,102	71,479
添置	Addition	—	1,386	1,386
於二零一八年 十二月三十一日	At 31 December 2018	37,329	37,488	74,817
貨幣調整	Currency realignment	—	(26)	(26)
於二零一九年 十二月三十一日	At 31 December 2019	37,329	37,462	74,791
攤銷及減值	AMORTISATION AND IMPAIRMENT			
於二零一八年 一月一日	At 1 January 2018	1,464	—	1,464
貨幣調整	Currency realignment	—	(7)	(7)
年內撥備	Provided for the year	195	1,866	2,061
於二零一八年 十二月三十一日	At 31 December 2018	1,659	1,859	3,518
貨幣調整	Currency realignment	—	(5)	(5)
年內撥備	Provided for the year	195	2,039	2,234
於二零一九年 十二月三十一日	At 31 December 2019	1,854	3,893	5,747
賬面值	CARRYING VALUES			
於二零一九年 十二月三十一日	At 31 December 2019	35,475	33,569	69,044
於二零一八年 十二月三十一日	At 31 December 2018	35,670	35,629	71,299

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19. 無形資產 (續)

無形資產乃採用直線法於下列年期攤銷：

商標及專利品牌 (具有有限可使用年期)	10年
商標及專利品牌 (具有無限可使用年期)	不作攤銷
客戶關係	10–19年

客戶關係指於截至二零一八年十二月三十一日止年度內作為業務合併一部分所收購之客戶關係(詳情載於附註33)。客戶關係指與駱駝漆品牌名稱下塗料產品有關之客戶名單。

商標及專利品牌指所收購之品牌名稱，於市場上獲高度認可及具知名度。

於截至二零一八年十二月三十一日止年度內，透過收購業務(詳情載於附註33)新收購之商標及專利品牌35,377,000港元乃具有無限可使用年期之無形資產，原因為本公司董事認為本集團可以且有能力持續使用該商用名稱。因此，本集團管理層認為該等商標及專利品牌具有無限可使用年期，原因為該等商標及專利品牌預計可無限地貢獻現金流入淨額。於確定有限之可使用年期前，該等商標及專利品牌不會攤銷。然而，該等商標及專利品牌將每年及每當有跡象顯示可能出現減值時進行減值測試。

有關具有無限可使用年期之無形資產之減值測試詳情於附註20披露。

19. INTANGIBLE ASSETS (Continued)

Intangible assets are amortised on a straight-line basis over the following periods:

Trademarks and patent brands (with finite useful life)	10 years
Trademarks and patent brands (with indefinite useful life)	Not amortised
Customer relationship	10–19 years

Customer relationship represents the customer relationship acquired by the Group as part of a business combination during the year ended 31 December 2018 (details set out in note 33). Customer relationship represents the customer list related to coating products under the brand name Camel.

Trademarks and patent brands represent the brand names acquired which have high recognition and awareness in the market.

During the year ended 31 December 2018, the newly acquired trademarks and patent brands through acquisition of business (details set out in note 33) amounting HK\$35,377,000 are intangible assets with indefinite useful life as the directors of the Company are of opinion that the Group could use the trade name continuously and has the ability to do so. As a result, the trademarks and patent brands are considered by the management of the Group as having an indefinite useful life because they are expected to contribute to net cash inflows indefinitely. The trademarks and patent brands will not be amortised until their useful life is determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired.

Particulars regarding impairment testing of intangible assets with indefinite useful live are disclosed in note 20.

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20. 商譽及具有無限 可使用年期之無形 資產之減值測試

為進行減值測試，附註18及19所載具有無限可使用年期之商譽、商標及專利品牌已分配至四個獨立現金產生單位，包括溶劑分類中之三間附屬公司及塗料分類中之五間附屬公司。分配至該等單位之商譽及具有無限可使用年期之商標及專利品牌賬面金額(扣除累計減值虧損)如下：

20. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

For the purposes of impairment testing, goodwill and trademarks and patent brands with indefinite useful lives set out in notes 18 and 19 have been allocated to four individual cash generating units (CGUs), comprising three subsidiaries in the solvents segment and five subsidiaries in the coatings segment. The carrying amounts of goodwill and trademarks and patent brands with indefinite useful lives (net of accumulated impairment losses) allocated to these units are as follows:

		商譽		具有無限可使用年期之 商標及專利品牌	
		Goodwill		Trademarks and patent brands with indefinite useful lives	
		二零一九年	二零一八年	二零一九年	二零一八年
		2019	2018	2019	2018
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
溶劑分類	Solvents segment				
— 江門謙信化工發展 有限公司及江 門天誠溶劑製 品有限公司 (單位甲)	— 江門謙信化工發展 有限公司 and 江門天誠溶劑製品 有限公司 (Unit A)	17,343	17,343	—	—
— 惠州盛達化工有 限公司(單位乙)	— 惠州盛達化工 有限公司 (Unit B)	40,328	40,328	—	—
塗料分類	Coatings segment				
— 紫荊花塗料(上海) 有限公司、 紫荊花化工 (上海)有限公 司及紫荊花製漆 (成都)有限公司 (單位丙)	— 紫荊花塗料(上海)有限公司、 紫荊花化工(上海)有限公司 and 紫荊花製漆(成都)有限 公司 (Unit C)	11,261	11,261	—	—
— 葉氏駱駝(香港) 有限公司及 恒昌塗料 (惠陽)有限公司 (單位丁)	— Yip's Camel (Hong Kong) Limited and 恒昌塗料(惠陽)有限 公司 (Unit D)	43,844	43,844	35,377	35,377
		112,776	112,776	35,377	35,377



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20. 商譽及具有無限 可使用年期之無形 資產之減值測試 (續)

單位甲

此單位之可收回金額乃基於使用價值計算法釐定。該計算法使用基於經管理層批准之五年期(二零一八年:五年期)財務預算及稅前貼現率4.40%(二零一八年:4.70%)進行之現金流量預測。單位之五年期(二零一八年:五年期)後現金流量基於行業增長預測以2%(二零一八年:2%)推算。使用價值計算法之其他主要假設涉及估計現金流入/流出,包括按介乎0%至5%(二零一八年:介乎0%至5%)之增長率計算之預算銷售,有關估計基於單位過往表現及管理層對市場發展之預期作出。

於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內,本集團管理層釐定該單位並無減值。管理層相信,任何該等假設出現任何合理可能變動不會導致單位賬面金額超過其可收回金額。

單位乙

此單位之可收回金額乃基於使用價值計算法釐定。該計算法使用基於經管理層批准之五年期(二零一八年:五年期)財務預算及稅前貼現率5.68%(二零一八年:4.44%)進行之現金流量預測。單位之五年期(二零一八年:五年期)後現金流量基於行業增長預測以2%(二零一八年:2%)推算。使用價值計算法之其他主要假設涉及估計現金流入/流出,包括按介乎0%至5%(二零一八年:介乎0%至5%)之增長率計算之預算銷售,有關估計基於單位過往表現及管理層對市場發展之預期作出。

20. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

Unit A

The recoverable amount of this unit has been determined based on value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2018: five-year period), and pre-tax discount rate of 4.40% (2018: 4.70%). The unit's cash flows beyond the five-year period (2018: five-year period) are extrapolated using a 2% (2018: 2%) based on industry growth forecasts. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows include budgeted sales with growth rate ranging from 0% to 5% (2018: ranging from 0% to 5%), such estimation is based on the unit's past performance and management's expectations for the market development.

During the years ended 31 December 2019 and 31 December 2018, management of the Group determines that there is no impairment on the unit. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the unit to exceed its recoverable amount.

Unit B

The recoverable amount of this unit has been determined based on value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2018: five-year period), and pre-tax discount rate of 5.68% (2018: 4.44%). The unit's cash flows beyond the five-year period (2018: five-year period) are extrapolated using a 2% (2018: 2%) based on industry growth forecasts. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows include budgeted sales with growth rate ranging from 0% to 5% (2018: ranging from 0% to 5%), such estimation is based on the unit's past performance and management's expectations for the market development.

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20. 商譽及具有無限 可使用年期之無形 資產之減值測試 (續)

單位乙 (續)

於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內，本集團管理層釐定該單位並無減值。管理層相信，任何該等假設出現任何合理可能變動不會導致單位賬面金額超過其可收回金額。

單位丙

此單位之可收回金額乃基於使用價值計算法釐定。該計算法使用基於經管理層批准之五年期(二零一八年：五年期)財務預算及稅前貼現率5.05%(二零一八年：4.30%)進行之現金流量預測。單位之五年期(二零一八年：五年期)後現金流量基於行業增長預測以3%(二零一八年：3%)推算。使用價值計算法之其他主要假設涉及估計現金流入／流出，包括按介乎3%至7%(二零一八年：介乎0%至3%)之增長率計算之預算銷售，有關估計基於單位過往表現及管理層對市場發展之預期作出。

於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內，本集團管理層釐定該單位並無減值。管理層相信，任何該等假設出現任何合理可能變動不會導致單位賬面金額超過其可收回金額。倘貼現率改為9.95%，而其他參數維持不變，則單位之可收回金額會相等於其賬面金額。

20. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

Unit B (Continued)

During the years ended 31 December 2019 and 31 December 2018, management of the Group determines that there is no impairment on the unit. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the unit to exceed its recoverable amount.

Unit C

The recoverable amount of this unit has been determined based on value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2018: five-year period), and pre-tax discount rate of 5.05% (2018: 4.30%). The unit's cash flows beyond the five-year period (2018: five-year period) are extrapolated using a 3% (2018: 3%) based on industry growth forecasts. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows include budgeted sales with growth rate ranging from 3% to 7% (2018: ranging from 0% to 3%), such estimation is based on the unit's past performance and management's expectations for the market development.

During the years ended 31 December 2019 and 31 December 2018, management of the Group determines that there is no impairment on the unit. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the unit to exceed its recoverable amount. If the discount rate was changed to 9.95%, while other parameters remain constant, the recoverable amount of the unit would equal to its carrying amount.

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20. 商譽及具有無限 可使用年期之無形 資產之減值測試 (續)

單位丁

由葉氏駱駝(香港)有限公司及恒昌塗料(惠陽)有限公司收購駱駝漆商標及專利品牌下有關塗料製造、銷售、分銷及營銷業務(「駱駝漆業務」)已於截至二零一八年十二月三十一日止年度內完成。因收購而產生之商譽及具有無限可使用年期之商標及專利品牌之金額於二零一九年十二月三十一日及二零一八年十二月三十一日分別為43,844,000港元及35,377,000港元。為進行減值測試，上文所載具有無限可使用年期之商標及專利品牌已分配至塗料分類中之此現金產生單位內。

此單位之可收回金額乃基於使用價值計算法釐定。該計算法使用基於經管理層批准之五年期(二零一八年：五年期)財務預算及稅前貼現率13.4%(二零一八年：13.1%)進行之現金流量預測。單位之五年期(二零一八年：五年期)後現金流量基於行業增長預測以3%(二零一八年：3%)推算。使用價值計算法之其他主要假設涉及估計現金流入/流出，包括按介乎0%至4%(二零一八年：介乎0%至3%)之增長率計算之預算銷售，有關估計基於單位過往表現及管理層對市場發展之預期作出。

於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內，本集團管理層釐定該單位並無減值。管理層相信，任何該等假設出現任何合理可能變動不會導致單位賬面金額超過其可收回金額。倘貼現率改為21.6%，而其他參數維持不變，則單位之可收回金額會相等於其賬面金額。

20. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIVES (Continued)

Unit D

The acquisition of business related to manufacture, sale, distribution and marketing of coatings under the trademarks and patent brands of Camel ("Camel") by Yip's Camel (Hong Kong) Limited and 恒昌塗料(惠陽)有限公司 was completed during the year ended 31 December 2018. The amount of goodwill and trademarks and patent brands with indefinite useful lives arising as a result of the acquisition and, as at 31 December 2019 and 31 December 2018 were HK\$43,844,000 and HK\$35,377,000, respectively. For the purposes of impairment testing, trademarks and patent brands with indefinite useful lives set out above has been allocated to this CGU in coatings segment.

The recoverable amount of this unit has been determined based on value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2018: five-year period), and pre-tax discount rate of 13.4% (2018: 13.1%). The unit's cash flows beyond the five-year period (2018: five-year period) are extrapolated using a 3% (2018: 3%) based on industry growth forecasts. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows include budgeted sales with growth rate ranging from 0% to 4% (2018: ranging from 0% to 3%), such estimation is based on the unit's past performance and management's expectations for the market development.

During the years ended 31 December 2019 and 31 December 2018, management of the Group determines that there is no impairment on the unit. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the unit to exceed its recoverable amount. If the discount rate was changed to 21.6%, while other parameters remain constant, the recoverable amount of the unit would equal to its carrying amount.

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21. 存貨

21. INVENTORIES

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
原料	Raw materials	603,718	524,936
在製品	Work in progress	24,011	24,396
製成品	Finished goods	319,274	282,153
		947,003	831,485

年內，滯銷存貨撥備撥回約6,482,000港元(二零一八年：滯銷存貨撥備：5,801,000港元)及已註銷存貨約12,502,000港元(二零一八年：16,807,000港元)分別已確認並計入銷售成本。

During the year, the reversal of allowance of slow-moving inventories and written off of inventories amounting to approximately HK\$6,482,000 (2018: allowance of slow-moving inventories: HK\$5,801,000) and HK\$12,502,000 (2018: HK\$16,807,000), respectively, have been recognised and included in cost of sales.

22. 貿易應收款項及應收票據、其他應收賬款及預付款項

22. TRADE AND BILLS RECEIVABLES, OTHER DEBTORS AND PREPAYMENTS

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
貿易應收款項	Trade receivables		
— 客戶合約	— Contracts with customers	1,475,876	1,657,543
減：預期信貸損失撥備	Less: Allowance for expected credit losses	(54,930)	(65,162)
		1,420,946	1,592,381
應收票據	Bills receivables		
— 客戶合約	— Contracts with customers	1,373,999	1,593,365
		2,794,945	3,185,746

於二零一八年一月一日，來自客戶合約之貿易應收款項(未扣減預期信貸損失撥備)及應收票據分別為1,859,588,000港元及1,658,909,000港元。

As at 1 January 2018, trade receivables (before allowance for expected credit losses) and bills receivables from contracts with customers amounted to HK\$1,859,588,000 and HK\$1,658,909,000, respectively.

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22. 貿易應收款項及應收票據、其他應收賬款及預付款項 (續)

貿易應收款項

於報告期末，貿易應收款項(經扣除信貸損失撥備)基於發票日期呈列之賬齡分析如下：

零至三個月	0-3 months
四至六個月	4-6 months
六個月以上	Over 6 months

本集團容許向貿易客戶提供介乎30至90天之信貸期。本集團或會給予付款紀錄良好之大額或長期客戶較長信貸期。

在接納任何新客戶前，本集團之內部信貸控制系統會評估潛在客戶之信貸質素，而董事會已授權管理層負責為客戶釐定信貸限額及信貸審批。本集團會定期審閱客戶之限額。

於二零一九年十二月三十一日，約79% (二零一八年：79%)之貿易應收款項既無逾期亦無出現減值，其原因為根據本集團所採用之信貸控制系統，該等貿易應收款項獲評為具有良好信貸評級。

於二零一九年十二月三十一日，本集團貿易應收款項結餘包括於報告日期已逾期之應收賬款，賬面總額為298,377,000港元(二零一八年：341,759,000港元)。

22. TRADE AND BILLS RECEIVABLES, OTHER DEBTORS AND PREPAYMENTS (Continued)

Trade receivables

An aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period is as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
零至三個月	0-3 months	1,180,883	1,332,750
四至六個月	4-6 months	181,861	209,019
六個月以上	Over 6 months	58,202	50,612
		1,420,946	1,592,381

The Group allows a credit period ranging from 30 to 90 days to its trade customers. A longer credit period may be granted to large or long established customers with good payment history.

Before accepting any new customers, the Group has an internal credit control system to assess the potential customers' credit quality and the board of directors has delegated the management to be responsible for determination of credit limits and credit approvals for customers. Limits attributed to customers are reviewed periodically.

As at 31 December 2019, approximately 79% (2018: 79%) of the trade receivables are neither past due nor impaired as they were assessed to be of good credit rating attributable under the credit control system used by the Group.

As at 31 December 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$298,377,000 (2018: HK\$341,759,000) which are past due as at the reporting date.

