

2019

ANNUAL REPORT 年報



SHEENTAI
順泰控股

順泰控股集團有限公司

Sheen Tai Holdings Group Company Limited

(incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 1335

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Corporate Information

公司資料

DIRECTORS

Executive Directors

Mr. Guo Yumin (*Chairman*)
Ms. Xia Yu
Mr. Zeng Xiangyang

Independent Non-executive Directors

Ms. Fan Qing
Mr. Fong Wo, Felix
Mr. Lo Wa Kei, Roy

COMPANY SECRETARY

Ms. Pang Yuk Fong (*HKICPA*)

AUDIT COMMITTEE

Mr. Lo Wa Kei, Roy (*Chairman*)
Ms. Fan Qing
Mr. Fong Wo, Felix

REMUNERATION COMMITTEE

Ms. Fan Qing (*Chairman*)
Mr. Guo Yumin
Mr. Lo Wa Kei, Roy

NOMINATION COMMITTEE

Mr. Guo Yumin (*Chairman*)
Ms. Fan Qing
Mr. Lo Wa Kei, Roy

AUTHORISED REPRESENTATIVES

Mr. Guo Yumin
Ms. Pang Yuk Fong

COMPANY WEBSITE

www.sheentai.com

REGISTERED OFFICE

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

董事

執行董事

郭玉民先生 (*主席*)
夏煜女士
曾向陽先生

獨立非執行董事

范晴女士
方和先生
盧華基先生

公司秘書

彭玉芳女士 (*香港會計師公會會員*)

審核委員會

盧華基先生 (*主席*)
范晴女士
方和先生

薪酬委員會

范晴女士 (*主席*)
郭玉民先生
盧華基先生

提名委員會

郭玉民先生 (*主席*)
范晴女士
盧華基先生

授權代表

郭玉民先生
彭玉芳女士

公司網址

www.sheentai.com

註冊辦事處

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1903, 19/F, Jubilee Centre
18 Fenwick Street, Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

RSM Hong Kong, *Certified Public Accountants*
29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

HONG KONG LEGAL ADVISER

Loong & Yeung Solicitors
Room 1603, 16/F
China Building
29 Queen's Road Central
Hong Kong

PRINCIPAL BANKERS

Bank of China Limited
Bank of China (Hong Kong) Limited
Bank of Qingdao Co., Ltd.
China Construction Bank
Shanghai Pudong Development Bank
The Hongkong and Shanghai Banking Corporation Limited

香港主要營業地點

香港
灣仔分域街18號
捷利中心19樓1903室

開曼群島股份過戶登記總處

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

核數師

羅申美會計師事務所(執業會計師)
香港
銅鑼灣
恩平道28號
利園2期29樓

香港法律顧問

龍炳坤、楊永安律師行
香港
皇后大道中29號
華人行
16樓1603室

主要往來銀行

中國銀行股份有限公司
中國銀行(香港)有限公司
青島銀行股份有限公司
中國建設銀行
上海浦東發展銀行
香港上海滙豐銀行有限公司

Financial Highlights

財務摘要

Year ended 31 December

截至 12 月 31 日止年度

		2019 2019 年 \$'000 千港元	2018 2018 年 \$'000 千港元	2017 2017 年 \$'000 千港元	Change 變動 \$'000 千港元
Revenue	收入	376,208	453,827	1,250,706	(17%)
(Loss)/profit from operations	經營(虧損)/溢利	(21,944)	8,693	43,900	(352%)
Loss before non-controlling interests	非控股權益前虧損	(47,873)	(26,616)	(166,086)	80%
Non-controlling interests	非控股權益	–	(118)	(867)	–
Loss attributable to equity shareholders of the Company	本公司權益股東 應佔虧損	(47,873)	(26,498)	(165,219)	81%
Loss per share	每股虧損				
Basic (HK\$)	基本(港元)	(0.020)	(0.011)	(0.069)	82%
Diluted (HK\$)	攤薄(港元)	(0.020)	(0.011)	(0.073)	82%

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board (the "Board") of directors ("Directors") and the management of Sheen Tai Holdings Group Company Limited (the "Company", together with its subsidiaries, the "Group"), I am pleased to present the annual report of the Group for the year ended 31 December 2019 (the "Year").

The Directors believe that our films segment is set to benefit from vast opportunities in the long term. While focusing on developing the business, the Company is actively seeking for other business opportunities in the Huaihai area. Fulfillment of this strategic objective has brought significant economic benefits to the Group in the past. However, our businesses have been hit to some extent by the impact on raw material prices and consumer sentiment amid recent economic challenges and uncertainty resulting from the continued trade tensions between China and the US, as well as a slower economic growth of China itself.

For the Year, the Group's revenue from sales decreased by approximately 17.1% as compared with the year ended 31 December 2018, mainly due to lower revenue from the films segment. The Group has grown our photovoltaic segment safely without any safety incident while generating strong revenue for the Company. In accordance with internal policies based on meritocracy and diversity, professional training sessions were provided to enable employees to accomplish every task assigned by their departments more efficiently. Diversity among departments and employees allows them to communicate smoothly at work, where business information from the sales department was conveyed to the research and development department in a timely and accurate manner, so as to make improvement as required by customers, before the production department conducted mass production with the improved production method. Every change was made through seamless collaboration among departments with professionalism and pursuit for better quality and consumer satisfaction. From time to time, the Group also considers recruiting more experienced sales personnel and participating in exhibitions for film-related products as part of its strategy to gain more market shares. Our team is committed to winning new customers for our product portfolio and reducing the concentration risk on any single customer group by diversifying our customer base. All members of the Company will continue to forge ahead together.

致各位股東，

本人僅此代表順泰控股集團有限公司(「本公司」，連同其附屬公司統稱(「本集團」)董事(「董事」)會(「董事會」)及管理層，呈報本集團截止2019年12月31日止年度(「本年度」)的年報。

董事相信我們的薄膜業務長遠而言存大量商機，在深耕該業務同時本公司積極於淮海地區尋求其他業務商機，此戰略目標在過去為集團帶來巨大利益。然而，由於中國與美國之間持續的貿易衝突及中國自身經濟逐漸放緩導致近期出現經濟挑戰及不確定因素，進而影響原材料價格和市場消費情緒，或多或少的對於本集團的業務造成影響。

於本年度，本集團的銷售收入與截至2018年12月31日止年度相比，銷售收入減少約17.1%。該部分收入減少主要由於薄膜業務收入降低所致。光伏業務安全開展，全年無安全事故並為公司帶來可觀的收益。公司內部遵守精英化及多元化的政策，通過專業化培訓，使員工能夠更高效完成所屬部門的每項工作安排；部門多元化及員工多元化使各部門工作溝通暢通，銷售部門的反饋的業務信息及時、精準的傳遞給研發部門，根據客戶要求作改進。改進產品方法後再由生產部門同事進行量產，每一次的轉變都是通過各個部門嚴絲合縫的協作，以精益求精的專業精神，不斷追求產品高品質，消費者高滿意度作為指引。本集團亦不時考慮擴大招聘經驗豐富的銷售人才，參與薄膜材料相關產品展覽，作為其擴張市場份額的策略部分。團隊以致力於為產品組合尋求新客戶加及通過擴大客戶基礎降低對任何單一客戶群體的集中風險。公司上下一起繼續砥礪前行。

Chairman's Statement

主席報告

To seize the opportunities in the films segment and other businesses in the Huaihai area in a timely fashion, the Group will continue to implement its investment plan prudently and conservatively in response to current market conditions. The Group requires a prudent financial forecast to ensure its investments are in the best interest of the Company and the shareholders thereof (the “Shareholders”) as a whole. We will consider re-engineering and upgrading some parts of our production lines to enhance our overall production efficiency, for the purpose of meeting the demand from our existing and potential customers. We believe that such investment plans will enable our films segment to stay competitive with stronger profitability and better control over operating costs.

Finally, on behalf of the Board, I would like to express my thankfulness and appreciation to my fellow Directors, management team and all the staff members of the Group for their contributions and hard work during the Year. I would also like to extend my most sincere gratitude to all the Shareholders and business partners for their continuous supports.

Guo, Yumin
Chairman

Hong Kong, 31 March 2020

為能夠及時把握薄膜業務和其他在淮海地區業務的商機，本集團將因應當時市況以審慎及保守的態度繼續實行投資計劃。本集團需要實行謹慎的財務預測，以確保本集團的投資符合本公司及其股東（「股東」）的整體最佳利益。我們會考慮進行生產線的部分器件的改裝升級，以加強我們的整體生產效率，以滿足現有和潛在客戶的需求。我們相信是類投資計劃將會為我們的薄膜業務加強盈利能力，更好地控制經營成本，從而維持其競爭力。

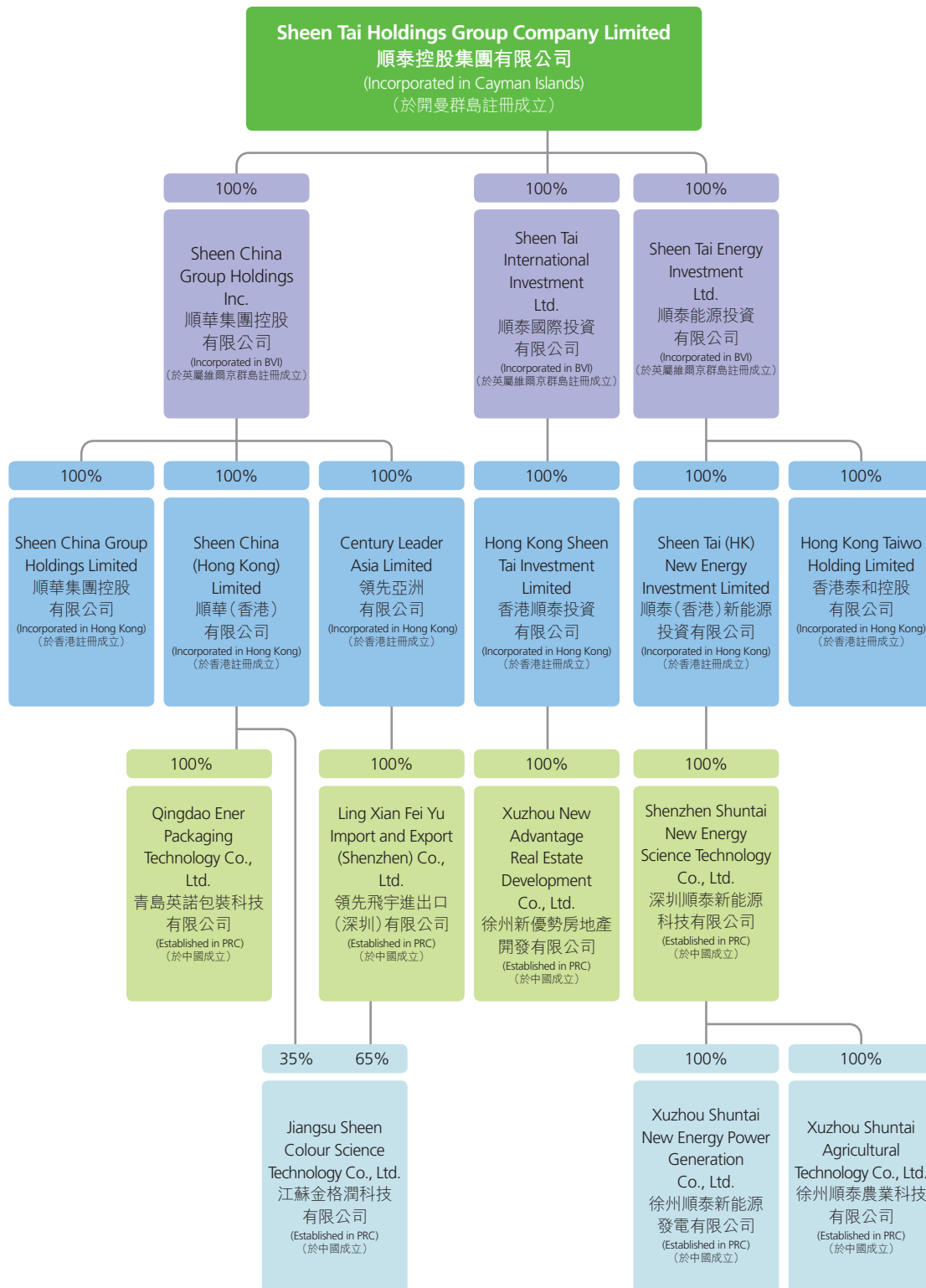
最後，本人僅代表董事會向本集團其他董事、管理團隊及全體員工於本年度所付出的努力及貢獻表達誠摯的謝意。本人亦對全體股東及業務夥伴的不斷支持表示由衷的感謝。

主席
郭玉民

香港，2020年3月31日

Organisation Chart 組織架構

(As at 31 December 2019)
(於2019年12月31日)

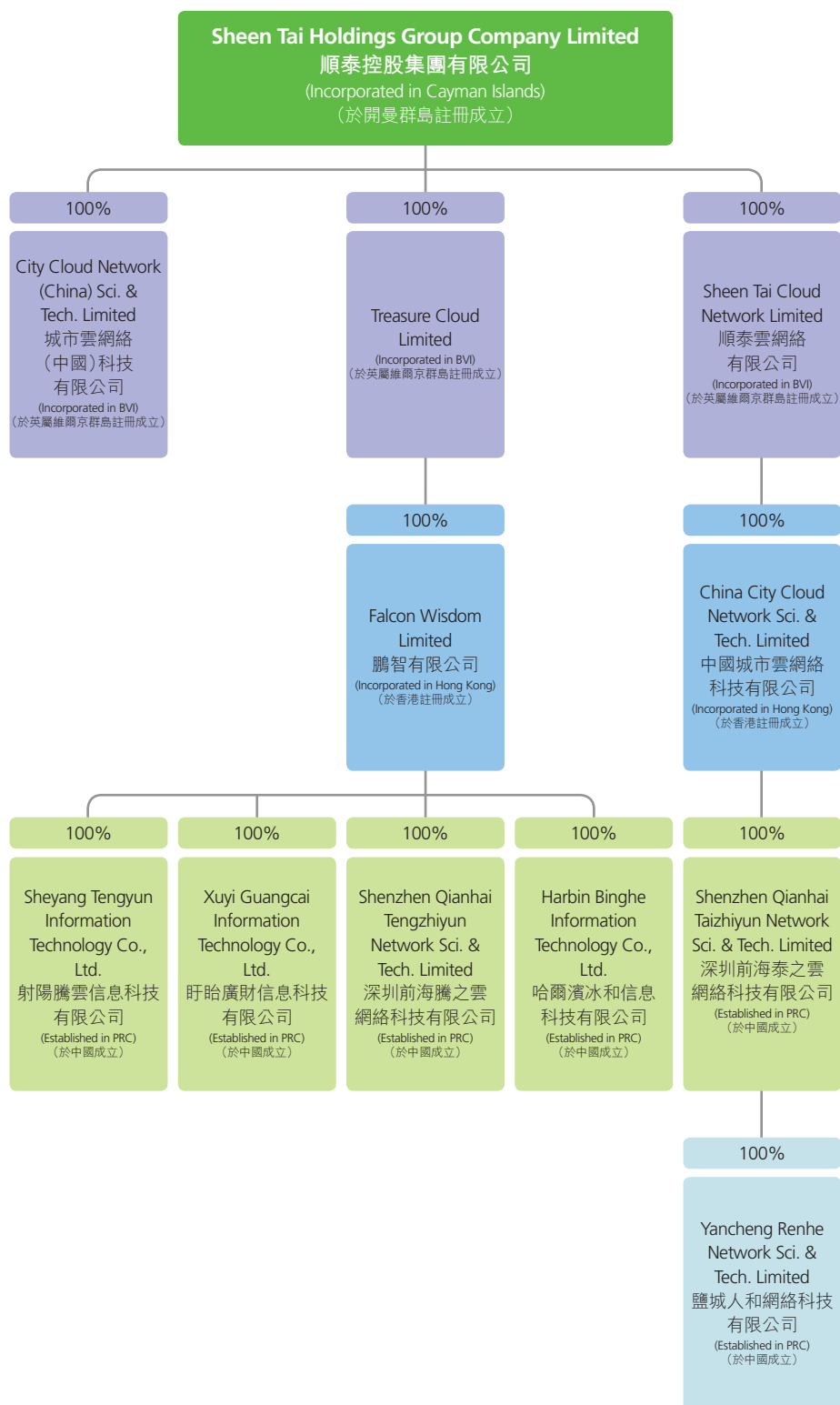


Organisation Chart

組織架構

(As at 31 December 2019)

(於 2019 年 12 月 31 日)



Management Discussion and Analysis

管理層討論及分析

OVERVIEW

For the Year, the Group recorded a decrease in revenue in general as compared to the year ended 31 December 2018.

Our three photovoltaic power stations operated smoothly and there were no safety incidents throughout the Year. Revenue generated from this segment was slightly increased year-on-year due to the photovoltaic power stations built in June 2018. In order to promote the sustainable and orderly development of the photovoltaic industry, the local government increased efforts to resolve the arrears of subsidies for photovoltaic power generation in the first half of 2019. It not only expanded the list of subsidy projects, but also started annual larger-scale appropriations to effectively curb the subsidy gap of the National Renewable Energy Fund and promote stock subsidies in place faster.

RESULTS OF OPERATION

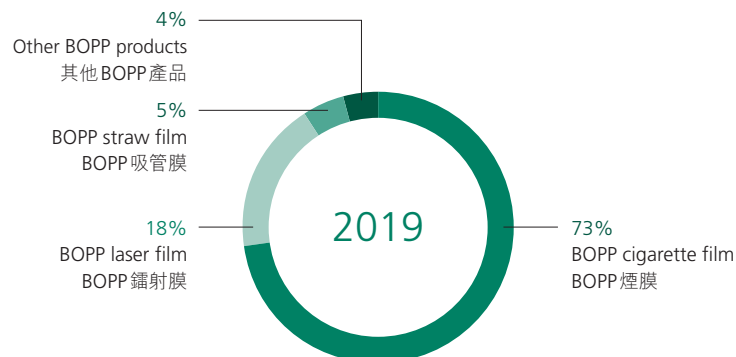
REVENUE

The principal activities of the Group include manufacturing and sales of BOPP films, sales of sub-processing cigarette films, properties development, generation of photovoltaic power and cloud-related business. Our revenue is mainly generated from the sales of goods sold excluding returns, discounts, value added taxes and other sales taxes. During the Year, our revenue decreased by approximately HK\$77.6 million, or approximately 17.1%, from approximately HK\$453.8 million for the year ended 31 December 2018 to approximately HK\$376.2 million. The decrease was mainly due to the decrease in revenue arising from the sales of sub-processing cigarette films. Details can be found as follows:

Manufacturing and sales of BOPP films

The revenue generated from manufacturing and sales of BOPP films decreased by approximately 12.0%, from approximately HK\$342.0 million for the year ended 31 December 2018 to approximately HK\$300.9 million for the Year.

REVENUE - PRODUCT ANALYSIS 收入 - 按產品分析



概覽

與截至2018年12月31日止年度比較，本集團於本年度整體錄得收入減少。

我們的三座光伏發電站平穩運營，全年沒有產生安全事故，該部分產生的收入因2018年6月建成的光伏發電站同比略微提升。為促進光伏行業持續健康有序發展，當地政府於2019年上半年加大光伏發電被拖欠補貼的解決力度，不僅擴大補助目錄項目，還啟動年度更大規模撥付，有效遏制國家可再生能源基金的補貼缺口進一步加大，讓存量補貼將更快到位。

經營業績

收入

本集團的主要業務包括產銷聚丙烯雙向拉伸薄膜、銷售加工香煙薄膜、物業發展、光伏發電及雲業務。我們的收入主要來自貨品銷售，扣除退貨、折扣、增值稅及其他銷售稅。於本年度，我們的收入由截止2018年12月31日止年度約453.8百萬港元減少約77.6百萬港元或約17.1%至約376.2百萬港元。減少主要是由於銷售加工香煙薄膜的收入減少。有關詳情如下：

產銷聚丙烯雙向拉伸薄膜

本集團產銷聚丙烯雙向拉伸薄膜產生的收入由截至2018年12月31日止年度約342.0百萬港元減少約12.0%至本年度約300.9百萬港元。

Management Discussion and Analysis

管理層討論及分析

Sales of sub-processing cigarette films

During the Year, the Group recorded a substantial decrease in revenue generated from the sales of sub-processing cigarette films as compared to the year ended 31 December 2018. The decrease was mainly due to the departure of one of our major customers who contributed approximately HK\$44.2 million revenue for the year ended 31 December 2018. Other customers contributed revenue amounting to approximately HK\$4.8 million for the Year and we will consider to expand relevant products size after more prudent financial analysis.

Properties development

All related properties development revenue was generated from sales of remaining inventory of previous property project, which contributed approximately HK\$8.8 million to the Group for the Year.

Generation of photovoltaic power

For the Year, the Group had three photovoltaic power stations in operation, with a total grid-connected capacity of 40 megawatts ("MW"). Total amount of power generation rose from 48.1 million kwh to 54.7 million kwh. The revenue generated from this segment increased by approximately 9.0%, from approximately HK\$50.2 million for the year ended 31 December 2018 to approximately HK\$54.7 million for the Year.

Cloud-related business

The revenue generated from this segment amounted to approximately HK\$4.3 million for the Year. Revenue in this segment represents service fees receiving from providing services to local government of the PRC.

GROSS PROFIT

Our gross profit decreased by approximately HK\$34.9 million, or approximately 30.3%, from approximately HK\$115.4 million for the year ended 31 December 2018 to approximately HK\$80.5 million for the Year. The decrease is mainly due to the clearance of some of our BOPP films for purpose of avoiding backlog inventory. Our gross profit margin decreased from approximately 25.4% for the year ended 31 December 2018 to approximately 21.4% for the Year.

銷售加工香煙薄膜

於本年度，本集團銷售加工香煙薄膜的收入重大減少。減少主要是由於我們一名主要客戶流失，其在截至2018年12月31日止年度貢獻收入約44.2百萬港元。其他客戶於本年度貢獻收入約4.8百萬港元，我們將在更加謹慎的財務分析後考慮擴大相關產品的規模。

物業發展

於本年度，所有物業發展相關收入均產生自先前物業項目剩餘庫存的銷售，本年度為本集團貢獻約8.8百萬港元收入。

光伏發電

於本年度，本集團擁有一座運營中的光伏電站，總併網發電容量40兆瓦（「兆瓦」）。總發電量由4,810萬度上升至5,470萬度，該部門產生的收入由截至2018年12月31日年度約50.2百萬港元增加約9.0%至本年度約54.7百萬港元。

雲業務

於本年度該分部產生收益約為4.3百萬港元。該分部的收入指向中國當地政府提供服務所收取的服務費。

毛利

我們的毛利由截至2018年12月31日止年度約115.4百萬港元減少約34.9百萬港元或約30.3%至本年度約80.5百萬港元。減少主要是由於我們速銷一批BOPP薄膜，目的是避免庫存積壓。我們的毛利率則由截至2018年12月31日止年度約25.4%下降至本年度約21.4%。

DISTRIBUTION COSTS

Our selling and distribution expenses increased by approximately HK\$4.6 million, or approximately 25.5%, from approximately HK\$18.3 million for the year ended 31 December 2018 to approximately HK\$22.9 million for the Year. The increase was mainly due to the increase in delivery costs, custom duties expenses and entertainment expenses from manufacturing and sales of BOPP films sector for promotion expenses of our BOPP films products..

ADMINISTRATIVE EXPENSES

Our administrative expenses decreased by approximately HK\$13.7 million, or approximately 15.7%, from approximately HK\$87.2 million for the year ended 31 December 2018 to approximately HK\$73.5 million for the Year due to the decrease of salaries resulted from the decrease of the number of staff of the Group.

IMPAIRMENT LOSS

During the Year, the Group recorded impairment loss of approximately HK\$5.0 million in the sales of sub-processing cigarette films and approximately HK\$9.9 million in the cloud-related business sector. The impairment loss represented decrease in value on property, plant, and equipment and goodwill. There is no impairment of intangible assets recorded for the Year.

FINANCE COSTS

The finance costs decreased by approximately HK\$1.0 million from approximately HK\$8.2 million for the year ended 31 December 2018 to approximately HK\$7.2 million for the Year. It was mainly due to decrease of financial interest incurred from bank borrowing.

INCOME TAX

Our income tax decreased from approximately HK\$7.7 million for the year ended 31 December 2018 to approximately HK\$3.8 million for the Year, because of the decrease of gross profit of the Group.

LOSS ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY

As a result of the foregoing factors, the Group recorded a loss attributable to equity shareholders of the Company of approximately HK\$47.9 million for the Year as compared to a loss attributable to equity shareholders of the Company of approximately HK\$26.5 million for the year ended 31 December 2018.

分銷成本

我們的銷售及分銷開支由截至2018年12月31日止年度約18.3百萬港元增加約4.6百萬港元或約25.5%至本年度約22.9百萬港元。該增長主要由於BOPP薄膜的製造和銷售分部產生的運輸成本、關稅支出及招待費用增加，以推廣我們的BOPP薄膜產品。

行政開支

我們的行政費用由截至2018年12月31日止年度約87.2百萬港元減少約13.7百萬港元或約15.7%至本年度約73.5百萬港元，這是由於本集團員工人數減少導致支付薪酬減少。

減值虧損

本年度，本集團於銷售加工香煙薄膜分部及雲業務分部錄得減值虧損分別約5.0百萬港元及約9.9百萬港元。此減值虧損是物業、廠房及設備以及商譽的價值減少所致。本年度並無錄得無形資產減值虧損。

融資成本

本集團的融資成本由截至2018年12月31日止年度約8.2百萬港元減少1.0百萬港元至本年度約7.2百萬港元，主要是銀行借貸產生的借貸利息減少所致。

所得稅

我們的所得稅由截至2018年12月31日止年度約7.7百萬港元減少至本年度約3.8百萬港元，因為本集團於本年度毛利下降。

本公司股東應佔虧損

由於上述因素，本集團於本年度錄得本公司權益股東應佔虧損約47.9百萬港元，而於截至2018年12月31日止年度錄得本公司權益股東應佔虧損約26.5百萬港元。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, the cash and cash equivalent of the Group amounted to approximately HK\$165.4 million (which were denominated in HK\$, RMB and US\$) as compared with approximately HK\$185.4 million as at 31 December 2018, representing a decrease of approximately HK\$20.0 million. Such decrease was mainly due to the Group's net cash inflow of operating activities, net cash inflow of investment activities and net cash outflow of financing activities that amounted to approximately HK\$84.1 million, approximately HK\$4.8 million and approximately HK\$101.4 million respectively. As at 31 December 2019, the Group's current ratio being the rate of total current assets to total current liabilities was 2.5 (2018: 2.1).

BORROWING AND GEARING RATIO

Total interest-bearing borrowings of the Group as at 31 December 2019 amounted to approximately HK\$69.9 million (as at 31 December 2018: approximately HK\$159.6 million) which were denominated in HK\$, RMB and US\$, of which approximately HK\$69.9 million were current interest-bearing borrowings (as at 31 December 2018: HK\$159.6 million) and nil was non-current interest-bearing borrowings (as at 31 December 2018: Nil). The Group's gearing ratio, measured by net debt divided by shareholders' equity at the end of the Year and multiplied by 100%, decreased from -4.2% on 31 December 2018 to -12.4% on 31 December 2019. The decrease in the gearing was primarily due to decrease in bank loan during the Year.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATE

For the Year, the Group was exposed to currency risk primarily through sales and purchases made by the subsidiaries of the Company located in the PRC which gave rise to receivables and payables that were denominated in US\$. Currently, the Group has no hedging policy with respect to the foreign exchange exposure.

As the functional currency for all subsidiaries in the PRC are RMB, these subsidiaries were not exposed to any currency risks due to the exchange rate movement of RMB during the Year. For subsidiaries established outside the PRC, they had no material financial assets and liabilities denominated in RMB. Accordingly, the Group's exposure to RMB risk is insignificant.

CAPITAL EXPENDITURE

During the Year, the Group's total capital expenditure amounted to approximately HK\$4.8 million.

流動資金及財務資源

於2019年12月31日，本集團的現金及現金等值項目約為165.4百萬港元（以港元、人民幣及美元計值），較於2018年12月31日約185.4百萬港元減少約20.0百萬港元。該減少主要由於本集團經營活動的現金流入淨額、投資活動的現金流入淨額及融資活動的現金流出淨額分別約為84.1百萬港元、4.8百萬港元及101.4百萬港元所致。於2019年12月31日，本集團的流動比率（即流動資產總額與流動負債總額的比率）為2.5（2018年：2.1）。

借款及資產負債比率

本集團於截至2019年12月31日的計息借款總額約為69.9百萬港元（於2018年12月31日：約159.6百萬港元）（以港元、人民幣及美元計值），其中約69.9百萬港元為即期計息借款（於2018年12月31日：約159.6百萬港元）及無非即期計息借款（於2018年12月31日：無）。本集團的資產負債比率（以於年末的淨債務除以股東權益再乘以100%計算）由2018年12月31日的-4.2%減少至2019年12月31日的-12.4%。資產負債比率減少主要由於本年度銀行貸款減少。

匯率變動風險

於本年度，本集團主要透過中國的本公司附屬公司進行銷售及採購，從而產生以美元計值的應收款項及應付款項，故面臨外匯風險。本集團目前並無就外匯風險訂立對沖政策。

由於所有中國附屬公司的功能貨幣均為人民幣，故該等附屬公司並不會因年內人民幣匯率變動而面臨任何外匯風險。於中國境外成立的附屬公司並無以人民幣計值的重大金融資產及負債。因此，本集團的人民幣風險並不重大。

資本開支

於本年度，本集團的資本開支總額約為4.8百萬港元。



CHARGE ON ASSETS

As at 31 December 2019, the Group had pledged its lease prepayments, machinery and building that held for its own use with a net book value of approximately HK\$121.8 million (as at 31 December 2018: approximately HK\$124.5 million) and trade receivable approximately HK\$36.9 million (as at 31 December 2018: approximately HK\$37.6 million) for the purpose of securing loans with carrying value of approximately HK\$55.9 million (as at 31 December 2018: approximately HK\$85.4 million).

SUBSEQUENT EVENTS

Save as disclosed above, there is no significant event after the Year and up to the date of this report.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any significant investment, material acquisitions and disposals of subsidiaries, associates and joint ventures during the Year.

CONTINGENT LIABILITIES

As at 31 December 2019, the Group did not have any significant contingent liabilities.

HUMAN RESOURCES

As at 31 December 2019, the Group employed 245 employees (as compared with 317 employees as at 31 December 2018) with total staff cost of approximately HK\$45.4 million for the Year. The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Company has also adopted a pre-IPO share option scheme and a share option scheme to provide incentive or reward to high-calibre employees and attract human resources that are valuable to the Group.

FINAL DIVIDEND

The Board does not recommend payment of any final dividend for the Year (for the year ended 31 December 2018: Nil).

資產抵押

於2019年12月31日，本集團已就賬面值約為55.9百萬港元（於2018年12月31日：約85.4百萬港元）的貸款抵押其賬面淨值約為121.8百萬港元（於2018年12月31日：約124.5百萬港元）的預付租賃款項、機器及持作自用之樓宇以及貿易應收款項約36.9百萬元（於2018年12月31日：約37.6百萬港元）。

期後事項

除上文披露者外，於本年度後至本報告日期，概無發生重大事項。

重大投資、重大收購及出售

本集團於本年度並無任何重大投資、重大收購及出售附屬公司、聯營公司及合營公司。

或然負債

於2019年12月31日，本集團概無任何重大或然負債。

人力資源

於2019年12月31日，本集團僱用約245名僱員（於2018年12月31日約317名僱員），而本年度員工總成本約45.4百萬港元。本集團的薪酬待遇一般參考市場條款及個人表現而制訂。本公司亦已採納首次公開發售前購股權計劃及購股權計劃，以鼓勵或獎賞優秀僱員及吸納對本集團具價值的人力資源。

末期股息

董事會並不建議派付本年度的任何末期股息（截至2018年12月31日止年度：無）。



Management Discussion and Analysis

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PROSPECTS

The trade dispute between China and USA reached preliminary consensus after multiple negotiations in 2019, but the outbreak of COVID-19 since January 2020 has caused a major impact on domestic factories in the PRC. Many factories faced difficulty in resumption of operation, and with the outbreak of foreign epidemics, some export-oriented enterprises will face the secondary impact on order fulfillment. Furthermore, Russia and Saudi Arabia started an oil price war again in March 2020. It is therefore estimated that economic and trade instability should continue in 2020.

In order to ensure the healthy turnover of the Company's cash flow and avoid backlog inventory, a subsidiary of the Group has started to promote some products with low profit margin since 2019. These conditions are expected to decrease in 2020. For all investment and operation projects, we adopt a prudent business model and some relatively stable financial policies to ensure that the Company can operate efficiency under the pressure.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CAPITAL COMMITMENTS

As at 31 December 2019, the Group did not have any capital commitments (as at 31 December 2018: Nil).

前景

中美貿易糾紛於2019年度經過多次協商後達成初步共識，但是2020年1月爆發的新型冠狀病毒對中國國內工廠衝擊較大。很多工廠面臨復工難的現狀，更有部分出口型企業隨著國外疫情的加劇將會面對訂單消受的二次影響。2020年3月份俄羅斯沙特阿拉伯又開始石油價格戰，因此估計經濟及貿易不穩定情況應會於2020年持續。

為了保證公司現金流的健康周轉及避免庫存積壓，本集團的一間附屬公司自2019年促銷了部分毛利率偏低的產品。該等情況預計2020年減少。就所有投資運營項目我們採取謹慎的經營模式及部份相對穩健的財務政策來確保在重壓下公司能有效運營。

財政政策

本集團對財資政策一向採取審慎的財務管理方針，故於整個年度維持穩健的流動資金狀況。本集團致力通過持續對其客戶進行信貸評估及財務狀況評估降低信貸風險。為管控流動性風險，董事會密切監察本集團的流動資金狀況，以確保本集團資產、負債及其他承擔的流動性結構可不時滿足其資金需求。

資本承擔

於2019年12月31日，本集團並無任何資本承擔（於2018年12月31日：無）。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

Sheen Tai Holdings Group Company Limited (referred to as the “Group” or “we”) is a cigarette packaging material manufacturer and supplier in Mainland China with a leading position in Jiangsu Province. It focuses on developing the businesses of photovoltaic power and manufacturing of cigarette packing material. The principal facilities are located in the People’s Republic of China (the “PRC”).

This report summarises several subjects of the Group’s business practices for the Environmental, Social and Governance (referred to as the “ESG”) report (referred to as the “Report”) and its relevant implemented policies and strategies in relation to the Group’s operational practices and environmental protection. For information regarding corporate governance, please refer to the “Corporate Governance Report” in the annual report 2019.

The Report covers the period from 1 January 2019 to 31 December 2019 (the “Reporting Year” or “2019”).

Reporting Framework

The Report has been prepared with reference to the ESG reporting guide set out in Appendix 27 to the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited (the “SEHK”).

Reporting Scope

The Report content covers the Group’s ESG policies and measures, and compliance of the major subsidiaries which include Qingdao Ener Packaging Technology and Jiangsu Sheen Colour Science Technology located in the PRC.

Comments and Feedback

We make every effort to ensure consistency between the Chinese and English versions of this Report. However, in the event of any inconsistency, the English version shall prevail.

The progress of the Group depends in part on valuable comments from stakeholders. For any clarifications or advice regarding the content of this ESG Report, please forward your comments and suggestions to investorrelations@sheentai.com.

關於本報告

順泰控股集團有限公司(下稱「本集團」或我們)為中國內地一家香煙包裝製造商及供應商，在江蘇省擁有領導地位，專注於發展光伏發電及香煙包裝材料製造業務。主要設施位於中華人民共和國(「中國」)。

本報告概述本集團環境、社會及管治報告(下稱「本報告」)業務常規的若干主題，以及本集團就經營手法和環境保護實施的相關政策及策略。有關企業管治的資料，請參閱2019年報的「企業管治報告」。

本報告涵蓋2019年1月1日至2019年12月31日期間(「報告年度」或「2019年」)。

報告框架

本報告乃根據香港聯合交易所有限公司(「聯交所」)主板上市規則附錄二十七所載環境、社會及管治報告指引編製。

報告範圍

本報告內容涵蓋本集團的環境、社會及管治政策及措施，以及主要附屬公司(包括位於中國的青島英諾包裝科技及江蘇金格潤科技)的遵守情況。

意見及反饋

我們盡力確保本報告中英文版本內容一致。然而，兩者如有歧異，概以英文本為準。

本集團的進步某程度上依賴持份者的寶貴意見。如對本環境、社會及管治報告有任何澄清或建議，請將閣下的意見及建議轉交 investorrelations@sheentai.com。

APPROACH TO SUSTAINABILITY

Business longevity shall only be granted to those who look beyond short-term gains and consider the external impacts they have on the economy, society, and environment.

Stakeholder Engagement

The Group believes that identifying and addressing stakeholder views lay a solid foundation to the long-term growth and success of the Group. The Group engages with a wide network of stakeholders, including employees, customers, suppliers, shareholders, government and community.



The Group develops multiple engagement channels that provide opportunities for stakeholders to express their views on the Group's general business conduct and sustainability management. The engagement channels are summarised in the following table. To reinforce mutual trust and respect, the Group is committed to maintaining effective communication channels with stakeholders in both formal and informal ways. This can enable the Group to better shape its business strategies in order to respond to their needs and expectations, anticipate risks and strengthen key relationships.

可持續發展方針

不追求短期利益，並考慮對經濟、社會及環境的外部影響，才能基業長青。

持份者溝通

本集團相信，識別及回應持份者意見可為本集團的長期發展和成功奠定堅實基礎。本集團與廣大的持份者網絡溝通，包括僱員、客戶、供應商、股東、政府及社區。

本集團發展多種溝通渠道，讓持份者有機會對本集團一般業務經營和可持續發展管理表達意見。溝通渠道於下表概述。為加強互相信任和尊重，本集團致力維持與持份者的正式及非正式溝通渠道。這可讓本集團更好地制定業務策略，以回應其需要及期望、預測風險及加強重要關係。

Stakeholders 持份者	Engagement channels 溝通渠道	Topics of interest/concern 關注／關切主題
Shareholders 股東	<ul style="list-style-type: none"> • General meetings • 股東大會 • Regular corporate publications including financial reports and ESG report • 定期企業出版物，包括財務報告及環境、社會及管治報告 • Circulars and announcements • 通函及公告 • Direct enquiries • 直接查詢 • Corporate website • 公司網站 	<ul style="list-style-type: none"> • Business strategies and sustainability • 業務策略及可持續發展 • Financial performance • 財務業績 • Corporate governance • 企業管治
Employees 僱員	<ul style="list-style-type: none"> • Performance appraisals • 表現評估 • Training sessions • 培訓課程 • Social media • 社交媒體 	<ul style="list-style-type: none"> • Training and development • 培訓及發展 • Employee remuneration and welfare • 僱員薪酬及福利 • Occupational health and safety • 職業健康及安全 • Equal opportunities • 平等機會
Customers 客戶	<ul style="list-style-type: none"> • Business meetings • 業務會議 • Complaint and feedback channels • 投訴及反饋渠道 • Social media • 社交媒體 • Corporate website • 公司網站 	<ul style="list-style-type: none"> • Products and service quality and reliability • 產品與服務質量及可靠性 • Client data security • 客戶數據安全 • Business ethics • 商業道德
Suppliers 供應商	<ul style="list-style-type: none"> • Business meetings • 業務會議 • Supplier assessment • 供應商評估 • Continuous direct communication • 持續直接溝通 	<ul style="list-style-type: none"> • Fair competition • 公平競爭 • Business ethics • 商業道德
Government 政府	<ul style="list-style-type: none"> • Statutory filings and notification • 法定備案及通知 • Regulatory or voluntary disclosures • 監管或自願披露 	<ul style="list-style-type: none"> • Compliance with law and regulations • 遵紀守法 • Business strategies and sustainability • 業務策略及可持續發展 • Environmental protection • 環境保護
Community 社區	<ul style="list-style-type: none"> • Community activities • 社區活動 • Corporate donations • 企業捐贈 • Corporate website • 公司網站 • Social media • 社交媒體 	<ul style="list-style-type: none"> • Fair employment opportunities • 公平就業機會 • Environmental protection • 環境保護

ENVIRONMENTAL RESPONSIBILITY

Environmental sustainability is a key part of the Group's social responsibility effort. Guided by our Corporate Social Responsibility Policy, we work to manage our direct and indirect impacts to the environment through mitigating our own footprint and advocating green finance.

The Group is committed to providing quality products to clients in a clean and sustainable manner. Our activities typically engage in the processes of manufacturing and printing films, such as ejection and stretching, coarse slitting, fine slitting and printing. Environmental impacts of facilities are managed by the management systems of each respective subsidiary. The system ensures strict environmental compliance, as well as continual improvement towards cleaner practices. Periodic system reviews are conducted to ensure its effectiveness.

Aspect A1: Emissions and waste generated

The Group implements robust systems to ensure all discharges to air, water and land are compliant with regulatory standards. The Group has mainly focus on environmental protection and pollutant emission during production and operation. By establishing a management system in accordance with the national laws and regulations, the Group constantly monitor and review the emission performance during production. The Group will make every effort on clean production, energy-saving, consumption reduction, pollution reduction and efficiency improvement, aims to minimise the impact and safeguard of the ecosystem.

During the Reporting Year, the Group has encountered no incident of non-compliance with all applicable laws and regulations related to air emissions, effluent discharges, noise emissions, greenhouse gases, waste at all operating regions. Major laws and regulations applicable are detailed in respective sections.

Air emissions

The Group's air emissions are mainly released from the vehicle usage and production processes. Company fleet and machinery undergoes regular maintenance which ensures fuel efficiency, thereby reducing emissions. Production processes at the PRC facility are the main source of air emissions, such as VOCs.

環境責任

環境可持續性是本集團社會責任工作的重要組成部分。在我們的企業社會責任政策的指導下，我們通過減少自身的足跡和倡導綠色金融來努力管理我們對環境的直接和間接影響。

本集團致力於以潔淨及可持續的方式為客戶提供優質產品。我們的活動一般涉及薄膜製造及印刷流程，例如擠出拉伸、大分切、小分切及印刷。設施的環境影響由各附屬公司的管理制度管理。有關制度可確保嚴格遵守環境法規，以及持續改進以實現更潔淨的做法，並且會定期檢討以確保其成效。

層面 A1：排放物及所產生廢棄物

本集團實施周全制度，確保所有空氣、水及土地排放物均符合監管標準。本集團積極關注集團在生產及營運上的環境保護及污染物排放。因此我們跟據國家法律法規，制定了一套環境管理系統，不斷監測及檢討生產過程中的排放表現。本集團將在潔淨生產、節省能源、減少消耗、減少污染及提高營運效率等各方面繼續努力，務求將生產經營過程中對生態系統造成的影響降至最低。

於報告年度內，本集團各營運地區均無出現違反關於廢氣排放、污水排放、噪音排放、溫室氣體及廢棄物的適用法律法規的事件。主要適用法律法規於相關章節詳述。

廢氣排放

本集團的廢氣排放主要來自車輛使用及生產流程。公司車隊及機器會定期保養，確保燃料效率從而減少排放物。中國設施的生產流程為揮發性有機化合物等廢氣排放的主要來源。

The major applicable laws and regulations related to control of air emissions include, but are not limited to, the Atmospheric Pollution Prevention and Control Law of the PRC. In addition to keeping air emission levels meeting statutory requirements, the Group commits to curbing air pollutants further.

During the Reporting Year under review, the Group's air emissions of Sulphur Oxides (SO_x), Nitrogen Oxides (NO_x), and Particulate Matter (PM) released from vehicle exhaust were recorded. The Group released 31.03 kg, 0.71 kg and 2.28 kg of Nitrogen Oxides, Sulphur Oxides, and Particulate Matter in 2019 respectively. The Group's production processes released 4.04 tonnes of Volatile Organic Compounds in 2019.

有關廢氣排放防治的主要適用法律法規包括但不限於《中國大氣污染防治法》。除了確保廢氣排放水平符合法定要求外，本集團致力進一步減少空氣污染物。

於回顧報告年度內，本集團記錄了汽車排氣所釋放的硫氧化物(SO_x)、氮氧化物(NO_x)及顆粒物(PM)等廢氣排放。於2019年，本集團分別排放了31.03公斤、0.71公斤及2.28公斤的氮氧化物、硫氧化物及顆粒物，本集團的生產流程排放了4.04噸揮發性有機化合物。

Air emissions
廢氣排放

Unit 單位	2019 2019年	
Nitrogen Oxides (NO _x) 氮氧化物(NO _x)	kg 公斤	31.03
Sulphur Oxides (SO _x) 硫氧化物(SO _x)	kg 公斤	0.71
Particulate Matter (PM) 顆粒物(PM)	kg 公斤	2.28
Volatile Organic Compounds (VOC) 揮發性有機化合物(VOC)	tonne 噸	4.04

Effluent discharges

The waste water from production processes results in effluent discharges require treatment. Each facility ensures its proper handling, either by qualified subcontractors or on-site processing prior to discharge to municipal sewers. Processing records from subcontractors will then be retained by the Group. Our facilities also generate domestic wastewater that will be monitored prior to discharge. Periodic monitoring and testing a comprehensive list of parameters ensure regulatory compliance and no adverse environmental impacts of effluent discharges. The major applicable laws and regulations related to control of effluent discharges include, but are not limited to, the PRC Law on the Prevention and Control of Water Pollution. During the Reporting Year under review, the Group released a total amount of 463 cubic metre of wastewater.

污水排放

來自生產流程的廢水會產生需要處理的污水排放。各設施確保污水由合格分包商或在現場適當處理後排入市政渠道。隨後本集團會向分包商索取處理記錄。我們的設施也會產生生活污水，經過監測然後排放。定期監測和檢測全面的參數可確保污水排放符合法規，不產生負面環境影響。有關污水排放防治的主要適用法律法規包括但不限於《中國水污染防治法》。於回顧報告年度內，本集團共排放了463立方米污水。

Effluent discharge
污水排放

Unit 單位	2019 2019年	
Amount of wastewater discharged 污水排放量	cubic metre 立方米	463

Noise emissions

The Group's activities are minor sources of noise emissions, which include mechanical noise from the use of machinery and equipment, as well as aerodynamic noise from transportation vehicles. Regular maintenance of machinery and pre-startup inspections ensure noise levels are kept within regulatory limits. Operational hours are always conducted within stipulated time frames under regulations. Adherence to strict procedures ensures these hazards are managed effectively. Regular monitoring of noise emission levels ensures operations are compliant to regulatory levels. All equipment used meets noise-related specifications and employees use personal protective equipment that mitigates against noise hazards.

The major applicable laws and regulations related to control of noise emissions include, but are not limited to, the PRC Law on Prevention and Control of Environmental Noise Pollution. Noise assessments are conducted to determine the impact of noise emissions on the local community.

Greenhouse gas emissions and climate change mitigation

To implement an effective approach to climate change mitigation, it is important to have a comprehensive understanding of the carbon emission sources of the Group. The Group's carbon footprint is primarily due to electricity usage, accounted under Scope II emissions. During the Reporting Year under review, the Group generated a total of 15,678.40 tonnes of carbon dioxide equivalent (tCO₂e) of greenhouse gases (Scope I and II), resulting in a carbon intensity of 0.29 tCO₂e per square meter gross floor area.

GHG Emissions in 2019

噪音排放

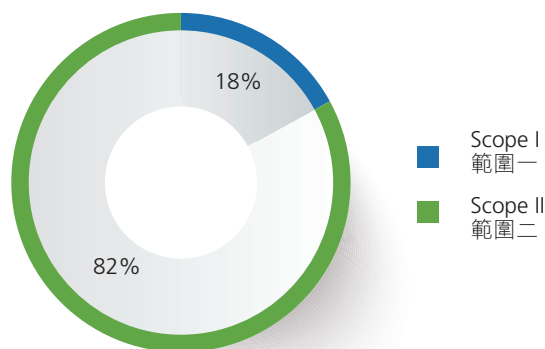
本集團的活動為輕微的噪音排放源，包括使用機器及設備的機械噪音，以及運輸車輛的氣動噪音。機器定期保養和啟動前檢查可確保噪音水平保持在監管限度內。運作時段始終處於法規訂明的時間內。堅持嚴格的程序可確保有效管理該等危害。定期監測噪音排放水平可確保營運符合監管水平。使用的所有設備均符合噪音相關規格，僱員會使用減輕噪音危害的個人防護裝備。

有關噪音排放防治的主要適用法律法規包括但不限於《中華人民共和國噪聲污染防治法》。進行噪音評估以釐定噪音排放對本地社區的影響。

溫室氣體排放及氣候變化減緩

為實施有效的氣候變化減緩方針，必須全面了解本集團的碳排放來源。本集團的碳足跡主要來自用電（於範圍二排放）。於回顧報告年度內，本集團共產生15,678.40噸二氧化碳當量（噸二氧化碳當量）的溫室氣體（範圍一及二），碳密度為每平方米建築面積0.29噸二氧化碳當量。

2019年溫室氣體排放



Greenhouse gas emissions 溫室氣體排放	Unit 單位	2019 2019年
Scope I (Direct Emissions) 範圍一(直接排放)	tCO ₂ e 噸二氧化碳當量	2,779.2
Stationary combustion 固定燃燒	tCO ₂ e 噸二氧化碳當量	2,651.0
Mobile combustion 流動燃燒	tCO ₂ e 噸二氧化碳當量	128.2
Scope II (Indirect Emissions) 範圍二(間接排放)	tCO ₂ e 噸二氧化碳當量	12,899.2
Electricity purchased 購電	tCO ₂ e 噸二氧化碳當量	12,899.2
Total (Scope I and II) 合計(範圍一及二)	tCO ₂ e 噸二氧化碳當量	15,678.4
Carbon intensity (Scope I and II) 碳密度(範圍一及二)	tCO ₂ e per m ² gross floor area 每平方米建築面積噸二氧化碳當量	0.29

The Group is committed to reducing our carbon footprint. Scope I and II emissions are addressed through our energy reduction initiatives (See Section: A2 Energy). Furthermore, we employ the following measures to minimise the emissions.

- The Group encourages the use of video conferencing or emails for communication as far as possible to minimise the carbon footprint from overseas business trips.
- We make every effort to reduce waste generation and raise recycling rates to lessen GHG releases from landfill decomposition.

Hazardous waste management

All collected hazardous waste, mainly the waste engine oil, is transported and treated by authorised contractors who possess qualifications to handle hazardous waste. The Company will often check the amount of disposed waste with the contractors reports for consistency to ensure all matter is entirely disposed of in the most appropriate manner. All hazardous waste is stored at designated storage points that are leak-proof and rain-proof. At each stage, the Company has established clear protocols to ensure all hazardous matter is handled and stored in a safe and secure manner. Any incident of spillage or leakage will be handled under proper protocol and will be documented.

The major applicable laws and regulations related to control of hazardous waste include, but are not limited to, the PRC Law on Prevention and Control of Environmental Pollution from Solid Wastes. To embody sustainable development principles, we aim to explore opportunities to replace raw materials, equipment and production techniques that are highly hazardous to the environment with less hazardous alternatives. We segregate our hazardous waste to ensure those recyclable are recycled, such as toner cartridges that are returned to suppliers for recycling.

本集團致力減小我們的碳足跡。範圍一及二排放透過節能計劃(見A2能源)處理。另外,我們採取下列措施減少排放。

- 本集團鼓勵盡量使用視像會議或電郵溝通,以減少海外商務旅行的碳足跡。
- 我們竭盡所能減少廢棄物產生及提高循環再用率,以減少堆填分解排放的溫室氣體。

有害廢棄物管理

所有已收集的有害廢棄物(主要為廢棄發動機油)均由具備有害廢棄物處理資格的授權承包商運輸及處理。本公司之後會核對處置廢棄物數量是否與承包商報告一致,以確保所有廢棄物均以最適當的方式得到處置。而所有有害廢棄物均存儲在防漏防雨的指定存放點。在每個階段,公司制定明確規程,確保所有有害物質以安全的方式處理和存儲。任何溢出或洩漏事故將根據適當規程處理並記錄在案。

有關有害廢棄物防治的主要適用法律法規包括但不限於《中華人民共和國固體廢物污染環境防治法》。為落實可持續發展原則,我們努力探索機會,將對環境危害較大的原材料、設備及生產技術替換為危害較小者。我們會隔離有害廢棄物,確保可循環再用廢物得到循環再用,例如交回供應商循環再用的墨盒。

Environmental, Social and Governance Report

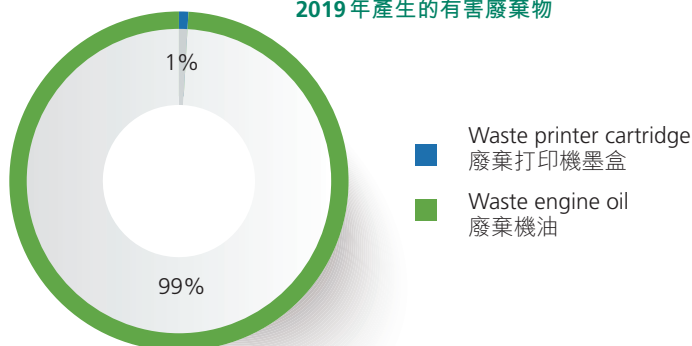
環境·社會及管治報告

During the Reporting Year under review, the Group generated a total of 2,679 kg of hazardous waste, resulting in a hazardous waste intensity of 0.05 kg per square meter gross floor area.

於回顧報告年度內，本集團共產生2,679公斤有害廢棄物，有害廢棄物密度為每平方米建築面積0.05公斤。

Hazardous waste generated in 2019

2019年產生的有害廢棄物



Hazardous waste 有害廢棄物

Unit 單位

2019 2019年

Waste printer cartridge
廢棄打印機墨盒

kg
公斤

24

Waste engine oil
廢棄機油

kg
公斤

2,655

Total hazardous waste generated
所產生有害廢棄物總量

kg
公斤

2,679

Hazardous waste intensity
有害廢棄物密度

kg per m²
gross floor area
公斤每平方米建築面積

0.05

Non-hazardous waste management

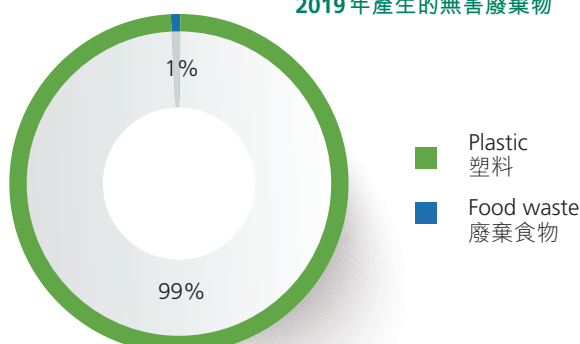
The typical non-hazardous waste generated by the Group's facilities includes plastic and food waste. The majority of waste is disposed as recycle by qualified contractors. As waste reduction more often incurs less environmental impacts compared to waste recycling, we strive to place greater emphasis on the reduction of waste generated than reusing and recycling of waste.

無害廢棄物管理

本集團設施產生的一般無害廢棄物包括塑料及廢棄食物。大部分廢棄物由合格承包商回收處置。鑒於減少廢棄物產生的環境影響通常小於循環再用廢棄物，與循環再用廢棄物相比，我們致力更加注重減少產生廢棄物。

Non-hazardous waste generated in 2019

2019年產生的無害廢棄物



Plastic
塑料

Food waste
廢棄食物

The major applicable laws and regulations related to control of non-hazardous waste include, but are not limited to, the PRC Law on Prevention and Control of Environmental Pollution from Solid Wastes. Seeking to contribute to the closed-loop economy, we employ the following measures and initiatives to reduce the generation of non-hazardous waste, and raise recycling rates.

- We organise and maintain waste separation systems and recycling bins for collecting materials. Smart printing modes are also available for staff as well.
- We monitor and evaluate the usage of material to avoid overstock, as well as strengthen production inspection all through production processes to reduce and avoid rework.

During the Reporting Year under review, the Group generated a total of 20,120 kg of non-hazardous waste, resulting in a non-hazardous waste intensity of 0.37 kg per square meter gross floor area.

有關無害廢棄物防治的主要適用法律法規包括但不限於《中華人民共和國固體廢物污染環境防治法》。為向閉環經濟做出貢獻，我們採下列措施及倡議減少產生無害廢棄物及提升循環再用率。

- 我們組織和維護廢棄物分離系統及用於收集材料的回收箱。智能印刷模式也可供職員使用。
- 我們監測及評估材料用量，以免庫存過多，同時加強整個生產流程的生產檢查以減少和避免重造。

於回顧報告年度內，本集團共產生20,120公斤無害廢棄物，無害廢棄物密度為每平方米建築面積0.37公斤。

Non-hazardous waste 無害廢棄物	Unit 單位	2019 2019年
Landfill ⁽¹⁾ 堆填 ⁽¹⁾	kg 公斤	0
Recycled 循環再用	kg 公斤	20,120
Total non-hazardous waste generated 所產生無害廢棄物總量	kg 公斤	20,120
Non-hazardous waste intensity 無害廢棄物密度	kg per m ² gross floor area 每平方米建築面積公斤	0.37

Note (1): No data is available in this Reporting Year, as we are in the process of establishing data collection systems for the non-hazardous waste that sent to landfills.

附註(1)：本報告年度無可用數據，因為我們正制定送往堆填無害廢棄物的數據收集制度。

Aspect A2: Use of resources

The Group is committed to continually monitoring and improving resource efficiency as an integral part of business strategy and operating methods, as well as complying with relevant government policies and environmental legislations. During the Reporting Year, the Group has encountered no incident of non-compliance with all applicable laws and regulations related to the use of energy and water resources at all operating regions. Major laws and regulations applicable are detailed in respective sections.

層面 A2：資源使用

作為業務策略及營運方式的一環，本集團致力持續監測及改善能效，以及遵守相關政府政策及環境法例。於報告年度內，本集團各營運地區均無出現違反關於能源及水資源使用的適用法律法規的事件。主要適用法律法規於相關章節詳述。

Environmental, Social and Governance Report

環境·社會及管治報告

Energy

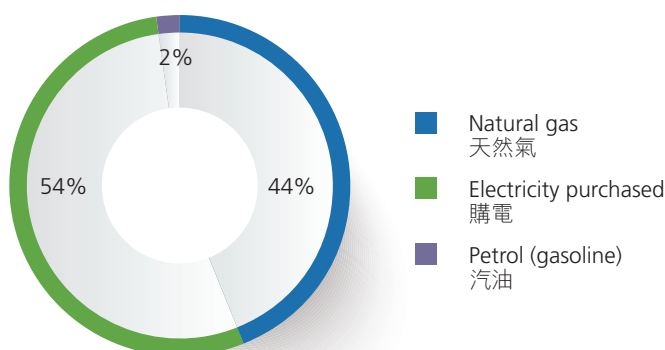
The Group's energy profile consists of the petrol from the use of vehicles and the use of electricity and natural gas for facility operations. Electricity use fuels the majority of our operations, accounted for 54% of total energy consumption in 2019. During the Reporting Year under review, the Group consumed 48,697 GJ and 57,715 GJ of direct and indirect energy respectively, resulting a total energy intensity of 1.97 GJ per square meter gross floor area.

Energy consumption in 2019

能源

本集團的能源狀況包括使用車輛產生的汽油與使用電力及天然氣營運設施。我們大部分業務均須用電，2019年用電佔總能耗的54%。於回顧報告年度內，本集團分別消耗48,697千兆焦耳及57,715千兆焦耳直接及間接能量，總能源密度為每平方米建築面積1.97千兆焦耳。

2019年能耗



Energy consumption 能耗

Unit 單位

2019
2019年

Direct

直接

GJ

48,697

千兆焦耳

Natural gas

天然氣

GJ

47,116

千兆焦耳

Petrol (gasoline)

汽油

GJ

1,581

千兆焦耳

Indirect

間接

GJ

57,715

千兆焦耳

Electricity purchased

購電

GJ

57,715

千兆焦耳

Total (Direct and Indirect)

合計(直接及間接)

GJ

106,412

千兆焦耳

Energy intensity

能源密度

GJ per m²

1.97

gross floor area

每平方米建築面積千兆焦耳

The major applicable laws and regulations related to energy use include, but are not limited to, the PRC Law on Energy Conservation. The Group is committed to minimising fuel and electricity consumption through the following initiatives.

有關能源使用的主要適用法律法規包括但不限於《中華人民共和國節約能源法》。本集團致力通過下列舉措減少燃料和電力消耗。

- We have installed energy-efficient LED lighting and cooling systems in production areas. We have replaced computer equipment, servers, and monitors with energy-efficient models, and minimise energy usage through the utilization of power-saving modes.