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

22. 貿易應收款項及應收票據、其他應收賬款及預付款項 (續)

應收票據

應收票據指國內銀行承兌及擔保付款之銀行承兌匯票，屬遠期匯票。本集團按個別情況接受客戶以國內銀行承兌之銀行承兌匯票結清貿易應收款項。

該等出具或背書給本集團之銀行承兌匯票一般於出具日後不超過十二個月內到期。銀行承兌匯票將由國內國有銀行或商業銀行或金融機構等銀行於該等銀行承兌匯票到期日支付。

於二零一九年十二月三十一日，本集團向債權人背書若干銀行承兌匯票，金額達840,029,000港元(二零一八年：1,064,173,000港元)，以向彼等結清貿易應付款項。因此，本集團繼續將該等已背書之銀行承兌匯票全額計入應收票據，並確認應付債權人之相關款項，直至已背書銀行承兌匯票之到期日。

轉讓金融資產

以下為背書予供應商並具有全面追索權之本集團應收票據。由於本集團並無轉讓有關該等應收款項的重大風險及回報，其繼續悉數確認該等應收款項之賬面金額。該等應收款項按攤銷成本列入本集團之綜合財務狀況表。

22. TRADE AND BILLS RECEIVABLES, OTHER DEBTORS AND PREPAYMENTS (Continued)

Bills receivables

Bills receivables represent 銀行承兌匯票 (“banker’s acceptances”), i.e. time drafts accepted and guaranteed for payment by the PRC banks. The Group accepts the settlement of trade receivables by customers using banker’s acceptances accepted by the PRC banks on a case by case basis.

These banker’s acceptances are issued to or endorsed to the Group and with maturity date in general not longer than twelve months from the date of issuance. The banker’s acceptances will be settled by the banks, which are state-owned banks or commercial banks or financial institutions in the PRC, on the maturity date of such banker’s acceptances.

At 31 December 2019, the Group endorsed certain banker’s acceptances with an amount of HK\$840,029,000 (2018: HK\$1,064,173,000) to creditors to settle the trade payables to them. The Group continued to include the full amount of these endorsed banker’s acceptances under bills receivables and recognised the relevant payable to creditors until the maturity date of the endorsed banker’s acceptances.

Transfer of financial assets

The following were the Group’s bills receivables that were endorsed to suppliers with full recourse. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of these receivables. These receivables are carried at amortised cost in the Group’s consolidated statement of financial position.

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22. 貿易應收款項及應收
票據、其他應收賬款
及預付款項 (續)
轉讓金融資產 (續)

22. TRADE AND BILLS RECEIVABLES,
OTHER DEBTORS AND
PREPAYMENTS (Continued)
Transfer of financial assets (Continued)

背書予供應商並具有
全面追索權之應收票據
Bills receivables endorsed to
suppliers with full recourse

	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000	
已轉讓資產之賬面金額	Carrying amount of transferred assets	840,029	1,064,173
相關負債之賬面金額	Carrying amount of associated liabilities	(840,029)	(1,064,173)

其他應收賬款及預付
款項

其他應收賬款及預付款項主要包括墊付供應商款項、應收供應商佣金及可收回增值稅。

截至二零一九年十二月三十一日止年度貿易應收款項及應收票據以及其他應收賬款之減值評估詳情載於附註36。

貿易應收款項及應收票據以及其他應收賬款包括下列以有關集團公司功能貨幣以外之貨幣定值之款項：

Other debtors and prepayments

Other debtors and prepayments mainly consist of payments in advance to suppliers, commission receivable from suppliers and value-added tax recoverable.

Details of impairment assessment of trade and bills receivables and other debtors for the year ended 31 December 2019 are set out in note 36.

Included in trade receivables and bill receivables and other debtors are the following amounts denominated in currencies other than the functional currency of the group entities to which they relate:

	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000	
美元	United States dollars ("USD")	55,388	91,011
港元	HK\$	3,247	3,100

綜合財務報告附註
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23. 應收聯營公司款項

該等款項包括結餘人民幣19,200,000元(相等於約21,446,000港元)，為無抵押、須於一年內償還及按年利率5%計息。應收聯營公司款項餘額屬貿易性質，賬齡為0至3個月。

23. AMOUNTS DUE FROM ASSOCIATES

The amounts included balance of RMB19,200,000 (equivalent to approximately HK\$21,446,000) which is unsecured, repayable within one year and carries interest at a rate of 5% per annum. The remaining amounts due from associates are trade nature and aged within 0-3 months.

24. 衍生金融工具

24. DERIVATIVE FINANCIAL INSTRUMENTS

		流動 Current		非流動 Non-current	
		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
以對沖會計法處理之 衍生金融資產	Derivatives financial assets under hedge accounting				
利率掉期合約	Interest rate swap contracts	2,261	3,654	1,144	3,086
以對沖會計法處理之 衍生金融負債	Derivatives financial liabilities under hedge accounting				
利率掉期合約	Interest rate swap contracts	35	—	85	—

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24. 衍生金融工具 (續)

以現金流對沖之利率掉期合約

本集團與多間商業銀行訂立多項利率掉期合約，通過將浮動利率轉換為固定利率，將若干港元浮息銀行貸款之現金流變動風險降至最低。該等合約之條款經磋商後與被對沖銀行貸款之條款一致(即面額與銀行貸款之本金額、幣值及利率指標相同)。本公司董事認為利率掉期合約屬高效對沖工具，並根據對沖會計法指定該等工具為現金流對沖工具。

就對沖利率波動之現金流風險而言，對沖為高度有效。截至二零一九年十二月三十一日止年度，以現金流對沖之對沖工具之公允值變動虧損3,455,000港元(二零一八年：231,000港元)已於其他全面收益確認及於對沖儲備內累計。本公司董事預期累計總和將於報告期後未來到期期間中之不同日期撥回損益。

24. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Interest rate swap contracts under cash flow hedges

The Group entered into a number of interest rate swap contracts with the commercial banks to minimise its exposure to cash flow changes of its floating-rate Hong Kong dollars bank loans from banks by swapping floating interest rates to fixed interest rates. The terms of these contracts were negotiated to match with those of the hedged bank loans with the same notional amounts to principal amounts of bank loans, currency and interest rate index. The directors of the Company consider that the interest rate swap contracts are highly effective hedging instruments and have designated them as cash flow hedging instruments for hedge accounting purpose.

The hedges were highly effective in hedging cash flow exposure to interest rate movements. Fair value change on hedging instruments in cash flow hedge of loss of HK\$3,455,000 (2018: HK\$231,000) for the year ended 31 December 2019 have been recognised in other comprehensive income and accumulated in hedging reserve. The directors of the Company expected the accumulated sum is to be released to profit or loss at various dates in the coming maturity periods after the reporting period.

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24. 衍生金融工具 (續)

以現金流對沖之利率
掉期合約 (續)

於報告期末，附註30所披露之借貸包括現金流對沖項下之銀行貸款627,400,000港元(二零一八年：821,507,000港元)，而以現金流對沖之利率掉期合約之主要條款如下：

24. DERIVATIVE FINANCIAL
INSTRUMENTS (Continued)

Interest rate swap contracts under
cash flow hedges (Continued)

Included in borrowings as disclosed in note 30 were bank loans of HK\$627,400,000 (2018: HK\$821,507,000) which were under cash flow hedges and the major terms of the interest rate swap contracts under cash flow hedges at the end of the reporting period are as follows:

面額 Notional amount	到期期限範圍 Range of maturity	收取浮息 Receive floating	支付定息 Pay fixed
於二零一九年十二月三十一日 At 31 December 2019			
50,000,000港元 HK\$50,000,000	二零二零年一月二日-二零二零年四月一日 2.1.2020-1.4.2020	港元一個月HIBOR* HK\$ 1-month HIBOR*	2.82厘 2.82%
22,400,000港元 HK\$22,400,000	二零二零年三月三十一日 31.3.2020	港元一個月HIBOR HK\$ 1-month HIBOR	1.94厘 1.94%
156,250,000港元 HK\$156,250,000	二零二零年一月二十日-二零二一年四月十九日 20.1.2020-19.4.2021	港元一個月HIBOR HK\$ 1-month HIBOR	2.44厘 2.44%
218,750,000港元 HK\$218,750,000	二零二零年一月三十日-二零二二年四月二十九日 30.1.2020-29.4.2022	港元一個月HIBOR HK\$ 1-month HIBOR	3.46厘 3.46%
100,000,000港元 HK\$100,000,000	二零二零年九月二十四日-二零二三年六月二十三日 24.9.2020-23.6.2023	港元一個月HIBOR HK\$ 1-month HIBOR	2.68厘 2.68%
80,000,000港元 HK\$80,000,000	二零二二年二月十一日-二零二四年十一月十一日 11.2.2022-11.11.2024	港元一個月HIBOR HK\$ 1-month HIBOR	3.14厘 3.14%

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24. 衍生金融工具 (續)

以現金流對沖之利率
掉期合約 (續)

面額 Notional amount	到期期限範圍 Range of maturity	收取浮息 Receive floating	支付定息 Pay fixed
於二零一八年十二月三十一日 At 31 December 2018			
42,857,000港元 HK\$42,857,000	二零一九年二月二十八日-二零一九年五月三十日 28.2.2019-30.5.2019	港元一個月HIBOR HK\$ 1-month HIBOR	3.05厘 3.05%
11,200,000港元 HK\$11,200,000	二零一九年三月三十一日 31.3.2019	港元一個月HIBOR HK\$ 1-month HIBOR	2.22厘 2.22%
25,000,000港元 HK\$25,000,000	二零一九年一月二十九日-二零一九年十月二十九日 29.1.2019-29.10.2019	港元一個月HIBOR HK\$ 1-month HIBOR	3.20厘 3.20%
12,500,000港元 HK\$12,500,000	二零一九年一月二日 2.1.2019	港元一個月HIBOR HK\$ 1-month HIBOR	2.85厘 2.85%
150,000,000港元 HK\$150,000,000	二零一九年一月二日-二零二零年四月一日 2.1.2019-1.4.2020	港元一個月HIBOR HK\$ 1-month HIBOR	2.82厘 2.82%
111,200,000港元 HK\$111,200,000	二零一九年三月二十日-二零二零年三月三十一日 20.3.2019-31.3.2020	港元一個月HIBOR HK\$ 1-month HIBOR	1.94厘 1.94%
218,750,000港元 HK\$218,750,000	二零一九年一月二十一日-二零二一年四月十九日 21.1.2019-19.4.2021	港元一個月HIBOR HK\$ 1-month HIBOR	2.44厘 2.44%
250,000,000港元 HK\$250,000,000	二零一九年七月三十日-二零二二年四月二十九日 30.7.2019-29.4.2022	港元一個月HIBOR HK\$ 1-month HIBOR	3.46厘 3.46%

* HIBOR指香港銀行同業拆息。

上述衍生工具按公允值計量。於二零一九年十二月三十一日及二零一八年十二月三十一日，上述衍生工具之計量分類為公允值級別中之第二級(詳情見附註36)。

24. DERIVATIVE FINANCIAL
INSTRUMENTS (Continued)

Interest rate swap contracts under
cash flow hedges (Continued)

到日期限範圍 Range of maturity	收取浮息 Receive floating	支付定息 Pay fixed
於二零一八年十二月三十一日 At 31 December 2018		
二零一九年二月二十八日-二零一九年五月三十日 28.2.2019-30.5.2019	港元一個月HIBOR HK\$ 1-month HIBOR	3.05厘 3.05%
二零一九年三月三十一日 31.3.2019	港元一個月HIBOR HK\$ 1-month HIBOR	2.22厘 2.22%
二零一九年一月二十九日-二零一九年十月二十九日 29.1.2019-29.10.2019	港元一個月HIBOR HK\$ 1-month HIBOR	3.20厘 3.20%
二零一九年一月二日 2.1.2019	港元一個月HIBOR HK\$ 1-month HIBOR	2.85厘 2.85%
二零一九年一月二日-二零二零年四月一日 2.1.2019-1.4.2020	港元一個月HIBOR HK\$ 1-month HIBOR	2.82厘 2.82%
二零一九年三月二十日-二零二零年三月三十一日 20.3.2019-31.3.2020	港元一個月HIBOR HK\$ 1-month HIBOR	1.94厘 1.94%
二零一九年一月二十一日-二零二一年四月十九日 21.1.2019-19.4.2021	港元一個月HIBOR HK\$ 1-month HIBOR	2.44厘 2.44%
二零一九年七月三十日-二零二二年四月二十九日 30.7.2019-29.4.2022	港元一個月HIBOR HK\$ 1-month HIBOR	3.46厘 3.46%

* HIBOR represents Hong Kong Interbank Offered Rate.

The above derivative instruments are measured at fair value. The classification of the measurement of the above derivative instruments at 31 December 2019 and 31 December 2018 is level 2 under the fair value hierarchy (see note 36 for details).

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25. 短期銀行存款、銀行結餘及現金

短期銀行存款以及銀行結餘及現金包括下列以有關集團公司功能貨幣以外之貨幣定值之款項：

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
美元	USD	114,963	324,383
港元	HK\$	2,249	3,451
人民幣	RMB	12,307	209,300

所有銀行存款及銀行結餘按介乎0.001%至3.10%（二零一八年：0.001%至5.01%）之市場年利率計息。

25. SHORT-TERM BANK DEPOSITS, BANK BALANCES AND CASH

Included in short-term bank deposits and bank balances and cash are the following amounts denominated in currencies other than the functional currencies of the group entities to which they relate:

All bank deposits and bank balances were carrying interest at market rates ranging from 0.001% to 3.10% (2018: 0.001% to 5.01%) per annum.

26. 分類為持作出售之資產／與分類為持作出售之資產相關之負債

於二零一八年十二月五日，董事議決出售本公司一間中國間接全資附屬公司紫荊花製漆（上海）有限公司（「紫荊花製漆」）之全部權益。預計將於十二個月內出售之資產及負債已分類為一個持作出售之出售組別，並於綜合財務狀況表分開呈列（見下文）。該項交易已於截至二零一九年十二月三十一日止年度內完成（附註34(a)）。

26. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 5 December 2018, the directors resolved to dispose of the entire interest in an indirect wholly-owned subsidiary of the Company, Bauhinia Paints Manufacturing (Shanghai) Company Limited (“Bauhinia Paints”), in the PRC. The assets and liabilities, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position (see below). The transaction was completed during the year ended 31 December 2019 (note 34(a)).

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26. 分類為持作出售之
資產／與分類為持作
出售之資產相關之
負債 (續)

分類為持作出售之紫荊花製漆
之資產及負債如下：

26. ASSETS CLASSIFIED AS HELD FOR
SALE/LIABILITIES ASSOCIATED
WITH ASSETS CLASSIFIED AS HELD
FOR SALE (Continued)

The assets and liabilities of Bauhinia Paints classified as
held for sale were as follows:

		二零一八年 2018 千港元 HK\$'000
物業、廠房及設備	Property, plant and equipment	2,334
預付土地租金	Prepaid lease payments	3,701
投資物業	Investment properties	192,407
其他應收款項	Other receivables	5,732
銀行結餘及現金	Bank balances and cash	135
分類為持作出售之資產總值	Total assets classified as held for sale	<u>204,309</u>
其他應付款項	Other payables	(2,301)
應付稅款	Tax payables	(2,933)
遞延稅項負債	Deferred tax liabilities	(64,928)
與分類為持作出售之資產 相關之負債總額	Total liabilities associated with assets classified as held for sale	<u>(70,162)</u>

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26. 分類為持作出售之
資產／與分類為持作
出售之資產相關之
負債 (續)

26. ASSETS CLASSIFIED AS HELD FOR
SALE/LIABILITIES ASSOCIATED
WITH ASSETS CLASSIFIED AS HELD
FOR SALE (Continued)

於二零一八年十二月三十一日

綜合財務狀況表內本集團

所持分類為持作出售之投資物業之賬面值

Carrying value of investment

properties classified as held for sale
held by the Group in the consolidated

statement of financial position as at
31 December 2018

於中國上海青浦區之工業開發項目
192,407,000港元

An industrial development in Qingpu District,
Shanghai, the PRC
HK\$192,407,000

公允值級別

Fair value
hierarchy

第三級

Level 3

估值技術及主要輸入數據

Valuation technique(s) and
key input(s)

直接比較法，假設在現況下銷
售及經參照有關市場上可供
查閱之可資比較銷售交易。

Direct comparison method
assuming sale in their existing
states and by reference to
comparable sales transactions
as available in the relevant
market.

重大無法觀察輸入數據

Significant
unobservable input(s)

每平方米價格(採用市場直接
可資比較數據，並計及地點
及其他個別因素(例如大小、
樓宇設施、樓層、樓齡等))
介乎人民幣7,500元至人民幣
10,000元。

Price per square meter, using
market direct comparables
and taking into account of
location and other individual
factors such as size, building
facilities, levels, age of
building, etc., which is ranging
from RMB7,500/sq.m. to
RMB10,000/sq.m.