- 我們在生產區域安裝了節能LED照明及冷卻系統。我們將電腦設備、伺服器及顯示器替換為節能型號，並使用節能模式減少能源使用量。

Water resources

Production processes as well as general amenities make use of water. At the Group, our facilities withdraw water majorly from municipal supplies. We have not encountered any issues in sourcing water that is fit for purpose. However, water resources should not be taken for granted and conserved to ensure a sustainable future.

水資源

生產流程及一般設施均須用水。本集團的設施主要抽取市政供水。我們在求取適用水源上並無任何問題。然而，不應將水資源視為理所當然，要節約用水以保障可持續發展的未來。

The major applicable laws and regulations related to water use include, but are not limited to, the Water Law of PRC. The Group practices the following initiatives to curtail our water consumption.

有關用水的主要適用法律法規包括但不限於《中華人民共和國水法》。本集團踐行下列倡議以減少耗水。

- As part of our general maintenance programme, we regularly check piping and taps for leakages and damage, and ensure their prompt repair. We monitor water readings at regular intervals when no water is being used to ensure against hidden water leakages.
- We give priority to water-saving products, such as the adoption of low or dual flush toilets, and low-flow faucets or water outlets. This is carried out in tandem to the promotion of water-saving habits throughout premises.

- 作為一般保養計劃的一部分，我們定期檢查管道和水龍頭是否漏水和損壞，確保盡快得到維修。我們在不用水時定期監測水錶讀數，確保不存在漏水隱患。
- 我們優先選用節水產品，例如低或雙重抽水馬桶以及低流量水龍頭或出水口，同時在所有物業推廣節水習慣。

During the Reporting Year under review, the Group consumed a total of 49,016 cubic metre of water, resulting in a water intensity of 0.91 cubic metre per square meter gross floor area.

於回顧報告年度內，本集團共消耗49,016立方米水，耗水密度為每平方米建築面積0.91立方米。

Water consumption

耗水

Unit

單位

2019

2019年

Total water consumption

總耗水量

cubic metre

立方米

49,016

Water consumption intensity

耗水密度

cubic metre per m² gross floor area

每平方米建築面積立方米

0.91

Aspect A3: The environment and natural resources

The Group strives to build an eco-conscious culture that ingrains positive lifestyles and habits among employees. For corporate social activities and other events, low-carbon dietary choices and products from social enterprises are prioritised. Waste reduction plans are rolled out for larger-scale events.

層面 A3：環境及天然資源

本集團致力建設生態意識文化，使僱員養成良好的生活方式和習慣。對於企業社會活動及其他活動，會優先選用社會企業的低碳食物及產品，並對大型活動推行減廢計劃。

SOCIAL RESPONSIBILITY

The Group ingrains social responsibility into all aspects of its operations. Maintaining honest and authentic dialogue with staff, the Group seeks to address their needs and views that ensure our conduct is responsible at all times. We commit to offering a fair and safe workplace with staff development opportunities. Furthermore, the Group commits to the delivery of quality products grounded on ethical business conduct and supply chain management, as well as to meaningful engagements with the community.

Aspect B1: Employment

The Group employed 245 employees as at the end of the Reporting Year, of which 179 and 66 are male and female staff respectively. The Group employed 245 full-time with the majority of staff in the age range of under 50 years old. In terms of the workforce by region, approximately 68% of the Group's employees were located in Qingdao, with the remaining staff located in other regions of the PRC.

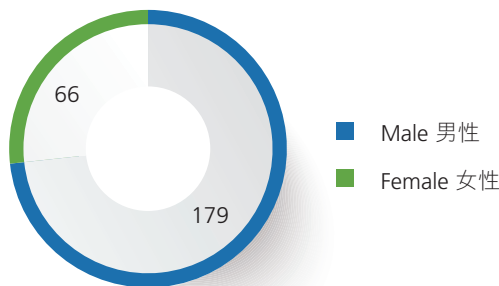
社會責任

本集團將社會責任融入其經營的各個方面。本集團與員工保持真誠對話，務求回應他們的需求及意見，確保我們的行為始終負責任。我們致力提供公平安全的工作環境，讓員工獲得發展機會。此外，本集團立足於符合道德的商業操守及供應鏈管理提供優質產品，以及與社區進行有意義的溝通。

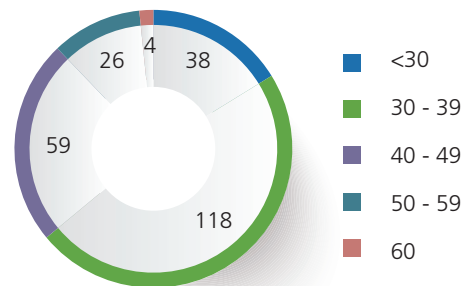
層面 B1：僱傭

於報告年度末，本集團僱有 245 名僱員，其中男性及女性分別為 179 人及 66 人。本集團有 245 名全職員工，大部分員工年齡為 50 歲以下。如按地區劃分僱員總數，本集團約 68% 的僱員位於青島，其餘位於中國其他地區。

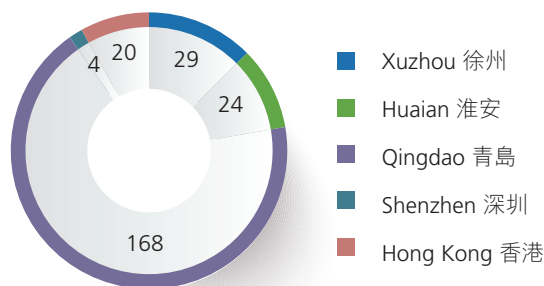
Workforce by gender in 2019
按性別劃分 2019 年僱員總數



Workforce by age group in 2019
按年齡組別劃分 2019 年僱員總數



Workforce by region in 2019
按地區劃分 2019 年僱員總數



Based on the principles of fairness and equality, the Group's human resources policies adhere to relevant labour laws, regulations and industry practices, covering areas such as compensation, dismissal, promotion, working hours, recruitment, rest periods, diversity and other benefits and welfare. During the Reporting Year, the Group has encountered no incident of non-compliance with all major applicable laws and regulations related to employment at all operating regions. Major laws and regulations applicable include, but are not limited to the Labour Law of the PRC.

Remuneration and welfare

Employees of the Group are remunerated at a competitive level and are rewarded according to their performance and experience. The Group's human resources policies outline the terms and conditions of employment, expectations for employees' conduct and behaviors, and employees' rights and benefits. The remuneration package of employees may include incentive schemes, discretionary bonuses and/or over-time payments, in addition to salaries. Any applicable restrictions on wage deduction are stated transparently in the human resources policies. The promotion and remuneration of the Group's employees are subject to periodic review.

Recruitment and promotion

The human resources department of each respective subsidiary conducts a comprehensive recruitment review process based on pre-determined job function requirements. The Group's recruitment and promotion process are carried out in a fair and open manner for all employees; employees are recognised and rewarded by their contribution, work performance and skills, and outcomes will not be affected by any discrimination on the grounds of age, sex, marital status, family status, race, disability, nationality, religion, political affiliation and sexual orientation and other factors. In the case of dismissal, adherence to the Group's human resources policies ensures the entire procedure is compliant with statutory requirements.

Anti-discrimination and diversity

We embrace inclusive employment that builds a respectful workplace. The Group is an equal opportunity employer and does not discriminate on the basis of age, sex, marital status, family status, race, disability, nationality, religion, political affiliation and sexual orientation. Personnel staff, line manager and all other employees who may be involved in staff recruitment receive training in non-discriminatory practices. We promote a harmonious and respectful workplace for all. With the aim to ensure fair and equal protection for all employees, the Group has zero-tolerance for sexual harassment or other forms of abuse in the workplace in any form, which is a violation of the labour laws.

本集團人力資源政策基於公平及平等原則，遵守相關勞動法律、法規及行業慣例，涵蓋薪酬、解僱、晉升、工時、招聘、假期、多元化及其他福利和福祉等方面。於報告年度內，本集團各營運地區均無出現違反關於僱傭的主要適用法律法規的事件。主要適用法律法規包括但不限於《中華人民共和國勞動合同法》。

薪酬及福利

本集團僱員可根據其表現及經驗獲得具競爭力的薪酬。本集團人力資源政策載列僱傭條款及條件、對僱員操守及行為的期望以及僱員的權利及福利。除薪金外，僱員薪酬方案包括激勵計劃、酌情花紅及／或加班費。工資扣減的任何適用限制均清晰載於人力資源政策。本集團會定期檢討僱員的晉升及薪酬。

招聘及晉升

各附屬公司的人力資源部門會根據預先設定的崗位職能要求進行全面的招聘檢討流程。本集團以公平公開方式對全體僱員執行招聘及晉升流程；僱員根據貢獻、工作表現及技能獲得認可及獎勵，結果不會因年齡、性別、婚姻狀態、家庭狀態、種族、傷殘、國籍、宗教、政治背景、性取向及其他因素的任何歧視而受影響。如發生解僱，將遵循本集團人力資源政策以確保整個程序符合法定要求。

反對歧視以及多元化

我們擁護就業的包容性，建立互相尊重的工作場所。本集團是平等機會的僱主，不會因年齡、性別、婚姻狀態、家庭狀態、種族、傷殘、國籍、宗教、政治背景、性取向及其他因素而有歧視。人事職員、直屬經理及所有其他可能參與員工招聘的僱員均接受非歧視實踐的培訓。我們為全體僱員推廣和諧及互相尊重的工作場所。為確保所有僱員獲得公正平等的保障，本集團絕不容忍工作場所內出現任何形式的性騷擾或其他形式的欺凌，此等行為屬違反勞動法。

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Employee communications

The Group's policies and procedures included in staff handbooks are reviewed and updated regularly. The Group discourages and disallows any behavior that violates the regulations in staff handbooks. Offenders will receive a warning, and the Group has the right to terminate the employment contract with offenders for any serious violations. The Group's staff grievance mechanism provides confidential channels by which staff may report suspected cases of rights infringement, which are then handled according to formal procedures.

Work-life balance

We seek to cultivate a culture of healthy work-life balance. The working hours management policy ensures no excessive working hours. The Group, subject to the human resources policies of respective subsidiary, assists staff to balance commitments outside of work. Regular reviews are held to refine and improve work-life balance arrangements. To encourage social bonding in the workplace, the Group arranged recreational events during the Reporting Year, such as staff leisure activities that promote cohesive bonding among employees.

僱員溝通

員工手冊所載的本集團各項政策及程序會定期檢討及更新。本集團勸阻及禁止任何違反員工手冊規定的行為。違者將收到警告，且本集團有權終止嚴重違規員工的僱傭合約。本集團的員工投訴機制提供保密渠道，讓員工可以舉報涉嫌侵權個案，而有關個案會根據正式程序處理。

工作生活平衡

我們力求培養工作與生活平衡的健康文化。工時管理政策確保避免工時過長。本集團根據各附屬公司人力資源政策，協助員工平衡工作以外的承擔，定期檢討以優化改善工作生活平衡安排。為鼓勵工作場所的社交聯繫，本集團於報告年度內安排各類休閒活動，例如員工消閒活動，促進僱員之間的凝聚力。



During the Reporting Year under review, the Group-wide employee turnover rate was 33.3%. In terms of gender category, the male and female turnover rate were 35.0% and 28.9% respectively.

於回顧報告年度內，本集團整體僱員流失率為33.3%。按性別劃分，男性及女性流失率分別為35.0%及28.9%。

Turnover rate

流失率

Unit

單位

2019

2019年

Group-wide

本集團

%

33.3

By Gender

按性別

Male

男性

%

35.0

Female

女性

%

28.9

Aspect B2: Workplace health and safety

The Group is committed to creating and maintaining a workplace that minimises safety risk and maximises the health and welfare of our employees. It is of paramount importance to ensure a safe and healthy workplace for our employees. The Group's "Guidelines on Occupational Safety and Health" was established to inform employees the potential health and safety hazards in the workplace, and the corresponding preventative measures. During the Reporting Year, the Group has encountered no incident of non-compliance with all applicable laws and regulations related to occupational health and safety at all operating regions. Major laws and regulations applicable include, but are not limited to, the PRC Law on Work Safety.

The Group spares no effort to safeguard the safety of our employees and the workplace. We adopt the best practices through the following safety policies and procedures.

- All safety management system responsibilities and accountabilities are identified and allocated. We conduct safety risk assessments that identify and control work hazards within the prescribed hierarchy of control, and residual risk evaluation within the guidelines. We take a prevention-orientation approach where on-site inspections are conducted frequently to rectify any non-conformances before further complications.
- We implement transparent mechanisms for reporting hazards, injuries, illnesses and close calls. It is ensured all accidents are investigated and reviewed. By working with line managers, corrective actions that address root causes are drawn up. Any non-compliance to safety rules and regulations, negligence of duties, irresponsibility is to be held responsible.
- We have systematic claims management mechanisms for personnel injured at work. In the unfortunate event of an incident, we place great importance on a healthy rehabilitation process. We assist a smooth rehabilitation process whereby the well being and self-esteem of the individual is promoted.
- We ensure that person who perform the tasks is competent and training attendance records are well documented. All new employees undergo general safety orientation. Sign-in procedures are implemented for contractors and visitors to ensure their safety. All subcontracted work, such as construction work, is to be performed with equally stringent safety standards. Prior to work commencement, we request the safety risk assessment reports and monitor at regular intervals.

層面 B2：工作場所健康與安全

本集團致力創造和維持可最大限度降低安全風險及增進僱員健康及福祉的工作環境。確保僱員有一個安全健康的工作環境至關重要。本集團制定「職業安全與健康指南」，告知員工工作場所潛在的健康和安全危害，以及相應的預防措施。於報告年度內，本集團各營運地區均無出現違反關於職業健康及安全的適用法律法規的事件。主要適用法律法規包括但不限於《中華人民共和國安全生產法》。

本集團不遺餘力保障僱員及工作場所的安全。我們透過下列安全政策及程序採納最佳常規。

- 所有安全管理制度責任及問責均已確定及分配。我們會進行安全風險評估，在規定控制層級內識別和控制工作危害，並根據指引開展剩餘風險評估。我們採取預防為主的方針，頻繁進行現場檢查，糾正任何違規情況以避免小事化大。
- 我們實施透明的危害、受傷、患病及險失事件報告機制，確保所有事故得到調查及檢討。與直屬經理合作制定解決根本原因的糾正措施。凡違反安全規章制度、疏忽職守、不負責任的行為將被追究責任。
- 我們有系統的工傷人員索賠管理機制。如不幸發生事故，我們十分重視當事人的健康恢復過程。我們會協助其順利康復，並提升其福祉及自尊。
- 我們確保執行任務的人員能夠勝任，並會妥善記錄培訓出席情況。所有新僱員均須接受一般安全入職培訓。對合同工及訪客實施簽到程序以確保其安全。所有分包工程，例如建造工程，須遵守同等嚴格的安全標準。在動工前，我們會索取安全風險評估報告並定期監察。

Aspect B3: Development and training

People are our greatest assets. We tailor the macro-level development of our human capital to the Group's corporate strategy. At respective subsidiaries, the Group develops yearly training plans that comply with relevant statutory requirements and cater to the needs of our staff. During annual appraisal sessions, in-depth consultation ensures micro-level training needs are identified. Internal training programmes provided by the Group include induction training, on-the-job training, mentoring schemes, and cross-departmental training. To further promote continuous development, staff is entitled to educational leave to attend external programmes, such as external public trainings, lectures and seminars. The Group provides tuition reimbursement for eligible staff to engage in programmes that enrich job knowledge. During the Reporting Year, the Group has encountered no incident of non-compliance with statutory requirements related to staff training and development at all operating regions.

During the Reporting Year under review, the Group has provided a total of 160 training hours that averages to 0.6 hours per staff.

層面 B3：發展及培訓

員工是我們最大的資產。我們根據本集團企業戰略訂製人力資本的宏觀發展。在各附屬公司，本集團制定年度培訓計劃，有關計劃符合相關法定要求，並切合員工需求。年度評估環節包括深度諮詢，確保識別微觀培訓需求。本集團提供的內部培訓課程包括入職培訓、在職培訓、輔導計劃及跨部門培訓。為進一步促進持續發展，員工享有進修假，以便參加外部公開培訓、講座和研討會等外部計劃。本集團為參加崗位知識課程的合資格員工提供學費報銷。於報告年度內，本集團各營運地區均無出現違反關於員工培訓及發展的法定要求的事件。

於回顧報告年度內，本集團共提供 160 個培訓小時，每名員工平均 0.6 個小時。





Aspect B4: Labour Standards

The Group has established and implemented anti-child and forced labour policies that meet the highest legal and ethical standards. We do not engage in or condone the unlawful employment or exploitation of children in the workplace or the use of forced labour. Staff handbooks contain clear policies relating to relevant labour laws, regulations and industry practices, covering areas such as compensation, dismissal, promotion, working hours, recruitment, rest periods, diversity and other benefits and welfare. Employment contracts stipulate terms and conditions in adherence to statutory regulations, and are available in multiple languages as necessary. The rights and freedoms of every individual are protected as no worker is asked to surrender identification documents nor lodge fees or deposits as a condition of employment. Cases of child labour in our businesses are averted by conducting age verification of all job applicants. Any employee that suspects a breach of the policy should submit reports through grievance mechanisms of respective subsidiaries.

During the Reporting Year under review, the Group has encountered no incident of non-compliance with all applicable laws and regulations related to anti-child and anti-forced labour practices at all operating regions. Major laws and regulations applicable include, but are not limited to, the Labour Law of the PRC.

層面 B4：勞工標準

本集團制定並實施符合最高法律和道德標準的禁止童工及強制勞工政策。我們不會參與或縱容在工作場所非法僱用或剝削兒童或使用強制勞工。員工手冊包含有關勞工法律、法規及行業慣例的明確政策，涵蓋薪酬、解僱、晉升、工時、招聘、假期、多元化及其他福利和福祉等方面。僱傭合約的條款及條件符合法定規例，在有需要時提供多種語言版本。每個人的權利及自由均受保障，工人不會被要求交出身份證明文件或繳納費用或押金作為僱傭條件。對所有應聘者進行年齡核實，避免業務出現童工。凡懷疑他人違反政策的僱員應通過各附屬公司投訴機制作出舉報。

於回顧報告年度內，本集團各營運地區均無出現違反關於禁止童工及強制勞工的適用法律法規的事件。主要的適用法律法規包括但不限於《中華人民共和國勞動法》。

Aspect B5: Supply chain management

Leveraging on our status as a major industry player, we recognise the multiplied impact through engaging our suppliers. The Group is committed to developing and maintaining effective and mutually beneficial working relationships with our business partners.

The supplier code of conduct of respective subsidiaries requires full compliance with all applicable local and national laws while the suppliers are expected to adhere to our high standards, demonstrating continuous development in a variety of operational, economic, social and environmental areas. Furthermore, they must ensure all operations are environmentally-responsible, uphold human rights and business ethics. A well evaluation program is taken for our suppliers' selection, which reviews the supplier profile and facilities, production capacities, quality control system and other aspects related to manufacturing process. All engaged suppliers are required to submit statements declaring conformity to the respective code of conduct. Self-assessment questionnaires and/or internal audits are used to evaluate supply chains. To promote accountability, the Group also carries out regular reviews for suppliers. In case there is any significant change for supplier qualification, the Group may suspend and, if necessary, cancel its qualification as a qualified supplier to ensure that all suppliers conform to the Group's highest standard.

In addition to engaging suppliers, sustainable procurement is another avenue to mitigate the impact of supply chain activities. We collaborate with key suppliers in support of environmentally-responsible procurement of goods and services. During the Reporting Year, we prioritise the procurement of office equipment with energy-saving features, replaceable parts as well as those part of supplier-provided recycling schemes.



層面 B5：供應鏈管理

利用自身作為行業主要參與者的地位，我們深知通過與供應商溝通可擴大影響。本集團致力與業務夥伴建立和維持有效互惠的合作關係。

各附屬公司的供應商行為守則要求全面遵守所有適用的地方及全國性法律，而預期供應商會奉行我們的高標準，以表明其在運營、經濟、社會及環境等多個領域的不斷發展。此外，他們必須確保所有運營都對環境負責、維護人權及商業道德。我們已採用一套良好的評估程序供我們篩選供應商，該程序將評估供應商的概況與設施、產能、質量控制系統以及與製造流程相關的其他方面。所有合作的供應商均須提交聲明，闡明其符合各自的行為守則。自我評估問卷及／或內部審核亦用於評估供應鏈。為促進問責制，本集團還對供應商進行定期審查。如果供應商資格發生重大變動，本集團可能中止並在必要時取消其合格供應商資格，以確保所有供應商均符合本集團的最高標準。

除與供應商溝通外，可持續採購是減輕供應鏈影響的另一途徑。我們與主要供應商合作支持以對環境負責的方式採購商品及服務。於報告年度內，我們優先採購具備節能特點、可更換部件以及構成供應商循環再用計劃一部分的辦公設備。



Aspect B6: Product responsibility

The Group offers quality products and services grounded on responsible operating practices. We commit to meeting customer needs through innovation and sound business ethics.

Product quality and safety

Displaying ability, professionalism and reliability in everything we do, we offer products and services with added value. During the Reporting Year, the Group has encountered no incident of non-compliance with all applicable laws and regulations related to product/service quality and safety at all operating regions. Major laws and regulations applicable include, but are not limited to, the Product Quality Act of PRC.

With a customer-focused and evidence-based approach, the Group strives for continual improvement to product quality. The Group's quality inspection management system is implemented through performing quality assurance to examine the product's quality against required parameters at every stage of the production process. Input raw materials are tested against customers' technical specifications. Finished products undergo inspections prior to packaging and delivery to clients. Each department is tasked with achieving their own quality based targets in consideration of both the industry and market standards.

The Group also implements a source-to-end inspection framework, which is from material procurement and sourcing process to finished product and storage. Any quality defect material or product will be suspended from production line in order to prevent potential risks and protect interests of clients and the Group.

Ethical operating practices

The Group places great value in conducting all aspects of our businesses with integrity and honest values. From the protection of data privacy and intellectual property to ethical marketing communication, our robust management approaches ensure even the most trivial aspects are not overlooked. During the Reporting Year, the Group has encountered no incident of non-compliance with all applicable laws and regulations related to the protection of data privacy and intellectual property to the ethical marketing communication at all operating regions. Major laws and regulations applicable include, but are not limited to, the Criminal and Civil law of PRC.

層面 B6：產品責任

本集團在負責任經營的基礎上提供優質產品及服務。我們致力通過創新和恪守商業道德滿足客戶需求。

產品質量及安全

我們在一切行動中展現實力、專業精神和可靠性，並提供具附加值的產品及服務。於報告年度內，本集團各營運地區均無出現違反關於產品／服務質量及安全的適用法律法規的事件。主要的適用法律法規包括但不限於《中華人民共和國產品質量法》。

本集團秉持以客戶為先、以證據為本的原則，致力不斷提升產品質量。本集團透過實施質量保證，在生產流程各個階段根據規定參數檢驗產品質量，從而落實質量檢驗管理制度。輸入原材料會按照客戶技術規格檢驗。成品在包裝和運送給客戶前須通過檢驗。各部門負責達成各自參照行業及市場標準設定的質量目標。

本集團同時實施一套從物料採購至成品儲存的嚴格驗收機制，任何質量有缺陷的材料或產品將被立刻抽起及暫停使用，以防潛在風險，確保客戶和本集團的利益。

符合道德的經營手法

本集團高度重視誠信經營各方面業務。從保護資料私隱及知識財產到符合道德的營銷通訊，我們均採取周全的管理方式，確保連最瑣碎的方面都不會忽視。於報告年度內，本集團各營運地區均無出現違反關於保護資料私隱及知識財產以及道德營銷通訊的適用法律法規的事件。主要的適用法律法規包括但不限於中國刑法和民法。

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Information security safeguarding

The Group is committed to protecting the privacy and confidentiality of personal data collected. The Group has established clear protocols on handling personal data recorded from our customers and employees. We collect data only in a lawful and fair way, for directly related purposes of which the data subject is clearly notified. Adhering to protocol requirements, we ensure the data is accurate and not kept longer than necessary. Personal data are secured to prevent any unauthorised or accidental access, such as firewalls and physical protection.

The Group has established the privacy policy on handling personal data recorded from our customers, staff, as well as end-users of our online services. The Group secures the personal information from unauthorised access, use or disclosure. Recognising the materiality of security risks, the Group evaluates security risks related to the use of information technology.

Advertising and product labelling

Responsible marketing practices are crucial for gaining customer trust and confidence. All sales promotions should be dealt with in a fair and honourable manner. The sales manager or equivalent of respective subsidiaries ensures all public sales and marketing information are reviewed and approved of its trueness and completeness. No forms of promotions must not contain any misleading and designed to meet reasonable consumer expectations. All product labelling is an accurate representation of the sourcing and content of products.

保護資訊安全

本集團致力於保護所收集個人資料的私隱及機密。本集團為處理來自客戶及僱員的個人資料記錄制訂了清晰的規程。我們僅以合法公平的方式收集資料用作直接相關用途，並會明確告知資料主體。透過遵循規程要求，我們可確保資料準確，保存時間不超出所需範圍。個人資料受到保護，例如防火牆及實物保護，以防未經授權或意外存取。

本集團已制定私隱政策，以處理從客戶、員工及線上服務終端用戶收集的個人資料。本集團保護個人資料免受未經授權存取、使用或披露。本集團深知安全風險的重要性，會評估有關使用資訊科技的安全風險。

廣告及產品標籤

負責任的營銷手法對獲取客戶信賴和信任至關重要。一切促銷宣傳均應以公平正直的方式處理。各附屬公司的銷售經理或對等職員要確保審批所有公開銷售及營銷資料的真實性及完整性。所有形式的宣傳不得含有任何誤導成分，其設計應旨在滿足合理的消費者期望。所有產品標籤應準確反映產品來源及內容。

Aspect B7: Anti-corruption

The Group is committed to achieving and maintaining the highest standards of openness, probity and accountability. We adopt the lowest level of acceptance for corruption risks to build a culture of zero tolerance to corrupt and anti-competitive practices. Anti-corruption code of conducts at respective subsidiaries stipulates our management approach towards anti-corruption compliance. During the Reporting Year, the Group has encountered no incident of non-compliance with all applicable laws and regulations at all operating regions. Major laws and regulations applicable include, but are not limited to, the Prevention of Bribery Ordinance of Hong Kong and the Criminal Law of the PRC.

The code of conducts applies to all employees of the Group, wherever they are located, and must be complied at all times. Any suspected criminal offence will be promptly reported to the relevant authorities. The Group prohibits the provision or receipt of gifts and/or entertainment that could be considered of material value. Senior management is also clearly provided guidance on what constitutes abuse of office, such as regarding the misuse of company's assets for personal interest. With regard to conflict of interests, the fundamental rule is to avoid any conflict of interest as far as practicable. In the event of an inevitable case, the conflict of interest is required to be declared so that appropriate resolution actions can be taken.

The development of robust internal controls is the key to our management approach. Any offering and acceptance of gifts or advantages are recorded and handled via a transparent mechanism. Each subsidiary company has a form of whistle-blowing channel where any suspected cases of misconduct or failure to act are reported and handled.

The Group promotes fair and open competition through code of conducts on combating anti-competitive practices. We prohibit cartels, and any activities of trade associations and industry bodies which prevents, restricts or distorts competition. No discussion or agreement is carried out on matters related to pricing, production volume and tenders with competitors. The Group recognises that adherence to the principles of competition is essential to the development of long-term relationships with our stakeholders on mutual trust.

層面 B7：反貪污

本集團致力在公開、廉潔及問責方面達致及維持最高標準。我們對貪污風險實行最低接納水平，構建對貪污和反競爭行為零容忍的文化。各附屬公司的反貪腐行為守則訂明我們對反貪腐合規的管理方針。於報告年度內，本集團各營運地區均無出現違反適用法律法規的事件。主要的適用法律法規包括但不限於香港的「防止賄賂條例」及《中華人民共和國刑法》。

行為守則適用於本集團全體僱員，不論身在何地，均須始終遵守。如發現任何可疑的不當行為，將立即通知有關當局調查及處理。本集團禁止提供或接受可被視為具有重大價值的禮品及／或款待。高級管理層亦獲得明確指引，說明何種行為構成濫用職權，例如挪用公司財產牟取私利。對於利益衝突，基本原則是在可行範圍內盡量避免。在無法避免的情況下，需要申明利益衝突，以便採取適當的處理措施。

制定穩健的內部監控是我們管理方針的關鍵。提供或接受禮品或好處均透過透明的機制記錄及處理。各附屬公司設有舉報渠道，以舉報及處理懷疑行為不當或失職個案。

本集團通過打擊不公平競爭的行為守則促進公平公開競爭。我們禁止壟斷及任何妨礙、限制或扭曲競爭的行業協會及行業組織行為。不會與競爭對手討論或協商有關定價、產量及投標的事項。本集團深明遵循競爭原則對與持份者建立長遠互信關係至關重要。

Aspect B8: Community investment

The Group is committed to operating as a responsible corporate and continually supporting the economic and social vitality of local communities through corporate sponsorships and charitable donations. Furthermore, the Group sees high literacy as a foundation for the advancement of society. The Group believes public welfare is important and necessary for the development of the Group. We always seek to be a positive force in the communities in which it operates.

We believe that the development of a better future for our community relies on joint participation of people, corporations and the government. In addition, the Group also encourages all employees to actively participate in volunteer activities and environmental protection activities. We hope it can raise their community awareness and concern, and thus inspiring more people to participate in community services and develop a better future for our community.

層面 B8：社區投資

本集團致力作為負責任企業經營，並持續透過企業贊助及慈善捐贈支持本地社區的經濟和社會活力。此外，本集團認為高識字率是社會進步的根基。本集團相信公眾福祉對其發展是重要和必要的。我們始終銳意成為營運所在社區中的正能量。

我們相信為社區塑造更美好的未來有賴於個人、企業及政府共同參與。同時我們亦鼓勵全體員工積極參與義工及環保活動。我們期望能透過提高員工對環境及社會的意識和關注，激發更多的人參與社區服務。

Biographies of Directors and Senior Management

董事及高級管理層履歷

Mr. Guo Yumin, aged 58, is the founder and chairman of the Company. Mr. Guo was appointed as an executive Director on 22 June 2012. Mr. Guo is responsible for the overall management and formulation of business strategy of the Group. Mr. Guo graduated from the distant-learning college of the School of the Central Committee of Communist Party of China in 1988, majoring in economic management. Since 1998, Mr. Guo has been engaging in cigarette packaging business and established a strong business tie with the senior members of some cigarette manufacturers. He brings extensive business and management experience in commercial business to our management team. In 2005, Mr. Guo established Guangdong Province Jiangsu Chamber of Commerce and he had been the chairperson for six consecutive years. In 2010, Mr. Guo established Shenzhen Xuzhou Chamber of Commerce and has been its legal representative since then. Mr. Guo is the spouse of Ms. Xia Yu, an executive Director.

Ms. Xia Yu, aged 49, was appointed as an executive Director on 22 June 2012. She is responsible for general management of the Group. Ms. Xia studied financial accounting (distant-learning) in Jiangsu Commerce College (which was combined with other colleges to form Yangzhou University) and graduated in June 1992. Ms. Xia has 20 years of experience in the cigarette-related business, as well as business management and financial management in cigarette packaging business. Ms. Xia is the spouse of Mr. Guo Yumin, an executive Director and a controlling shareholder of the Company.

Mr. Zeng Xiangyang, aged 53, was appointed as an executive Director on 1 January 2013. Mr. Zeng is responsible for the overall management and business of the Group. Mr. Zeng graduated from Zhejiang University with a Bachelor of Physic degree in 1988 and obtained a Master degree of Materials Science from Zhejiang University in 1991. Mr. Zeng possesses more than 19 years of experience in the cigarette-related industry in the PRC and is familiar with the practice of the tobacco market in the PRC.

郭玉民先生，58歲，為本公司的創建人兼主席。郭先生於2012年6月22日獲委任為執行董事。郭先生負責本集團的整體管理及制定業務策略。郭先生於1988年畢業於中共中央黨校附設函授學院，主修經濟管理學。郭先生由1998年起從事香煙包裝業務，與若干香煙製造商的高級成員建立牢固的業務關係。郭先生為我們的管理團隊帶來豐富的商務營運和管理經驗。於2005年，郭先生成立廣東省江蘇商會，並連續六年擔任主席。於2010年，郭先生成立深圳市徐州商會，自此擔任其法人代表。郭先生是執行董事夏煜女士的配偶。

夏煜女士，49歲，於2012年6月22日獲委任為執行董事。她負責本集團的一般管理。夏女士於江蘇商業專科學校（與其他學院組成揚州大學）就讀金融會計學（遙距課程），於1992年6月畢業。夏女士在香煙相關業務及香煙包裝業務管理和財務管理方面具有20年經驗。夏女士是執行董事及本公司控股股東郭玉民先生的配偶。

曾向陽先生，53歲，於2013年1月1日獲委任為執行董事。曾先生負責本集團業務的整體管理。曾先生於1988年畢業於浙江大學，獲物理學學士學位，並於1991年獲得浙江大學材料系碩士學位。曾先生在中國香煙相關行業擁有超過19年之經驗，熟悉中國香煙市場之實務。

Biographies of Directors and Senior Management

董事及高級管理層履歷

Ms. Fan Qing, aged 65, was appointed as an independent non-executive Director on 22 June 2012. Ms. Fan has extensive experience in business management and in-depth knowledge in the financial investment in both the PRC and Hong Kong. Ms. Fan received a master's degree in business administration from the Graduate School of Renmin University of China in 2000. She obtained a certificate issued by the Shenzhen Stock Exchange after completing a training course for the senior management member of a listed company in the PRC. She had been serving as the vice-president of Shenzhen Capital Group Co. Ltd. for nine years. Ms. Fan is currently the chairman of the board of directors of an investment management company in Shenzhen and the independent director of Shenzhen Terca Technology Co., Ltd. (stock code: SZ002213), a company whose shares are listed on the Shenzhen Stock Exchange.

Mr. Fong Wo, Felix, BBS, JP, aged 69, was appointed as an independent non-executive Director on 22 June 2012. Mr. Fong was admitted as a barrister and solicitor in Ontario, Canada in 1980, a solicitor in England and Wales in 1986 and in Hong Kong in 1987. He has practiced law for over 30 years and is a member of the law societies of Hong Kong, Upper Canada and England. Mr. Fong received his engineering degree in Canada in 1974 and his Juris Doctor degree from Osgoode Hall Law School in Toronto in 1978. Mr. Fong is appointed by the Ministry of Justice of China as one of the China-appointed Attesting Officers in Hong Kong. Mr. Fong is a member of the Hong Kong Communications Authority. Mr. Fong is currently the independent non-executive director of the following companies whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited, Guangdong Land Holdings Limited (formerly known as Kingway Brewery Holdings Limited) (stock code: 124), Greenland Hong Kong Holdings Limited (formerly known as SPG Land (Holdings) Limited) (stock code: 337), Evergreen International Holdings Limited (stock code: 238), Xinming China Holdings Limited (stock code: 2699) and WuXi Biologics (Cayman) Inc. (stock code: 2269). Mr. Fong is also an independent non-executive director of Bank of Shanghai (Hong Kong) Limited. From May 2010 to May 2016, Mr. Fong was an independent non-executive director of China Oilfield Services Limited (stock code: 2883), whose shares are listed on the Stock Exchange and the Shanghai Stock Exchange. From April 2011 to July 2018, He was an independent non-executive director of China Investment Development Limited (stock code:204).

范晴女士，65歲，於2012年6月22日獲委任為獨立非執行董事。范女士擁有豐富的業務管理經驗，並擁有中國及香港兩地金融投資的深入知識。范女士於2000年獲中國人民大學研究生院頒授工商管理學碩士學位。她在完成中國上市公司高級管理人員的培訓課程後，取得深圳證券交易所頒發的證書。九年來她一直擔任深圳市創新投資集團有限公司的副總裁職務。范女士現時亦為深圳一家投資管理公司的董事會主席及深圳特爾佳科技股份有限公司(股份代號：SZ002213，其股份於深圳證券交易所上市)的獨立董事。

方和先生，銅紫荊星章，太平紳士，69歲，於2012年6月22日獲委任為獨立非執行董事。方先生於1980年在加拿大安大略省獲認可為法律顧問及律師，1986年及1987年分別在英格蘭和威爾士及香港獲認可為律師。他在法律行業執業逾30年，並為香港、上加拿大及英格蘭律師會會員。方先生於1974年在加拿大獲得其工程學位，並於1978年在多倫多Osgoode Hall Law School獲得其法學博士學位。方先生獲中國司法部委任為香港其中一名中國委託公證人。方先生為香港通訊事務管理局成員。方先生現任以下公司之獨立非執行董事，其股份於香港聯合交易所有限公司主板上市，包括粵海置地控股有限公司(前稱金威啤酒集團有限公司)(股份代號：124)、綠地香港控股有限公司(前稱盛高置地(控股)有限公司)(股份代號：337)、長興國際(集團)控股有限公司(股份代號：238)、新明中國控股有限公司(股份代號：2699)及藥明生物技術有限公司(股份代號：2269)。方先生現亦為上海銀行(香港)有限公司的獨立非執行董事。於2010年5月至2016年5月為中海油田服務股份有限公司(股份代號：2883)(該公司股份於聯交所及上海證券交易所上市)的獨立非執行董事。於2011年4月至2018年7月為中國投資開發有限公司(股份代號：204)的獨立非執行董事。

Mr. Lo Wa Kei, Roy, aged 48, was appointed as an independent non-executive Director on 22 June 2012. Mr. Lo has extensive experience in auditing, accounting and finance. Mr. Lo received a bachelor's degree of business administration from the University of Hong Kong in 1993 and a master's degree of professional accounting from the Hong Kong Polytechnic University in 2000. He is a certified public accountant, fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of CPA Australia and an associate of the Institute of Chartered Accountants in England and Wales. Mr. Lo is a practising accountant in Hong Kong, and has become the managing partner of SHINEWING (HK) CPA Limited since 2014. Mr. Lo is currently the independent non-executive director of Sun Hing Vision Group Holdings Limited (stock code: 125), China Zhongwang Holdings Limited (stock code: 1333), China Oceanwide Holdings Limited (stock code: 715), Xinming China Holdings Limited (stock code: 2699), China Tonghai International Financial Limited (stock code: 952), Wan Kei Group Holdings Limited (stock code: 1718) and G-Resources Group Limited (stock code: 1051). Mr. Lo is also the member of the Shanghai Pudong New Area Committee of the Chinese People's Political Consultative Conference, the founding executive vice-president and council member of the Hong Kong Independent Non-Executive Director Association and the Divisional President 2019 – Greater China of CPA Australia.

Senior Management

Mr. Dong Zhenghua, aged 64, graduated from a self-taught course in Chinese literature from Nanjing Normal University in 1986, and obtained the qualification certification as an economist in 1993. Mr. Dong passed the uniform examination organised by the Chinese government authorities and obtained the qualifications for enterprise legal adviser in 2003. Mr. Dong possesses extensive experience in advising and handling corporate-related legal matters. Before joining the Group, Mr. Dong graduated from a 2-year course in laws jointly organised by the China University of Political Science and Law and the Open University of China and obtained the qualification of intermediate professional manager as approved by the Jiangsu Province Enterprise Professional Manager Training & Certification Committee. Mr. Dong is currently the in-house legal advisor of the Company and is responsible for advising on legal matters of the Group.

Besides the senior management mentioned above, various business of the Group are respectively under the direct responsibility of the executive Directors as named previously, who are also regarded as senior management of the Group.

盧華基先生，48歲，於2012年6月22日獲委任為本公司獨立非執行董事。盧先生於審計、會計及財務方面擁有豐富經驗。盧先生於1993年獲得香港大學工商管理學士學位及於2000年獲得香港理工大學專業會計碩士學位。彼為註冊會計師、香港會計師公會資深會員、澳洲會計師公會資深會員及英格蘭及威爾士特許會計師協會會員。盧先生為香港的執業會計師，自2014年起成為信永中和(香港)會計師事務所有限公司的管理合夥人。盧先生現任新興光學集團控股有限公司(股份代號：125)、中國忠旺控股有限公司(股份代號：1333)、中泛控股有限公司(股份代號：715)、新明中國控股有限公司(股份代號：2699)、中國通海國際金融有限公司(股份代號：952)、宏基集團控股有限公司(股份代號：1718)及國際資源集團有限公司(股份代號：1051)的獨立非執行董事。盧先生亦為中國人民政治協商會議上海市浦東新區委員會委員、香港獨立非執行董事協會創會常務副會長及理事和澳洲會計師公會大中華區分會會長2019。

高級管理層

董政華先生，64歲，1986年畢業於南京師範大學中國文學自學課程，並於1993年取得經濟師資格證書。董先生通過中國政府部門組織的統一考試，並於2003年取得企業法律顧問資格。董先生於企業相關法律事務的諮詢與處理擁有豐富經驗。於加入本集團前，董先生畢業於中國政法大學與中央廣播電視大學聯合舉辦的兩年制法律課程，並取得江蘇省企業職業經理人任職資格培訓與認證委員會授予的中級專業經理人資格。董先生現任本公司內部法律顧問，負責本集團法律事務諮詢事宜。

除上述高級管理層外，本集團各項業務分別由名列於上文的執行董事直接負責，彼等被視為本集團的高級管理人才。

Corporate Governance Report

企業管治報告

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Directors continuously abide by the principles of good corporate governance in the interests of shareholders and devote considerable effort to identifying and formalizing best practice.

The Group's corporate governance practices are based on the principles and the code provisions in the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules.

The Board considered that the Company had complied with the code provisions of the Code during the Year except for the deviations from code provision A.2.1 of the Code as stated below.

Under code provision A.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the year, there was no chief executive in the Company, details of the deviation are set out in the section headed "Chairman and Chief Executive Officer".

The key corporate governance practices of the Group are summarised as follows:

Re-Election and Change of the Directors

Pursuant to article 108(a) of the articles of association of the Company (the "Articles"), at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation.

In accordance with article 112 of the Articles, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his/her appointment and any Director appointed by the Board as an additional Director shall hold office only until the next following annual general meeting of the Company.

董事深明為達致有效問責，在本集團管理架構及內部控制程序上引進良好企業管治元素的重要性。董事一直遵守維護股東利益的良好企業管治準則，致力制訂並落實最佳常規。

本集團的企業管治常規根據上市規則附錄14所載企業管治常規守則(「守則」)的準則及守則條文編製。

董事會認為，本公司於本年度已符合守則的守則條文，惟偏離守則的守則條文第A.2.1條(見下述)除外。

根據守則之守則條文第A.2.1條，主席及行政總裁應分開及不得由同一人士擔任。年內，本公司並無行政總裁，有關偏離詳情乃載於「主席及行政總裁」一節。

本集團主要企業管治常規的概要如下：

董事重選及更替

根據本公司組織章程細則(「章程細則」)第108(a)條，於每次股東週年大會上，當時三分之一董事須輪席退任。

根據章程細則第112條，任何獲董事會委任以填補臨時空缺之董事將任職至其獲委任後之首次股東大會為止，而任何獲董事會委任作為新增董事之董事將僅任職至本公司下屆股東週年大會為止。

Pursuant to article 108(a) of the Articles, Ms. Fan Qing (“**Ms. Fan**”) and Mr. Lo Wa Kei, Roy (“**Mr. Lo**”) will retire as Directors at the forthcoming annual general meeting in 2020 (the “**AGM**”). Ms. Fan, being eligible, offer herself for re-election as Directors at the AGM.

Serving the Board for more than 9 years could be relevant to the determination of a non-executive Director’s independence according to the code provision A.4.3 in Appendix 14 to the Listing Rules. Mr. Lo has joined the Company for over 7 years since 22 June 2012 and is of the view that the appointment of new independent non-executive Director in replacement of himself is beneficial to the development of the Company and in the best interests of the Company and the Shareholders. Accordingly, in order to enhance the corporate governance of the Company, Mr. Lo has consented to retire and shall not offer himself for re-election as independent non-executive Director at the AGM.

Mr. Lo has confirmed that he has no disagreement with the Board and there are no other matters in relation to his resignation that need to be brought to the attention of the Stock Exchange and the Shareholders.

With the recommendation from the nomination committee of the Company, the Board proposes 1) the appointment of Mr. Dai Tin Yau (“**Mr. Dai**”) as an independent non-executive Director, the chairman of the audit committee of the Company and a member of the remuneration committee of the Company; and 2) the appointment of Mr. Chan Yin Lam (“**Mr. Chan**”) as an independent non-executive Director and a member of each of the audit committee and nomination committee of the Company, subject to and with effect upon the approval by the Shareholders at the AGM.

The Board, with the assistance and recommendation from the nomination committee of the Company, has reviewed the structure, size, composition and diversity of the Board from a number of aspects, and the professional experience, skills and expertise Ms. Fan, Mr. Dai and Mr. Chan (if re-elected or appointed) as independent non-executive Directors can provide. The Board is of the view that the educational qualifications, background and experiences of Ms. Fan, Mr. Dai and Mr. Chan (if re-elected or appointed) can create valuable and relevant visions and hence contribute to the diversity of the Board. The Board also considers that Ms. Fan has made positive contributions to the Company’s development, strategies and performance during her tenure as an independent non-executive Director with her independent advice and suggestions coupled with her general understanding of the business of the Group.

根據章程細則第 108(a) 條，范晴女士（「**范女士**」）及盧華基先生（「**盧先生**」）將於 2020 年之應屆股東週年大會（「**股東週年大會**」）上退任董事。范女士符合資格並願意於股東週年大會上應選連任董事。

根據上市規則附錄十四第 A.4.3 條，在董事會任職 9 年以上會影響非執行董事的獨立性。盧先生自 2012 年 6 月 22 日起加入本公司已逾 7 年，其認為委任新的獨立非執行董事以代替其本人有利於本公司的發展，並符合本公司及股東的最佳利益。因此，為加強本公司的公司治理，盧先生已決定退任，並且不會於股東週年大會上膺選連任為獨立非執行董事。

盧先生已確認彼與董事會並無意見分歧，亦無其他有關其辭任之事宜須提請聯交所及股東垂注。

根據本公司提名委員會的建議，董事會建議 1) 委任戴天佑先生（「**戴先生**」）為獨立非執行董事，並擔任本公司審核委員會主席及薪酬委員會成員；2) 委任陳彥霖先生（「**陳先生**」）為獨立非執行董事，並擔任本公司審核委員會成員及提名委員會成員，惟須經股東於股東週年大會上批准及生效。

董事會認為，戴先生及陳先生的委任將有助於製定及執行本集團的業務策略，並為股東創造價值。董事會在本公司提名委員會的協助及建議下，已從多個方面審查董事會的架構、規模、組成及多樣性，認為范女士、戴先生及陳先生（如膺選連任或委任）的專業經驗、技能及專長能夠勝任獨立非執行董事。董事會認為，范女士、戴先生及陳先生（如膺選連任或委任）的學歷、背景及經驗可以創造寶貴和緊密的願景，從而有助於董事會的多樣性。董事會還認為，范女士在擔任獨立非執行董事期間，通過獨立的意見和建議以及對本集團業務的整體了解，為本公司的發展、策略及業績做出積極貢獻。

The nomination committee of the Company has assessed and reviewed the independence of Ms. Fan, Mr. Dai and Mr. Chan based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that they satisfied the aforementioned independence criteria. In view of the above factors, the Board would recommend Ms. Fan to be re-elected as an independent non-executive Director and each of Mr. Dai and Mr. Chan to be appointed as an independent non-executive Director at the AGM.

Each of Mr. Guo Yumin, Ms. Xia Yu and Mr. Zeng Xiangyang, being executive Directors, has entered into a service contract with the Company for a term of three years commencing from 13 July 2018 and may be terminated by either party by giving not less than three months' prior written notice.

Each of Ms. Fan, Mr. Lo and Mr. Fong Wo, Felix, all being independent non-executive Directors, has entered into a service contract with the Company for a term of two years commencing from 13 July 2018 and may be terminated by either party by giving at least three months' written notice.

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

Model Code for Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the required standard for securities transactions by Directors. The Company has made specific enquiries of all Directors and all Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Director's securities transactions for the Year and up to the date of this annual report.

本公司提名委員會已根據上市規則第3.13條所載之獨立性標準評估並檢討范女士、戴先生及陳先生之獨立性，並確認彼等均符合上述獨立性標準。鑒於上述因素，董事會將在股東週年大會上建議范女士膺選連任獨立非執行董事，戴先生及陳先生將分別獲委任為獨立非執行董事。

郭玉民先生、夏煜女士及曾向陽先生(均為執行董事)與本公司已訂立服務合約，自2018年7月13日起初步為期三年，任何一方可發出至少三個月事先書面通知予以終止。

范女士、盧先生及方和先生(均為獨立非執行董事)與本公司已訂立服務合約，自2018年7月13日起為期兩年，任何一方可發出至少三個月事先書面通知予以終止。

於股東週年大會上膺選連任的任何董事，概無與本公司簽訂不得由本公司於一年內終止而毋須支付賠償(法定賠償除外)的服務協議。

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)，作為董事進行證券交易的所需標準。本公司已向全體董事作出具體查詢，且全體董事已確認，彼等於本年度起至本年報日期止期間一直遵守標準守則及其有關董事證券交易的操守守則所載的所需標準。

Board of Directors

The Board comprises three executive Directors and three independent non-executive Directors as at the date of this report, details of which are set out below:

Executive Directors:

Mr. Guo Yumin (*Chairman*)
Ms. Xia Yu
Mr. Zeng Xiangyang

Independent Non-Executive Directors:

Ms. Fan Qing
Mr. Fong Wo, Felix
Mr. Lo Wa Kei, Roy

The brief biographical details of and relationship among the existing Directors are set out in the section headed “Biographies of Directors and Senior Management” of this annual report.

The composition of the Board is well balanced. Each of the Directors has relevant expertise and extensive corporate and strategic planning experiences that may contribute to the business of the Group. The Company has complied with the requirements under Rules 3.10(1) and (2) and 3.10A of the Listing Rules for the Year. All independent non-executive Directors also meet the guidelines for assessment of their independence as set out in Rule 3.13 of the Listing Rules.

Mr. Guo Yumin is the spouse of Ms. Xia Yu. Save as disclosed above, there are no other relationship (including financial, business, family or other material/relevant relationship(s)) among members of the Board.

董事會

於本報告日期，董事會由三名執行董事及三名獨立非執行董事組成，詳情列載如下：

執行董事：

郭玉民先生 (*主席*)
夏煜女士
曾向陽先生

獨立非執行董事：

范晴女士
方和先生
盧華基先生

現有董事的簡歷詳情及關係載於本年報「董事及高級管理層履歷」一節。

董事會的成員來自各界，得以平衡。每名董事均擁有相關專業知識、資深企業及策劃經驗，可為本集團業務作出貢獻。於本年度本公司已遵守上市規則第3.10(1)及(2)條以及3.10A條規定。全體獨立非執行董事亦遵守上市規則第3.13條所載其獨立性評估指引的規定。

郭玉民先生為夏煜女士的配偶。除上文所披露者外，董事會成員之間並無任何其他關係（包括財務、業務、家族或其他重大／相關關係）。

Functions of the Board

The Board supervises the management of the business and affairs of the Company. The Board's primary duty is to ensure the viability of the Company and to ensure that it is managed in the best interests of the shareholders as a whole while taking into account the interests of other stakeholders. The Group has adopted internal guidelines in setting forth matters that require the Board's approval. Apart from its statutory responsibilities, the Board approves the Group's strategic plan, key operational initiatives, major investments and funding decisions. It also reviews the Group's financial performance, identifies principal risks of the Group's business and ensures implementation of appropriate systems to manage these risks. Daily business operations and administrative functions of the Group are delegated to the management.

The Board is also delegated with the corporate governance functions under code provision D.3.1 of the Code. The Board has reviewed and discussed the corporate governance policy of the Group and is satisfied with the effectiveness of the corporate governance policy.

Chairman and Chief Executive Officer

Pursuant to code provision A.2.1 of the Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Up to the date of this report, there have been no chief executive officer in the Company. Mr. Guo Yumin acted as the Chairman of the Board, and responsible for the overall management and formulation of business strategy of the Group.

The Board does not have the intention to fill the position of the chief executive officer of the Company at present and believes that the absence of the chief executive officer will not have adverse effect to the Company, as decisions of the Company will be made collectively by the executive Directors. The Board will keep reviewing the current structure of the Board and the need of appointment of a suitable candidate to perform the role of chief executive. Appointment will be made to fill the post to comply with code provision A.2.1 of the Code if necessary. During the year, one meeting has been held by the Chairman of the Board with the independent non-executive Directors, without the presence of other executive Directors.

董事會的功能

董事會監督本公司業務及事務的管理。董事會的主要職務是確保本公司的持續運作，並確保其管理方式既符合整體股東最佳利益，又顧及其他持有本公司股份者的利益。本集團已採納內部指引，訂定須經董事會批准的事宜。除法定責任外，董事會審批本集團的策略計劃、主要營運項目、大型投資及撥資決定。董事會亦檢視本集團的財務表現、識別本集團業務的主要風險，並確保推行合適的機制管理風險。管理層獲授權處理本集團日常業務運作及行政職能。

董事會亦根據守則內的守則條文第D.3.1條獲授權企業管治的職能。董事會已審閱及討論本集團的企業管治政策，並對企業管治政策的有效性感到滿意。

主席及行政總裁

根據守則的守則條文第A.2.1條，主席及行政總裁應分開及不得由同一人士擔任。截至本報告日期，本公司並無行政總裁。郭玉民先生擔任董事會主席，負責本集團的整體管理及制定業務策略。

董事會現時不擬填補本公司行政總裁一職，並認為行政總裁職位懸空不會對本公司構成不利影響，此乃由於本公司決策程序皆由執行董事共同參與。董事會將持續檢討其現行架構及委任適當人選履行行政總裁職務之需要。如有必要，本公司將根據守則的守則條文第A.2.1條作出委任，以填補該職位。本年度，董事會主席與獨立非執行董事舉行了一次沒有其他執行董事出席的會議。

Board Meetings and Procedures

Board members were provided with complete, adequate and timely information to allow them to fulfill their duties properly. In compliance with code provision A.1.3 of the Code, at least 14 days' notice has been given for a regular Board meeting to give all Directors an opportunity to attend. Notice, agenda and board papers of regular Board meetings are sent to all Directors within reasonable time and at least 3 days prior to the meetings. Directors are free to contribute and share their views at meetings and major decisions will only be taken after deliberation at Board meetings. Directors who are considered having conflict of interests or material interests in the proposed transactions or issues to be discussed will not be counted in the quorum of meeting and will abstain from voting on the relevant resolutions. Full minutes are prepared after the meetings and the draft minutes are sent to all Directors for their comments, the final version of which are endorsed in the subsequent Board meeting.

All independent non-executive Directors have been appointed for a fixed term. Every Director is subject to re-election on retirement by rotation in accordance with the Articles.

Details of the attendance of the Board meetings, Audit Committee meetings, Remuneration Committee meetings, Nomination Committee meetings and general meetings of the Company held during the year ended 31 December 2019 are summarised as follows:

董事會會議及程序

董事會成員獲提供完整、充足及適時的資料，讓彼等能妥善履行其職務。根據守則內的守則條文第A.1.3條，定期董事會會議須給予全體董事最少14天通知，讓彼等有機會出席會議。定期董事會會議通告、議程及開會文件須於合理時間內及會議前最少三天給予全體董事。董事可於會議上自由發表及分享其意見，而重大決定僅於董事會會議上審議後方可作出。於建議交易或討論事宜中存在利益衝突或重大利益的董事不得計入會議法定人數內，並須於相關決議案投棄權票。會議後須撰寫完整會議紀錄，初稿須交全體董事給予意見，定稿須於下一次董事會會議通過。

全體獨立非執行董事以固定任期獲委任。根據本公司的章程細則，每名董事須輪值退任並可獲重選連任。

截至2019年12月31日止年度舉行的本公司董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及股東大會出席詳情概列如下：

		Board meeting 董事會會議	Audit committee meeting 審核委員會會議	Remuneration Committee meeting 薪酬委員會會議	Nomination Committee meeting 提名委員會會議	General meeting 股東大會
Executive Directors	執行董事					
Mr. Guo Yumin (Chairman)	郭玉民先生(主席)	12/13	N/A 不適用	2/2	1/1	1/1
Ms. Xia Yu	夏煜女士	10/13	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Zeng Xiangyang	曾向陽先生	13/13	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Independent Non-executive Directors	獨立非執行董事					
Ms. Fan Qing	范晴女士	9/13	3/3	2/2	1/1	1/1
Mr. Fong Wo, Felix	方和先生	10/13	3/3	N/A 不適用	N/A 不適用	1/1
Mr. Lo Wa Kei, Roy	盧華基先生	9/13	3/3	2/2	1/1	1/1

Board Committees

The Board has established specific committees, namely the audit committee (the “**Audit Committee**”), remuneration committee (the “**Remuneration Committee**”) and nomination committee (the “**Nomination Committee**”), with written terms of reference which are available for viewing on the website of the Company to assist them in the efficient implementation of their functions. Specific responsibilities have been delegated to the above committees.

Audit Committee

The Company established the Audit Committee on 22 June 2012 with written terms of reference which are in compliance with the code provisions of the Code. The Audit Committee currently has three members comprising Mr. Lo Wa Kei, Roy (being the Chairman of the Audit Committee), Ms. Fan Qing and Mr. Fong Wo, Felix, all being independent non-executive Directors.

During the Year, the Audit Committee had reviewed the final results of the Group for 2018 and the 2019 interim results and report of the Company. The Audit Committee had reviewed the Group’s risk management and internal control systems and the effectiveness of the internal audit function for the Year. The Group’s final results for the Year had been reviewed by the Audit Committee before submission to the Board for approval. The Audit Committee had also reviewed this annual report, and confirmed that this annual report complies with the Listing Rules.

The Audit Committee held three meetings during the Year. Details of the attendance of the Audit Committee at the Audit Committee meetings are set out above.

Remuneration Committee

The Company established the Remuneration Committee on 22 June 2012 with written terms of reference which are in compliance with the code provisions of the Code. The primary duties of the Remuneration Committee include mainly: (i) reviewing the terms of the remuneration package of each Director and member of senior management, and making recommendations to the Board regarding any adjustment thereof; and (ii) reviewing and evaluating the performance of individual executive Directors for determining the amount of bonus (if any) payable to them. No Director shall participate in any discussion about his or her own remuneration. The Remuneration Committee currently consists of three members, namely, Ms. Fan Qing (Chairperson), Mr. Lo Wa Kei, Roy, both

董事委員會

董事會已成立特定委員會，分別為審核委員會（「**審核委員會**」）、薪酬委員會（「**薪酬委員會**」）及提名委員會（「**提名委員會**」），有關委員會的書面職權範圍於本公司網站可供閱覽，以助有效推行其工作。上述委員會獲授權負上特定責任。

審核委員會

本公司於2012年6月22日根據守則的守則條文規定成立審核委員會，並書面訂定其職權範圍。審核委員會現有兩名成員，分別是盧華基先生（審核委員會主席）、范晴女士及方和先生，全體均為獨立非執行董事。

於本年度內，審核委員會已審閱本集團於2018年的末期業績、本公司的2019年中期業績及報告。審核委員會已檢討本集團於本年度的風險管理及內部控制系統以及內部審核功能的有效性。本集團於本年度的末期業績於呈交董事會審批前已經由審核委員會審閱。審核委員會亦已審閱本年報，並確認本年報符合上市規則的規定。

於本年度，審核委員會舉行了3次會議。審核委員會於審核委員會會議的出席詳情已於上文列載。

薪酬委員會

本公司於2012年6月22日根據守則的守則條文成立薪酬委員會，並書面訂定其職權範圍。薪酬委員會的主要職責包括：(i) 審閱各董事及高級管理人員的薪酬組合的條款，並就任何調整向董事會作出推薦建議；及(ii) 審閱及評估個別執行董事的表現，以釐定應付予彼等的花紅金額（如有）。董事概不得參與有關其本身薪酬的任何討論。薪酬委員會現有兩名成員，分別是范晴女士（主席暨獨立非執行董事）、盧華基先生（獨立非執行董事）及郭玉民先生（執行董事），薪酬委員會大多數成員為獨立非執行董事。董事薪酬乃參考其各自經驗、於本集團的責任及整體市況而釐定。本公

of which are independent non-executive Directors, and Mr. Guo Yumin, an executive Director. The majority of members of the Remuneration Committee are independent non-executive Directors. The remuneration of the Directors was determined with reference to their respective experience, responsibilities within the Group and general market conditions. The Company has adopted the Code to make recommendations to the Board on remuneration packages of individual executive Directors and the members of senior management.

The Remuneration Committee held two meetings during the Year. Details of the attendance of the Remuneration Committee meetings are set out above.

At the meetings, the Remuneration Committee had reviewed the remuneration policies of the Directors and the senior executives and reviewed the remuneration packages and performance of the Directors for the Year.