無法觀察輸入數據與
公允值之關係

Relationship of
unobservable inputs
to fair value

每平方米價格微升將大幅
提高公允值。

A slight increase in the
price per square meter
will increase significantly
the fair value.

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27. 應付賬款及應計費用

27. CREDITORS AND ACCRUED CHARGES

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
貿易應付賬款	Trade creditors	1,620,298	1,697,230
其他應付賬款及 應計費用	Other creditors and accrued charges	408,380	380,206
		2,028,678	2,077,436

其他應付賬款及應計費用主要包括應付員工薪金及福利、銷售佣金、應付倉儲及運費以及其他應付款項。

Other creditors and accrued charges mainly consist of payables of staff salaries and benefits, sales commission, payable of storage and transportation and other payables.

於報告期末，貿易應付賬款基於發票日期之賬齡分析如下：

An aged analysis of trade creditors at the end of the reporting period based on the invoice date is as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
零至三個月	0-3 months	1,236,290	1,357,137
四至六個月	4-6 months	341,874	324,770
六個月以上	Over 6 months	42,134	15,323
		1,620,298	1,697,230

應付賬款包括下列以有關集團公司功能貨幣以外之貨幣定值之款項：

Included in creditors are the following amounts denominated in currency other than the functional currency of the group entities to which they relate:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
美元	USD	175,050	131,388

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28. 合約負債

28. CONTRACT LIABILITIES

	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
銷售溶劑、塗料、油墨及 潤滑油之合約負債	34,423	25,695
Contract liabilities on sales of solvents, coatings, inks and lubricants		

當本集團於開始生產活動前收到按金，於合約開始時即會產生合約負債。預期合約負債將於本集團之正常營運週期內結清，並歸類為流動資產。

於二零一八年一月一日，合約負債為54,428,000港元。於二零一八年一月一日及二零一九年一月一日之合約負債已分別於截至二零一八年十二月三十一日及二零一九年十二月三十一日止年度內全數確認為營業額。

When the Group receives a deposit before the commencement of the production activity, this will give rise to contract liabilities at the start of a contract. Contract liabilities are expected to be settled within the Group's normal operating cycle, are classified as current assets.

On 1 January 2018, contract liabilities amounted to HK\$54,428,000. The contract liabilities as at 1 January 2018 and 1 January 2019 were fully recognised as revenue during the year ended 31 December 2018 and 31 December 2019, respectively.

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29. 租賃負債

29. LEASE LIABILITIES

		二零一九年 十二月三十一日 31.12.2019 千港元 HK\$'000
應付租賃負債：	Lease liabilities payable:	
一年內	Within one year	19,271
超過一年但未超過兩年之期間內	Within a period of more than one year but not more than two years	13,890
超過兩年但未超過五年之期間內	Within a period of more than two years but not more than five years	17,280
超過五年之期間內	Within a period of more than five years	10,809
		<u>61,250</u>
減：於12個月內到期結清並歸納為流動負債之金額	Less: Amount due for settlement with 12 months shown under current liabilities	<u>(19,271)</u>
於12個月後到期結清並歸納為非流動負債之金額	Amount due for settlement after 12 months shown under non-current liabilities	<u>41,979</u>

於二零一九年十二月三十一日，本集團根據一份租賃協議承諾向業主發出約1,254,000港元(二零一八年：無)之銀行擔保。

As at 31 December 2019, the Group has commitment of a bank guarantee granted to the landlords for a tenancy agreement amounting to approximately HK\$1,254,000 (2018: nil).

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30. 借貸

30. BORROWINGS

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
借貸包括銀行貸款：	Borrowings included bank loans:		
銀行貸款	Bank loans	1,979,400	2,640,377
無抵押	Unsecured	1,979,400	2,640,377
銀行貸款需於以下年期償還*：	The bank loans are repayable as follows*:		
一年內	Within one year	805,700	1,320,977
一年後至兩年內	More than one year but not exceeding two years	528,100	587,100
兩年後至五年內	More than two years but not more than five years	645,600	732,300
		1,979,400	2,640,377
減：一年內到期並歸納為流動負債之借貸	Less: Borrowings due within one year shown under current liabilities	(805,700)	(1,320,977)
歸納為非流動負債之借貸	Borrowings shown under non-current liabilities	1,173,700	1,319,400

* 到期金額按借貸協議中載列之計劃償還日期計算。

* The amounts due are based on scheduled repayment dates set out in the borrowing agreements.

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30. 借貸 (續)

本集團香港銀行貸款之年利率介乎香港銀行同業拆息加0.5厘至香港銀行同業拆息加1.75厘(二零一八年：香港銀行同業拆息加0.5厘至香港銀行同業拆息加2.05厘)。於截至二零一八年十二月三十一日止年度內，中國銀行借貸之年利率為經公佈之中國人民銀行貸款基準利率加一個固定息差。利率於每一周至一個月期間重定。所有中國銀行借貸已於截至二零一九年十二月三十一日止年度內償還。

30. BORROWINGS (Continued)

The Group's bank loans in Hong Kong carry annual interests at the range of HIBOR plus 0.5% to HIBOR plus 1.75% (2018: HIBOR plus 0.5% to HIBOR plus 2.05%). During the year ended 31 December 2018, the PRC bank borrowings carried annual interests at the quoted lending rate of People's Bank of China plus a fixed margin. Interest is repriced in the period from one week up to one month. All the PRC bank borrowings were repaid during the year ended 31 December 2019.

		二零一九年 2019	二零一八年 2018
實際利率	Effective interest rates		
定息借貸	Fixed-rate borrowings	2.71厘至3.60厘 2.71% to 3.60%	2.32厘至4.95厘 2.32% to 4.95%
浮息借貸	Variable-rate borrowings	3.69厘至4.39厘 3.69% to 4.39%	3.29厘至4.29厘 3.29% to 4.29%

借貸包括216,000,000港元(二零一八年：589,120,000港元)定息借貸，合約到期日為一年內。

Included in borrowings are HK\$216,000,000 (2018: HK\$589,120,000) at fixed-rate borrowings with the contractual maturity dates within 1 year.

借貸包括下列以有關集團公司功能貨幣以外之貨幣定值之款項：

Included in borrowings are the following amounts denominated in currency other than the functional currency of the group entities to which they relate:

		二零一九年 2019	二零一八年 2018
		千港元 HK\$'000	千港元 HK\$'000
港元	HK\$	400,000	261,200

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31. 遞延稅項負債

以下為本集團已確認之主要遞延稅項負債(資產)及其於本年度及過往年度內之變動:

31. DEFERRED TAX LIABILITIES

The followings are the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the current and prior years:

		加速稅項折舊	稅項虧損	未分派 溢利之預扣稅	物業重估	其他	合計
		Accelerated tax depreciation	Tax losses	Withholding tax on undistributed profits	Revaluation of properties	Others	Total
		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 (附註) (note)	千港元 HK\$'000
於二零一八年一月一日	At 1 January 2018	3,594	(1,567)	8,120	30,636	1,526	42,309
於分派時撥回預扣稅	Reversal of withholding tax upon distribution	—	—	(23,731)	—	—	(23,731)
(計入)扣自損益	(Credit) charge to profit or loss	(107)	713	21,655	36,138	965	59,364
重新分類為持作出售之 資產(附註26)	Reclassified to assets held for sale (note 26)	—	—	—	(64,928)	—	(64,928)
貨幣調整	Currency realignment	—	—	—	(1,846)	—	(1,846)
於二零一八年十二月 三十一日	At 31 December 2018	3,487	(854)	6,044	—	2,491	11,168
於分派時撥回預扣稅	Reversal of withholding tax upon distribution	—	—	(33,202)	—	—	(33,202)
(計入)扣自損益	(Credit) charge to profit or loss	(106)	842	34,711	—	1,413	36,860
更改為本年其他全面 收益	Change to other comprehensive income for the year	—	—	—	1,045	—	1,045
貨幣調整	Currency realignment	—	—	—	(17)	—	(17)
於二零一九年 十二月三十一日	At 31 December 2019	3,381	(12)	7,553	1,028	3,904	15,854

附註: 其他主要代表於收購附屬公司時按公允值調整被收購資產(即無形資產以及物業、廠房及設備)而產生之遞延稅項負債。

Note: Others mainly represent deferred tax liabilities arising from fair value adjustments on assets acquired (i.e. intangible assets and property, plant and equipment) on acquisition of subsidiaries.

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31. 遞延稅項負債 (續)

於二零一九年十二月三十一日，本集團有未使用稅項虧損約1,295,129,000港元(二零一八年：1,200,970,000港元)可供抵銷未來溢利。於二零一九年十二月三十一日，已就稅項虧損73,000港元(二零一八年：5,173,000港元)確認遞延稅項資產。由於未能預計未來溢利流量，故未有為餘下1,295,056,000港元(二零一八年：1,195,797,000港元)確認遞延稅項資產。未確認稅項虧損中，1,165,199,000港元(二零一八年：1,064,835,000港元)可無限期轉結，餘額將於二零二四年或之前的多個日期到期。

本集團已根據中國企業所得稅法實施條例規定，經計及將從中國若干附屬公司自二零零八年一月一日起賺取之溢利中分派之股息後，就附屬公司未分派溢利確認遞延稅項。中國企業所得稅法實施條例規定向股東分派有關溢利須按5%至10%之稅率繳納預扣稅。由於董事認為本集團可控制撥回暫時差異之時間，而暫時差異可能於可預見將來不會撥回，故本集團並無就中國附屬公司自二零零八年一月一日起賺取之若干未分派保留溢利1,216,775,000港元(二零一八年：1,600,198,000港元)確認遞延稅項。

31. DEFERRED TAX LIABILITIES (Continued)

At 31 December 2019, the Group had unused tax losses of approximately HK\$1,295,129,000 (2018: HK\$1,200,970,000) available to offset against future profits. As at 31 December 2019, a deferred tax asset has been recognised in respect of such losses amounted to HK\$73,000 (2018: HK\$5,173,000). No deferred tax asset has been recognised in respect of the remaining HK\$1,295,056,000 (2018: HK\$1,195,797,000) due to the unpredictability of future profit streams. Included in the unrecognised tax losses, HK\$1,165,199,000 (2018: HK\$1,064,835,000) may be carried forward indefinitely and the remaining balance will expire at various dates up to and including year 2024.

Deferred taxation on undistributed profits of subsidiaries has been recognised taking into accounts the dividends to be distributed from profits earned by certain subsidiaries in the PRC starting from 1 January 2008 under the Implementation Regulation of the EIT Law of the PRC that requires withholding tax with tax rate ranging from 5% to 10% upon the distribution of such profits to the shareholders. Deferred taxation has not been recognised in respect of certain undistributed retained profits earned by the subsidiaries in the PRC starting from 1 January 2008 amounting to HK\$1,216,775,000 (2018: HK\$1,600,198,000) as the directors are of the opinion that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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32. 股本

32. SHARE CAPITAL

	法定 二零一九年及 二零一八年 Authorised 2019 & 2018 千港元 HK\$'000	已發行及繳足 二零一九年及 二零一八年 Issued and fully paid 2019 & 2018 千港元 HK\$'000
每股面值0.10港元之股份 Shares of HK\$0.10 each	80,000	56,403

年內本公司之已發行股本有以下變動：

Movements in the issued share capital of the Company during the year are as follows:

	股份數目 Number of shares 千股 '000	金額 Amount 千港元 HK\$'000
於二零一八年一月一日 At 1 January 2018	563,889	56,389
行使購股權(附註) Exercise of share options (note)	140	14
於二零一八年 十二月三十一日及 二零一九年 十二月三十一日 At 31 December 2018 and 31 December 2019	564,029	56,403

附註：於截至二零一八年十二月三十一日止年度內，共有140,000份購股權獲行使，引致本公司發行140,000股每股面值0.10港元之股份，每股作價1.95港元。

Note: During the year ended 31 December 2018, 140,000 share options were exercised, resulting in the issue of 140,000 shares of HK\$0.10 each in the Company at a price of HK\$1.95 per share.

所有已發行股份均在所有方面與當時之現有已發行股份享有同等權益。

All shares issued rank pari passu with the then existing shares in issue in all respects.



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33. 業務收購

於二零一八年一月二日，本公司兩間間接全資附屬公司與若干獨立第三方(其主要業務活動為製造、銷售、分銷及營銷塗料)訂立一份協議，以按現金代價人民幣111,741,000元(相等於約136,813,000港元)收購駱駝漆業務(「駱駝漆收購事項」)。業務收購已於二零一八年二月一日完成並已使用收購法入賬。因收購事項而產生之商譽金額為43,844,000港元。

收購相關成本817,000港元已自駱駝漆收購事項之成本中撇除並於截至二零一八年十二月三十一日止年度內確認為開支，計入綜合損益及其他全面收益表內之「一般及行政費用」項目。

33. ACQUISITION OF BUSINESS

On 2 January 2018, two indirect wholly-owned subsidiaries of the Company, entered into an agreement with certain independent third parties, of which principal business activities are manufacture, sale, distribution and marketing of coatings, to acquire the business of Camel at a cash consideration of RMB111,741,000 (equivalent to approximately HK\$136,813,000) (“Camel Acquisition”). The acquisition of business was completed on 1 February 2018 and has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was HK\$43,844,000.

Acquisition-related costs amounting to HK\$817,000 have been excluded from the cost of Camel Acquisition and have been recognised as an expense during the year ended 31 December 2018, and included in the “general and administrative expenses” line item in the consolidated statement of profit or loss and other comprehensive income.

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33. 業務收購 (續)

於收購日期收購之資產及確認之負債如下：

		千港元 HK\$'000
物業、廠房及設備	Property, plant and equipment	993
無形資產	Intangible assets	71,479
存貨	Inventories	7,191
貿易應收款項	Trade receivables	13,306
		<u>92,969</u>

已轉讓代價：

Consideration transferred:

		千港元 HK\$'000
已支付購買代價	Purchase consideration paid	125,181
或然代價安排(附註)	Contingent consideration arrangement (note)	11,632
		<u>136,813</u>

附註：於收購日期，本公司董事認為應付駱駝漆業務賣方之或然代價估計可能約為人民幣9,500,000元(相等於約11,632,000港元)，當中已參考駱駝漆業務之估計銷售表現預測及可能結算未償付合約責任。或然代價安排規定，倘賣方已履行於完成日期前累計之彼等對客戶之未償付合約責任，則本集團須參考駱駝漆業務之經營表現向駱駝漆業務之賣方付款。或然代價人民幣9,500,000元(相等於約11,154,000港元)已於截至二零一九年十二月三十一日止年度內支付。

Note: At the date of acquisition, the directors of the Company consider that the contingent consideration payable to the vendors of Camel is estimated to be probably at approximately RMB9,500,000 (equivalent to approximately HK\$11,632,000) with reference to the estimated sales performance forecast of Camel and possible settlement of the outstanding contractual obligations. The contingent consideration arrangement requires the Group to pay the vendors of Camel by reference to the operating performance of Camel, and if the vendors have fulfilled their outstanding contractual obligation to customers accrued prior to the completion date. The contingent consideration was settled during the year ended 31 December 2019 of RMB9,500,000 (equivalent to approximately HK\$11,154,000).

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33. 業務收購 (續)

因收購而產生之商譽：

		千港元 HK\$'000
已轉讓代價	Consideration transferred	136,813
減：已收購淨資產	Less: net assets acquired	(92,969)
因收購而產生之商譽	Goodwill arising on acquisition	<u>43,844</u>

已收購可識別淨資產之公允值採用收入法估計。釐定公允值所用之主要模型輸入數據為假設貼現率13.1%以及香港及中國之假設長期可持續增長率分別為1.36%及3.0%。

貿易應收款項於收購日期之公允值為13,306,000港元。該等已收購貿易應收款項於收購日期之合約總金額為33,263,000港元。本公司董事認為，預期無法收回之合約現金流於收購日期之最佳估計為19,957,000港元。

收購產生商譽是由於合併成本包括控制溢價。此外，就合併支付之代價實際上包括與駱駝漆業務預期協同效應、營業額增長、未來市場發展及集合之人員有關之裨益金額。由於該等裨益不符合可識別無形資產之確認條件，因此並無與商譽分開確認。

33. ACQUISITION OF BUSINESS (Continued)

Goodwill arising on acquisition:

		千港元 HK\$'000
已轉讓代價	Consideration transferred	136,813
減：已收購淨資產	Less: net assets acquired	(92,969)
因收購而產生之商譽	Goodwill arising on acquisition	<u>43,844</u>

The fair value of the identified net assets acquired was estimated by applying an income approach. The key model inputs used in determining the fair value were assumed discount rate of 13.1% and assumed long-term sustainable growth rates of 1.36% and 3.0% in Hong Kong and the PRC, respectively.