Nomination Committee

The Company established the Nomination Committee on 22 June 2012 with written terms of reference which are in compliance with code provisions of the Code. The primary duties of the Nomination Committee include mainly: (i) reviewing the structure, size, diversity and composition (including the age, gender, cultural and academic background, skills, knowledge and professional experience) of the Board on a regular basis and making recommendations to the Board regarding any proposed change; (ii) identifying individuals suitably qualified to become Board members and making recommendations to the Board on the selection of individuals nominated for directorships; and (iii) assessing the independence of independent non-executive Directors. The Nomination Committee consists of three members, namely, Mr. Guo Yumin (Chairman), an executive Director, Ms. Fan Qing and Mr. Lo Wa Kei, Roy, both of which are independent non-executive Directors. The majority of members of the Nomination Committee are independent non-executive Directors.

公司已採納守則，以就個別執行董事及高級管理層人員的薪酬待遇向董事會作出推薦意見。

於本年度，薪酬委員會舉行了2次會議。薪酬委員會會議的出席詳情已於上文列載。

會上，薪酬委員會已檢討董事及高級行政人員的薪酬政策，以及檢討董事於本年度的薪酬待遇及表現。

提名委員會

本公司於2012年6月22日根據守則的守則條文成立提名委員會，並書面訂定其職權範圍。提名委員會的主要職責包括：(i) 定期審閱董事會的架構、規模、多元化及組成(包括年齡、性別、文化與學術背景、技能、知識及專業經驗)，並就有關任何建議更改向董事會提供推薦建議；(ii) 物識合適的個別人士加入董事會及建議董事會挑選有關提名候任董事的個人；及(iii) 評估獨立非執行董事的獨立性。提名委員會現有兩名成員，分別是郭玉民先生(主席)(執行董事)、范晴女士(獨立非執行董事)及盧華基先生(獨立非執行董事)，提名委員會大多數成員為獨立非執行董事。

During the Year, the Nomination Committee adopted a diversity policy setting out the approach to diversify the members of the Board. The Company recognises and embraces the benefits of having a diverse Board. The Nomination Committee works to ensure a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and objectives. All Board appointments would continue to be made based on meritocracy. Selection of candidates would be based on a range of diversity perspectives, which would include but not be limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision would be based on merit and contribution that the selected candidates would bring to the Board, our business model as well as the needs of the Company. The Nomination Committee will monitor the implementation of the diversity policy from time to time to ensure the effectiveness of the diversity policy.

The Nomination Committee held one meeting during the Year. Details of the attendance of the Nomination Committee meeting are set out above.

At the meeting, the Nomination Committee had reviewed the structure, size and composition of the Board, assessed the independence of the independent non-executive Directors, reviewed the qualifications of the Directors, the progress on the implementation of the board diversity policy and other related matters of the Company.

Nomination Policy

Apart from the aforesaid, the Board has adopted a "Nomination Policy" on 31 December 2018 in relation to the nomination, appointment, re-appointment of new Directors and the nomination procedure of the Company, which provides that in evaluating and selecting any candidate for directorship, the Nomination Committee shall consider the candidates' character and integrity, professional qualifications, skills, knowledge and experience, independence, diversity on the Board, willingness to devote adequate time to discharge duties as a Board member and such other criteria that are appropriate to the business of the Company.

於本年度，提名委員會採納多元化政策，列明董事會成員多元化的方針。本公司確認並享有擁有多元化董事會的好處。提名委員會致力於確保適合本公司業務和目標要求的技能、經驗及多元化。所有董事會的委任將繼續以精英管理為基礎。候選人的篩選將基於一系列多元化指標，其中包括(但不限於)性別、年齡、文化和教育背景、專業經驗、技能、知識及服務年限。最終決定將基於所選候選人將為董事會帶來的長處與貢獻、我們的商業模式及本公司需求。提名委員會將不時監察多元化政策的實施情況，以確保多元化政策的有效性。

於本年度，提名委員會舉行了1次會議。提名委員會會議的出席詳情已於上文列載。

會上，提名委員會已檢討董事會的架構、規模及組成，評估獨立非執行董事的獨立性，審閱董事的資格、實行董事會多元化政策的程序及本公司其他相關事宜。

提名政策

除以上已述者外，董事會已經於2018年12月31日採納有關提名、委任、重新委任新董事及本公司提名程序的「提名政策」，其訂明於評估及甄選任何董事候選人時，提名委員會考慮候選人的性格和誠信、專業資格、技能、知識及經驗、獨立性、董事會成員多元化、貢獻充足時間履行其作為董事會成員職責的意願以及適合本公司業務的有關其他標準。

Dividend Policy

The Board has adopted a "Dividend Policy" on 29 March 2019. A summary of this policy is disclosed as below.

Subject to the approval of the Shareholders and requirement of the relevant law, the Company shall pay annual dividends to the Shareholders if the Group is profitable, operations environment is stable and there is no significant investment or commitment made by the Group, after taking into account the factors as detailed below and determined by the Board from time to time. The remaining net profits will be used for Group's development and operations. The Policy allows the Company to declare special dividends from time to time in addition to the annual dividends.

In proposing any dividend payout, the Board shall also take into account, inter alia:

- (a) the Company's actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (c) the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;
- (d) any restrictions on payment of dividends that may be imposed by the Group's lenders;
- (e) the Group's expected working capital requirements and future expansion plans;
- (f) general economic conditions, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and
- (g) any other factors that the Board deems appropriate.

Any final dividends declared by the Company must be approved by an ordinary resolution of Shareholders at an annual general meeting and must not exceed the amount recommended by the Board. The Board may from time to time pay to the Shareholders such interim dividends as appear to the directors to be justified by the profits of the Group.

The policy shall be reviewed periodically and submitted to the Board for approval if amendments are required.

股息政策

董事會已經於2019年3月29日採納「股息政策」。此政策概要於下文披露。

在取得股東及符合相關法律規定所規限下，倘若本集團錄得盈利，營運環境穩定及本集團並無作出重大投資或承諾，則於計及下文詳述的因素及經董事會不時釐定後，本公司向股東宣派末期股息。餘下純利將用作本集團發展及營運。此政策允許本公司在宣派末期股息外，不時宣派特別股息。

董事會在建議任何股息派付時，亦計及(其中包括)：

- (a) 本公司的實際及預期財務表現；
- (b) 本公司及本集團旗下各成員公司的保留盈利及可供分派儲備；
- (c) 本集團的債務與股權比率、股權回報率及相關財務契約；
- (d) 本集團借貸人可能施加的股息派付限制；
- (e) 本集團的預計營運資金需要及未來擴展計劃；
- (f) 一般經濟狀況、本集團業務的商業週期及可能對本公司業務或財務表現及狀況造成影響的其他內外因素；及
- (g) 董事會認為適合的任何其他因素。

本公司宣派的任何末期股息必須於股東週年大會上透過股東普通決議案取得批准，且不得超出董事會推薦的金額。倘董事認為本集團的可供分派溢利足以作出有關分派，董事會可不時向股東派付中期股息。

倘若需要修訂，此政策將由董事會定期審閱及提交予其供批准。

Independent Non-Executive Directors

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent of the Company as at the date of this report.

Professional Development of the Directors

In compliance with code provision A.6.5 of the Code, all Directors during the Year, namely, Mr. Guo Yumin, Mr. Zeng Xiang Yang, Ms. Xia Yu, Ms. Fan Qing, Mr. Fong Wo, Felix and Mr. Lo Wa Kei, Roy, had participated in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Directors had provided the relevant record to the Company.

The Company is committed to arranging and funding suitable training to all Directors for their continuous professional development. Each Director is briefed and updated from time to time to ensure that he is fully aware of his responsibilities under the Listing Rules and applicable legal and regulatory requirements and the governance policies of the Group. All the Directors also understand the importance of continuous professional development and are committed to participating in any suitable trainings to develop and refresh their knowledge and skills.

獨立非執行董事

本公司已收到各獨立非執行董事根據上市規則第3.13條發出有關其獨立性的年度確認書。於本報告日期，本公司認為全體獨立非執行董事均為獨立於本公司的人士。

董事的專業發展

為符合守則之守則條文第A.6.5條，全體董事（即郭玉民先生、曾向陽先生、夏煜女士、范晴女士、方和先生及盧華基先生）於本年度均已參加了持續專業培訓發展和更新彼等之知識及技能，以確保彼等繼續在全面知情及切合所需的情況下對董事會作出貢獻。各董事已向本公司提供相關記錄。

本公司致力就全體董事的持續專業發展安排合適的培訓並提供有關經費。各董事不時獲簡要提示及最新資料，確保其完全知悉其根據上市規則、適用法例及監管規定與本公司管治政策須承擔之各項責任。全體董事亦知悉持續專業發展的重要性，並致力參與任何適合的培訓以發展並更新彼等的知識及技能。

Senior Management's Remuneration

The senior management's remuneration payment of the Group in the Year fell within the following band:

高級管理層薪酬

本集團於本年度之高級管理層薪酬金額介於以下範圍：

		Number of individuals 人數
RMB1,000,000 or below	人民幣 1,000,000 元或以下	4

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group, in accordance with accounting principles generally accepted in Hong Kong. The statement by the auditor of the Company about their responsibilities for the financial statements is set out in the report of the independent auditor's report contained in this annual report. There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

董事對財務報表的責任

董事有責任根據香港公認會計原則編製財務報表，提供對本集團狀況的真正及公平意見。本公司核數師對財務報表的責任陳述，載於本年報獨立核數師報告內。並無事件或情況的重大不明朗因素對本公司持續經營的能力造成重大疑問。

External Auditor's Remuneration

The Company engaged RSM Hong Kong as its external auditor for the Year. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor. During the year ended 31 December 2019, the fee payable to RSM Hong Kong in respect of its statutory audit services provided to the Company was HK\$1,330,000. Fees for non-audit services for the same period was HK\$98,000.

外聘核數師薪酬

本公司委聘羅申美會計師事務所為本年度的外聘核數師。董事會及審核委員會在挑選、委聘、辭退或罷免外聘核數師並無異議。於截至2019年12月31日止年度，就羅申美會計師事務所向本公司提供的法定核數服務所支付的費用為1,330,000港元。而於同期的非核數服務費用則為98,000港元。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board and the senior management are responsible for improving and monitoring the risk management and internal control of the Group. In this regard, the Audit Committee had performed a regular review of the risk management and internal control system of the Group within the Reporting Period in which the results were summarised and reported to the Board. The Board has also conducted a review of the effectiveness of the risk management and internal control system of the Group. The Group also sets up an internal audit team comprise management of subsidiaries, which plays a major role in monitoring the corporate governance of the Group and providing objective assurance to the Board that a sound internal control system is maintained and operated by the management.

Main Features of the Risk Management and Internal Control Systems

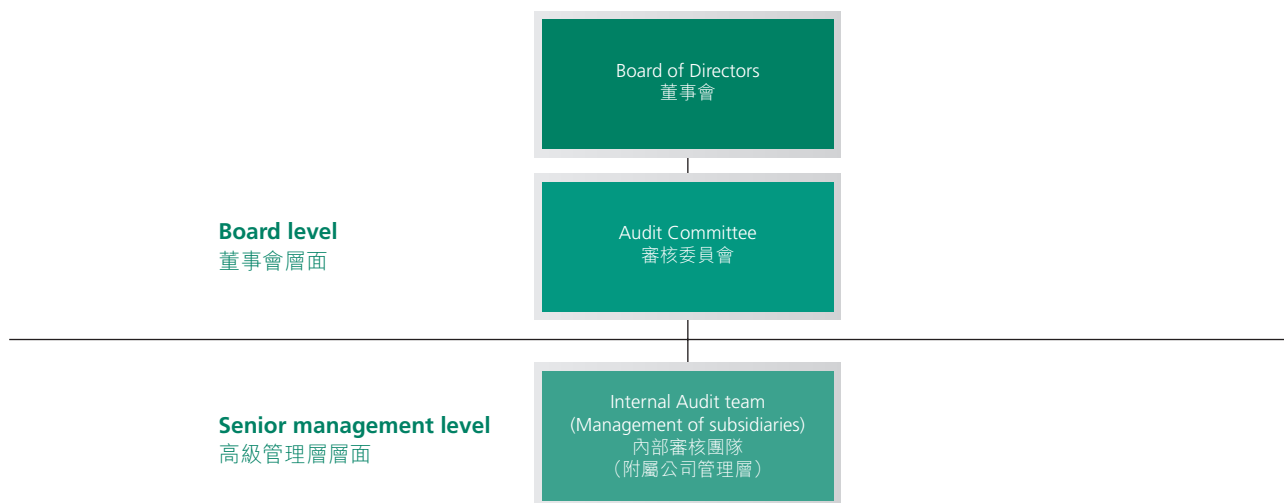
The risk management framework of the Group and main responsibilities of the members in the framework are described as follows:

風險管理及內部監控

董事會及高級管理層負責完善及監督本集團的風險管理及內部監控。就此而言，審核委員會已定期檢討本集團於報告期的風險管理及內部監控系統，其結果已作出概述並呈報予董事會。董事會亦已檢討本集團的風險管理及內部監控系統的有效性。本集團亦設有由附屬公司的管理層組成的內部審核團隊，其在監控本集團企業管治及向董事會客觀保證管理層具備及運作完善的內部監控系統方面擔當重要角色。

風險管理及內部監控系統的主要特徵

本集團的風險管理框架及框架中成員的主要責任描述如下：



Member	Main Responsibilities	成員	主要責任
The Board	<ul style="list-style-type: none"> Set up goals for risk management strategy, assess and determine the nature and extent of risk acceptable to achieve the strategy goals; Establish and maintain a proper and effective risk management and internal control systems; and Review the effectiveness of the risk management and internal control systems annually. 	董事會	<ul style="list-style-type: none"> 設立風險管理策略目標、評估及確定達成策略目標可承受的風險性質及程度； 建立並維持適當及有效的風險管理及內部監控系統；及 每年檢討風險管理及內部監控系統的成效。
Audit Committee	<ul style="list-style-type: none"> Assist the Board in overseeing the risk level and the design and performance of the risk management and internal control systems; Discuss the risk management and internal control systems with the management; Ensure that the internal audit function has sufficient resources for operation and has a proper position, review and supervise its performance; Keep updated of various major risks confronted by the Group and the risk management status, make decisions for effective risk control; Report the risk status of the Group and issues to be concerned or improved to the Board on a regular basis; Facilitate risk management and assessment, regularly appoint relevant accountable persons to implement risk assessment; Organise and promote the establishment of the risk management system at the group level; Review material risk assessment report and various risk management reports; and Engage relevant persons to organise and coordinate various departments and projects to carry out identification and assessment of significant risks at the group level, summarise and analyse such information, submit risk assessment and various risk management reports. 	審核委員會	<ul style="list-style-type: none"> 協助董事會監督風險水平以及風險管理及內部監控系統的設計及表現； 與管理層討論風險管理及內部監控系統； 確保內部審核職能有充足營運資源及適當職位、審閱及監督其表現。 更新本集團面對的各類主要風險及風險管理狀況、作出有效風險控制決策； 定期向董事會匯報本集團風險狀況及有待關注或改善的問題； 協助風險管理及評估、定期委任相關負責人執行風險評估； 組織及促進成立集團層面的風險管理系統； 審閱重大風險評估報告及不同的風險管理報告；及 委聘相關人士組織及協調多個部門及項目以進行集團層面重大風險的識別及評估、概括及分析有關資料、呈交風險評估及多份風險管理報告。

Member	Main Responsibilities	成員	主要責任
Internal audit team	<ul style="list-style-type: none"> Ensure that the subsidiaries carry out the risk assessment in compliance with the risk assessment manual formulated by the Group; Review and approve the risk assessment results of the subsidiaries in respect of the business; Ensure that the subsidiaries implement effective risk management; Monitor the principal business risks confronted by the subsidiaries and the effectiveness of relevant risk management measures; and Allocate resources such as fund and workforce to the subsidiaries for implementation of the risk assessment projects. 	內部審核團隊	<ul style="list-style-type: none"> 確保附屬公司根據本集團所制定的風險評估手冊進行風險評估； 審批附屬公司對業務的風險評估結果； 確保附屬公司實施有效的風險管理； 監控附屬公司面對的主要業務風險以及相關風險管理措施的效果；及 向附屬公司分配資金及勞動力等資源以落實風險管理項目。

The Process Used to Identify, Assess and Management of Principal Risks

The risk management process of the Group is described as follows:

Risk identification	– identify the current risks confronted.
Risk analysis	– conduct analysis on the risk including the impact extent and possibility of occurrence.
Risk response	– choose a proper risk response method and develop a risk mitigation strategy.
Control measures	– propose up-to-date internal control measures and policy and process.
Risk control	– continuously monitor the risks identified and implement relevant internal control measures to ensure the effective operation of the risk response strategy.
Risk management report	– summarise results of risk assessment and analysis and internal audit, formulate and report an action plan.

識別、評估及管理主要風險所用流程

本集團的風險管理流程闡述如下：

風險識別	– 識別目前所面對風險。
風險分析	– 進行風險分析，包括影響程度及發生的可能性。
風險應對	– 選擇適當的風險應對方法及制定風險緩減策略。
控制措施	– 提議最新內部監控措施及政策與流程。
風險控制	– 不斷監控所識別風險及實施有關內部監控措施，以確保風險應對策略的有效運作。
風險管理報告	– 概括風險評估、分析及內部審核結果、制定及報告行動計劃。

The process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects:

The Group establishes a risk management information and communication channel that is functional within the whole basic risk control procedure, connects different levels in the reporting system and different departments and operation units, so as to ensure timely, accurate and complete communication of information, laying a solid foundation for the monitoring and improvement of risk management.

Different departments and business units of the Group regularly inspect and examine their own risk management process in order to locate the shortcomings and remedy the situation if possible. Their inspection and examination reports are delivered to the Group's risk management department in time.

The Board further considers that (i) there was no material issue relating to the Group's risk management and internal controls, including financial, operational and compliance controls and risk management functions of the Group; and (ii) that there were adequate staff with appropriate and adequate qualifications and experience, resources for accounting, internal audit and financial reporting functions, and adequate training programmes had been provided during the Year.

Company Secretary

Ms. Pang Yuk Fong ("Ms. Pang") was appointed as the Company Secretary on 1 October 2017. Ms. Pang has adequate knowledge on the Company to discharge her duty as the Company Secretary. Ms. Pang confirmed that she had taken no less than 15 hours of relevant professional training during the Year.

檢討風險管理與內部監控系統有效性及解決重大內部監控缺陷所用流程：

本集團現建立風險管理信息及通訊渠道。該渠道在整個基本風險控制程序中發揮作用、銜接報告系統各不同層面以及不同部門及營運單位，以確保及時、準確及完整的信息通訊，為風險管理的監控及改進奠定牢固基礎。

本集團不同部門與業務單位定期查看及檢查彼等的內部風險管理流程，以發現不足之處及在可能情況下挽救局勢。彼等的查看及檢查報告將及時交付予本集團的風險管理部門。

董事會進一步認為，於本年度內，(i) 本集團於財務、營運及合規監控以及風險管理職能等方面概無出現任何有關本集團風險管理及內部監控的重大事宜；及(ii) 本集團具合適及充足資歷及經驗的員工人數以及會計、內部審核及財務報告職能部門的資源均屬充裕，且已獲提供足夠的培訓課程。

公司秘書

彭玉芳女士（「彭女士」）二零一七年十月一日委任為公司秘書。彭女士於本公司擁有足夠知識履行公司秘書職能。彭女士確認，於本年度內，彼已接受不少於15小時的相關專業培訓。

The Shareholders' Rights to Convene an Extraordinary Meeting

Pursuant to article 64 of the Articles, extraordinary general meetings shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner.

Communications with Shareholders and Investors

In order to keep Shareholders well informed of the business activities and direction of the Group, information about the Group has been provided to the Shareholders through financial reports and announcements. The Company has established its own corporate website www.sheentai.com as a channel to facilitate effective communication with its Shareholders and the public. The Company will continue to enhance communications and relationships with its shareholders and investors. A shareholders communication policy was adopted on 22 June 2012 to comply with code provision E.1.4 of the Code.

Shareholders, investors and interested parties can make enquiries directly to the Company through the following e-mail: investorrelation@sheentai.com.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing. Contact details are as follows:

HK Address: Room 1903, 19/F Jubilee Centre, 18 Fenwick Street,
Wan Chai, Hong Kong
Tel: (852) 3998 4118/3998 4128
Fax: (852) 3998 4100
E-mail: investorrelations@sheentai.com

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees of the Company, where appropriate, to answer the Shareholders' questions.

股東召開股東特別大會的權力

根據章程細則第64條，股東特別大會須於一名或多名於要求寄存當日持有不少於本公司有權於股東大會上投票之實繳股本十分之一的股東要求時召開。該項要求須以書面向董事會或本公司公司秘書提呈，以供董事會就該要求下任何指定業務交易要求召開股東特別大會。該大會須於該項要求寄存後兩個月內舉行。倘董事會於寄存該項要求後21日內未能召開該大會，提出要求者本人(彼等)可以相同方式召開大會。

與股東及投資者的溝通

為了讓股東妥善地獲悉本集團的業務活動及方向，有關本集團的資訊一直透過財務報告及公告提供予股東。本公司已設立本身的企業網站www.sheentai.com，作為促進與股東和公眾人士有效溝通的渠道。本公司將繼續加強與股東及投資者的溝通，建立緊密的關係。股東溝通政策於2012年6月22日獲採納以遵行守則內守則條文第E.1.4條。

股東、投資者及有興趣人士可透過電郵：investorrelation@sheentai.com直接向本公司提出查詢。

向董事會轉達股東查詢的程序

股東可於任何時間以書面方式，向董事會提出查詢及表達意見。聯絡詳情如下：

香港地址：香港灣仔分域街18號捷利中心
19樓1903室
電話：(852) 3998 4118/3998 4128
傳真：(852) 3998 4100
電郵：investorrelations@sheentai.com

在適當的情況下，股東之查詢及意見將轉交本公司董事會及／或相關董事委員會，以解答股東之提問。



Procedures for Putting Forward Proposals at General Meetings by Shareholders

Shareholders are requested to follow article 64 of the Articles for including a resolution at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed “The Shareholders’ Right to Convene an Extraordinary Meeting”.

Pursuant to article 113 of the Articles, no person (other than a retiring Director) shall be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days.

The procedures for Shareholders to propose a person for election as a Director is posted on the website of the Company.

Significant Changes in Constitutional Documents

There had been no significant changes in the constitutional documents of the Company during the Year.

股東於股東大會上提出動議的程序

股東必須根據章程細則第64條的規定於股東特別大會提交決議案。有關要求及程序已載於上文「股東召開股東特別大會的權力」一段。

根據細則第113條，任何人士（除退任董事外）概無資格於任何股東大會上膺選董事職位，除非股東發出一份書面通知表明有意提名該人士膺選董事職位，而該名人士亦發出一份書面通知表明願意參選，該等通知須不早於指定舉行選舉之股東大會之通告寄發後翌日起至不遲於該股東大會舉行日期前七日止期間遞交至總辦事處或登記辦事處，而向本公司寄發該等通知之最低期限為最少七日。

股東提名人士參選董事的程序載於本公司網站。

組織章程文件的重大變動

於本年度，本公司之組織章程文件並無出現任何重大變動。



Directors' Report

董事會報告

The Directors are hereby to present to the Shareholders this annual report and the audited consolidated financial statements for the Year.

Principal Activities

The principal business activity of the Company is investment holding. The principal activities and other particulars of the Company's subsidiaries are set out in the consolidated financial statements Note 23 in this annual report.

Business Review

Further discussion and analysis of the activities of the Group during the Year, and an indication of likely future developments in the Group's business as required by Schedule 5 to the Companies Ordinance, Chapter 622, can be found in the section headed "Management Discussion and Analysis" of this annual report. Those discussions form part of this directors' report.

Principal Risks and Uncertainties

A number of factors may affect the results and business operations of the Group, some of which are inherent to the businesses in which the Group is engaged and some are from external sources. Major risks are summarised below.

i) Price fluctuation in major raw materials may have a material effect on the Group's performance

The major raw materials for production of the Group are polypropylene and imported BOPP films. Any substantial increase in prices of polypropylene and/or imported BOPP films may adversely affect the profitability of the Group if the Group is unable to pass all or part of such increase to its customers.

ii) The Group relies on certain major suppliers

The Group has relied on and expects to continue to rely on certain major suppliers for a significant portion of the purchases. If they fail to make timely delivery of their products and the Group fails to source from other suppliers in a timely and cost-effective manner, the operation of the Group could be delayed. The relationship between the Group and its customers could also be adversely affected as a result of any such delays, which could in turn materially and adversely affect the business operations and financial performance of the Group.

董事謹此向股東提呈本年報，以及截至本年度的經審核綜合財務報表。

主要業務

本公司的主要業務活動為投資控股。主要業務及本公司附屬公司的其他詳情載於本年報綜合財務報表附註23。

業務回顧

如第622章公司條例附表5所規定，本集團於本年度活動的進一步討論及分析，以及對本集團業務可能未來發展的指標，載於本年報「管理層討論及分析」一節。該等討論構成本董事會報告的一部份。

主要風險和不確定性

若干因素可能影響本集團業績及業務運作，其中部份為本集團從事業務的固有風險，而部份為來自外部的風險。主要風險總結如下。

i) 主要原材料價格波動可能對本集團業績有重大影響

本集團生產之主要原材料為聚丙烯及進口聚丙烯雙向拉伸薄膜。倘本集團不能將有關全部或部份漲幅轉嫁予其他客戶，則聚丙烯及／或進口聚丙烯雙向拉伸薄膜之價格任何大幅上升可能對本集團之盈利能力有不利影響。

ii) 本集團依賴若干主要供應商

本集團依賴及預期繼續依賴若干佔採購重大部份之主要供應商。倘彼等不能及時交付其產品及本集團未能及時及有效方式自其他供應商採購，則本集團營運可能遞延。本集團與其客戶之關係亦因任何有關遞延受到不利影響，從而對本集團業務經營及財務表現有重大不利影響。

iii) The fluctuation of exchange rate may have a material effect on the business and performance of the Group

The sales of the Group are denominated in RMB and the purchases are denominated in US\$ and RMB. The Group does not engage in any exchange rate hedging activities. Any fluctuation in the exchange rates of RMB and US\$ may have an adverse effect on the results of operations and financial condition of the Group. Appreciation of the value of US\$ may increase the costs of the Group and thus subject the Group to increased competition from domestic competitors, and depreciation in the value of RMB may adversely affect the earnings, as well as the value of the net assets and dividends from the PRC subsidiaries of the Group.

iv) PRC political, economic and social conditions and government policies could affect the business of the Group

All of the operating assets of the Group are located in the PRC and the Group expects that a majority of the revenue will continue to be derived from the operations in the PRC. The results of operations and prospects are subject, to a significant degree, to economic, political and legal developments in the PRC. The economy of the PRC differs from the economies of most developed countries in many respects, including the extent of government involvement, the level of development, the growth rate, and government control of foreign exchange. The Group cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any material adverse effect on the current or future business, results of operation or financial condition of the Group.

Environmental Policies and Compliance with Laws and Regulations

Details of environmental Policies and performance are set out in the "Environmental, Social and Governance Report" in this annual report.

The Group is committed to ensuring that the Group's operation is in compliance with applicable laws and regulations. As far as the Directors 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.

ii) 匯率波動可能對本集團之業務及表現有重大不利影響

本集團之銷售乃以人民幣計值及採購以美元及人民幣計值。本集團並無從事任何匯率對沖活動。人民幣及美元匯率之任何波動可能對本集團之業務及財務狀況有不利影響。美元升值可能增加本集團之成本及因此令本集團面臨國內競爭者之競爭增加，而人民幣貶值則可能對盈利以及來自本集團中國附屬公司之資產淨值及股息價值有不利影響。

iv) 中國政治、經濟及社會狀況及政府政策可能影響本集團之業務

本集團之所有營運資產乃位於中國及本集團預期多數收入將繼續自中國業務產生。經營業績及前景很大程度視乎中國之經濟、政治及法律發展。中國經濟在很多方面不同於多數發達國家之經濟，包括政府干預、發展水平、增長率及外匯政府控制之程度。本集團不能預測是否中國政治、經濟及社會狀況、法律、法規及政策之變動將對本集團之現時或未來業務、經營業績或財務狀況有任何重大不利影響。

環境政策及遵守法律法規

環境政策及表現之詳情載列於本年報「環境、社會及管治報告」。

本集團致力確保本集團營運符合適用法律法規。據董事所知，本集團在重大方面遵守對本集團業務及營運有顯著影響的相關法律法規。

Key Relationships with Employees, Customers and Suppliers

The Directors recognise that employees, customers and business partners are the keys to the sustainable development of the Group.

Employees are regarded as the most important and valuable assets of the Group. The Group attracts and retains key personnel and talents with appropriate skills, experience and competence which would complement and meet the corporate and business objectives of the Group. The Group ensures all employees are reasonably remunerated and the remuneration packages of employees are reviewed regularly and necessary adjustments are made to the remuneration packages to align with the market standards.

The Group also stays connected with its customers and suppliers and has ongoing communication with the customers and suppliers through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions.

Results

The results of the Group for the Year are set out in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income of this annual report.

Final Dividends

The Board does not recommend payment of any final dividend for the Year (2018: Nil).

Closure of the Register of Members

For determining entitlement to attend the forthcoming annual general meeting ("AGM") to be held on 29 May 2020, the register of members of the Company will be closed from 26 May 2020 to 29 May 2020, both days inclusive, during which period no transfer of Shares will be registered. The record date will be on 29 May 2020. In order to qualify for attending the AGM, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on 25 May 2020.

與僱員、客戶及供應商的關鍵關係

董事確認，僱員、客戶及業務合作夥伴為本集團可持續發展的關鍵。

僱員被視為本集團最重要及最有價值的資產。本集團吸引及挽留關鍵人員及擁有適當技能、經驗及能力的人才，可補充及滿足本集團的企業及業務目標。本集團確保所有僱員有合理報酬及定期審閱僱員薪酬，於必要時調整薪酬待遇以對市場標準保持一致。

本集團亦與客戶及供應商保持聯繫，並具有各種渠道，如電話、電郵及實體會議與客戶及供應商持續溝通，以取得其反饋及建議。

業績

本集團於本年度的業績載於本年報綜合損益表及綜合損益及其他全面收益表。

末期股息

董事會建議不派付本年度之末期股息(2018年：無)。

暫停辦理股份過戶登記手續

本公司將於2020年5月26日至5月29日期間(包括首尾兩天)暫停辦理股份過戶登記手續以釐定有權出席2020年5月29日舉行的應屆股東週年大會(「股東週年大會」)的股東，於該期間將不會辦理任何股份過戶登記手續。記錄日期將為2020年5月29日。為符合出席股東週年大會之資格，股東須於2020年5月25日下午四時三十分前，將所有股份過戶文件連同有關股票和過戶表格送達本公司之股份過戶登記香港分處——卓佳證券登記有限公司，其地址為香港皇后大道東183號合和中心54樓。

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the Year are set out in the consolidated financial statements Note 18 in this annual report.

Bank Borrowings and Lease Liabilities

Details of bank borrowings and lease liabilities of the Group as at 31 December 2019 are set out in the consolidated financial statements Note 32 and Note 38, respectively, in this annual report.

Summary Financial Information

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years is set out in five year financial summary. This summary does not form part of the consolidated financial statements in this annual report.

Share Capital

Details of the Company's paid up capital for the Year are set out in the consolidated financial statements Note 29 in this annual report.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles or the laws of Cayman Islands.

Purchase, Sale or Redemption of Shares

The Company had repurchased an aggregate of 21,112,000 shares of the Company for the Year. The aforesaid repurchased shares had been cancelled on 6 March 2019. The Company did not sell any of the Company's listed securities for the Year.

Details of the repurchases are as follows:

物業、廠房及設備

本集團於本年度的物業、廠房及設備的變動詳情載於本年報綜合財務報表附註18。

銀行貸款及租賃負債

本集團於2019年12月31日的銀行貸款及租賃負債詳情分別載於本年報綜合財務報表附註32及附註38。

財務資料概要

本集團過去五個財政年度已公佈之業績及資產、負債與非控股權益之概要載於五年財務摘要。此概要並不構成本年報綜合財務報表的一部份。

股本

本公司於本年度的繳足資本詳情載於本年報綜合財務報表附註29。

優先購買權

章程細則或開曼群島法例並無任何有關優先購買權的條文。

購買、出售或贖回股份

本年度，本公司已回購合共21,112,000股本公司股份。上述購回股份已於2019年3月6日注銷。本年度，本公司並無出售本公司任何上市證券。

回購股份之詳情如下：

Month 月份	Total number of Share repurchased 回購股份總數	Purchase price paid per Share 每股股份購買價		Total purchase price paid (HKD) 已付總購買價 (港元)
		Highest (HKD) 最高(港元)	lowest (HKD) 最低(港元)	
January 2019 2019年1月	21,112,000	0.205	0.190	4,290,406
Total 合計	21,112,000	0.205	0.190	4,290,406

Transfer to Reserves

The Group recorded a loss attributable to equity shareholder of approximately HK\$47.9 million (2018: loss attributable to equity shareholders of HK\$26.5 million). There will be no transfer to reserves for the Year. Other movements in reserve are set out in the consolidated statement of changes in equity in this annual report.

Material Acquisitions, Disposals and significant Investment

Save as disclosed in the section headed "Management Discussion and Analysis – Significant Investment, Material Acquisition and Disposal" in this annual report, there were no significant investments held nor other material acquisitions and disposals of subsidiaries, associated companies and joint ventures during the year ended 31 December 2019.

Subsequent Events

Details of important event affecting the Group subsequent to 31 December 2019 are set out in the section headed "Management Discussion and Analysis – Subsequent Events" in this annual report.

Major Customers and Suppliers

Sales to the Group's five largest customers accounted for approximately 72.1% of the total sales for the Year and sales to the largest customer included therein amounted to approximately 41.1% of the total sales for the Year. Purchases from the Group's five largest suppliers accounted for approximately 86.3% of the total purchases for the Year and purchase from the Group's largest supplier included therein amounted to approximately 64.9% of the total purchases for the Year.

None of the Directors or any of their close associates (as defined in the Listing Rules) or any Shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

轉撥儲備

本集團錄得權益股東應佔虧損約47.9百萬港元(2018年：權益股東應佔虧損約26.5百萬港元)。本年度概無轉撥儲備。儲備的其他變動載於本年報綜合權益變動表。

重大收購、出售及重大投資

除本年報「管理層討論及分析 – 重大投資、重大收購及出售」一節所披露者外，截至2019年12月31日止年度，概無持有重要投資及其他重大收購及出售附屬公司、聯營公司及合營企業。

期後事項

2019年12月31日後影響本集團重要事件之詳情乃載於本年報「管理層討論及分析 – 期後事項」一節。

主要客戶及供應商

本集團向五大主要客戶的銷售額約佔本年度總銷售額72.1%，其中包括向最大客戶的銷售額佔本年度總銷售額約41.1%。本集團向五大供應商的採購額約佔本年度總採購額約86.3%，其中包括向本集團最大供應商的採購額佔本年度總採購額約64.9%。

董事或其任何之緊密聯繫人(定義見上市規則)或股東(就董事所深知，擁有本公司已發行股本5%以上)概無於本集團五大客戶及供應商擁有任何權益。

Directors

The Directors who held office during the Year and as at the date of this report were as follows:

Executive Directors:

Mr. Guo Yumin (*Chairman*)
Ms. Xia Yu
Mr. Zeng Xiangyang

Independent Non-Executive Directors:

Ms. Fan Qing
Mr. Fong Wo, Felix
Mr. Lo Wa Kei, Roy

Biographies of Directors and Other Senior Management

The biographical details of Directors and other senior management are disclosed in the section headed "Biographies of Directors and Senior Management" of this annual report.

Directors Emoluments

Details of the Directors' emoluments are set out in the consolidated financial statements Note 15(a) in this annual report. The Directors' remunerations are determined with reference to his duties and responsibilities within the Company.

Material Interests of Directors in Transactions, Arrangements and Contracts

Save as disclosed in Note 15 and Note 43 to the consolidated financial statements and contracts amongst group companies, no other significant transactions, arrangements and contracts to which the Company was a party and in which a director of the Company and other director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Interests of Controlling Shareholders in Contracts of Significance

No contract of significance has been entered into during the Year between the Company or any of its subsidiaries and the controlling Shareholders or any of its subsidiaries.

董事

於年內及於本報告日期任職的董事名單如下：

執行董事：

郭玉民先生(主席)
夏煜女士
曾向陽先生

獨立非執行董事：

范晴女士
方和先生
盧華基先生

董事及其他高級管理層的履歷

董事及其他高級管理層的履歷詳情於本年報「董事及高級管理層履歷」一節披露。

董事薪酬

董事薪酬詳情載於本年報綜合財務報表附註 15(a)。董事薪酬乃參照董事於本公司之職務及職責而釐定。

董事於交易、安排及合約之重大權益

除綜合財務報表附註 15 及附註 43 披露者以及集團內公司間合約外，於年末或年內任何時間並無存續任何其他本公司訂立而本公司董事及其關連人士直接或間接擁有重大權益且與本集團業務有關之重大交易、安排及合約。

控股股東於重大合約的權益

本公司或其任何附屬公司及控股股東或其任何附屬公司於本年度並無訂立任何重大合約。

Management Contracts

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

Directors' Interest in Competing Business

None of the Directors or any of their respective close associates (as defined under the Listing Rules) had any interest in a business which competes or likely to compete, either directly or indirectly, with the business of the Group.

The independent non-executive Directors had, in the Board meeting during the Year, reviewed the non-competition undertakings (the “**Non-competition Undertakings**”) given by Sheen Tai Group Holding Limited (“**Sheentai BVI**”) and Mr. Guo Yumin (“**Mr. Guo**”) in a deed of non-competition entered into between Sheentai BVI and Mr. Guo in favour of the Company on 28 June 2012. The independent non-executive Directors were not aware of any non-compliance of the Non-competition Undertakings given by Sheentai BVI and Mr. Guo for the Year and up to the date of this annual report. Each of Sheentai BVI and Mr. Guo confirmed that he/it had complied with the Non-competition Undertakings given by him/it from the date of the Non-competition Undertakings and up to the date of this annual report.

Retirement Schemes

The Group participates in a state-managed retirement scheme operated by the PRC government which covers the Group's eligible employees in the PRC and a Mandatory Provident Fund Scheme for the employees in Hong Kong. Particulars of these retirement plans are set out in the consolidated financial statements Note 4(s) in this annual report.

Distributable Reserves

Pursuant to the relevant rules of the Cayman Islands, the Company's distributable reserves as at 31 December 2019 amounted to approximately HK\$714.1 million.

管理合約

本年度內並無訂立或存在任何涉及本公司全部或大部分業務之管理及行政工作之合約。

董事於競爭業務的權益

董事或其各自的緊密聯繫人(定義見上市規則)概無於與本集團業務造成或可能造成直接或間接競爭的業務中擁有任何權益。

於本年度的董事會會議上，獨立非執行董事已審閱順泰集團控股有限公司(「**Sheentai BVI**」)及郭玉民先生(「**郭先生**」)於2012年6月28日由Sheentai BVI及郭先生訂立有利於本公司的不競爭契約中作出的不競爭承諾(「**不競爭承諾**」)。於本年度及直至本年報日期止，獨立非執行董事並不知悉Sheentai BVI及郭先生作出的不競爭承諾有任何違規情況。Sheentai BVI及郭先生各自已確認，自不競爭承諾日期起及截至本年報日期，彼等已遵守授予彼等的不競爭承諾。

退休計劃

本集團參與中國政府營運的國家管理退休金計劃以保障本集團於中國的合資格僱員及強制性公積金計劃以保障香港的僱員。此等退休計劃詳情載於本年報的綜合財務報表附註4(s)。

可供分派儲備

根據開曼群島有關法例，本公司於2019年12月31日的可供分派儲備約為714.1百萬港元。

Directors' Interests or Short Positions in Shares, Underlying Shares and Debentures

董事於股份、相關股份及債券的權益或淡倉

(a) As at 31 December 2019, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) 於2019年12月31日，本公司董事或最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中，擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例該等條文被當作或視為擁有之任何權益或淡倉），或須根據證券及期貨條例第352條登記於該條所指登記冊的權益及淡倉，或根據上市規則附錄10之上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉如下：

(i) Long Position in the Shares and the underlying Shares

(i) 於相關股份之好倉及股份

Name of Director 董事姓名	Capacity/Nature 身份／性質	Number of Shares and underlying Shares held/ interested 所持／擁有權益股份及相關股份數目	Approximate Percentage of interest 權益百分比約數
Mr. Guo Yumin ("Mr. Guo") 郭玉民（「郭先生」）	Interest of a controlled corporation (Note 1) 受控制法團權益（附註1）	1,206,086,000	49.55%
	Beneficial owner (Note 2) 實益擁有人（附註2）	272,356,164	11.19%
	Interest of spouse (Notes 3 and 4) 配偶權益（附註3及4）	33,094,000	1.36%
Ms. Xia Yu ("Ms. Xia") 夏煜（「夏女士」）	Interest of spouse (Note 5) 配偶權益（附註5）	1,478,442,114	60.74%
	Beneficial owner (Note 3) 實益擁有人（附註3）	33,094,000	1.36%
Mr. Zeng Xiangyang ("Mr. Zeng") 曾向陽（「曾先生」）	Beneficial owner (Note 6) 實益擁有人（附註6）	4,000,000	0.16%

Name of Director 董事姓名	Capacity/Nature 身份/性質	Number of Shares and underlying Shares held/interested 所持/擁有權益股份數目	Approximate Percentage of interest 權益百分比約數
Ms. Fan Qing (“Ms. Fan”) 范晴女士(「范女士」)	Beneficial owner (Note 7) 實益擁有人(附註7)	800,000	0.03%
Mr. Fong Wo, Felix (“Mr. Fong”) 方和先生(「方先生」)	Beneficial owner (Note 8) 實益擁有人(附註8)	800,000	0.03%
Mr. Lo Wa Kei, Roy (“Mr. Lo”) 盧華基先生(「盧先生」)	Beneficial owner (Note 9) 實益擁有人(附註9)	800,000	0.03%

(ii) Long Position in the Ordinary Shares of Associated Corporation

(ii) 於相聯法團普通股份之好倉

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Capacity/Nature 身份/性質	Number of share held/interested 所持/擁有權益股份數目	Percentage of interest 權益百分比
Mr. Guo 郭先生	Sheentai BVI	Beneficial owner 實益擁有人	1	100%
Ms. Xia (Note 5) 夏女士(附註5)	Sheentai BVI	Interest of spouse 配偶權益	1	100%

Notes:

附註：

- Mr. Guo beneficially owns the entire issued share capital of Sheentai BVI. Therefore Mr. Guo is deemed, or taken to be, interested in all the 1,206,086,000 Shares held by Sheentai BVI for the purpose of the SFO. Mr. Guo is the sole director of Sheentai BVI.
- These 272,356,164 Shares and underlying Shares represent the 272,356,164 Shares owned by Mr. Guo.
- These 33,094,000 Shares and underlying Shares represent the 33,094,000 Shares owned by Ms. Xia.
- Mr. Guo is the spouse of Ms. Xia. Accordingly, Mr. Guo is deemed, or taken to be interested in all the Shares and underlying Shares in which Ms. Xia is interested.

- 郭先生實益擁有 Sheentai BVI 的全部已發行股本。因此，根據證券及期貨條例，郭先生被視為或當作於 Sheentai BVI 持有的所有 1,206,086,000 股股份中擁有權益。郭先生為 Sheentai BVI 的唯一董事。
- 該 272,356,164 股股份及相關股份指郭先生擁有的 272,356,164 股股份。
- 該 33,094,000 股股份及相關股份指夏女士擁有的 33,094,000 股股份。
- 郭先生為夏女士的配偶。因此，郭先生被視為或當作於夏女士擁有權益的所有股份及相關股份中擁有權益。

5. Ms. Xia is the spouse of Mr. Guo. Accordingly, Ms. Xia is deemed, or taken to be interested in all the Shares and underlying Shares in which Mr. Guo is interested for the purpose of the SFO.
 6. These 4,000,000 Shares and underlying Shares represent:
 - (a) the 2,000,000 Shares beneficially owned by Mr. Zeng; and
 - (b) the 2,000,000 underlying Shares which may be allotted and issued to Mr. Zeng upon full exercise of the share options granted under the Share Option Scheme adopted by the Company on 22 June 2012 (the "**Share Option Scheme**", each share option granted under the Share Option Scheme is referred to as "**Share Option**") to him.
 7. These 800,000 underlying Shares represent the 800,000 Shares which may be allotted and issued to Ms. Fan upon full exercise of the Share Options granted to her.
 8. These 800,000 underlying Shares represent the 800,000 Shares which may be allotted and issued to Mr. Fong upon full exercise of the Share Options granted to him.
 9. These 800,000 underlying Shares represent the 800,000 Shares which may be allotted and issued to Mr. Lo upon full exercise of the Share Options granted to him.
5. 夏女士為郭先生的配偶。因此，根據證券及期貨條例，夏女士被視為或當作於郭先生擁有權益的所有股份及相關股份中擁有權益。
 6. 該4,000,000股股份及相關股份指：
 - (a) 曾先生擁有的2,000,000股股份；及
 - (b) 於悉數行使根據本公司於2012年6月22日採納的購股權計劃（「**購股權計劃**」，根據購股權計劃授出的各份購股權乃指「**購股權**」）向曾先生授出的購股權後可能向其配發及發行的2,000,000股相關股份。
 7. 該800,000股相關股份指於悉數行使向范女士授出的購股權後可能向其配發及發行的800,000股股份。
 8. 該800,000股相關股份指於悉數行使向方先生授出的購股權後可能向其配發及發行的800,000股股份。
 9. 該800,000股相關股份指於悉數行使向盧先生授出的購股權後可能向其配發及發行的800,000股股份。

Directors' Report 董事會報告

(b) So far as is known to the Directors, as at 31 December 2019, the following persons (not being a Director or chief executive of the Company as disclosed in paragraph (a) above) had interests or short positions in Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

The Company

Name 名稱	Capacity/Nature of interest 身份／權益性質	Number of Shares held/ interested 所持／擁有 權益股份數目	Approximate Percentage of shareholding 股權百分比約數
Sheentai BVI	Beneficial owner 實益擁有人	1,206,086,000	49.55%

Save as disclosed above, as at 31 December 2019, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Directors' Right to Acquire Shares or Debentures

Apart from as disclosed under the paragraph headed "Directors' interests and short positions in shares, underlying shares and debentures" above, at no time during the Year was the Company, its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company or their associates to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

(b) 據董事所知，於2019年12月31日，以下人士（上文(a)段所披露之本公司董事或最高行政人員除外）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司及聯交所披露的權益或淡倉，或直接或間接擁有附有權利可於任何情況下在本集團任何其他成員公司的股東大會上投票的任何類別股本面值10%或以上的權益：

本公司

除上文所披露者外，於2019年12月31日，概無任何人士（本公司董事或最高行政人員除外）知會本公司其於股份或相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部之條文向本公司披露，或記入本公司根據證券及期貨條例第336條規定存置之登記冊的權益或淡倉。

董事收購股份或債券的權利

除上文「董事於股份、相關股份及債券的權益或淡倉」一段所披露者外，於本年度任何時候，本公司、其控股公司、附屬公司或同系附屬公司並無訂立任何安排，使本公司董事或最高行政人員或其聯繫人可透過收購本公司或任何其他法人團體的股份或債券而獲益。

Share Option Schemes

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 22 June 2012. A summary of the principal terms and conditions of the Share Option Scheme is set out as follows.

1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

2. Participants

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

購股權計劃

本公司於2012年6月22日採納一項購股權計劃(「**購股權計劃**」)。購股權計劃主要條款及條件的概要載列如下：

1. 購股權計劃的目的

股權計劃旨在吸納及挽留優才，並向本集團僱員(全職及兼職)、董事、諮詢人士、顧問、分銷商、承包商、供應商、代理、客戶、商業夥伴或服務供應商提供額外獎勵以及推動本集團業務創出佳績。

2. 參與者

董事會可全權酌情及按其可能認為合適的有關條款向本集團任何僱員(全職或兼職)、董事、諮詢人士或顧問或本集團任何主要股東或本集團任何分銷商、承包商、供應商、代理、客戶、商業夥伴或服務供應商授出購股權以認購相關數目股份(可根據購股權計劃條款釐定)。

任何參與者可獲授任何購股權的基本資格乃根據董事會(或視情況而定，獨立非執行董事)不時根據其對本集團的發展或業務的貢獻或潛在貢獻而決定。

3. Total number of Shares available for issue under the Share Option Scheme

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other scheme of the Company shall not in aggregate exceed 10% of all the shares in issue as at the date of listing of the shares of the Company (or such numbers of shares as shall result from a sub-division or a consolidation of the shares of the Company from time to time), i.e. 40,000,000 shares representing 10% of the issued shares of the Company as at the date of listing. On 25 September 2015, each of the existing issued and unissued shares of the Company of HK\$0.01 each in the share capital of the Company was sub-divided into four sub-divided shares of HK\$0.0025 each (the "Shares Subdivision"). As such, the maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other scheme of the Company is adjusted from 40,000,000 to 160,000,000.

On 29 January 2015, a total of 14,600,000 share options to subscribe for a total of 14,600,000 ordinary shares of HK\$0.01 each of the Company (which were adjusted to 58,400,000 shares of HK\$0.0025 each after the Shares Subdivision) were granted to certain Directors and employees of the Company under the Share Option Scheme.

Therefore, as at the date of this annual report, the total number of shares available for issue under the Share Option Scheme and any other scheme of the Company was 51,650,000 representing approximately 2.12% of the issued share capital of the Company as at the date of this annual report.

4. Maximum entitlement of each participant

The total number of shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to the date of grant shall not exceed 1% of the shares of the Company in issue.

3. 根據購股權計劃可發行股份總數

根據購股權計劃及本公司任何其他計劃可能授出購股權有關股份最高數目將合計不超過於本公司股份上市日期已發行所有股份的10% (或本公司股份不時拆細或合併將產生的有關股份數目), 即40,000,000股股份, 佔上市日期本公司已發行股份的10%。於2015年9月25日, 本公司股本中每股面值0.01港元的每股本公司現有已發行及未發行股份乃分拆為四股每股面值0.0025港元的拆細股份(「股份拆細」)。因此, 根據購股權計劃及本公司任何其他計劃可能授出購股權有關股份最高數目由40,000,000股調整為160,000,000股。

於2015年1月29日, 根據購股權計劃, 已向本公司若干董事及僱員授出總計14,600,000份購股權, 以認購總計14,600,000股本公司每股面值0.01港元的普通股(其於股份拆細後已調整至58,400,000股每股面值0.0025港元的股份)。

因此, 於本年報日期, 根據購股權計劃及本公司任何其他計劃可供發行股份總數為51,650,000股, 佔本年報日期本公司已發行股本的約2.12%。

4. 各參與者的最高配額

於任何12個月期間截至授出日期根據購股權計劃或本公司任何其他購股權計劃於行使向任何參與者授出購股權時已發行及將發行股份總數(包括已行使及尚未行使購股權)將不超過本公司已發行股份的1%。

5. Time of exercise of options

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

6. Minimum period for which an option must be held before it can be exercised

Save as determined by the Board and provided in the offer of the grant of the relevant options, there is no performance target which must be achieved before any of the options can be exercised.

7. Time of acceptance and the amount payable on acceptance of the option

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.

8. Basis of determining the exercise price

The exercise price of a share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share of the Company on the date of grant of the option.

9. Life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing on the date on 22 June 2012 (the date on which the Share Option Scheme was conditionally adopted by the Company) and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders of the Company in general meeting.

5. 行使購股權的時間

根據購股權計劃的條款可能行使購股權期間任何時間按董事會可能釐定將不超過自授出日期起十年(受有關提前終止條文規限)。

6. 行使購股權前須持有購股權之最低期限

除董事會另有釐定及有關購股權的授出要約指明者外，任何購股權可獲行使前毋須達成任何表現目標。

7. 接納時間及接納購股權時應付金額

授出購股權要約須於作出有關要約(不包括當日)七日內接納。於授出購股權要約接納時本公司購股權承授人應付金額為1港元。

8. 釐定行使價的基準

就根據購股權計劃授出的任何特定購股權的股份行使價，將完全由董事會釐定並通知參與者，但不得低於下列較高者：(i)本公司股份於購股權授出日期(須為營業日)在聯交所每日報價表所報的收市價；(ii)本公司股份於緊接購股權授出日期前五個營業日在聯交所每日報價表所報的平均收市價；及(iii)本公司股份於購股權授出日期的面值。

9. 購股權計劃的有效期

購股權計劃將自2012年6月22日(本公司有條件採納購股權計劃日期)起十年期間仍具效力，除非在股東大會上遭本公司股東提早終止，否則於緊接計劃滿十週年前一個營業日的營業時間結束時屆滿。

Directors' Report 董事會報告

On 29 January 2015, a total of 14,600,000 share options to subscribe for a total of 14,600,000 ordinary shares of HK\$0.01 each of the Company were granted to certain Directors and employees of the Company under the Share Option Scheme. Among the share options granted above, 2,100,000 share options were granted to the Directors to subscribe for a total of 2,100,000 shares of the Company. For details, please refer to the Company's announcement dated 29 January 2015.

Please refer to the announcement of the Company dated 24 September 2015 in relation to the adjustment to the options granted under the Share Option Scheme upon the share subdivision of the Company becoming effective on 25 September 2015.

Set out below are details of the outstanding options granted under the Share Option Scheme as at the date of this report:

於2015年1月29日，可認購合共14,600,000股本公司每股面值0.01港元的普通股的14,600,000份購股權，已根據本公司的購股權計劃授予若干本公司董事及僱員。於所授出購股權中，2,100,000份購股權乃授予董事，以認購合共2,100,000股本公司股份。詳情請參閱本公司日期為2015年1月29日的公告。

請參閱本公司日期為2015年9月24日的公告，內容有關本公司股份拆細於2015年9月25日生效前之購股權調整。

於本報告日期，根據購股權計劃授出的未行使購股權詳情載列如下：

Name of grantee 承授人姓名	Number of options granted on 29 January 2015 於2015年1月29日 獲授購股權數目	Outstanding as at 1 January 2019 於2019年1月1日 尚未行使	During the reporting period 於報告期內			Outstanding as at 31 December 2019 於2019年12月31日 尚未行使	
			Exercised 已行使	Cancelled 已註銷	Lapsed 已失效		
Director	董事						
Mr. Zeng Xiangyang	曾向陽先生	2,000,000	2,000,000	-	-	-	2,000,000
Mr. Fong Wo, Felix	方和先生	800,000	800,000	-	-	-	800,000
Ms. Fan Qing	范晴女士	800,000	800,000	-	-	-	800,000
Mr. Lo Wa Kei, Roy	盧華基先生	800,000	800,000	-	-	-	800,000
Employees and advisers	僱員及顧問	52,400,000	47,650,000	-	-	-	47,650,000
Total	合計	58,400,000	53,650,000	-	-	-	53,650,000

Employees and Remuneration Policy

As at 31 December 2019, the Group employed approximately 245 full-time staff members. The Directors and senior management receive compensation in the form of fees, salaries, allowances, benefits in kind and/or discretionary bonuses relating to our performance. The Group also established the Share Option Scheme to incentivize the senior management and employees, further details of which are set out in the paragraph headed "Share Option Schemes" in this report. When reviewing and determining the specific remuneration packages for the executive Directors and senior management, the Company takes into consideration factors such as their individual performance, qualification, experience and seniority, salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment elsewhere in the Group and desirability of performance-based remuneration. The Group determines the staff's remuneration based on factors such as qualifications and work experience.

Corporate Governance

The Company is committed to maintaining the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report of this annual report.

Charitable Donations

During the Year, the Group did not make any charitable donation.

Permitted Indemnity Provisions

Pursuant to Article 191 of the Articles of Association, every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

Public Float

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

僱員及薪酬政策

於2019年12月31日，本集團聘用約245名全職員工。董事及高級管理層以袍金、薪金、津貼、實物福利及／或與本集團表現有關的酌情花紅形式收取報酬。本集團亦設立購股權計劃，以激勵高級管理層及僱員，進一步詳情載於本報告「購股權計劃」一段。於檢討及釐定執行董事及高級管理層的具體薪酬組合時，本公司會考慮多種因素，如彼等的個人表現、資格、經驗及資歷、可比公司所支付的薪金、時間貢獻及董事職責、於本集團各處的任職情況以及績效掛鈎薪酬的可取性。本集團根據資格及工作經驗等因素釐定員工的薪酬。

企業管治

本公司致力維持企業管治常規的高水平。有關本公司所採納的企業管治常規資料載於本年報企業管治報告。

慈善捐贈

於本年度，本集團並無作出任何慈善捐贈。

獲准許彌償條文

根據章程細則第191條，每名董事就其執行職務或與此有關所蒙受或招致之一切損失或責任，均有權從本公司資產中獲得彌償。

公眾持股量

根據本公司所得公眾資料及就董事所知，於本年報日期，本公司於本年度直至本年報日期已遵照上市規則維持足夠公眾持股量。

Directors' Report 董事會報告

Auditor

RSM Hong Kong ("RSM") had acted as the auditors of the Company for the Year. The Company changed its external auditors on 12 October 2017 from KPMG to RSM.

RSM will retire and being eligible, offer themselves for reappointment at the forthcoming annual general meeting. A resolution for the reappointment of RSM as auditor of the Company will be proposed at the forthcoming annual general meeting.

By Order of the Board of

Guo Yumin
Chairman

Hong Kong, 31 March 2020

核數師

於本年度羅申美會計師事務所(「羅申美」)擔任本公司核數師。本公司於2017年10月12日將其外部核數師由畢馬威變更為羅申美。

羅申美華將於應屆股東週年大會上退任，惟符合資格並願意應選連任。再次委任羅申美為本公司核數師的決議案將於應屆股東週年大會提呈。

承董事會命

主席
郭玉民

香港，2020年3月31日

Independent Auditor's Report

獨立核數師報告



RSM

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**TO THE SHAREHOLDERS OF
SHEEN TAI HOLDINGS GROUP COMPANY LIMITED**
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Sheen Tai Holdings Group Company Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 82 to 203, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 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 (the “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
致順泰控股集團有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審核載於第82頁至203頁順泰控股集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2019年12月31日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2019年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為擬備。

Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter we identified is the impairment assessment of property, plant and equipment and right-of-use assets.