The fair value of trade receivables at the date of acquisition amounted to HK\$13,306,000. The gross contractual amount of those trade receivables acquired amounted to HK\$33,263,000 at the date of acquisition. The directors of the Company considered the best estimate at acquisition date of the contractual cash flows not expected to be recoverable amounted to HK\$19,957,000.

Goodwill arose in the acquisition because the cost of the combination includes a control premium. In addition, the consideration paid for the combination effectively included an amount in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Camel. These benefits were not recognised separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets.

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34. 出售附屬公司

- (a) 於二零一九年一月十八日，本集團訂立買賣協議向一名獨立第三方出售其於中國之間接全資附屬公司紫荊花製漆之全部股權，總現金代價約為人民幣269,947,000元(相等於約298,642,000港元)。紫荊花製漆持有之主要資產為位於中國之一項投資物業。該交易於二零一九年八月七日完成。

紫荊花製漆於出售日期之淨資產如下：

34. DISPOSAL OF SUBSIDIARIES

- (a) On 18 January 2019, the Group entered into sales and purchase agreement to dispose of the entire equity interest of its indirectly wholly-owned subsidiary, Bauhinia Paints in the PRC, to an independent third party at a total cash consideration of approximately RMB269,947,000 (equivalent to approximately HK\$298,642,000). The major asset held by Bauhinia Paints was an investment property located in the PRC. The transaction was completed on 7 August 2019.

The net assets of Bauhinia Paints at the date of disposal were as follows:

		千港元 HK\$'000
物業、廠房及設備	Property, plant and equipment	5,684
投資物業	Investment property	191,798
其他應收款項	Other receivables	12
銀行結餘及現金	Bank balances and cash	117
其他應付款項	Other payables	(621)
應付稅款	Tax payables	(2,924)
遞延稅項負債	Deferred tax liabilities	(64,723)
已出售淨資產	Net assets disposed of	129,343
出售紫荊花製漆之收益：	Gain on disposal of Bauhinia Paints:	
已收代價	Consideration received	298,642
減：	Less:	
已出售淨資產	Net assets disposed of	129,343
出售交易成本	Transaction cost for disposal	12,947
出售收益	Gain on disposal	156,352
出售產生之淨現金流入：	Net cash inflow arising on disposal:	
已收現金代價	Cash consideration received	298,642
已出售銀行結餘及現金	Bank balances and cash disposed of	(117)
		298,525

綜合財務報告附註 Notes to the Consolidated Financial Statements

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

34. 出售附屬公司 (續)

- (b) 於二零一九年一月二十九日，本集團訂立協議向一間現有聯營公司出售東莞市大嘜趣車汽車服務有限公司（「東莞趣車」）及其附屬公司之全部股權，總現金代價為人民幣1,000,000元（相等於約1,167,000港元）。該交易於截至二零一九年十二月三十一日止年度內完成。

東莞趣車及其附屬公司於出售日期之淨資產如下：

34. DISPOSAL OF SUBSIDIARIES (Continued)

- (b) On 29 January 2019, the Group entered into an agreement to dispose of the entire equity interest in 東莞市大嘜趣車汽車服務有限公司（“東莞趣車”） and its subsidiaries, to an existing associate at a total cash consideration of RMB1,000,000 (equivalent to approximately HK\$1,167,000). The transaction was completed during the year ended 31 December 2019.

The net assets of 東莞趣車 and its subsidiaries at the date of disposal were as follows:

		千港元 HK\$'000
物業、廠房及設備	Property, plant and equipment	28,704
存貨	Inventories	2,338
貿易及其他應收款項	Trade and other receivables	10,715
銀行結餘及現金	Bank balances and cash	1,714
應付一間同系附屬公司款項	Amount due to a fellow subsidiary	(22,376)
租賃負債	Lease liabilities	(25,049)
貿易及其他應付款項	Trade and other payables	(4,253)
已出售淨負債	Net liabilities disposed of	(8,207)
出售附屬公司之收益：	Gain on disposal of subsidiaries:	
已收代價	Consideration received	1,167
減：	Less:	
已出售淨負債	Net liabilities disposed of	(8,207)
與出售本集團於該聯營公司之權益有關之收益	Gain on disposal relating to the Group's interest in the associate	3,616
出售收益	Gain on disposal	5,758
出售所產生之淨現金流出：	Net cash outflow arising on disposal:	
已收現金代價	Cash consideration received	1,167
已出售銀行結餘及現金	Bank balances and cash disposed of	(1,714)
		(547)

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34. 出售附屬公司 (續)

- (c) 於二零一九年九月二日，本集團向一名獨立第三方出售其間接全資附屬公司北京歐潤寶商貿有限公司(「北京歐潤寶」)之全部股權，總現金代價為人民幣480,000元(相等於約545,000港元)。

北京歐潤寶於出售日期之淨資產如下：

34. DISPOSAL OF SUBSIDIARIES (Continued)

- (c) On 2 September 2019, the Group disposed of the entire equity interest of its indirectly wholly-owned subsidiary, Beijing Optimol Trading Co., Ltd (“Beijing Optimol”), to an independent third party at a total cash consideration of RMB480,000 (equivalent to approximately HK\$545,000).

The net assets of Beijing Optimol at the date of disposal were as follows:

		千港元 HK\$'000
其他應付款項	Other payables	(18)
應付稅款	Tax payables	(40)
已出售淨負債	Net liabilities disposed of	(58)
出售一間附屬公司之收益：	Gain on disposal of a subsidiary:	
已收代價	Consideration received	545
減：已出售淨負債	Less: Net liabilities disposed of	(58)
出售收益	Gain on disposal	603
出售產生之淨現金流入：	Net cash inflow arising on disposal:	
已收現金代價	Cash consideration received	545

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

34. 出售附屬公司 (續)

- (d) 於二零一八年三月一日，本集團向一名獨立第三方出售其間接全資附屬公司億澤發展有限公司(「億澤」)之全部股權，總現金代價約為4,911,000美元(相等於約38,305,000港元)。億澤持有一幅位於中國之土地之預付土地租金。

億澤於出售日期之淨資產如下：

34. DISPOSAL OF SUBSIDIARIES (Continued)

- (d) On 1 March 2018, the Group disposed of the entire equity interest of its indirect wholly-owned subsidiary, Base Rich Development Limited ("Base Rich"), to an independent third party at a total cash consideration of approximately USD4,911,000 (equivalent to approximately HK\$38,305,000). Base Rich held the prepaid lease payments of a land located in the PRC.

The net assets of Base Rich at the date of disposal were as follows:

		千港元 HK\$'000
物業、廠房及設備	Property, plant and equipment	414
預付土地租金	Prepaid lease payments	9,451
銀行結餘及現金	Bank balances and cash	24
其他應付款項	Other payables	(24)
已出售淨資產	Net assets disposed of	9,865
出售一間附屬公司之收益：	Gain on disposal of a subsidiary:	
已收代價	Consideration received	38,305
減：	Less:	
已出售淨資產	Net assets disposed of	9,865
出售交易成本	Transaction cost for disposal	34
出售收益	Gain on disposal	28,406
出售產生之淨現金流入：	Net cash inflow arising on disposal:	
已收現金代價	Cash consideration received	38,305
已出售銀行結餘及現金	Bank balances and cash disposed of	(24)
		38,281

綜合財務報告附註 Notes to the Consolidated Financial Statements

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35. 資本風險管理

本集團管理其資本以確保通過優化債務與權益平衡，使本集團旗下公司能夠持續經營，並為股東爭取最高回報。本集團整體策略與過往年度相同。

本集團之資本結構包括債務，主要為於附註30披露之借貸及本公司股東應佔權益(含已發行股本及儲備(包括保留溢利))。

本公司董事定期審閱資本結構。作為審閱一部分，董事考慮資本成本及與資本有關之風險。按董事建議，本集團通過派付股息、發行新股及發行新債或者贖回現有債項，以平衡本集團整體資本結構。

35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which mainly include the borrowings disclosed in note 30, and equity attributable to owners of the Company, comprising issued share capital and reserves including retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debts or the redemption of existing debts.

36. 金融工具 金融工具類別

36. FINANCIAL INSTRUMENTS Categories of financial instruments

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
金融資產	Financial assets		
按攤銷成本計量之金融資產	Financial assets at amortised cost	3,875,257	4,574,670
衍生金融工具：	Derivative financial instruments:		
— 指定為對沖工具	— designated as hedging instruments	3,405	6,740
按公允值計入其他全面收益之權益工具	Equity instruments at FVTOCI	21,680	11,750
按公允值計入損益之債務工具	Debt instrument at FVTPL	55,292	—
金融負債	Financial liabilities		
按攤銷成本計量之金融負債	Financial liabilities at amortised cost	3,713,353	4,415,864
衍生金融工具：	Derivative financial instruments:		
— 指定為對沖工具	— designated as hedging instruments	120	—

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36. 金融工具 (續)

財務風險管理目標與政策

本集團金融工具包括貿易應收款項及應收票據、其他應收賬款、衍生金融工具、短期銀行存款、銀行結餘及現金、應收聯營公司款項、按公允值計入其他全面收益之權益工具、按公允值計入損益之債務工具、應付賬款及其他應付款項以及借貸。該等金融工具詳情於各附註披露。與該等金融工具相關之風險包括市場風險(外匯風險、利率風險及其他價格風險)、信貸風險及流動資金風險。降低該等風險之政策載列如下。管理層管理及監控該等風險，以確保及時有效地採取適當措施。本集團所面對之市場風險或其管理及計量該風險之方式概無重大變動。

市場風險

外匯風險

本公司若干附屬公司以外幣進行銷售及採購，令本集團面對外匯風險。本集團約17% (二零一八年：17%)之銷售以進行銷售之相關集團公司之功能貨幣以外之貨幣定值，而約84% (二零一八年：82%)之採購以相關集團公司之功能貨幣定值。

本集團以外幣定值之貨幣資產及負債於報告期末之賬面金額於相關附註披露。

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

The Group's financial instruments include trade and bills receivables, other debtors, derivative financial instruments, short-term bank deposits, bank balances and cash, amounts due from associates, equity instruments at FVTOCI, debt instrument at FVTPL, creditors and other payables and borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There has been no significant change to the Group's exposure to market risk or the manner in which it manages and measures the risk.

Market risk

Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 17% (2018: 17%) of the Group's sales are denominated in currencies other than the functional currency of the relevant group entities making the sale, whilst almost 84% (2018: 82%) of purchases are denominated in the relevant group entities' functional currency.

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are disclosed in respective notes.

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36. 金融工具 (續)

財務風險管理目標與
政策 (續)

市場風險 (續)

外匯風險 (續)

敏感度分析

本集團主要面對美元、人民幣及港元之外匯風險。下表詳述各集團公司之功能貨幣兌相關外幣升跌5% (二零一八年: 5%) 之本集團敏感度。5% (二零一八年: 5%) 為管理層對外匯匯率可能出現之合理變動評估所採用之敏感度比率。敏感度分析僅包括尚未結算以外幣定值之貨幣項目，並於期末按外幣匯率5% (二零一八年: 5%) 變動調整其換算。敏感度分析包括貿易應收款項及應收票據、銀行結餘、應付賬款及借貸。下列正數指功能貨幣兌相關外幣轉強5% (二零一八年: 5%) 時，除稅後溢利就淨負債而有所增加，反之亦然。當功能貨幣兌相關外幣轉弱5% (二零一八年: 5%) 時，將對除稅後溢利有同等相反影響。

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
美元	USD	122	(11,333)
人民幣	RMB	(514)	(8,742)
港元	HK\$	16,490	10,654

本集團亦面對關於應收／應付集團公司款項之外匯風險，該等款項以相關集團公司功能貨幣以外之貨幣定值。當人民幣兌相關外幣轉強5% (二零一八年: 5%) 時，本集團除稅後溢利將減少3,450,000港元 (二零一八年: 增加11,334,000港元)，反之亦然。

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives
and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis

The Group is mainly exposed to currency risk of USD, RMB and HK\$. The following table details the Group's sensitivity to a 5% (2018: 5%) increase and decrease in functional currency of respective group entities against the relevant foreign currencies. 5% (2018: 5%) is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% (2018: 5%) change in foreign currency rates. The sensitivity analysis includes trade and bills receivables, bank balances, creditors as well as borrowings. A positive number below indicates an increase in profit after taxation where functional currency strengthens 5% (2018: 5%) against the relevant foreign currency for net liability position and vice versa. For a 5% (2018: 5%) weakening of functional currency against the relevant foreign currency, there would be an equal and opposite impact on the profit after taxation.

The Group is also exposed to currency risk concerning the amounts due from/to group entities, which are denominated in currencies other than the functional currency of the relevant group entities. When RMB strengthens 5% (2018: 5%) against the relevant foreign currency, profit after taxation of the Group will decrease by HK\$3,450,000 (2018: increase by HK\$11,334,000) and vice versa.

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36. 金融工具 (續)

財務風險管理目標與政策 (續)

市場風險 (續)

外匯風險 (續)

敏感度分析 (續)

管理層認為，由於年末風險並不反映年內風險，故敏感度分析並不代表內在外匯風險。

利率風險

本集團面對與定息銀行存款、銀行借貸(該等借貸詳情見附註30)及租賃負債(詳見附註29)有關之公允值利率風險。然而，因銀行存款及大部分定息銀行貸款將於一年內到期，故管理層認為此項風險對本集團而言並不重大。

本集團亦面對與按現行市場存款利率計息之銀行存款及浮息銀行貸款(詳情見附註25及30)有關之現金流量利率風險。為維持本集團之銀行貸款為固定利率，本集團訂立利率掉期合約以對沖部分銀行貸款現金流量變動之風險。該等利率掉期之主要條款與被對沖銀行貸款之主要條款相同。利率掉期合約乃指定為有效之對沖工具，並已使用對沖會計法(詳情見附註24)。

本集團之現金流量利率風險主要集中在銀行結餘之利率及與本集團之港元定值借貸有關之香港銀行同業拆息波動。

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis (Continued)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits, bank borrowings (see note 30 for details of these borrowings) and lease liabilities (see note 29 for details). However, since the bank deposits and the majority of the fixed-rate bank loans will mature within one year, the management considers the risk is insignificant to the Group.

The Group is also exposed to cash flow interest rate risk in relation to bank deposits carried interest at prevailing market deposit rate and floating-rate bank loans (see notes 25 and 30 for details). In order to keep the Group's bank loans at fixed rates, the Group entered into interest rate swap contracts to hedge against its exposures to changes in cash flows of certain bank loans. The critical terms of these interest rate swaps are the same to those of hedged bank loans. Interest rate swap contracts are designated as effective hedging instruments and hedge accounting is used (see note 24 for details).

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and HIBOR arising from the Group's HK\$ denominated borrowings.

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36. 金融工具 (續)

財務風險管理目標與 政策 (續)

市場風險 (續)

利率風險 (續)

由於銀行結餘之現行市場利率波動，故本集團之銀行結餘面對現金流量利率風險。本公司董事認為，由於計息銀行結餘於短期內到期，故本集團原到期日為三個月以內之短期銀行存款及銀行結餘所面對之利率風險並不重大，故不包括於敏感度分析內。

敏感度分析

下列敏感度分析乃基於報告期末為非衍生工具面對之利率風險釐定。就銀行借貸而言，分析之編製假設乃於報告期末未結算之負債款項於全期均未結算。所採用之50個基點(二零一八年：50個基點)升跌乃管理層對利率合理可能變動之評估。

倘計息借貸(不包括現金流對沖下之銀行貸款627,400,000港元(二零一八年：821,507,000港元))利率上升/下跌50個基點(二零一八年：50個基點)，而所有其他變數不變，則截至二零一九年十二月三十一日止年度之除稅後溢利將減少/增加約4,476,000港元(二零一八年：減少/增加約5,134,000港元)。此主要歸因於本集團承受浮息借貸之利率風險，於報告期末並無對沖所承受之現金流量利率風險。

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk (Continued)

The Group's bank balances have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The directors of the Company consider the Group's exposure of the short-term bank deposits with original maturity of less than three months and bank balances to interest rate risk is not significant as interest bearing bank balances are within short maturity period and thus it is not included in sensitivity analysis.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For bank borrowings, the analysis is prepared assuming the amount of liabilities outstanding at the end of the reporting period were outstanding for the whole period. A 50 basis points (2018: 50 basis points) increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rates on interest bearing borrowings (excluding bank loans under cash flow hedges of HK\$627,400,000 (2018: HK\$821,507,000)) had been 50 basis points (2018: 50 basis points) higher/lower and all of other variables were held constant, the profit after taxation for the year ended 31 December 2019 would decrease/increase by approximately HK\$4,476,000 (2018: decrease/increase by approximately HK\$5,134,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings which are not hedged against their exposures to cash flow interest rate risk at the end of the reporting period.

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36. 金融工具 (續)

財務風險管理目標與政策 (續)

市場風險 (續)

其他價格風險

本集團因投資於以按公允值計入其他全面收益計量之權益工具及以按公允值計入損益計量之債務工具而面對權益價格風險。本集團亦基於長期策略目的而投資若干已指定為按公允值計入其他全面收益之無報價權益證券。本集團設有專責團隊監控價格風險，並於有需要時考慮對沖所面對之風險。

敏感度分析

敏感度分析乃基於報告日期所面對之權益價格風險釐定。

倘相關證券價格上升／下跌10% (二零一八年：10%)，則本集團截至二零一九年十二月三十一日止年度之除稅後溢利將因以按公允值計入損益計量並於香港以外地區上市之債務證券之公允值變動而增加／減少5,529,000港元 (二零一八年：無)；而本集團於二零一九年十二月三十一日之投資重估儲備將因以按公允值計入其他全面收益計量之非上市權益投資之公允值變動而增加／減少2,168,000港元 (二零一八年：1,175,000港元)。

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Other price risk

The Group is exposed to equity price risk through its investments in equity instruments measured at FVTOCI and debt instrument measured at FVTPL. The Group also invested in certain unquoted equity securities for long term strategic purposes which had been designated as FVTOCI. The Group has a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date.

If the prices of the respective securities had been 10% (2018: 10%) higher/lower, the Group's post-tax profit for the year ended 31 December 2019 would increase/decrease by HK\$5,529,000 (2018: nil) as a result of the changes in fair value of debt security listed outside Hong Kong measured at FVTPL; and the Group's investment revaluation reserve as at 31 December 2019 would increase/decrease by HK\$2,168,000 (2018: HK\$1,175,000) as a result of the changes in fair value of unlisted equity investments measured at FVTOCI.

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36. 金融工具 (續)

財務風險管理目標與 政策 (續)

信貸風險及減值評估

信貸風險指因本集團之交易方違反彼等之合約責任而導致本集團蒙受財務損失之風險。本集團面對之信貸風險主要來自貿易應收款項及應收票據、其他應收賬款、短期銀行存款、銀行結餘、應收聯營公司款項及按公允值計入損益之債務工具。除若干貿易應收款項結算獲聲譽良好之金融機構所發行之票據支持外，本集團並無持有任何抵押品或其他信貸增強措施以為其金融資產相關信貸風險提供保障。

於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團因交易方未能履行責任而招致財務損失所面對之最高信貸風險，乃源自綜合財務狀況表內所列有關已確認金融資產之賬面金額。

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and bills receivables, other debtors, short-term bank deposits, bank balances, amounts due from associates and debt instruments at FVTPL. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that settlement of certain trade receivables are backed by bills issued by reputable financial institutions.

As at 31 December 2019 and 31 December 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to perform an obligation by the counterparties are arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

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36. 金融工具 (續)

財務風險管理目標與政策 (續)

信貸風險及減值評估 (續)

除按公允值計入損益之債務證券外，本集團根據預期信貸損失模型對金融資產及其他項目進行減值評估。有關本集團之信貸風險管理、所面對之最高信貸風險及相關減值評估(如適用)的資料概述如下：

客戶合約所產生之貿易應收款項

貿易應收款項包括分佈於不同行業及地區之大量客戶。為盡量減低信貸風險，本集團管理層任命專責人員制定信貸額度、信貸審批及其他監控程序，以確保作出跟進行動收回逾期債務。此外，本集團於報告期末審閱每項個別貿易債務及其他債務之可收回金額，以確保為不可收回金額撥出充足之減值虧損。倘貿易應收款項以票據結算，本集團僅接納由信譽良好之中國銀行發行或擔保之票據，因此本集團管理層認為已背書或貼現票據所產生之信貸風險並不重大。就此，本公司董事認為本集團之信貸風險已顯著降低。

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Except for debt security at FVTPL, the Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Trade receivables arising from contracts with customers

Trade receivables consist of a large number of customers, which spread across diverse industries and geographical areas. In order to minimise the credit risk, the management of the Group has delegated the responsible personnel for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and other debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group only accepts bills issued or guaranteed by reputable PRC banks if trade receivables are settled by bills and therefore the management of the Group considers the credit risk arising from the endorsed or discounted bills is insignificant. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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36. 金融工具 (續)

財務風險管理目標與 政策 (續)

信貸風險及減值評估 (續)

客戶合約所產生之貿易應收 款項 (續)

此外，本集團根據預期信貸損失模型就貿易結餘個別或按撥備矩陣進行減值評估。除出現信貸減值之貿易應收款項獲個別評估預期信貸損失外，貿易應收款項餘額(經參考經常性客戶之還款記錄及新客戶之即期逾期風險後)乃基於共同信貸風險特性按撥備矩陣進行分組。年內已確認減值淨額1,920,000港元(二零一八年：9,017,000港元)。有關量化披露之詳情於本附註下文載述。

短期銀行存款及銀行結餘

由於交易方為信譽良好且獲國際信貸評級機構給予高信貸評級之銀行，故短期銀行存款及銀行結餘之信貸風險有限。本集團藉參考外部信貸評級機構所發佈各信貸評級違約概率及違約損失之資料，評估短期銀行存款及銀行結餘之12個月預期信貸損失。本集團管理層認為，短期銀行存款及銀行結餘屬短期性質，基於其平均損失率，短期銀行存款及銀行結餘之12個月預期信貸損失被視為並不重大。

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on provision matrix. Except for trade receivables that are credit-impaired are assessed for ECL individually, the remaining trade receivables are grouped under a provision matrix based on shared credit risk characteristics by reference to repayment histories for recurring customers and current past due exposure for the new customers. Net impairment of HK\$1,920,000 (2018: HK\$9,017,000) is recognised during the year. Details of the quantitative disclosures are set out below in this note.

Short-term bank deposits and bank balances

Credit risk on short-term bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for short-term bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. The management of the Group considers the short-term bank deposits and bank balances are short-term in nature and based on the average loss rates, the 12m ECL on short-term bank deposits and bank balances is considered to be insignificant.

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36. 金融工具 (續)

財務風險管理目標與政策 (續)

信貸風險及減值評估 (續)

應收聯營公司款項

本集團定期監察該等聯營公司之業務表現。本集團於有關結餘之信貸風險因該等公司所持資產之價值而有所減低。本公司董事相信，該等款項之信貸風險自初始確認以來並無顯著增加且本集團根據12個月預期信貸損失計提減值撥備。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，本集團評估應收聯營公司款項之預期信貸損失並不重大，因此並無確認損失撥備。

其他應收款項

就其他應收款項及按金而言，本公司董事依據過往結算記錄、過往經驗以及合理且具理據支持之定量及定性前瞻性資料，定期對其他應收款項及按金之可收回性進行個別評估。本公司董事相信，該等款項之信貸風險自初始確認以來並無顯著增加且本集團根據12個月預期信貸損失計提減值撥備。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，本集團評估其他應收款項及按金之預期信貸損失並不重大，因此並無確認損失撥備。

本集團應用簡化方法按香港財務報告準則第9號之規定計提預期信貸損失，即允許就貿易應收款項使用全期預期損失撥備。

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Amounts due from associates

The Group regularly monitors the business performance of the associates. The Group's credit risks in this balance are mitigated through the value of the assets held by these entities. The directors of the Company believe that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 December 2019 and 31 December 2018, the Group assessed the ECL for amounts due from associates were insignificant and thus no loss allowance was recognised.

Other receivables

For other receivables and deposits, the directors of the Company make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors of the Company believe that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 December 2019 and 31 December 2018, the Group assessed the ECL for other receivables and deposits were insignificant and thus no loss allowance was recognised.

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables.

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36. 金融工具 (續)

財務風險管理目標與
政策 (續)

信貸風險及減值評估 (續)

本集團信貸風險管理其中一環，乃使用應收賬款賬齡評估其與製造及買賣溶劑、塗料、油墨及潤滑油業務相關客戶之減值，原因在於該等客戶包含大量具共同風險特性之小型客戶，而該等特性反映客戶按照合約條款支付所有到期款項之能力。

本集團之內部信貸風險評級包括以下類別：

內部信貸 評級	說明	貿易應收款項	貿易應收款項 以外之金融資產
Internal credit rating	Description	Trade receivables	Financial assets other than trade receivables
低風險	交易方之違約風險低且無任何違約記錄。	全期預期信貸損失 — 並無出現信 貸減值	12個月預期信貸 損失
Low risk	The counterparty has a low risk of default and does not have any history of default.	Lifetime ECL — not credit-impaired	12m ECL
監察名單	逾期還款，但有合理且具理據支持之資料。	全期預期信貸損失 — 並無出現信 貸減值	12個月預期信貸 損失
Watch list	Overdue with reasonable and supportable information.	Lifetime ECL — not credit-impaired	12m ECL

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives
and policies (Continued)

Credit risk and impairment assessment
(Continued)

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its operation of manufacturing and trading in solvents, coatings, inks and lubricants because these customers consist of a large number of small customers with common risk characteristic that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The Group's internal credit risk grading assessment comprises the following categories:

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36. 金融工具 (續)

財務風險管理目標與 政策 (續)

信貸風險及減值評估 (續)

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

內部信貸 評級	說明	貿易應收款項	貿易應收款項 以外之金融資產
Internal credit rating	Description	Trade receivables	Financial assets other than trade receivables
存疑	逾期還款，並無任何合理且具理據支持之資料。自以內部或外部資源所得資料進行初始確認以來，信貸風險已顯著增加。	全期預期信貸損失 — 並無出現信 貸減值	全期預期信貸損失 — 並無出現信 貸減值
Doubtful	Overdue without any reasonable and supportable information. There have been significant increases in credit risk since initial recognition through information developed internally or externally resources.	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
損失	有證據顯示資產出現信貸減值。	全期預期信貸損失 — 已出現信貸減 值	全期預期信貸損失 — 已出現信貸減 值
Loss	There is evidence indicating the asset is credit-impaired.	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
註銷	有證據顯示債務人陷入嚴重財困，本集團並無收回款項之實際願景。	款項已被註銷	款項已被註銷
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off

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36. 金融工具 (續)

財務風險管理目標與
政策 (續)

信貸風險及減值評估 (續)

作為本集團信貸風險管理其中一環，本集團就其與溶劑、塗料、油墨及潤滑油業務相關客戶進行內部信貸評級。下表載列有關撥備矩陣評估於全期預期信貸損失(並無出現信貸減值)內貿易應收款項之信貸風險之資料。於二零一九年十二月三十一日總賬面金額為40,327,000港元(二零一八年：57,330,000港元)並已出現信貸減值之應收賬款獲個別評估。

於二零一九年十二月三十一日

		總賬面金額	平均損失率	淨損失撥備	賬面金額
		Gross carrying amount	Average loss rate	Net loss allowance	Carrying amount
		千港元 HK\$'000		千港元 HK\$'000	千港元 HK\$'000
內部信貸評級	Internal credit rating				
低風險	Low risk	1,401,574	—	—	1,401,574
監察名單	Watch list	3,411	9.62%	(328)	3,083
存疑	Doubtful	30,564	47.55%	(14,532)	16,032
		<u>1,435,549</u>		<u>(14,860)</u>	<u>1,420,689</u>

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

(Continued)

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its solvents, coatings, inks and lubricants operations. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix within lifetime ECL (not credit-impaired). Debtors which are credit-impaired with gross carrying amounts of HK\$40,327,000 (2018: HK\$57,330,000) as at 31 December 2019 were assessed individually.

At 31 December 2019

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

36. 金融工具 (續)

財務風險管理目標與政策 (續)

信貸風險及減值評估 (續)

於二零一八年十二月三十一日

		總賬面金額	平均損失率	淨損失撥備	賬面金額
		Gross			
		Carrying	Average loss	Net loss	Carrying
		amount	rate	allowance	amount
		千港元		千港元	千港元
		HK\$'000		HK\$'000	HK\$'000
內部信貸評級	Internal credit rating				
低風險	Low risk	1,576,518	—	—	1,576,518
監察名單	Watch list	5,321	4.40%	(234)	5,087
存疑	Doubtful	18,374	42.32%	(7,776)	10,598
		<u>1,600,213</u>		<u>(8,010)</u>	<u>1,592,203</u>

估計損失率乃基於應收賬款預期年期內之歷史觀察違約率估算，並就無需付出不必要成本或努力即可獲得之前瞻性資料調整。該等前瞻性資料由本集團管理層用於評估於報告日期之即期市況及預測市況指向。分組由本集團管理層定期審閱，以確保特定應收賬款之相關資料獲得更新。

於二零一九年十二月三十一日，本集團按撥備矩陣就並無出現信貸減值之貿易應收款項計提減值撥備14,860,000港元(二零一八年：8,010,000港元)。就已出現信貸減值之應收賬款計提之減值撥備為40,070,000港元(二零一八年：57,152,000港元)。

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

At 31 December 2018

		總賬面金額	平均損失率	淨損失撥備	賬面金額
		Gross			
		Carrying	Average loss	Net loss	Carrying
		amount	rate	allowance	amount
		千港元		千港元	千港元
		HK\$'000		HK\$'000	HK\$'000
內部信貸評級	Internal credit rating				
低風險	Low risk	1,576,518	—	—	1,576,518
監察名單	Watch list	5,321	4.40%	(234)	5,087
存疑	Doubtful	18,374	42.32%	(7,776)	10,598
		<u>1,600,213</u>		<u>(8,010)</u>	<u>1,592,203</u>

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The grouping is regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated.

As at 31 December 2019, the Group provided HK\$14,860,000 (2018: HK\$8,010,000) impairment allowance for trade receivables, not credit-impaired, based on the provision matrix. Impairment allowance of HK\$40,070,000 (2018: HK\$57,152,000) were made on debtors of credit-impaired.

綜合財務報告附註
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36. 金融工具 (續)

財務風險管理目標與
政策 (續)

信貸風險及減值評估 (續)

下表顯示根據簡化方法已就貿易應收款項確認之全期預期信貸損失之變動。

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives
and policies (Continued)

Credit risk and impairment assessment

(Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

		全期預期信貸 損失(並無出現 信貸減值) Lifetime ECL (not credit- impaired) 千港元 HK\$'000	全期預期信貸 損失(已出現信 貸減值) Lifetime ECL (credit- impaired) 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一八年 一月一日	As at 1 January 2018	8,361	65,203	73,564
轉入已出現信貸 減值類別	Transfer to credit-impaired	(1,087)	1,087	—
已確認減值虧損 淨額	Net impairment losses recognised	1,525	7,492	9,017
註銷為不可收回 金額	Amounts written off as uncollectible	—	(14,331)	(14,331)
貨幣調整	Currency realignment	(789)	(2,299)	(3,088)
於二零一八年 十二月三十一日	As at 31 December 2018	8,010	57,152	65,162
轉入已出現信貸 減值類別	Transfer to credit-impaired	(6,732)	6,732	—
已確認減值虧損 (減值虧損撥回) 淨額	Net impairment losses (reversal of impairment losses) recognised	14,121	(12,201)	1,920
註銷為不可收回 金額	Amounts written off as uncollectible	—	(10,944)	(10,944)
貨幣調整	Currency realignment	(539)	(669)	(1,208)
於二零一九年 十二月三十一日	As at 31 December 2019	14,860	40,070	54,930



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36. 金融工具 (續)

財務風險管理目標與 政策 (續)

信貸風險及減值評估 (續)

當有資料顯示債務人陷入嚴重財困且並無收回款項之實際願景 (例如債務人已在清盤或已進行破產程序或貿易應收款項已逾期超過兩年，以較早發生者為準)，則本集團註銷貿易應收款項。

流動資金風險

為管理流動資金風險，本集團監控現金及現金等額之水平，將其維持於管理層認為合適之水平，為本集團業務融資，並減低現金流量波動之影響。管理層監控銀行借貸之使用情況及確保符合貸款契諾。

本集團依賴銀行貸款作為流動資金之主要來源。於二零一九年十二月三十一日，本集團未動用之可動用銀行信貸額度約為3,607,671,000港元 (二零一八年：3,218,371,000港元)。

下表詳述本集團金融負債之餘下合約到期情況。就非衍生金融負債而言，該列表乃根據本集團須支付金融負債最早之日之非貼現現金流量編製。列表包括利息及本金現金流量。倘利息流量屬浮息，則非貼現金額按報告期末之利率計算。按淨額基準結算之衍生工具呈報其非貼現金流出淨額情況。

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group writes off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over two years past due, whichever occur earlier.

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensure compliance with loan covenants.