意見的基礎

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。我們識別的關鍵審計事項為對物業、廠房及設備及使用權資產的減值評估。

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們於審計過程中如何處理關鍵審計事項
<p>Impairment assessment of property, plant and equipment and right-of-use assets</p> <p>Refer to note 18 and 20 to the consolidated financial statements.</p> <p>For property, plant and equipment and right-of-use assets of the Group. Impairment testing is performed when indicators of potential impairment are identified. In performing impairment testing of property, plant and equipment and right-of-use assets, management considered that the entire operations of each business segment represented a separately identifiable cash generating unit ("CGU").</p> <p>Management assessed potential impairment by using the value in use method and engaged a firm of qualified external valuers to assist in preparing the value in use calculations. The value in use calculations required the exercise of significant management judgement and estimates.</p> <p>對物業、廠房及設備及使用權資產的減值評估</p> <p>請參閱綜合財務報表附註 18 及 20。</p> <p>對於本集團的物業、廠房及設備及使用權資產，當識別出潛在減值指標時，進行減值測試。在對物業、廠房及設備及使用權資產進行減值測試時，管理層認為各業務分部的全部業務均代表一個可單獨識別的現金產生單位(「現金產生單位」)。</p> <p>管理層透過採用使用價值法評估潛在減值，並委聘合資格外部估值師以協助編制使用價值的計算。使用價值的計算需要行使重大管理層判斷及估計。</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Assessing the external valuer's qualifications, experience and expertise and considering their objectivity and independence; • working with our in house valuation specialists to review the integrity of the value in use model and the appropriateness of the discount rate adopted by management; • reconciling input data to supporting evidence including approved budgets; • challenging the reasonableness of management's key assumptions underlying the cash flow forecasts in view of the historical performance of the CGU and our understanding of the business; and • considering the adequacy of the impairment testing disclosures in the consolidated financial statements. <p>我們的程序包括：</p> <ul style="list-style-type: none"> • 評估外部估值師的資格、經驗及專業知識，並考慮其客觀性及獨立性； • 與我們的內部評估專家合作，審查使用價值模型的完整性以及管理層所採用折現率的適當性； • 將輸入數據與有關憑證(包括獲批准預算)作比對； • 鑒於現金產生單位的歷史表現以及我們對業務的了解，對現金流量預測所依據的管理層關鍵假設的合理性提出質疑；及 • 評估綜合財務報表中減值測試披露的充分性。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

其他資料

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

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

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

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

董事就綜合財務報表須承擔的責任

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

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

審計委員會協助董事履行監督貴集團的財務報告過程的責任。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向股東報告我們的意見，除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

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

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

核數師就審計綜合財務報表承擔的責任 (續)

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

除其他事項外，我們與審計委員會就(其中包括)計劃的審計範圍、時間安排及重大審計發現進行溝通，包括我們在審計中識別出內部控制的任何重大缺陷。

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

核數師就審計綜合財務報表承擔的責任 (續)

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

出具本獨立核數師報告的審計項目合夥人是吳慧筠。

RSM Hong Kong
Certified Public Accountants
Hong Kong

31 March 2020

羅申美會計師事務所
執業會計師
香港

2020年3月31日

Consolidated Statement of Profit or Loss

綜合損益表

For the year ended 31 December 2019
截至2019年12月31日止年度

		Note 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Revenue	收入	8	376,208	453,827
Cost of sales	銷售成本		(295,748)	(338,423)
Gross profit	毛利		80,460	115,404
Other income	其他收入	9	23,917	12,687
Other gains and losses, net	其他收益及虧損淨額	10	(21,002)	(9,368)
Distribution costs	分銷成本		(22,923)	(18,260)
Impairment losses on trade and other receivables	貿易應收款項及其他 應收款項的減值虧損		(5,911)	(1,662)
Administrative expenses	行政開支		(73,540)	(87,228)
Other operating expenses	其他經營開支		(2,945)	(2,880)
(Loss)/profit from operations	經營(虧損)/溢利		(21,944)	8,693
Finance costs	融資成本	11	(7,229)	(8,156)
Impairment of goodwill	商譽減值	21	(2,830)	–
Impairment of property, plant and equipment	物業、廠房及設備減值	18	(12,089)	(19,419)
Loss before tax	稅前虧損		(44,092)	(18,882)
Income tax expense	所得稅支出	12	(3,781)	(7,734)
Loss for the year	年內虧損	13	(47,873)	(26,616)
Attributable to:	以下人士應佔：			
Equity shareholders of the Company	本公司權益股東		(47,873)	(26,498)
Non-controlling interests	非控股權益		–	(118)
			(47,873)	(26,616)
Loss per share	每股虧損			
Basic (HK\$ per share)	基本(每股港元)	17	(0.020)	(0.011)
Diluted (HK\$ per share)	攤薄(每股港元)	17	(0.020)	(0.011)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2019
截至2019年12月31日止年度

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Loss for the year	年內虧損	(47,873)	(26,616)
Other comprehensive loss:	其他全面虧損：		
<i>Items that may be reclassified to profit or loss:</i>	<i>可能重新分類至損益的項目：</i>		
Exchange differences on translating foreign operations	換算境外經營所產生的匯兌差額	(14,329)	(41,658)
Exchange differences reclassified to profit or loss on disposal of subsidiaries	分類為出售附屬公司損益的匯兌差額	–	(2)
Other comprehensive loss for the year, net of tax	年內其他全面虧損，扣除稅項	(14,329)	(41,660)
Total comprehensive loss for the year	年內全面虧損總額	(62,202)	(68,276)
Attributable to:	以下人士應佔：		
Equity shareholders of the Company	本公司權益股東	(62,202)	(68,158)
Non-controlling interests	非控股權益	–	(118)
Total comprehensive loss for the year	年內全面虧損總額	(62,202)	(68,276)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019
於2019年12月31日

		Note 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	401,534	458,835
Interests in leasehold land held for own use under operating lease	根據經營租賃持作自用的租賃土地的權益	19	–	26,288
Right-of-use assets	使用權資產	20	46,069	–
Goodwill	商譽	21	–	2,830
Intangible assets	無形資產	22	1,121	1,556
Other non-current assets	其他非流動資產		2,050	1,380
Contract assets	合約資產	26	59,398	39,478
Deferred tax assets	遞延稅項資產	33	2,183	4,691
Total non-current assets	非流動資產總值		512,355	535,058
Current assets	流動資產			
Financial assets at fair value through profit or loss (“FVTPL”)	以公允價值計量且其變動計入當期損益的金融資產 (「以公允價值計量且其變動計入當期損益」)	27	1,696	15,199
Inventories	存貨	24	62,863	100,788
Trade and other receivables	貿易應收款項及其他應收款項	25	238,312	274,618
Current tax assets	即期稅項資產		2,977	1,875
Restricted cash	受限制現金	28	–	8,881
Bank and cash balances	銀行及現金結餘	28	165,438	185,386
Total current assets	流動資產總額		471,286	586,747
Current liabilities	流動負債			
Trade and other payables	貿易應付款項及其他應付款項	36	107,311	116,795
Contract liabilities	合約負債	37	1,950	2,185
Lease liabilities	租賃負債	38	2,708	–
Bank borrowings	銀行貸款	32	69,902	159,625
Deferred government grants	遞延政府補助	35	262	–
Current tax liabilities	即期稅項負債		7,926	6,049
Total current liabilities	流動負債總額		190,059	284,654
Net current assets	流動資產淨額		281,227	302,093
Total assets less current liabilities	總資產減流動負債		793,582	837,151

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019
於 2019 年 12 月 31 日

		Note 附註	2019 2019 年 HK\$'000 千港元	2018 2018 年 HK\$'000 千港元
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	38	16,203	–
Deferred tax liabilities	遞延稅項負債	33	5,790	5,844
Deferred government grants	遞延政府補助	35	5,938	–
Total non-current liabilities	非流動負債總額		27,931	5,844
NET ASSETS	淨資產		765,651	831,307
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	29	6,085	6,138
Reserves	儲備	31	759,566	825,169
Total equity	權益總額		765,651	831,307

Approved by the Board of Directors on 31 March 2020 and are signed on its behalf by:

由董事會於 2020 年 3 月 31 日批准並由下列人士代表董事會簽署：

Guo Yumin
郭玉民

Xia Yu
夏煜

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2019
截至2019年12月31日止年度

		Attributable to shareholders of the Company 本公司股東應佔											
		Capital					Share-based			Non-		Total	
		Share	Share	Treasury	redemption	Capital	Statutory	payments	Exchange	Retained	Sub-		controlling
Note		capital	premium	shares	reserve	reserve	reserve	reserves	reserve	profits	total	interests	equity
附註		股本	股份溢價	庫存股份	贖回儲備	資本儲備	法定儲備	以股份為基礎 的支付儲備	匯兌儲備	保留溢利	小計	非控股權益	總權益
		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
At 1 January 2018	於2018年1月1日	6,138	605,502	-	-	68,665	39,340	15,552	(8,298)	171,425	898,324	(552)	897,772
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	-	-	-	(41,660)	(26,498)	(68,158)	(118)	(68,276)
Share-based payments	以股份為基礎的支付	39	-	-	-	-	-	1,811	-	-	1,811	-	1,811
Appropriation to statutory reserve	分配至法定儲備	-	-	-	-	-	2,754	-	-	(2,754)	-	-	-
Acquisition of partial shares of subsidiaries from non-controlling interests	由非控股權益收購部分附屬公司股份	-	-	-	-	-	-	-	-	(670)	(670)	670	-
Changes in equity for the year	年內權益變動	-	-	-	-	-	2,754	1,811	(41,660)	(29,922)	(67,017)	552	(66,465)
At 31 December 2018	於2018年12月31日	6,138	605,502	-	-	68,665	42,094	17,363	(49,958)	141,503	831,307	-	831,307
At 1 January 2019	於2019年1月1日	6,138	605,502	-	-	68,665	42,094	17,363	(49,958)	141,503	831,307	-	831,307
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	-	-	-	(14,329)	(47,873)	(62,202)	-	(62,202)
Repurchase of shares	回購股份	-	-	(4,291)	-	-	-	-	-	-	(4,291)	-	(4,291)
Cancellation of shares	註銷股份	29	(4,291)	4,291	53	-	-	-	-	-	-	-	-
Share-based payments	以股份為基礎的支付	39	-	-	-	-	-	837	-	-	837	-	837
Appropriation to statutory reserve	分配至法定儲備	-	-	-	-	-	2,185	-	-	(2,185)	-	-	-
Changes in equity for the year	年內權益變動	(53)	(4,291)	-	53	-	2,185	837	(14,329)	(50,058)	(65,656)	-	(65,656)
At 31 December 2019	於2019年12月31日	6,085	601,211	-	53	68,665	44,279	18,200	(64,287)	91,445	765,651	-	765,651

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019
截至2019年12月31日止年度

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Loss before tax	稅前虧損	(44,092)	(18,882)
Adjustments for:	調整項目：		
Impairment of goodwill	商譽減值	2,830	–
Impairment of property, plant and equipment	物業、廠房及設備減值	12,089	19,419
Write off of property, plant and equipment	物業、廠房及設備撇銷	661	28
Allowance for inventories	存貨撥備	319	212
Allowance for trade and other receivables, net	貿易應收款項及其他應收款項撥備 淨額	5,911	1,662
Loss on disposal of subsidiaries	出售附屬公司的虧損	–	1,629
Amortisation of deferred government grants	遞延政府補助攤銷	(213)	–
Amortisation of intangible assets	無形資產攤銷	550	462
Amortisation of prepaid land lease payments	預付土地租賃付款攤銷	–	521
Depreciation of property, plant and equipment	物業、廠房及設備折舊	40,890	43,489
Depreciation of right-of-use assets	使用權資產折舊	4,267	–
Finance costs	融資成本	7,229	8,156
Dividend income from equity securities	股本證券的股息收入	(13,617)	(129)
Interest income	利息收入	(465)	(940)
Fair value gain on convertible bonds	可換股債券的公允價值收益	–	(94)
Net realised and unrealised gain on investment in wealth management products	理財產品投資的已變現 及未變現收益淨額	–	(592)
Net realised and unrealised loss on investment in equity securities	股本證券投資的已變現 及未變現淨虧損	18,566	4,167
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的 收益	(25)	(107)
Equity settled share-based payments	以權益結算以股份為基礎的支付	837	1,811
Operating profit before working capital changes	營運資金變動前的經營溢利	35,737	60,812
Decrease in inventories	存貨減少	37,560	41,144
Decrease in trade and other receivables	貿易應收款項及其他應收款項減少	28,036	31,578
Increase in contract assets	合約資產增加	(19,920)	(39,478)
(Increase)/decrease in other non-current assets	其他非流動資產(增加)/減少	(670)	2,090
Decrease in financial assets at FVTPL	以公允價值計量且其變動計入 當期損益的金融資產減少	8,198	–
Decrease in wealth management products	理財產品減少	–	7,712
Decrease in trade and other payables	貿易應付款項及其他應付款項減少	(9,484)	(86,248)
(Decrease)/increase in contract liabilities	合約負債(減少)/增加	(235)	2,185
Increase in deferred government grants	遞延政府補助增加	6,504	–
Cash generated from operations	經營活動所得現金	85,726	19,795
Dividend income from equity securities received	已收股本證券的股息收入	356	129
Income taxes paid	已付所得稅	(2,723)	(5,990)
Income taxes refunded	已退所得稅	2,201	1,823
Interest on lease liabilities	已付租賃負債利息	(1,451)	–
Net cash generated from operating activities	經營活動所得現金淨額	84,109	15,757

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019

截至2019年12月31日止年度

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所用現金流量		
Purchases of leasehold land held for own use under operating lease	購買根據經營租賃持作自用的租賃土地	–	(6,464)
Purchases of property, plant and equipment and intangible assets	購買物業、廠房及設備及無形資產	(4,825)	(69,171)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	547	213
Payments for right-of-use assets	使用權資產付款	(286)	–
Net cash outflow for disposal of subsidiaries	出售附屬公司的現金流出淨額	–	(2,704)
Decrease/(increase) in restricted cash	受限制現金減少/(增加)	8,881	(8,881)
Interest received	已收利息	465	940
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額	4,782	(86,067)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Bank borrowings raised	籌借銀行貸款	70,717	165,145
Repayment of bank borrowings	償還銀行貸款	(159,073)	(152,222)
Principal elements of lease payments	租賃付款的本金	(3,001)	–
Repurchase of shares	回購股票	(4,291)	–
Interest paid	已付利息	(5,778)	(8,156)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	(101,426)	4,767
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目減少淨額	(12,535)	(65,543)
Effect of foreign exchange rate changes	匯率變動影響	(7,413)	(23,374)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於1月1日的現金及現金等值項目	185,386	274,303
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於12月31日的現金及現金等值項目	165,438	185,386
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及現金等值項目分析		
Bank and cash balances	銀行及現金結餘	165,438	185,386

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019
截至2019年12月31日止年度

1. GENERAL INFORMATION

Sheen Tai Holdings Group Company Limited (the “Company”) was incorporated in the Cayman Islands on 24 February 2012 and registered as an exempted company with limited liability under Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company and its subsidiaries hereinafter are collectively referred to as the “Group”. The address of its registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Unit 1903, 19/F, Jubilee Centre, 18 Fenwick Street, Wan Chai, Hong Kong. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 13 July 2012.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 23 to the consolidated financial statements.

In the opinion of the directors of the Company, Sheen Tai Group Holding Limited, a company incorporated in the British Virgin Islands (the “BVI”), is the immediate and ultimate parent and Mr Guo Yumin, a director of the Company, is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

1. 一般資料

順泰控股集團有限公司(「本公司」)於2012年2月24日根據開曼群島法例第22章公司法(1961年第3號法例，經綜合及修訂)在開曼群島註冊成立為一家獲豁免有限公司。本公司及其附屬公司統稱為「本集團」。本公司的註冊辦事處地址為Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。本公司主要營業地點為香港灣仔分域街18號捷利中心19樓1903室。本公司股份自2012年7月13日起於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為一間投資控股公司。其附屬公司的主要業務載列於綜合財務報表附註23。

本公司董事認為，順泰集團控股有限公司(於英屬維爾京群島(「英屬維爾京群島」)註冊成立的公司)為直接及最終母公司，而本公司董事郭玉民先生則為本公司的最終控制方。

2. 編製基準

該等綜合財務報表已按照香港會計師公會(「香港會計師公會」)頒佈的所有適用香港財務報告準則(「香港財務報告準則」)而編製。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」); 香港會計準則(「香港會計準則」); 及詮釋。該等綜合財務報表亦遵守聯交所證券上市規則(「上市規則」)之適用披露條文及香港公司條例之披露規定(第622章)。本集團採納的重大會計政策披露如下。

香港會計師公會頒佈若干於本集團當前會計期間首次生效或可供提早採納之新訂及經修訂香港財務報告準則。首次應用該等變動所引致本集團當前及過往會計期間之任何會計政策變動已於該等綜合財務報表內反映，有關資料載列於附註3。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The HKICPA has issued a new HKFRS, HKFRS 16 Leases, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases, and the related interpretations, HK(IFRIC) 4 Determining whether an Arrangement contains a Lease, HK(SIC) 15 Operating Leases-Incentives and HK(SIC) 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. HKFRS 16 introduced a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less and leases of low-value assets.

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact on leases where the Group is the lessor. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

3. 採納新訂及經修訂香港財務報告準則

(a) 應用新訂及經修訂香港財務報告準則

香港會計師公會已頒佈一項新訂香港財務報告準則，香港財務報告準則第16號「租賃」，以及香港財務報告準則的多項修訂，其在本集團當前會計期間首次生效。

除香港財務報告準則第16號外，概無近況對本集團當期或先前期間的業績及財務狀況的編制或列報方式有重大影響。本集團尚未應用在當前會計期間尚未生效的任何新準則或詮釋。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號取代香港會計準則第17號「租賃」及相關詮釋、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」、香港（準則詮釋委員會）詮釋第15號「經營租賃——優惠」及香港（準則詮釋委員會）詮釋第27號「評估涉及租賃法律形式交易之內容」。香港財務報告準則第16號為承租人引入單一會計處理模式，要求承租人就所有租賃確認使用權資產及租賃負債，惟租期為12個月或以下之租賃及低價值資產租賃除外。

香港財務報告準則第16號大致沿用香港會計準則第17號的出租人會計處理方式。出租人將繼續使用與香港會計準則第17號中類似的原則將租賃分類為經營或融資租賃。因此，香港財務報告準則第16號對本集團為出租人的租賃並無影響。沿用香港會計準則第17號的出租人會計處理規定大致維持不變。

香港財務報告準則第16號亦引入額外的定性及定量披露要求，旨在讓財務報表使用者評估租賃對實體財務狀況、財務表現及現金流量的影響。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(a) Application of new and revised HKFRSs (continued)

HKFRS 16 Leases (continued)

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(i) *New definition of a lease*

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

本集團自2019年1月1日起首次應用香港財務報告準則第16號。本集團已選擇使用經修訂追溯法，因此將首次應用的累計影響確認為2019年1月1日之期初權益結餘的調整。比較資料不予重列，並繼續根據香港會計準則第17號報告。

有關過往會計政策變動的性質及影響以及所應用過渡選擇的進一步詳情載列如下：

(i) *租賃的新定義*

租賃定義的變動主要涉及及控制的概念。香港財務報告準則第16號根據客戶是否於一段期間內控制已識別資產的使用而定義租賃，其可藉界定的使用量釐定。倘客戶既有權指示已識別資產的使用，亦有權自該使用中獲得絕大部分經濟利益，則控制權已轉移。

本集團僅對於2019年1月1日或之後訂立或變更的合約應用香港財務報告準則第16號中的租賃新定義。對於2019年1月1日前訂立的合約，本集團已採用過渡性實際權宜方法，以令對現有安排為租賃或包含租賃的過往評估不受新規定限制。因此，先前根據香港會計準則第17號評估為租賃的合約繼續按香港財務報告準則第16號入賬列為租賃，而先前評估為非租賃服務安排的合約繼續入賬列為待履行合約。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(a) Application of new and revised HKFRSs (continued)

HKFRS 16 Leases (continued)

(ii) Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied the incremental borrowing rates of the relevant Group entities at the date of initial application. The average incremental borrowing rate applied by the relevant group entities range from 2.55% to 11.18%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- (I) elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- (II) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- (III) relied on the assessment of whether leases are onerous by applying HKAS 37 as an alternative to an impairment review.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

(ii) 承租人會計處理及過渡影響

香港財務報告準則第16號取消承租人將租賃分類為經營租賃或融資租賃的規定(如香港會計準則第17號先前所規定)。相反,本集團作為承租人時,須資本化所有租賃(包括先前根據香港會計準則第17號分類為經營租賃的租賃),惟短期租賃及低價值資產租賃則獲豁免。

於確認先前分類為經營租賃的租賃的租賃負債時,本集團已應用於首次應用日期相關集團實體的增量借款利率。本集團相關實體所應用的平均增量借款利率為2.55%-11.18%。

為方便過渡至香港財務報告準則第16號,本集團於首次應用香港財務報告準則第16號當日應用下列確認豁免及實際權宜方法:

- (I) 對於剩餘租期於首次應用香港財務報告準則第16號當日起計12個月內屆滿(即租期於2019年12月31日或之前屆滿)的租賃,選擇不就確認租賃負債及使用權資產應用香港財務報告準則第16號的規定;
- (II) 於首次應用日期計量使用權資產時撇除初始直接成本;及
- (III) 透過應用香港會計準則第37號作為減值檢討的替代方法,評估租賃是否屬有償。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(a) Application of new and revised HKFRSs (continued)

HKFRS 16 Leases (continued)

(ii) Lessee accounting and transitional impact (continued)

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.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

(ii) 承租人會計處理及過渡影響(續)

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先釐定稅項扣減是否歸因於使用權資產或租賃負債。

就稅項扣減歸因於租賃負債之租賃交易而言，本集團將香港會計準則第12號「所得稅」規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，有關使用權資產及租賃負債之暫時差額並未於初步確認時於租期內確認。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(a) Application of new and revised HKFRSs (continued)

HKFRS 16 Leases (continued)

(ii) Lessee accounting and transitional impact (continued)

The following table reconciles the operating lease commitments as disclosed in note 42 as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

		HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於2018年12月31日之經營租賃承擔	22,167
Less: commitments relating to lease exempt from capitalisation:	減：獲豁免資本化之租賃相關承擔：	
– short-term leases and other leases with remaining lease term ending on or before 31 December 2019	– 短期租賃及剩餘租期於2019年12月31日或之前屆滿之其他租賃	(663)
		21,504
Less: total future interest expense	減：未來利息開支總額	(5,494)
Lease liabilities recognised as at 1 January 2019	2019年1月1日確認之租賃負債	16,010
Of which are:	其中：	
Current lease liabilities	流動租賃負債	1,083
Non-current lease liabilities	非流動租賃負債	14,927
		16,010

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position at 31 December 2018.

先前分類為經營租賃之租賃相關使用權資產已按相等於餘下租賃負債的已確認金額之金額確認，並按與於2018年12月31日之綜合財務狀況表確認之租賃有關之任何預付或應計租賃付款金額進行調整。

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

(ii) 承租人會計處理及過渡影響(續)

下表載列於2018年12月31日之經營租賃承擔(如附註42所披露)與於2019年1月1日確認之租賃負債的期初結餘對賬：

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(a) Application of new and revised HKFRSs (continued)

HKFRS 16 Leases (continued)

(ii) Lessee accounting and transitional impact (continued)

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments (“HKFRS 9”) 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.

So far as the impact of the adoption of HKFRS 16 on leases previously classified as finance leases is concerned, the Group is not required to make any adjustments at the date of initial application of HKFRS 16, other than changing the captions for the balances. Accordingly, the depreciated carrying amount of the leased assets is identified as right-of-use assets. There is no impact on the opening balance of equity.

The following table summaries the impacts of the adoption of HKFRS 16 on the Group’s consolidated statement of financial position:

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

(ii) 承租人會計處理及過渡影響(續)

已支付的可退還租金按金根據香港財務報告準則第9號「金融工具」(「香港財務報告準則第9號」)入賬，並初始按公允價值計量。初始確認時對公允價值的調整被視為額外租賃付款，並計入使用權資產成本。

就採納香港財務報告準則第16號對先前分類為融資租賃的租賃的影響而言，除更改結餘的名稱外，本集團無須在首次應用香港財務報告準則第16號時作出任何調整。因此，租賃資產的折舊賬面值識別為使用權資產。期初權益結餘並未受到影響。

下表概述採納香港財務報告準則第16號對本集團綜合財務狀況表之影響：

Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16 受採納香港財務報告準則第16號影響之綜合財務狀況表項目	Note 附註	Effects of adoption of HKFRS 16 採納香港財務報告準則第16號之影響			
		Carrying amount as at 31 December 2018 於2018年12月31日之賬面值 HK\$'000 千港元	Re-classification 重新分類 HK\$'000 千港元	Re-cognition of leases 租賃確認 HK\$'000 千港元	Carrying amount as at 1 January 2019 於2019年1月1日之賬面值 HK\$'000 千港元
Assets					
Right-of-use assets		-	26,936	16,010	42,946
Interests in leasehold land held for own use under operating lease	(i)	26,936	(26,936)	-	-
Liabilities					
Lease liabilities		-	-	16,010	16,010

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(a) Application of new and revised HKFRSs (continued)

HKFRS 16 Leases (continued)

(ii) Lessee accounting and transitional impact (continued)

Note:

- (i) Upfront payments for leasehold lands in the People's Republic of China (the "PRC") own used properties were classified as interest in leasehold land held for own use under operating lease as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid land lease payments amounting to HK\$648,000 and HK\$26,288,000 respectively were classified to right-of-use assets.

(iii) Impact of the financial results and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liabilities, and the depreciation of the right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This does not result in a significant impact on the reported loss from operations in the Group's consolidated statement of profit or loss, as compared to the results if HKAS 17 had been applied during the year.

In the consolidated statement of cash flows, the Group as a lessee is required to split rentals paid under capitalised leases into their principal element and interest element (note 40(a)). These elements are classified as financing cash outflows and operating cash outflows respectively. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the consolidated statement of cash flows (note 40(b)).

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

(ii) 承租人會計處理及過渡影響(續)

附註：

- (i) 於2018年12月31日，中華人民共和國(「中國」)自用物業的租賃土地的預付款被分類為於根據經營租賃持作自用的租賃土地的權益。於應用香港財務報告準則第16號後，金額分別為648,000港元及26,288,000港元的預付土地租賃付款的即期和非即期部分被分類為使用權資產。

(iii) 對本集團財務業績及現金流量之影響

於2019年1月1日初步確認使用權資產及租賃負債後，本集團作為承租人須確認租賃負債之未償還結餘累積之利息開支，以及使用權資產折舊，而非過往以直線法於租期內確認根據經營租賃產生之租賃開支之政策。與倘於年內應用香港會計準則第17號所得業績相比，此對本集團之綜合損益表錄得之經營虧損並未產生重大影響。

於綜合現金流量表中，本集團作為承租人須將根據資本化租賃所支付之租金分為本金部分及利息部分(附註40(a))。該等部分乃分別分類為融資現金流出及經營現金流出。儘管現金流量總額不受影響，但採納香港財務報告準則第16號導致綜合現金流量表內現金流量之呈現方式發生重大變動(附註40(b))。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(a) Application of new and revised HKFRSs (continued)

HKFRS 16 Leases (continued)

(iii) *Impact of the financial results and cash flows of the Group (continued)*

The following tables give an indication of the estimated impact of the adoption of HKFRS 16 on the Group's financial results and cash flows for the year ended 31 December 2019, by adjusting the amounts reported under HKFRS 16 in these consolidated financial statements to compute estimates of the hypothetical amounts that would have been recognised under HKAS 17 if this superseded standard had continued to apply in 2019 instead of HKFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under HKAS 17.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

(iii) *對本集團財務業績及現金流量之影響(續)*

下表顯示採納香港財務報告準則第16號對本集團截至2019年12月31日止年度之財務業績及現金流量之估計影響，方法為調整該等綜合財務報表中根據香港財務報告準則第16號所呈報之金額以計算根據香港會計準則第17號應確認之估計假設金額(倘該被取代準則而非香港財務報告準則第16號於2019年繼續適用)，以及將2019年之該等假設金額與2018年根據香港會計準則第17號編製之實際相應金額進行比較。

		2019 2019年			2018 2018年	
	Amounts reported under HKFRS 16 根據香港財務報告準則第16號呈報之金額 HK\$'000 千港元	Add back: HKFRS 16 depreciation and interest expense 加回：香港財務報告準則第16號下的折舊及利息開支 HK\$'000 千港元	Deduct: Estimated amounts related to operating leases as if under HKAS 17 (note 1) 扣除：有關經營租賃之估計金額 (猶如根據香港會計準則第17號) (附註1) HK\$'000 千港元	Hypothetical amounts for 2019 as if under HKAS 17 (猶如根據香港會計準則第17號) HK\$'000 千港元	Compared to amounts reported for 2018 under HKAS 17 與2018年呈報之金額比較(猶如根據香港會計準則第17號) HK\$'000 千港元	
Financial results for year ended 31 December 2019 impacted by the adoption of HKFRS 16:	受採納香港財務報告準則第16號影響之截至2019年12月31日止年度之財務業績：					
(Loss)/profit from operations	經營(虧損)/溢利	(21,944)	4,267	(4,452)	(22,129)	8,693
Finance costs	融資成本	(7,229)	1,451	-	(5,778)	(8,156)
Loss before tax	除稅前虧損	(44,092)	5,718	(4,452)	(42,826)	(18,882)
Loss for the year	年度虧損	(47,873)	5,718	(4,452)	(46,607)	(26,616)

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(a) Application of new and revised HKFRSs (continued)

HKFRS 16 Leases (continued)

(iii) Impact of the financial results and cash flows of the Group (continued)

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

(iii) 對本集團財務業績及現金流量之影響(續)

	2019		2018
	2019年		2018年
	Estimated amounts related to operating leases as if under		Compared to
Amounts reported under HKFRS 16 根據香港財務報告準則第16號呈報之金額	HKAS 17 (notes I & II) 有關經營租賃之估計金額(猶如根據香港會計準則第17號)(附註I及II)	Hypothetical amounts for 2019 as if under HKAS 17 假設金額(猶如根據香港會計準則第17號)	amounts reported for 2018 under HKAS 17 與2018年呈報之金額比較(猶如根據香港會計準則第17號)
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元

Line items in the consolidated statement of cash flows for year ended 31 December 2019 impacted by the adoption of HKFRS 16: 受採納香港財務報告準則第16號影響之截至2019年12月31日止年度之綜合現金流量表項目：

Cash generated from operations	經營產生之現金	85,726	(4,452)	81,274	19,795
Interest element of lease rentals paid	已付租賃租金之利息部分	(1,451)	1,451	-	-
Net cash generated from operating activities	經營活動產生之現金淨額	84,109	(3,001)	81,108	15,757
Principal element of lease payments	租賃付款之本金部份	(3,001)	3,001	-	-
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	(101,426)	3,001	(98,425)	4,767

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(a) Application of new and revised HKFRSs (continued)

HKFRS 16 Leases (continued)

(iii) *Impact of the financial results and cash flows of the Group (continued)*

Notes:

- (i) The “estimated amounts related to operating leases” is an estimate of the amounts of the cash flows in 2019 that relate to leases which would have been classified as operating leases, if HKAS 17 had still applied in 2019. This estimate assumes that there were no differences between rentals and cash flows and that all of the new leases entered into in 2019 would have been classified as operating leases under HKAS 17, if HKAS 17 had still applied in 2019. Any potential net tax effect is ignored.
- (ii) In this impact table these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash generated from operating activities and net cash used in financing activities as if HKAS 17 still applied.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

(iii) *對本集團財務業績及現金流量之影響(續)*

附註：

- (i) 「與經營租賃有關的估計金額」指與在香港會計準則第17號於2019年仍然適用之情況下會分類為經營租賃之租賃有關的2019年現金流量之金額估計。該估計假設，在香港會計準則第17號於2019年仍然適用之情況下，租金與現金流量之間並無差異，及根據香港會計準則第17號於2019年訂立的所有新租賃將被分類為經營租賃。任何潛在淨稅項影響均忽略不計。
- (ii) 於此影響表格中，該等現金流出由融資重新分類至經營，以計算經營活動耗用之現金淨額及融資活動耗用之現金淨額的假設金額，猶如香港會計準則第17號仍然適用。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2019. These new and revised HKFRSs include the following which may be relevant to the Group.

3. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用已頒佈但尚未於2019年1月1日開始的財政年度生效的新訂及經修訂香港財務報告準則。可能與本集團有關的新訂及經修訂香港財務報告準則包括下列各項：

**Effective for
accounting periods
beginning on or after
在以下日期或之後
開始的會計期間生效**

Amendments to HKFRS 3 Definition of a Business 香港財務報告準則第3號之修訂業務的定義	1 January 2020 2020年1月1日
Amendments to HKAS 1 and HKAS 8 Definition of Material 香港會計準則第1號及香港會計準則第8號之修訂重大的定義	1 January 2020 2020年1月1日
Amendments to HKFRS 9, HKAS 39 and HKFRS 7 Interest Rate Benchmark Reform 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	1 January 2020 2020年1月1日

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

本集團正在評估該等修訂及新準則在首次應用期間的估計影響。截至目前已得出結論，採用該等準則不太可能對綜合財務報表產生重大影響。

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value).