The Group relies on bank loans as a significant source of liquidity. As at 31 December 2019, the Group had available unutilised bank facilities of approximately HK\$3,607,671,000 (2018: HK\$3,218,371,000).

The following table details the Group's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period. For derivative instruments settled on a net basis, undiscounted net cash outflows are presented.

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36. 金融工具 (續)

財務風險管理目標與
政策 (續)

流動資金風險 (續)

流動資金及利率風險表

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives
and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables

	加權平均利率	少於一個月	一個月至一年	一年以上 但不超過 兩年	兩年以上 但不超過 五年	五年以上	合約非貼現 現金流量 總額	賬面金額
				More than 1 year but less than 2 years	More than 2 years but less than 5 years		Total contractual undiscounted cash flows	
	Weighted average interest rate	Less than 1 month	1 month to 1 year	2 years	5 years	5 years	Over undiscounted cash flows	Carrying amount
	厘	千港元	千港元	千港元	千港元	千港元	千港元	千港元
	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零一九年								
At 31.12.2019								
十二月三十一日								
非衍生金融負債及								
租賃負債								
and lease liabilities								
應付賬款及其他								
Creditors and other payables								
應付款項	不適用 N/A	536,918	1,197,035	—	—	—	1,733,953	1,733,953
借貸								
Borrowings								
— 浮息	— at variable rate	3.91	99,699	501,008	519,688	683,299	—	1,803,694
— 定息	— at fixed rate	3.27	180,491	36,736	37,913	30,297	—	285,437
租賃負債	Lease liabilities	4.51	1,805	19,856	15,690	19,600	13,378	70,329
			818,913	1,754,635	573,291	733,196	13,378	3,893,413
								3,774,603
衍生工具 — 總結算								
Derivatives — gross settlement								
利率掉期合約								
Interest rate swap contracts								
— 流入	— Inflow		(202)	(2,223)	(2,425)	(3,738)	—	(8,588)
— 流出	— Outflow		205	2,255	2,460	3,793	—	8,713
			3	32	35	55	—	125
								120
於二零一八年								
At 31.12.2018								
十二月三十一日								
非衍生金融負債								
and lease liabilities								
應付賬款及其他								
Creditors and other payables								
應付款項	不適用 N/A	574,190	1,201,297	—	—	—	1,775,487	1,775,487
借貸								
Borrowings								
— 浮息	— at variable rate	3.56	85,252	660,644	617,529	805,726	—	2,169,151
— 定息	— at fixed rate	3.60	443,828	148,379	—	—	—	592,207
			1,103,270	2,010,320	617,529	805,726	—	4,536,845
								4,415,864

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36. 金融工具 (續)

金融工具之公允值計量

本集團部分金融資產及金融負債於各報告期末按公允值計量。下表提供有關如何釐定該等金融資產及金融負債之公允值(尤其是所使用之估值技術及輸入數據), 以及公允值計量基於公允值計量輸入數據之可觀察程度分類之公允值級別(第一至三級)之資料。

36. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

金融資產/金融負債 Financial assets/ financial liabilities	於下列日期之公允值 Fair value as at		級別 Hierarchy	公允值估值技術及主要輸入數據 Fair value valuation techniques and key input(s)	重大不可觀察輸入數據 Significant unobservable inputs
	二零一九年 十二月三十一日 31.12.2019	二零一八年 十二月三十一日 31.12.2018			
按公允值計入損益之債務工具— 於中國上市之債務證券 Debt instrument at FVTPL — debt security listed in the PRC	於陽光城集團股份有限 公司之債券 — 55,292,000 港元 Debenture in 陽光城集 團股份有限公司 — HK\$55,292,000	—	第二級 Level 2	場外市場之報價 Quoted price in over-the-counter	不適用 N/A
分類為衍生金融工具之利率掉期 合約 Interest rate swap contracts classified as derivative financial instruments	資產(根據對沖會計法) — 3,405,000 港元 Assets (under hedge accounting) — HK\$3,405,000 負債(根據對沖會計法) — 120,000 港元 Liabilities (under hedge accounting) — HK\$120,000	資產(根據對沖會計法) — 6,740,000 港元 Assets (under hedge accounting) — HK\$6,740,000 負債(根據對沖會計法) — 無 Liabilities (under hedge accounting) — Nil	第二級 Level 2	貼現現金流。未來現金流乃基於遠期利率(從報告期末 之可觀察收益率曲線得出)及已訂約利率估計, 按反 映交易方信貸風險之貼現率貼現 Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate reflects the credit risk of the counter-parties	不適用 N/A

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36. 金融工具 (續)

金融工具之公允值計量

(續)

金融資產/金融負債 Financial assets/ financial liabilities	於下列日期之公允值 Fair value as at		級別 Hierarchy	公允值估值技術及主要輸入數據 Fair value valuation techniques and key input(s)	重大不可觀察輸入數據 Significant unobservable inputs
	二零一九年 十二月三十一日 31.12.2019	二零一八年 十二月三十一日 31.12.2018			
按公允值計入其他全面收益之金融資產—按公允值計入其他全面收益之無報價權益工具	於Green Monday之 0.7%權益工具— 21,680,000港元；及	於Common Good (Cayman) Holdings Limited之3.29% 權益工具— 11,750,000港元；及	第二級	管理層基於近期投資交易中股份之市值得出之 估算公允值	用以計量估計公允值之代價 或會因協議之時間、銷售 條件及條款、類似業務之 規模和性質之差異而有顯 著不同
Financial assets at FVTOCI— unquoted equity instruments at FVTOCI	0.7% equity instruments in Green Monday — HK\$21,680,000; and	3.29% equity instruments in Common Good (Cayman) Holdings Limited — HK\$11,750,000; and	Level 2	Fair value derived by the management estimation with reference to the market value of the shares in recent investment transactions	The considerations may vary significantly due to difference in timing, condition of sales and terms of agreements, size and nature of similar business to derive the estimated fair value
	於深圳市補優優網絡科 技有限公司之3.33% 權益工具—無	於深圳市補優優網絡科 技有限公司之3.33% 權益工具—無	第三級	已使用貼現現金流方法，以獲得將源自該等投資之擁有 權之預期未來經濟利益之現值	貼現率：貼現率愈高，公允 值愈低，反之亦然
	3.33% equity instruments in 深圳市補優優網絡科 技有限公司— Nil	3.33% equity instruments in 深圳市補優優網絡 科技有限公司 — Nil	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments	Discount rate: The higher the discount rate, the lower the fair value and vice versa

36. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial
instruments (Continued)



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36. 金融工具 (續)

金融工具之公允值計量

(續)

年內第一級與第二級之間並無任何轉移。以按公允值計入其他全面收益之方式計量之權益工具於第三級公允值計量中並無任何變動。

其他金融資產及金融負債之公允值乃按照基於貼現現金流分析之公認定價模型釐定。本公司董事認為，此等按攤銷成本記賬之金融資產及金融負債之賬面金額與公允值相若。

涉及抵銷、可強制執行總互相抵銷安排及類似協議之金融資產及負債

本集團就其衍生金融工具訂立國際掉期及衍生產品協會總協議。由於本集團並無就衍生交易質押現金抵押品，故就該等衍生金融工具確認之金額並不符合於本集團綜合財務狀況表抵銷之標準。

36. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

There were no transfers between Level 1 and 2 during the year. There was no movement for the equity investment measured at FVTOCI on Level 3 fair value measurement.

The fair values of other financial assets and financial liabilities are determined in accordance with general accepted pricing models based on discounted cash flow analysis. The directors of the Company consider that the carrying amounts of these financial assets and financial liabilities recorded at amortised cost approximate their fair values.

Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

The Group entered into International Swaps and Derivatives Association (“ISDA”) Master Agreements for its derivatives financial instruments. The amounts recognised for the derivatives financial instruments do not meet the criteria for offsetting in the Group’s consolidated statement of financial position since there is no cash collateral pledged in respect of the Group’s derivative transactions.

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37. 融資業務所產生之
負債對賬

下表載列有關本集團融資業務所產生之負債變動詳情，包括現金及非現金變動。融資業務所產生之負債乃現金流曾於或未來將於本集團之綜合現金流量表內分類為「融資業務所產生之現金流」之負債。

37. RECONCILIATION OF LIABILITIES
ARISING FROM FINANCING
ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		借貸 Borrowings	租賃負債 Lease liabilities	應付利息 Interest payable	應付股息 Dividend payable	總計 Total
		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
於二零一八年 一月一日	At 1 January 2018	2,468,405	—	—	—	2,468,405
融資現金流	Financing cash flows	171,972	—	(67,512)	(101,555)	2,905
財務費用	Finance costs	—	—	67,512	—	67,512
已宣派股息	Dividends declared	—	—	—	101,555	101,555
於二零一八年 十二月三十一日	At 31 December 2018	2,640,377	—	—	—	2,640,377
應用香港財務報告 準則第16號後之 調整	Adjustment upon application of HKFRS 16	—	70,210	—	—	70,210
於二零一九年 一月一日 (經重列)	At 1 January 2019 (restated)	2,640,377	70,210	—	—	2,710,587
融資現金流	Financing cash flows	(660,977)	(24,190)	(73,442)	(125,674)	(884,283)
財務費用	Finance costs	—	—	73,442	—	73,442
已宣派股息	Dividends declared	—	—	—	125,674	125,674
新增租賃負債	Addition of lease liabilities	—	39,622	—	—	39,622
藉出售一間附屬 公司出售租賃 負債	Disposal of lease liabilities through disposal of a subsidiary	—	(25,049)	—	—	(25,049)
外匯匯率變動 所產生之影響	Effect of foreign exchange rate changes	—	657	—	—	657
於二零一九年 十二月三十一日	At 31 December 2019	1,979,400	61,250	—	—	2,040,650

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38. 購股權計劃

於二零一二年五月二十五日，本公司股東在股東週年大會上批准採納新購股權計劃（「新購股權計劃」），同時終止本公司於二零零二年九月三日已採納之舊購股權計劃（「舊購股權計劃」）。在舊購股權計劃終止前根據舊購股權計劃授出之購股權將繼續有效並可根據舊購股權計劃之規則行使。新購股權計劃將於二零一二年五月二十四日到期以符合上市規則第十七章之條款。新購股權計劃之目的為表揚及激勵參與人士作出貢獻，並提供動力及直接經濟利益以達致本公司之長期業務目標。新購股權計劃之主要條款與舊購股權計劃相似，董事會可授出購股權予本集團任何合資格僱員，包括本公司或其附屬公司之董事、本集團之法律、財務、管理及技術顧問及諮詢人、主要客戶以及原料及機械供應商，以認購本公司之股份。授出之購股權之行使期自授出日期起計不得超過十年，且董事會於購股權可行使期內可對行使購股權實施限制。接納獲授之購股權時應支付1港元之象徵式代價。購股權股份之認購價須不少於以下三者之較高者：(i) 股份於授出日期之收市價；(ii) 股份於緊接授出日期前五個交易日之平均收市價；及(iii) 股份之面值。可授出之購股權所涉及之股份數目上限，不得超過於批准新購股權計劃當日本公司之已發行股本10%之面值金額。然而，因行使所有尚未行使購股權而可能發行之股份數目上限總數不得超過不時已發行股本之30%。在未獲得本公司股東事先批准之情況下，在任何一年內授予任何個人之購股權所涉及之股份數目，不得超過本公司不時已發行股份之1%。

38. SHARE OPTION SCHEME

On 25 May 2012, the shareholders of the Company at the annual general meeting approved the adoption of a new share option scheme (the "New Share Option Scheme") and the termination of the old share option scheme (the "Old Share Option Scheme") which was adopted by the Company on 3 September 2002. Options granted under the Old Share Option Scheme prior to such termination will continue to be valid and exercisable in accordance with the rules of the Old Share Option Scheme. The New Share Option Scheme will expire on 24 May 2022 in order to comply with the terms of Chapter 17 of the Listing Rules. The purpose of the New Share Option Scheme is to recognise and motivate the participants and to provide incentives and a direct economic interest in attaining the long term business objectives of the Company. The principal terms of the New Share Option Scheme are similar to those of the Old Share Option Scheme, the Board may grant options to any eligible employees of the Group, including directors of the Company or its subsidiaries, legal, financial, management and technical advisers and consultants, major customers and raw material and machinery suppliers of the Group, to subscribe for shares of the Company. The exercise period of options granted shall not be more than ten years from the date of grant and the Board may impose restrictions on the exercise of options during the period options may be exercised. A nominal consideration of HK\$1 is payable on acceptance of the grant of options. The subscription price of the option share is not less than the higher of (i) the closing price of the shares on the date of grant; (ii) the average closing prices of the shares on the five trading days immediately preceding the date of grant; and (iii) the nominal value of the shares. The maximum number of shares in respect of which options may be granted may not exceed in nominal amount of 10% of the issued share capital of the Company at the date of approval of the New Share Option Scheme. However, the total maximum number of shares which may be issued upon exercise of all outstanding shares options must not exceed 30% of the issued share capital from time to time. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue from time to time, without prior approval from the Company's shareholders.

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38. 購股權計劃 (續)

過往根據舊購股權計劃授出之購股權即時歸屬並將繼續有效，可根據舊購股權計劃之規則行使。

本公司購股權計劃下之尚未行使購股權於各報告期內之變動及其相關加權平均行使價概列如下：

截至二零一九年十二月三十一日止年度

	授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權數目 Number of share options	
			於二零一九年 一月一日 尚未行使 Outstanding at 1.1.2019	於二零一九年 十二月三十一日 尚未行使 年內取消 Cancelled during the year Outstanding at 31.12.2019
舊購股權計劃 Old Share Option Scheme	二零零九年十月五日 5.10.2009	4.536	580,000	(580,000)
新購股權計劃 New Share Option Scheme	二零一三年一月十一日 11.1.2013	5.942	4,190,000	(230,000)
可於年末行使 Exercisable at the end of the year				3,960,000
每股加權平均行使價 Weighted average exercise price per share			港元 HK\$	港元 HK\$
		5.771	4.935	5.942

38. SHARE OPTION SCHEME (Continued)

The share options granted before under the Old Share Option Scheme vest immediately and will continue to be valid and exercisable in accordance with the rules of the Old Share Option Scheme.

A summary of the movements of the outstanding options and their related weighted average exercise prices during each of the reporting periods under the Company's share option scheme is as follows:

For the year ended 31 December 2019

	授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權數目 Number of share options	
			於二零一九年 一月一日 尚未行使 Outstanding at 1.1.2019	於二零一九年 十二月三十一日 尚未行使 年內取消 Cancelled during the year Outstanding at 31.12.2019
舊購股權計劃 Old Share Option Scheme	二零零九年十月五日 5.10.2009	4.536	580,000	(580,000)
新購股權計劃 New Share Option Scheme	二零一三年一月十一日 11.1.2013	5.942	4,190,000	(230,000)
可於年末行使 Exercisable at the end of the year				3,960,000
每股加權平均行使價 Weighted average exercise price per share			港元 HK\$	港元 HK\$
		5.771	4.935	5.942

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38. 購股權計劃 (續)

截至二零一八年十二月
三十一日止年度

38. SHARE OPTION SCHEME (Continued)
For the year ended 31 December 2018

	授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權數目 Number of share options			
			於二零一八年 一月一日 尚未行使 Outstanding at 1.1.2018	年內行使 Exercised during the year	年內取消 Cancelled during the year	於二零一八年 十二月三十一日 尚未行使 Outstanding at 31.12.2018
舊購股權計劃 Old Share Option Scheme	二零零八年 十月三十一日 31.10.2008	1.950	140,000	(140,000)	—	—
	二零零九年十月五日 5.10.2009	4.536	640,000	—	(60,000)	580,000
			780,000	(140,000)	(60,000)	580,000
新購股權計劃 New Share Option Scheme	二零一三年 一月十一日 11.1.2013	5.942	4,630,000	—	(440,000)	4,190,000
可於年末行使 Exercisable at the end of the year						4,770,000
			港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$
每股加權平均行使價 Weighted average exercise price per share			5.672	1.950	5.773	5.771

已包括於上表內董事所持購股權
之詳情如下：

Details of the options held by the directors included in the
above table are as follows:

截至二零一九年十二月
三十一日止年度

For the year ended 31 December 2019

	授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權數目 Number of share options			
			於二零一九年 一月一日 尚未行使 Outstanding at 1.1.2019	年內重新分類 Reclassified during the year (附註a) (note a)	年內取消 Cancelled during the year	於二零一九年 十二月三十一日 尚未行使 Outstanding at 31.12.2019
舊購股權計劃 Old Share Option Scheme	二零零九年十月五日 5.10.2009	4,536	—	90,000	(90,000)	—
新購股權計劃 New Share Option Scheme	二零一三年 一月十一日 11.1.2013	5,942	200,000	200,000	—	400,000

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

38. 購股權計劃 (續)

截至二零一八年十二月
三十一日止年度

38. SHARE OPTION SCHEME (Continued)

For the year ended 31 December 2018

	授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權數目 Number of share options		
			於二零一八年 一月一日 尚未行使 Outstanding at 1.1.2018	年內重新分類 Reclassified during the year (附註b) (note b)	於二零一八年 十二月三十一日 尚未行使 Outstanding at 31.12.2018
新購股權計劃 New Share Option Scheme	二零一三年 一月十一日 11.1.2013	5,942	400,000	(200,000)	200,000

附註：

- (a) 葉鈞先生獲委任為執行董事，自二零一九年一月一日起生效，其購股權數目已由非董事類別轉入董事類別。
- (b) 鄺國照先生已辭任執行董事，自二零一八年一月一日起生效，其購股權數目已重新分類為非董事購股權類別。

Notes:

- (a) Mr. Ip Kwan was appointed as executive director with effect from 1 January 2019 and his number of share options was transferred from non-director to director.
- (b) Mr. Kwong Kwok Chiu resigned as executive director with effect from 1 January 2018 and his number of share options was reclassified as share option to non-director.

截至二零一八年十二月三十一日止年度，緊接行使購股權日期前本公司股份之加權平均收市價為2.63港元(二零一九年：無)。於年末尚未行使購股權之加權平均剩餘合約年期為3.03年(二零一八年：3.63年)。

兩個年度內均無授出購股權。

根據舊購股權計劃授出之所有購股權於授出當日即時歸屬，行使期自授出日期起計為期十年。根據新購股權計劃授出之購股權於授出日期起計兩年後歸屬，自二零一五年一月十一日起至二零二三年一月十日止可予行使。

The weighted average closing price of the shares of the Company immediately before the dates on which the share options were exercised was HK\$2.63 (2019: nil) for the year ended 31 December 2018. The options outstanding at the end of the year have a weighted average remaining contract life of 3.03 years (2018: 3.63 years).

No share options were granted for both years.

All share options granted under the Old Share Option Scheme vested immediately at the dates of grant with the exercisable period of ten years from the dates of grant. The share options granted under the New Share Option Scheme were vested over two years from the dates of grant and they are exercisable commencing from 11 January 2015 to 10 January 2023.

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39. 資本承擔

39. CAPITAL COMMITMENTS

	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
有關收購物業、廠房及設備之資本開支，已訂約但未於綜合財務報告撥備	11,662	89,365
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	11,662	89,365

40. 經營租賃承擔

40. OPERATING LEASE COMMITMENTS

本集團作為承租人

The Group as lessee

於報告期末，本集團就租賃物業之不可撤銷經營租賃而須承擔之未來最低租賃付款於下列年期屆滿：

At the end of the reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of rented properties which fall due as follows:

	二零一八年 2018 千港元 HK\$'000
一年內	18,206
第二至第五年(首尾兩年包括在內)	49,389
五年後	16,788
	<u>84,383</u>

根據本集團訂立之租約，租期及租金按一年至二十年釐定。

Under the leases entered into by the Group, the lease terms and rentals were fixed from one year to twenty years.

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40. 經營租賃承擔 (續)

本集團作為出租人

所有持作賺取租金之物業於明年至未來五年已有約定之承租人。

就租約應收之最低租賃付款如下：

一年內	Within one year
第二至第五年(首尾兩年包括在內)	In the second to fifth year inclusive

本集團與租戶就下列未來最低租賃付款訂立合約：

一年內	Within one year
第二至第五年(首尾兩年包括在內)	In the second to fifth year inclusive

持有之物業已有約定之租戶，租期介乎一年至五年。

40. OPERATING LEASE COMMITMENTS

(Continued)

The Group as lessor

All of the properties held for rental purposes have committed lessees for the next year to the next 5 years.

Minimum lease payments receivable on leases are as follows:

二零一九年
2019
千港元
HK\$'000

10,514
21,875
32,389

The Group had contracted with tenants for the following future minimum lease payments:

二零一八年
2018
千港元
HK\$'000

9,541
112
9,653

The properties held had committed tenants ranging from one year to five years.



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

41. 關聯方交易

- (a) 年內，本集團支付960,000港元(二零一八年：960,000港元)之租金予港德投資有限公司(「港德」)，本公司之董事葉志成先生於港德持有控股權益。於截至二零一八年十二月三十一日止年度內，本集團支付350,000港元(二零一九年：無)之租金予嘉捷投資有限公司(「嘉捷」)，本公司之董事葉子軒先生於嘉捷持有控股權益。
- (b) 年內，本集團收到葉志成慈善基金有限公司之租金及使用費用492,000港元(二零一八年：501,000港元)及服務費用收入53,000港元(二零一八年：53,000港元)，葉志成先生為本公司董事並擁有該公司控股權益。
- (c) 年內，本集團與旗下聯營公司訂立為數2,477,000港元(二零一八年：465,000港元)之銷售合約及1,015,000港元(二零一八年：1,432,000港元)之購買合約。
- (d) 主要管理人員為本公司董事及本公司行政管理人員。付予彼等之薪酬詳情載於附註6。

41. RELATED PARTY TRANSACTIONS

- (a) During the year, the Group paid rent of HK\$960,000 (2018: HK\$960,000) to Goldex Investments Limited (“Goldex”) in which Mr. Ip Chi Shing, a director of the Company, has controlling interests over Goldex. During the year ended 31 December 2018, the Group paid rent of HK\$350,000 (2019: nil) to Galsheer Investments Limited (“Galsheer”) in which Mr. Yip Tsz Hin, a director of the Company, had controlling interest over Galsheer.
- (b) During the year, the Group received rent and license fee of HK\$492,000 (2018: HK\$501,000) and service fee income of HK\$53,000 (2018: HK\$53,000) from Ip Chi Shing Charitable Foundation Limited in which Mr. Ip Chi Shing, a director of the Company, has controlling interest over it.
- (c) During the year, the Group entered into sales contracts of HK\$2,477,000 (2018: HK\$465,000) and purchase contracts of HK\$1,015,000 (2018: HK\$1,432,000) with associates of the Group.
- (d) The key management personnel are the directors of the Company and the management executives of the Company. The details of the remuneration paid to them are set out in note 6.

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

42. 退休福利計劃

本集團參與根據職業退休計劃條例登記之定額供款計劃(「職業退休計劃」)及根據強制性公積金計劃條例於二零零零年十二月成立之強制性公積金計劃(「強積金計劃」)。該等計劃之資產與本集團之資產分開，由受託人管理之信託基金持有。在強積金計劃成立之前，原為職業退休計劃成員之僱員可選擇繼續參與職業退休計劃或轉至強積金計劃，而所有於二零零零年十二月一日或以後新入職本集團之僱員則須參與強積金計劃。

本集團於中國之附屬公司僱員乃由中國政府運作之國家監管退休福利計劃之成員。此等附屬公司之供款為僱員薪金成本之特定百分比，作為該退休福利計劃福利之資金。本集團就該退休福利計劃承擔之唯一責任為提供特定供款。

於損益扣除之成本為41,534,000港元(二零一八年：47,234,000港元)，代表本集團按計劃規則訂明之比率於本會計期間向該等計劃支付或應付之供款。於二零一八年十二月三十一日，就報告期應付之供款461,000港元(二零一九年：無)仍未付予該等計劃。該等款項已於報告期末後支付。

42. RETIREMENT BENEFIT PLAN

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The costs charged to profit or loss of HK\$41,534,000 (2018: HK\$47,234,000) represent contributions paid or payable to these plans by the Group at rates specified in the rules of the plans in respect of the current accounting period. As at 31 December 2018, contributions of HK\$461,000 (2019: nil) due in respect of the reporting period had not been paid over to the plans. The amounts were paid over subsequent to the end of the reporting period.

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43. 主要附屬公司

本公司主要附屬公司之詳情如下：

43. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries are as follows:

附屬公司名稱	註冊成立/ 註冊地點	已發行股本之面值/ 註冊資本	本集團持有 已發行股本面值/ 註冊資本之比例		主要業務
			Proportion of nominal value of issued share capital/registered capital held by the Group		
			二零一九年 2019	二零一八年 2018	
Name of subsidiary	Place of incorporation/ registration	Nominal value of issued share capital/ registered capital			Principal activities
紫荊花化工(上海)有限公司	中國 — 獨資外資企業	資本貢獻 — 人民幣2,000,000元	100%	100%	買賣塗料
Bauhinia Chemical (Shanghai) Company Limited	PRC — wholly owned foreign enterprise	Capital contribution — RMB2,000,000	100%	100%	Trading in coatings
紫荊花塗料集團有限公司	香港	普通股 — 149,665港元 遞延股 — 335港元	100% (附註a)	100% (附註a)	投資控股
Bauhinia Coatings Group Limited	Hong Kong	Ordinary — HK\$149,665 Deferred — HK\$335	100% (note a)	100% (note a)	Investment holding
紫荊花塗料(上海)有限公司	中國 — 獨資外資企業	資本貢獻 — 40,800,000美元	100%	100%	製造及買賣塗料
Bauhinia Coatings Manufacturing (Shanghai) Co., Limited	PRC — wholly owned foreign enterprise	Capital contribution — USD40,800,000	100%	100%	Manufacture of and trading in coatings
Bauhinia Paints Limited	英屬處女群島 British Virgin Islands	普通股 — 1,000港元 Ordinary — HK\$1,000	100% 100%	100% 100%	投資控股 Investment holding
紫荊花製漆(成都)有限公司	中國 — 獨資外資企業	資本貢獻 — 人民幣28,000,000元	100%	100%	製造及買賣塗料
Bauhinia Paints Manufacturing (Chengdu) Company Limited	PRC — wholly owned foreign enterprise	Capital contribution — RMB28,000,000	100%	100%	Manufacture of and trading in coatings
大中漆廠有限公司	香港	普通股 — 20港元 遞延股 — 600,000港元	100% (附註a)	100% (附註a)	投資控股
Bauhinia Paints Manufacturing Limited	Hong Kong	Ordinary — HK\$20 Deferred — HK\$600,000	100% (note a)	100% (note a)	Investment holding
紫荊花製漆(上海)有限公司	中國 — 獨資外資企業	資本貢獻 — 6,100,000美元	— (附註c)	100%	物業投資
Bauhinia Paints Manufacturing (Shanghai) Co., Limited	PRC — wholly owned foreign enterprise	Capital contribution — USD6,100,000	— (note c)	100%	Property investment

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43. 主要附屬公司 (續)

43. PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 註冊地點 Place of incorporation/ registration	已發行股本之面值/ 註冊資本 Nominal value of issued share capital/ registered capital	本集團持有 已發行股本面值/ 註冊資本之比例 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零一九年 2019	二零一八年 2018	
紫荊花製漆(深圳)有限公司 Bauhinia Paints Manufacturing (Shenzhen) Company Limited	中國 — 獨資外資企業 PRC — wholly owned foreign enterprise	資本貢獻 — 28,800,000港元 Capital contribution — HK\$28,800,000	100%	100%	買賣塗料 Trading in coatings
洋紫荊油墨(河北)有限公司 Bauhinia Variegata Ink & Chemicals (Hebei) Limited	中國 — 獨資外資企業 PRC — wholly owned foreign enterprise	資本貢獻 — 人民幣88,000,000元 Capital contribution — RMB88,000,000	100%	100%	製造及買賣油墨 Manufacture of and trading in inks
洋紫荊油墨(浙江)有限公司 Bauhinia Variegata Ink & Chemicals (Zhejiang) Limited	中國 — 獨資外資企業 PRC — wholly owned foreign enterprise	資本貢獻 — 40,000,000美元 Capital contribution — USD40,000,000	100%	100%	製造及買賣油墨 Manufacture of and trading in inks
洋紫荊油墨(中山)有限公司 Bauhinia Variegata Ink & Chemicals (Zhongshan) Limited	中國 — 獨資外資企業 PRC — wholly owned foreign enterprise	資本貢獻 — 180,000,000港元 Capital contribution — HK\$180,000,000	100%	100%	製造及買賣油墨 Manufacture of and trading in inks
凌志潤滑油有限公司 Best Lubricant Blending Limited	香港 Hong Kong	普通股 — 2港元 Ordinary — HK\$2	100%	100%	投資控股 Investment holding
百興投資(香港)有限公司 Best Prospect Investments (Hong Kong) Limited	香港 Hong Kong	普通股 — 1港元 Ordinary — HK\$1	100%	100%	投資控股 Investment holding
大勇投資有限公司 Big Youth Investments Limited	香港 Hong Kong	普通股 — 10,000港元 Ordinary — HK\$10,000	100%	100%	物業投資 Property investment
Brandway Limited	英屬處女群島 British Virgin Islands	普通股 — 1美元 Ordinary — USD1	100%	100%	投資控股 Investment holding
協和化工倉儲有限公司 Concord Chemical Storing Limited	香港 Hong Kong	普通股 — 160,000港元 Ordinary — HK\$160,000	75%	75%	投資控股及買賣溶劑 Investment holding and trading in solvents

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43. 主要附屬公司 (續)

43. PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 註冊地點 Place of incorporation/ registration	已發行股本之面值/ 註冊資本 Nominal value of issued share capital/ registered capital	本集團持有 已發行股本面值/ 註冊資本之比例 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零一九年 2019	二零一八年 2018	
大昌樹脂(惠州)有限公司 Da Chang Polymers (Huizhou) Limited	中國 — 獨資外資企業 PRC — wholly owned foreign enterprise	資本貢獻 — 24,500,000港元 Capital contribution — HK\$24,500,000	100%	100%	買賣樹脂 Trading in resins
東莞太平洋博高潤滑油有限公司 Dongguan Pacoil Lubricant Company Limited	中國 — 獨資外資企業 PRC — wholly owned foreign enterprise	資本貢獻 — 50,000,000港元 Capital contribution — HK\$50,000,000	100%	100%	製造及買賣潤滑油 Manufacture of and trading in lubricants
金群有限公司 Goldchain Limited	香港 Hong Kong	普通股 — 2港元 Ordinary — HK\$2	100%	100%	投資控股 Investment holding
萬潤有限公司 Great Success Limited	薩摩亞 Samoa	普通股 — 1美元 Ordinary — USD1	100%	100%	投資控股 Investment holding
謙信化工發展有限公司 Handsome Chemical Development Limited	香港 Hong Kong	普通股 — 600,000港元 Ordinary — HK\$600,000	100%	100%	投資控股及買賣溶劑 Investment holding and trading in solvents
謙信化工服務有限公司 Handsome Chemical Services Limited	香港 Hong Kong	普通股 — 60,000港元 Ordinary — HK\$60,000	100%	100%	提供司庫服務 Provision of treasury services
恒昌塗料(惠陽)有限公司 Hang Cheung Coatings (Hui Yang) Limited	中國 — 獨資外資企業 PRC — wholly owned foreign enterprise	資本貢獻 — 20,000,000美元 Capital contribution — USD20,000,000	100%	100%	製造及買賣塗料 Manufacture of and trading in coatings
Hang Cheung Petrochemical (International) Limited	英屬處女群島 British Virgin Islands	普通股 — 1美元 Ordinary — USD1	100%	100%	投資控股 Investment holding
恒昌石油化工有限公司 Hang Cheung Petrochemical Limited	香港 Hong Kong	普通股 — 800,000港元 Ordinary — HK\$800,000	100%	100%	投資控股 Investment holding
Hang Cheung (W.S.) Limited	薩摩亞 Samoa	普通股 — 1美元 Ordinary — USD1	100%	100%	投資控股 Investment holding

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43. 主要附屬公司 (續)

43. PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 註冊地點 Place of incorporation/ registration	已發行股本之面值/ 註冊資本 Nominal value of issued share capital/ registered capital	本集團持有 已發行股本面值/ 註冊資本之比例 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零一九年 2019	二零一八年 2018	
			惠州盛達化工有限公司 Huizhou Shengda Chemical Company Limited	中國 — 外商投資企業 投資的企業 PRC — investment by foreign investment enterprise	
江門謙信化工發展有限公司 Jiangmen Handsome Chemical Development Limited	中國 — 合資合營企業 PRC — equity joint venture	資本貢獻 — 289,000,000港元 Capital contribution — HK\$289,000,000	75%	75%	製造及買賣溶劑 Manufacture of and trading in solvents
江門天誠溶劑製品有限公司 Jiangmen Thansome Solvents Production Limited	中國 — 獨資外資企業 PRC — wholly owned foreign enterprise	資本貢獻 — 53,000,000港元 Capital contribution — HK\$53,000,000	75%	75%	發電及售電 Generation and sale of electricity
金江化工貿易有限公司 Jinjiang Chemical Trading Limited	香港 Hong Kong	普通股 — 160,000港元 Ordinary — HK\$160,000	75%	75%	買賣溶劑 Trading of solvents
Prophet Investments Limited	英屬處女群島 British Virgin Islands	普通股 — 1美元 Ordinary — USD1	100%	100%	投資控股 Investment holding
Radiant New Limited	英屬處女群島 British Virgin Islands	普通股 — 1美元 Ordinary — USD1	100%	100%	物業投資 Property investment
泰興金江化學工業有限公司 Taixing Jinjiang Chemical Industry Company Limited	中國 — 外商投資企業 投資的企業 PRC — investment by foreign investment enterprise	資本貢獻 — 723,980,000港元 Capital contribution — HK\$723,980,000	75%	75%	製造及買賣溶劑 Manufacture of and trading in solvents
騰邁集團(香港)有限公司 TM Holding (Hong Kong) Limited	香港 Hong Kong	普通股 — 2港元 Ordinary — HK\$2	100%	100%	持有商標 Holding of trademarks
TM Holding Limited	英屬處女群島 British Virgin Islands	普通股 — 1港元 Ordinary — HK\$1	100%	100%	持有商標 Holding of trademarks

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43. 主要附屬公司 (續)

43. PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 註冊地點 Place of incorporation/ registration	已發行股本之面值/ 註冊資本 Nominal value of issued share capital/ registered capital	本集團持有 已發行股本面值/ 註冊資本之比例 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零一九年 2019	二零一八年 2018	
葉氏駱駝(香港)有限公司 Yip's Camel (Hong Kong) Limited	香港 Hong Kong	普通股 — 1港元 Ordinary — HK\$1	100%	100%	買賣塗料 Trading in coatings
Yip's Chemical (BVI) Limited	英屬處女群島 British Virgin Islands	普通股 — 500港元 Ordinary — HK\$500	100%	100%	投資控股 Investment holding
葉氏化工研發(上海)有限公司 Yip's Chemical Research & Development (Shanghai) Company Limited	中國 — 獨資外資企業 PRC — wholly owned foreign enterprise	資本貢獻 — 17,000,000美元 Capital contribution — USD17,000,000	100%	100%	物業投資 Property investment
葉氏恒昌(集團)有限公司 Yip's H.C. (Holding) Limited	香港 Hong Kong	普通股 — 999,500港元 遞延股 — 500港元 Ordinary — HK\$999,500 Deferred — HK\$500	100% (附註a) 100% (note a)	100% (附註a) 100% (note a)	投資控股及提供服務 Investment holding and provision of services
葉氏工業控股有限公司 Yip's Industrial Holdings Limited	香港 Hong Kong	普通股 — 10,000港元 Ordinary — HK\$10,000	75% 75%	75% 75%	投資控股及買賣溶劑 Investment holding and trading in solvents
葉氏油墨(集團)有限公司 Yip's Ink & Chemicals (Group) Limited	香港 Hong Kong	普通股 — 2港元 Ordinary — HK\$2	100% 100%	100% 100%	投資控股及買賣油墨 Investment holding and trading in inks
葉氏潤滑油(集團)有限公司 Yip's Lubricant Limited	香港 Hong Kong	普通股 — 290,000港元 Ordinary — HK\$290,000	100% 100%	100% 100%	投資控股及買賣潤滑油 Investment holding and trading in lubricants
Yip's Pacific Limited	英屬處女群島 British Virgin Islands	普通股 — 36,251,000港元 Ordinary — HK\$36,251,000	100% 100%	100% 100%	投資控股 Investment holding
葉氏潤滑油(上海)有限公司	中國 — 獨資外資企業	資本貢獻 — 250,000美元	100%	100%	買賣潤滑油

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43. 主要附屬公司 (續)

43. PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 註冊地點 Place of incorporation/ registration	已發行股本之面值/ 註冊資本 Nominal value of issued share capital/ registered capital	本集團持有 已發行股本面值/ 註冊資本之比例 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零一九年 2019	二零一八年 2018	
	PRC — wholly owned foreign enterprise	Capital contribution — USD250,000	100%	100%	Trading in lubricants
德慶華彩合成樹脂有限公司	中國 — 合資合營企業 PRC — equity joint venture	普通股 — 9,300,000美元 Ordinary — USD9,300,000	60%	60%	製造及買賣樹脂 Manufacture of and trading in resins
葉氏信息科技(深圳)有限公司	中國 — 獨資外資企業	資本貢獻 — 人民幣1,000,000元	100%	100%	提供服務
	PRC — wholly owned foreign enterprise	Capital contribution — RMB1,000,000	100%	100%	Provision of services
東莞市大嘜趣車汽車服務有限公司	中國 — 獨資外資企業	資本貢獻 — 人民幣1,000,000元	— (附註b)	100%	提供汽車服務
	PRC — wholly owned foreign enterprise	Capital contribution — RMB1,000,000	— (note b)	100%	Provision of car services

附註：

- (a) 非由本集團持有之遞延股份無權收取股息或任何該公司股東大會之通告或出席任何該公司股東大會或在會上投票。在清盤時，倘普通股持有人(即本集團)已獲全數退還就該等股份支付之資本及總額合共100,000,000,000港元，則遞延股份持有人方有權從該公司剩餘資產中獲退還就無投票權遞延股份支付之資本。
- (b) 該附屬公司已於二零一九年四月十一日出售。詳情請參閱附註34(b)。
- (c) 該附屬公司已於二零一九年八月七日出售。詳情請參閱附註34(a)。

Notes:

- (a) The deferred shares, which are not held by the Group, carry no right to dividend or to receive notice of or to attend or vote at any general meeting of the company. On a winding-up, the holders of the deferred shares are entitled out of the surplus assets of the company to a return of capital paid up on the non-voting deferred shares but only when holders of ordinary shares, namely, the Group, have received in full the return of capital paid on them and, in aggregate, a total sum of HK\$100,000,000,000.
- (b) The subsidiary was disposed on 11 April 2019. Please refer to note 34(b) for details.
- (c) The subsidiary was disposed on 7 August 2019. Please refer to note 34(a) for details.

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43. 主要附屬公司 (續)

除Yip's Chemical (BVI) Limited由本公司直接持有外，所有其他附屬公司均為間接持有。除無具體營業地點之投資控股公司外，所有上述附屬公司均主要於其各自註冊成立／註冊之地點經營。

上表所列本集團之附屬公司乃董事認為會影響本集團業績或資產或負債之主要附屬公司。董事認為列載其他附屬公司之詳情將過於冗長累贅。

各附屬公司於二零一九年十二月三十一日或年內任何時間概無任何債務證券。

下表顯示含重大非控股權益之本集團非全資附屬公司之詳情：

43. PRINCIPAL SUBSIDIARIES (Continued)

Except for Yip's Chemical (BVI) Limited which is held directly by the Company, all other subsidiaries are indirectly held. Except for the investment holding companies which have no specific place of operation, all the above subsidiaries operate principally in their respective place of incorporation/registration.

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities subsisting at 31 December 2019 or at any time during the year.

The table below shown details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

附屬公司名稱 Name of subsidiary	註冊成立地點及主要營業地點 Place of incorporation and principal place of business	非控股權益持有之所有權權益及 投票權比例 Proportion of ownership interests and voting rights held by non-controlling interests		分配予非控股權益之溢利(虧損) Profits (loss) allocated to non-controlling interests		累計非控股權益 Accumulated non-controlling interests	
		二零一九年 2019	二零一八年 2018	二零一九年 2019	二零一八年 2018	二零一九年 2019	二零一八年 2018
		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
江門謙信化工發展有限公司及其附屬公司(「江門謙信集團」) Jiangmen Handsome Chemical Development Limited and its subsidiary (the "Jiangmen Handsome Group")	中國 The PRC	25%	25%	62,458	59,641	387,290	356,442
協和化工倉儲有限公司及其附屬公司(「協和集團」) Concord Chemical Storing Limited and its subsidiaries (the "Concord Group")	香港 Hong Kong	25%	25%	(625)	5,219	204,751	213,774

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43. 主要附屬公司 (續)

有關含重大非控股權益之本集團附屬公司之財務資料(根據香港財務報告準則編製)概要載列如下。以下財務資料概要為抵銷集團間交易前之數額。

43. PRINCIPAL SUBSIDIARIES (Continued)

Summarised financial information, which is prepared in accordance with HKFRSs, in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before elimination of intragroup transactions.

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
江門謙信集團	Jiangmen Handsome Group		
營業額	Revenue	7,373,906	8,924,881
支出	Expenses	(7,124,073)	(8,686,319)
本年純利	Profit for the year	249,833	238,562
本年全面收益總額	Total comprehensive income for the year	208,308	124,167
非流動資產	Non-current assets	789,355	596,608
流動資產	Current assets	2,713,514	3,011,481
流動負債	Current liabilities	(1,946,737)	(2,180,901)
非流動負債	Non-current liability	(6,972)	(1,423)
總權益	Total equity	1,549,160	1,425,765
經營業務所產生之現金 流入淨額	Net cash inflow from operating activities	114,905	608,164
投資業務所產生之現金 流出淨額	Net cash outflow from investing activities	(193,988)	(155,577)
融資業務所產生之現金 流出淨額	Net cash outflow from financing activities	(170,631)	(226,618)
現金(流出)流入淨額	Net cash (outflow) inflow	(249,714)	225,969
已付非控股權益股息	Dividends paid to non-controlling interests	(21,228)	(11,328)

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43. 主要附屬公司 (續)

43. PRINCIPAL SUBSIDIARIES (Continued)

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
協和集團	Concord Group		
營業額	Revenue	167,574	162,804
支出	Expenses	(170,072)	(141,930)
本年(虧損)純利	(Loss) profit for the year	(2,498)	20,874
本年全面(支出)收益總額	Total comprehensive (expense) income for the year	(1,848)	7,049
非流動資產	Non-current assets	40,008	15,955
流動資產	Current assets	889,586	875,480
流動負債	Current liabilities	(99,562)	(36,134)
非流動負債	Non-current liabilities	(11,025)	(203)
總權益	Total equity	819,007	855,098
經營業務所產生之現金 流入淨額	Net cash inflow from operating activities	41,866	40,656
投資業務所產生之現金 (流出)流入淨額	Net cash (outflow) inflow from investing activities	(4,277)	328
融資業務所產生之現金 流出淨額	Net cash outflow from financing activities	(96,116)	(13,664)
現金(流出)流入淨額	Net cash (outflow) inflow	(58,527)	27,320
已付非控股權益股息	Dividends paid to non-controlling interests	(8,561)	—

44. 主要非現金交易

年內，本集團就使用租賃物業及廠房及機器訂立新租賃協議，為期一年至五年。於租賃開始時，本集團已確認使用權資產42,266,000港元及租賃負債39,622,000港元。

44. MAJOR NON-CASH TRANSACTIONS

During the year, the Group entered into new lease agreements for the use of leased properties and plant and machinery for one year to five years. On the lease commencement, the Group recognised HK\$42,266,000 of right-of-use asset and HK\$39,622,000 lease liability.

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45. 報告期後事件

- (a) 於二零二零年一月，本集團訂立協議以人民幣12,130,000元(相等於13,500,000港元)認購河北大麥汽車維修服務有限公司(「河北大麥」)之1,800,000股新股份，並按代價人民幣10,000,000元(相等於11,200,000港元)收購額外權益。於交易完成後，本集團所持聯營公司股權由38.58%上升至61%，而河北大麥及其附屬公司成為本集團之間接非全資附屬公司。
- (b) 二零二零年初爆發之新型冠狀病毒疫情無可避免對本集團的中國業務造成影響。為配合中國政府的抗疫工作，本集團的生產線在春節假期後曾短暫關閉，並於二零二零年二月初陸續復工；而本集團策略性投資的河北大麥亦因應疫情而暫停門市服務，並從二零二零年二月中旬開始陸續重開部份門店。本集團一直密切監察疫情的發展，經過全面風險評估後，所有生產廠房已於二零二零年三月全面回復正常運作，而大部份河北大麥店舖亦已重開。

於綜合財務報告日，疫情對本集團業務的影響仍未反映。由於疫情發展充滿不確定性，現階段本集團無法評估或預測疫情對業務可能帶來的整體財務影響。

45. EVENTS AFTER THE REPORTING PERIOD

- (a) In January 2020, the Group entered into agreements to subscribe 1,800,000 new shares of 河北大麥汽車維修服務有限公司(“河北大麥”) at RMB12,130,000 (equivalent to HK\$13,500,000) and to acquire additional interest at a consideration of RMB10,000,000 (equivalent to HK\$11,200,000). The equity interest of the associates held by the Group increased from 38.58% to 61% upon completion of the transactions and 河北大麥 and its subsidiaries become indirect non-wholly owned subsidiaries of the Group.
- (b) The outbreak of the COVID-19 pandemic occurred in early 2020 will inevitably affect the Group's businesses in the PRC. In support of the PRC government's efforts in pandemic combat, the Group's production lines were suspended for a short period of time after the Chinese New Year Holidays, and resumed production successively in early February 2020. The shops of 河北大麥 car maintenance chain, the Group's strategic investment, also closed because of the pandemic. But some of the outlets reopened gradually since mid-February 2020. The Group has been monitoring closely the development of the pandemic. Upon a comprehensive risk assessment, all production plants resumed normal operation in March 2020. Most of the shops of 河北大麥 also reopened.

As on the date of the consolidated financial statements, the impact of the pandemic on the Group's businesses were not yet reflected. Since there are a lot of uncertainties about how the pandemic will evolve, the Group at this stage is not in a position to assess or predict what full financial impact the pandemic might bring.



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46. 本公司財務狀況表

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
非流動資產	Non-current assets		
於附屬公司之投資	Investments in subsidiaries	419,648	426,688
應收一間附屬公司 款項	Amount due from a subsidiary	827,486	818,848
		1,247,134	1,245,536
流動資產	Current assets		
其他應收賬款及預付 款項	Other debtors and prepayments	148	145
銀行結餘及現金	Bank balances and cash	697	483
		845	628
流動負債	Current liabilities		
其他應付賬款及應計 費用	Other creditors and accrued charges	794	701
應付一間附屬公司 款項	Amount due to a subsidiary	36,337	66,911
衍生金融工具	Derivative financial instruments	4,357	2,525
		41,488	70,137
流動負債淨額	Net current liabilities	(40,643)	(69,509)
資產淨值	Net assets	1,206,491	1,176,027
股本及儲備	Capital and reserves		
股本	Share capital	56,403	56,403
儲備	Reserves	1,150,088	1,119,624
總權益	Total equity	1,206,491	1,176,027

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

46. 本公司財務狀況表 (續)

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(Continued)

儲備變動

Movement of reserves

		股份溢價	購股權儲備	其他儲備	匯兌儲備	資本回購儲備	保留溢利	合計
		Share premium	Share option reserve	Other reserve	Translation reserve	Capital redemption reserve	Retained profits	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零一八年一月一日	At 1 January 2018	504,902	5,280	77,700	174,427	5,416	462,700	1,230,425
本年純利	Profit for the year	—	—	—	—	—	39,202	39,202
因折算至呈列貨幣而產生之匯兌差額	Exchange difference arising on translation to presentation currency	—	—	—	(60,034)	—	—	(60,034)
本年全面收益總額	Total comprehensive income for the year	—	—	—	(60,034)	—	39,202	(20,832)
因購股權獲行使而以溢價發行之股份	Share issued at premium upon exercise of share options	287	(28)	—	—	—	—	259
因發行股份而產生之成本	Cost incurred in connection with issue of shares	(1)	—	—	—	—	—	(1)
取消購股權及轉入保留溢利	Share options cancelled and transfer to retained profits	—	(490)	—	—	—	490	—
已付股息	Dividends paid	—	—	—	—	—	(90,227)	(90,227)
於二零一八年十二月三十一日	At 31 December 2018	505,188	4,762	77,700	114,393	5,416	412,165	1,119,624
本年純利	Profit for the year	—	—	—	—	—	145,698	145,698
因折算至呈列貨幣而產生之匯兌差額	Exchange difference arising on translation to presentation currency	—	—	—	(19,349)	—	—	(19,349)
本年全面收益總額	Total comprehensive income for the year	—	—	—	(19,349)	—	145,698	126,349
取消購股權及轉入保留溢利	Share options cancelled and transfer to retained profits	—	(659)	—	—	—	659	—
已付股息	Dividends paid	—	—	—	—	—	(95,885)	(95,885)
於二零一九年十二月三十一日	At 31 December 2019	505,188	4,103	77,700	95,044	5,416	462,637	1,150,088

附註：其他儲備指因一九九一年集團重組而產生之儲備。

Note: Other reserve represents the reserve arising from group reorganisation in 1991.