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

4. 主要會計政策

該等綜合財務報表乃按照歷史成本法編製，下文會計政策另有所述者除外（如若干按公允價值計量的金融工具）。

編製符合香港財務報告準則之財務報表須採用若干主要會計估計，亦需管理層在應用本集團會計政策過程中作出判斷。涉及高度判斷或高度複雜性之範疇，或對該等綜合財務報表有重大影響之假設及估計之範疇於綜合財務報表附註5內披露。

編製該等綜合財務報表所應用之主要會計政策載列如下。

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至12月31日止的財務報表。附屬公司指本集團控制的實體。當本集團因參與實體業務而承擔可變動回報的風險或因此享有可變動回報，且有能力透過向實體施加權力而影響該等回報時，則本集團控制該實體。當本集團擁有令其目前能夠指示相關活動（即對實體回報造成重大影響的活動）的現有權利時，本集團即對實體擁有權力。

在評估控制權時，本集團會考慮其潛在投票權以及由其他各方持有的潛在投票權。僅於持有人有實際能力行使潛在投票權時方會考慮該等權利。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated exchange reserve relating to that subsidiary.

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

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and equity shareholders of the Company.

Profit or loss and each component of other comprehensive income are attributed to the equity shareholders of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

4. 主要會計政策(續)

(a) 綜合賬目(續)

附屬公司自其控制權轉移予本集團當日起綜合入賬，並於控制權終止當日停止綜合入賬。

出售附屬公司導致失去控制權之損益指(i)出售代價之公允價值加於該附屬公司保留之任何投資之公允價值與(ii)本公司應佔該附屬公司之資產淨值加有關該附屬公司之任何餘下商譽及任何累計匯兌儲備之差額。

集團內交易、結餘及未變現溢利均予以對銷。除非交易證明所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已作出必要調整，以確保與本集團所採用之政策貫徹一致。

非控股權益是指並非本公司直接或間接擁有附屬公司之權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內呈列。非控股權益會按照本年度損益和全面收益總額在非控股股東與本公司擁有人之間作出分配的形式，在綜合損益表和綜合損益及其他全面收益表中列示。

即使會導致非控股權益出現虧絀結餘，損益及其他全面收益各部分仍歸屬於本公司權益股東及非控股股東。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (continued)

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the equity shareholders of the Company.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

4. 主要會計政策(續)

(a) 綜合賬目(續)

本公司於附屬公司的擁有權權益如發生變動但不會導致喪失控制權，則計入權益交易(即以擁有人身份與擁有人進行之交易)。控股權益及非控股權益之賬面值經調整，以反映其各自於附屬公司權益之變動。非控股權益之調整金額與已付或已收代價之公允價值兩者間之任何差額直接於權益確認，並歸屬於本公司權益股東。

本公司財務狀況表中，於一間附屬公司之投資乃按成本減去減值虧損列賬，惟該投資分類為持作出售(或包括於分類為持作出售的出售組別內)則除外。

(b) 業務合併及商譽

本集團採用收購法就於業務合併收購附屬公司列帳。業務合併中所轉讓代價乃按所得資產收購日期的公允價值、已發行股本工具、已產生負債及任何或然代價計量。收購相關成本於有關成本產生及獲得服務期間確認為開支。於收購事項中附屬公司的可識別資產及負債，均按其於收購日期的公允價值計量。

所轉讓代價金額超出本集團應佔附屬公司可識別資產及負債的公允價淨值的差額乃列作商譽。本集團應佔可識別資產及負債的公允價淨值超出所轉讓代價金額的任何差額，乃於綜合損益內確認為本集團應佔議價收購收益。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Business combination and goodwill (continued)

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

4. 主要會計政策(續)

(b) 業務合併及商譽(續)

對於分段進行之業務合併，先前已持有之附屬公司之權益乃按收購日期之公允價值重新計量，而由此產生之損益於綜合損益內確認。公允價值會加入至業務合併時所轉讓代價金額以計算商譽。

於附屬公司之非控股權益初步按非控股股東於收購當日分佔附屬公司之可識別資產及負債公允價值之比例計算。

於初步確認後，商譽一般按成本減累計減值虧損計量。就減值測試而言，因業務合併而購入之商譽乃分配至預期從合併協同效應中獲利之各現金產生單位（「現金產生單位」）或現金產生單位組別。各獲分配商譽之單位或單位組別指就內部管理而言本集團監察商譽之最低層面。商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時作更頻密檢討。包含商譽之現金產生單位賬面值與其可收回價值比較，可收回金額為使用價值與公允價值減出售成本兩者中之較高者。任何減值即時確認為開支，且其後不會撥回。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. 主要會計政策(續)

(c) 外幣換算

(i) 功能及呈列貨幣

本集團各實體之財務報表所載項目，乃採用有關實體營運所在之主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表以港元(「港元」)呈列，而港元乃本公司之功能及呈列貨幣。

(ii) 各實體之財務報表之交易及結餘

外幣交易於初步確認時按交易當日通行之匯率換算為功能貨幣。以外幣計值之貨幣資產及負債按各報告期末之匯率換算。此換算政策產生之盈虧於損益確認。

按公允價值計量及以外幣計值之非貨幣項目乃按釐定公允價值當日之匯率換算。

當非貨幣項目之盈虧於其他全面收益確認時，該盈虧之任何匯兌部分於其他全面收益確認。當非貨幣項目之盈虧於損益確認時，該盈虧之任何匯兌部分於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency translation (continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

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

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the exchange reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

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

4. 主要會計政策(續)

(c) 外幣換算(續)

(iii) 綜合賬目之換算

所有本集團實體之業績及財務狀況之功能貨幣如有別於本公司之呈列貨幣，均按以下方式換算為本公司之呈列貨幣：

- 於各財務狀況表呈列之資產及負債乃按有關財務狀況表日期之收市匯率換算；
- 收支乃按期內平均匯率換算（除非該平均匯率並非在交易當日通行匯率累計影響之合理估計內，在此情況下，收支按交易當日之匯率換算）；及
- 所有因此產生之匯兌差額均於其他全面收益內確認並於匯兌儲備內累計。

於綜合賬目時，因換算構成海外實體淨投資之一部份之貨幣項目而產生之匯兌差額於其他全面收益確認及於匯兌儲備內累計。當海外經營業務被出售時，該等匯兌差額重新分類至綜合損益作為出售收益或虧損之一部份。

因收購海外實體而產生之商譽及公允價值調整，均作為有關海外實體之資產及負債，並按收市匯率換算。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment

Property, plant and equipment, including buildings and leasehold land (upon application of HKFRS 16 at 1 January 2019, the interest in leasehold land was reclassified to “Right-of-use assets”, see note 3), held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The estimated useful lives are as follows:

Leasehold land held for own use under operating lease	Over the term of the lease
Solar power plants	20 years
Buildings	20 years
Plant and machinery	5 – 20 years
Office equipment and others	3 – 5 years
Motor vehicles	4 – 5 years
Yacht	5 years

4. 主要會計政策(續)

(d) 物業、廠房及設備

物業、廠房及設備包括持作生產或供應貨品或服務或視作行政用途之樓宇及租賃土地(於2019年1月1日應用香港財務報告準則第16號後，租賃土地的權益重新分類為「使用權資產」，請參閱附註3)(下文所述之建設中物業除外)，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。

其後成本乃納入資產賬面值或確認為個別資產(視適用情況而定)，但只有在該項目有可能為本集團流入未來經濟利益，以及可以可靠地計量該項目之成本情況下方以此方式處理。所有其他維修及保養於其所產生之期間在損益內確認。

物業、廠房及設備乃以直線法於估計可使用年期內，按足以撇銷其成本減其殘值計算折舊。估計可使用年期如下：

根據經營租賃持作自用之租賃土地	按租期
太陽能發電站	20年
樓宇	20年
廠房及機器	5-20年
辦公設備及其他	3-5年
汽車	4-5年
遊艇	5年

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

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

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(e) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) The Group as a lessee

Policy applicable from 1 January 2019

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

4. 主要會計政策(續)

(d) 物業、廠房及設備(續)

殘值、可使用年期及折舊方法於各報告期末予以檢討並作出調整(如適用)。

在建工程指建設中樓宇以及待安裝廠房及設備，以成本減減值虧損列賬。當相關資產可用時開始折舊。

出售物業、廠房及設備之收益或虧損指出售相關資產所得款項淨額與賬面值兩者間之差額，並於損益內確認。

(e) 租賃

於合約成立時，本集團會評估合約是否為租賃或包含租賃。倘合約賦予在一段時間內控制已識別資產使用的權利以換取代價，則合約為租賃或包含租賃。當客戶有權主導該項已識別資產的使用及從使用中獲取幾乎所有的經濟利益時，則控制權是已讓渡。

(i) 本集團作為承租人

自2019年1月1日起適用的政策

倘合約包含租賃部分及非租賃部分，則本集團已選擇不區分非租賃部分，並將各租賃部分及任何相關非租賃部分入賬列為所有租賃的單一租賃部分。

於租賃開始日期，本集團確認使用權資產及租賃負債(租賃期為12個月或更短的短期租賃以及低價值資產租賃除外)。當本集團就低價值資產訂立租賃時，本集團按每項租賃情況決定是否將租賃資本化。而與該等不作資本化租賃相關的租賃付款於租賃期內按系統基準確認為開支。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(i) The Group as a lessee (continued)

Policy applicable from 1 January 2019 (continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value in accordance with note 4(i).

4. 主要會計政策(續)

(d) 物業、廠房及設備(續)

(i) 本集團作為承租人(續)

自2019年1月1日起適用的政策(續)

當租賃資本化時，租賃負債於租賃期內按租賃付款現值初步確認，並使用租賃所隱含利率貼現，或倘無法輕易釐定利率，則使用相關增量借貸利率。於初步確認後，租賃負債按攤銷成本計量，而利息開支使用實際利率法計算。並非基於指數或利率的可變租賃付款並不計入租賃負債計量，因此於產生的會計期間於損益扣除。

於租賃資本化時確認的使用權資產初步按成本計量，包括租賃負債的初始金額加上開始日期或之前作出的任何租賃付款，以及所產生的任何初始直接成本。於適用情況下，使用權資產的成本亦包括拆除及移除相關資產或恢復相關資產或該資產所在地而產生的估計成本，貼現至現值並扣減任何已收租賃優惠。隨後，使用權資產以成本減去累計折舊和減值損失列示，惟與租賃土地權益相關的使用權資產除外，其中持作存貨的土地權益根據附註4(i)按成本與可變現淨值較低者計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 4. 主要會計政策(續)

(e) Leases (continued)

(i) The Group as a lessee (continued)

Policy applicable from 1 January 2019 (continued)

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.

Refundable rental deposits paid are accounted under HKFRS 9 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.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment properties and lease liabilities separately in the consolidated statement of financial position.

(d) 物業、廠房及設備(續)

(i) 本集團作為承租人(續)

自2019年1月1日起適用的政策(續)

本集團合理確定在租賃期結束時獲得相關租賃資產所有權的使用權資產自開始日期起計折舊至使用年期結束。否則，使用權資產按其估計可使用年期與租賃期中較短者按直線法折舊。

已支付可退還租賃按金根據香港財務報告準則第9號入賬，初步按公允價值計量。初始確認時對公允價值的調整被視為額外的租賃付款，並計入使用權資產的成本。

當指數或利率變動引致未來租賃付款變動，或本集團根據剩餘價值擔保預期應付款項的估計有變，或當重新評估本集團是否合理確定行使購買、延期或終止選擇權而產生變動，則會重新計量租賃負債。當租賃負債以此方式重新計量時，就使用權資產的賬面值作出相應調整，倘使用權資產的賬面值減至零，則於損益入賬。

本集團於綜合財務狀況表中單獨呈列不符合投資物業和租賃負債定義的使用權資產。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(i) The Group as a lessee (continued)

Policy prior to 1 January 2019

In the comparative period, as a lessee the Group classified leases as finance leases if the leases transferred substantially all the risks and rewards of ownership to the Group. Leases which did not transfer substantially all the risks and rewards of ownership to the Group were classified as operating leases.

Where the Group acquired the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets were recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, were recorded as obligations under finance leases. Depreciation was provided at rates which wrote off the cost or valuation of the assets over the term of the relevant lease or, where it was likely the Group would obtain ownership of the asset, the life of the asset. Finance charges implicit in the lease payments were charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

Where the Group had the use of assets held under operating leases, payments made under the leases were charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis was more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received were recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

4. 主要會計政策(續)

(d) 物業、廠房及設備(續)

(i) 本集團作為承租人(續)

於2019年1月1日前的政策

於可比期間，作為承租人，倘租賃轉移所有權之絕大部分風險及回報至本集團，則本集團將有關租賃分類為融資租賃。倘租賃並無將所有權之絕大部分風險及回報轉移至本集團，則分類為經營租賃。

倘本集團以融資租賃獲得資產的使用權，便會將相當於租賃資產公允價值或該資產的最低租賃付款現值(以較低者為準)的金額確認為物業、廠房及設備，而扣除融資費用後的相應負債則記錄為融資租賃承擔。折舊乃在相關租賃期(或倘本集團有可能取得資產的所有權，則按資產的可使用年期)內，按撇銷資產成本或估值的比率作出撥備。租賃付款內含的融資費用於租賃期內在損益扣除，使每個會計期間的融資費用佔承擔結餘的比率大致相同。或有租金在產生的會計期間在損益中列支。

倘本集團以經營租賃獲得資產的使用權，則根據租賃作出的付款會在租賃期所涵蓋的會計期間內，以等額分期在損益中列支，惟倘有其他基準能更清楚反映租賃資產所產生的收益模式則除外。租賃所涉及的激勵措施均在損益中確認為租賃淨付款總額的組成部分。或有租金在其產生的會計期間內在損益中列支。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(ii) The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

(f) Intangible assets (other than goodwill)

Software is stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 3 to 5 years.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("ECL") in accordance with the policy set out in note 4(z) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

4. 主要會計政策(續)

(d) 物業、廠房及設備(續)

(ii) 本集團作為出租人

當本集團作為出租人時，其在租賃開始時確定每項租賃是融資租賃還是經營租賃。如果租賃將與相關資產所有權有關的幾乎全部風險與回報轉移給承租人，則分類為融資租賃。如果不是此情況，則將租賃分類為經營租賃。

(f) 無形資產(商譽除外)

軟件按成本減累計攤銷及減值虧損列賬。攤銷按其估計可使用年期(3至5年)以直線基準計算。

(g) 存貨

存貨是以成本和可變現淨值兩者中的較低額列賬。成本使用加權平均基準釐定。製成品及在製品之成本包括原材料、直接勞工及按適當比例計算之所有生產日常費用以及分包費用(如適用)。可變現淨值是以日常業務過程中的估計售價減去完成生產和銷售所需的估計成本後所得數額。

(h) 合約資產及合約負債

合約資產於本集團確認收入時且在根據合約所載付款條款無條件收取代價前確認。合約資產(「預期信貸虧損」)根據附註4(z)所載政策評估預期信貸虧損，並於收取代價的權利成為無條件時重新分類至應收款項。

合約負債於客戶支付代價時且在本集團確認相關收入前確認。倘於本集團確認相關收入之前本集團具有無條件收取對價的權利，則亦將確認合約負債。在此情況下，亦將確認相應的應收款項。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Contract assets and contract liabilities (continued)

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(i) Properties under development and held for sale

Properties for sale under development and held for sale are stated at the lower of cost and net realisable value. Costs include the acquisition cost of interest in leasehold land, construction costs, borrowing costs capitalised and other direct costs attributable to such properties. Net realisable value is the estimated selling price, less the estimated costs of completion and the estimated costs necessary to make the sale.

On completion, the properties are reclassified to properties held for sale at the then carrying amount.

(j) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

4. 主要會計政策(續)

(h) 合約資產及合約負債(續)

對於單份客戶合約，將顯示合約資產淨額或合約負債淨額。對於多份合約，並無關聯合約的合約資產及合約負債不以淨額列示。

若合約包括重大融資成分，合約結餘將包括根據實際利率法累計的利息。

(i) 在建及持作待售的物業

在建待售及持作出售物業以成本及可變現淨值間之較低者列賬。成本包括租賃土地的權益的收購成本、建築成本、資本化之借貸成本及其他歸屬於該物業的直接成本。可變現淨值是以估計售價減去完成生產和銷售所需的估計成本後所得數額。

於完工時，物業以其當時的賬面值被重新分類為持作出售的物業。

(j) 確認及終止確認金融工具

當本集團成為工具合約條文之訂約方時，金融資產及金融負債於綜合財務狀況表內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Recognition and derecognition of financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at 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 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 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.

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, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4. 主要會計政策(續)

(j) 確認及終止確認金融工具(續)

金融資產及金融負債初始按公允價值計量。收購或發行金融資產及金融負債(按公允價值計量且其變動計入當期損益之金融資產及金融負債除外)直接應佔的交易成本乃於初步確認時加入金融資產或金融負債的公允價值或自金融資產或金融負債的公允價值扣除(按適用者)。收購按公允價值計量且其變動計入當期損益之金融資產或金融負債直接應佔的交易成本會即時於損益內確認。

倘從資產收取現金流量之合約權利已到期，或金融資產已轉讓且本集團已將其於金融資產擁有權之絕大部份風險及回報轉移至另一實體，則金融資產將被取消確認。倘本集團並無轉讓或保留擁有權的絕大部分風險及回報，並繼續控制已轉讓資產，本集團確認其於資產的保留權利及其可能須支付相關負債金額。倘本集團保留已轉讓金融資產擁有權的絕大部份風險及回報，則本集團會繼續確認該金融資產，亦會確認已收所得款項的有抵押借款。

當及僅當本集團之責任已被解除、註銷或已屆滿時，本集團方會終止確認金融負債。終止確認金融負債之賬面值與已付及應付代價之差額(包括已轉讓的任何非現金資產或所承擔負債)於損益確認。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified into amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

Equity securities

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at fair value through other comprehensive income ("FVTOCI") (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

4. 主要會計政策(續)

(k) 金融資產

所有金融資產的正常買賣會按買賣日期為基準予以確認及終止確認。正常買賣為需要於法規或市場慣例制定的時限內交付資產的金融資產買賣。所有已確認金融資產隨後整份按攤銷成本或公允價值計量，視乎金融資產的分類。

債務投資

如果本集團持有的債務投資是為收取僅代表本金及利息支付的合約現金流量而持有的投資，則分類為攤銷成本。投資產生的利息收入採用實際利率法計算。

股本證券

股本證券投資均會被分類為按公允價值計量且其變動計入當期損益，除非該股本投資不是持作買賣，並在初步確認投資時本集團選擇按公允價值計入其他全面收益(非可撥回)，以致後續公允價值變動在其他全面收益中確認。這種選擇是以逐項投資的基礎上進行，但只有當投資符合發行人角度下的股本定義時方可進行。若作出此選擇，在該投資被出售前，其他全面收益中累計的金額仍保留在公允價值儲備(非可撥回)中。在出售時，於公允價值儲備(非可撥回)中累計的金額會轉入保留溢利，且不會轉入損益。來自股本證券投資的股息，不論是否分類為按公允價值計量且其變動計入當期損益或按公允價值計入其他全面收益，均在損益中確認為其他收入。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL.

(n) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

4. 主要會計政策(續)

(l) 貿易應收款項及其他應收款項

應收賬款於本集團獲得無條件收取代價之權利時確認。倘支付該代價僅須經過時間流逝方會到期，則獲得代價之權利為無條件。倘在本集團於獲得無條件收取代價之權利前確認收益，則該金額作為合約資產呈列。

應收賬款採用實際利率法減去信貸虧損撥備，按攤銷成本呈列。

(m) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金、存放於銀行及其他金融機構之活期存款，以及可隨時兌換成可知數額之現金，並承受極低價值變動風險及於購入時三個月內到期之短期高流通性投資。就編製綜合現金流量表而言，現金及現金等值項目亦包括按需償還，並構成本集團現金管理一部分的銀行透支。現金及現金等值項目按預期信貸虧損評估。

(n) 金融負債及股本工具

金融負債及股本工具按所訂立合約安排之內容及香港財務報告準則項下金融負債及股本工具之定義分類。股本工具為證明於扣除所有負債後本集團資產有剩餘權益之任何合約。下文載列就特定金融負債及股本工具採納之會計政策。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

(p) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(q) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(r) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax ("VAT") or other sales taxes and is after deduction of any trade discounts.

4. 主要會計政策(續)

(o) 借貸

借貸初步按公允價值扣除所產生交易成本確認，其後以實際利率法按攤銷成本計量。

借貸分類為流動負債，除非本集團具有無條件權利，可遞延負債之還款期至報告期末起計最少12個月則作別論。

(p) 貿易應付款項及其他應付款項

貿易應付款項及其他應付款項初步按公允價值確認，而其後採用實際利息法按攤銷成本計量，除非折現之影響並不重大，於此情況下則按成本列賬。

(q) 股本工具

股本工具指能證明於實體扣除其所有負債後之資產中擁有之剩餘權益之任何合約。本公司發行之股本工具乃按已收所得款項(扣除直接發行成本)列賬。

(r) 收入及其他收入

收入於產品或服務的控制權轉移至客戶時確認，金額為本集團預期將有權收取之承諾代價，且不包括代表第三方收取的有關金額。收入不包括增值稅或其他銷售稅，且乃經扣減任何貿易折扣。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Revenue and other income (continued)

(i) Sales of goods

Revenue from the sale of manufactured goods is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery) and accepted by the customer. Following delivery and acceptance, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to and accepted by the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

(ii) Sales of properties

Revenue from sale of completed properties is recognised when control of the properties are transferred, being when the construction of the relevant properties has been completed and the properties have been delivered, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remain benefits of the property. Revenue from sale of properties excludes business tax and other sales related taxes and is after deduction of any discounts allowed. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under contract liabilities.

(iii) Sales of electricity

Revenue from sale of electricity is recognised in the accounting period when electricity is generated and supplied to the provincial power grid. Revenue excludes VAT or other sales taxes.

4. 主要會計政策(續)

(r) 收入及其他收入(續)

(i) 銷售貨品

銷售製造貨品的收入於貨品控制權已轉讓時(即貨品已付運至客戶特定地點(交貨)及客戶驗收時)確認。交貨驗收完成後,客戶可全權酌情決定發貨方式及商品售價,並承擔轉售商品之主要責任及商品報廢及損失之風險。本集團於商品交付至客戶及客戶驗收時確認應收賬款,原因是收取代價之權利於這時間點變為無條件,僅須待時間過去便可收取付款。

(ii) 銷售物業

當物業控制權被轉讓時(即有關物業之建築已完成且有關物業已交付時,客戶在此時點能夠指揮物業用途及取得物業絕大部分剩餘利益),確認銷售已完成物業之收入。銷售物業之收入不包括營業稅及銷售相關稅項且經扣除任何允許的折扣。在確認收入當日前就出售物業收取的訂金和分期付款則記入綜合財務狀況表內合約負債。

(iii) 電力銷售

電力銷售收入於發電及向省級電網供電的會計期間確認。電力收入不包括增值稅或其他銷售稅。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 4. 主要會計政策(續)

(r) Revenue and other income (continued)

(iv) Operation revenue of cloud platforms

Operation revenue of cloud platforms is recognised when the services are rendered.

(v) Rental income

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(vi) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(vii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(r) 收入及其他收入(續)

(iv) 雲平台的營運收入

雲平台之營運收入按提供服務確認。

(v) 租金收入

經營租賃的應收租金收入在租賃期所涵蓋期間內以等額在收益表中確認，但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。租賃的優惠措施均在收益表中確認為應收租賃淨付款總額的組成部分。非取決於指數或利率的可變租賃付款在其產生的會計期間內確認為收入。

(vi) 股息

- 非上市投資的股息收入在股東收取款項的權利確立時確認。
- 上市投資的股息收入在投資項目的股價除息時確認。

(vii) 利息收入

利息收入於產生時採用實際利息法確認。就按攤銷成本計量且並無出現信貸減值的金融資產而言，資產的賬面總值適用實際利率。就出現信貸減值的金融資產而言，資產的攤銷成本(即扣除虧損撥備的賬面總值)適用實際利率。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee benefits

(i) Employee leave entitlements

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

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

The Group operates various post-employments schemes, including defined contribution pension plans.

(ii) Pension obligations

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK\$1,500 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group in the PRC are members of central pension schemes operated by the local municipal governments. The Group is required to contribute certain percentage of the employees' basic salaries and wages to the central pension schemes to fund the retirement benefits. The local municipal governments undertake to assume the retirement benefits obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the central pension schemes is to meet the required contributions under the schemes.

4. 主要會計政策(續)

(s) 僱員福利

(i) 僱員應享假期

僱員的年假及長期服務假期於賦予僱員時確認。截至報告期間止已就僱員因所提供服務享有的年假及長期服務假期的估計負債作出撥備。

僱員可享有之病假及產假將於正式休假時方可確認。

本集團運作若干離職後計劃，包括定額供款退休金計劃供款。

(ii) 退休金承擔

本集團根據香港《強制性公積金計劃條例》為香港所有合資格僱員設立強制性公積金計劃(「強積金計劃」)。本集團向強積金計劃之供款乃按照僱員薪金及工資之5%計算，每名僱員每月供款上限為1,500港元。當已向強積金計劃作出供款後，即盡歸僱員所有。

位於中國成立之本集團僱員為地方市政府營運之中央退休金計劃成員。本集團須就僱員基本薪金及工資之若干百分比向中央退休金計劃供款，作為退休福利之資金。地方市政府承諾承擔本集團所有現有及未來退休僱員之退休福利責任。本集團就中央退休金計劃之唯一責任是根據計劃作出所需供款。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee benefits (continued)

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

(t) Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or, if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

4. 主要會計政策(續)

(s) 僱員福利(續)

(iii) 辭退福利

辭退福利會在本集團不再能夠撤回所提供的辭退福利或本集團確認涉及辭退福利付款的重組成本(以較早者為準)當日確認。

(t) 以股份為基礎的支付

本集團發行以權益結算以股份為基礎的支付款項予若干董事、僱員及顧問。

向董事及僱員作出之以權益結算以股份為基礎的支付款項乃於授予日期的股本工具按公允價值(不包括非市場形式歸屬條件影響)計量。以權益結算以股份為基礎的支付款項授出日期釐定之公允價值乃根據本集團對最終將歸屬之股份估計及經調整非市場形式歸屬條件影響，於歸屬期按直線法分攤列作支出。

以權益結算以股份為基礎的支付的向顧問的付款按提供服務的公允價值計量，或倘提供服務的公允價值不可被可靠計量，則按授予的股本工具的公允價值計量。公允價值按本集團獲取服務日期計量並確認為開支。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) 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 capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. 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.

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

(v) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become 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.

4. 主要會計政策(續)

(u) 借貸成本

直接源自收購、建造或生產需要一段長時間方可供作擬定用途或出售之合資格資產之借貸成本會撥充為該等資產成本部分，直至有關資產大致上可供作擬定用途或出售為止。尚未用於合資格資產之特定借貸作短期投資賺取之投資收入，從合資格資本化部分之借貸成本中扣除。

對於用於獲取合資格資產而一般借入的資金，其符合資本化條件的借貸成本金額乃以在該資產的支出應用一個資本化率釐定。資本化率為適用於期內本集團尚未償付借貸(特別用於獲取合資格資產之借貸除外)的借貸成本加權平均值。自2019年1月1日起，在相關資產準備用於其預期用途或出售後仍未償還的任何特定借貸，均計入一般借貸池，以計算一般借貸的資本化率。

所有其他借貸成本均於產生期間在損益確認。

(v) 政府補助

當合理保證本集團將遵守政府補助的附帶條件及將接獲補助時，確認政府補助。

與收入相關的政府補助被遞延，並在當期損益中確認，以使其與擬補償的成本相匹配。

用作補償本集團已產生支出或虧損或旨在為本集團提供即時財務資助而無未來相關成本之應收政府補助於應收期間在損益中確認。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Government grants (continued)

Government grants relating to the purchase of assets are recorded as deferred income and recognised in profit or loss on a straight-line basis over the useful lives of the related assets.

(w) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or 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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

4. 主要會計政策(續)

(v) 政府補助(續)

與購買資產有關之政府補助作為遞延收益入賬，並在相關資產的使用年內按直線法於損益內確認。

(w) 稅項

所得稅指即期稅項與遞延稅項之總和。

即期應付稅項乃根據年內應課稅溢利計算。應課稅溢利與於損益內確認之溢利有所不同，原因涉及其他年度之應課稅或應扣稅之收入或開支項目，以及免稅或不可扣稅之項目。本集團有關即期稅項之負債乃採用於報告期末已頒佈或實際頒佈之稅率計算。

遞延稅項按綜合財務報表所示資產及負債之賬面值與計算應課稅溢利所用相應稅基間之差額確認。遞延稅項負債一般按所有應課稅暫時差額確認，遞延稅項資產則於應課稅溢利有可能用作抵銷應扣稅暫時差額、未動用稅項虧損或未動用稅項抵免之情況下確認。倘暫時差額因商譽或初次確認既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中的其他資產及負債而產生，則不會確認有關資產及負債。

遞延稅項負債就源自於附屬公司投資之應課稅暫時差額予以確認，惟本集團能控制暫時差額之撥回及暫時差額於可見未來可能不會撥回之情況除外。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities 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 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 requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4. 主要會計政策(續)

(w) 稅項(續)

遞延稅項資產之賬面值於各報告期末檢討，並於不再可能有足夠應課稅溢利以收回全部或部分資產的情況下作出扣減。

遞延稅項以預期適用於償還負債或變現資產期間之稅率，按於報告期末前已頒佈或實際頒佈之稅率計算。遞延稅項於損益確認，除非其與於其他全面收益確認之項目相關或直接於權益確認，於此情況下，遞延稅項亦於其他全面收益或直接於權益確認。

遞延稅項資產及負債之計量反映按本集團預期於報告期末收回或清償其資產及負債賬面值之方式產生之稅務後果。

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先確定減稅額是否歸屬於使用權資產或租賃負債。

對於稅項扣除歸因於租賃負債的租賃交易，本集團對整個租賃交易採用香港會計準則第12號的規定。與使用權資產及租賃負債有關的暫時差額以淨額評估。使用權資產的折舊超過租賃負債本金部分的租賃付款額，導致可扣除的暫時差額淨額。

遞延稅項資產及負債於具有可合法執行權利將即期稅項資產抵銷即期稅項負債，及與相同稅務機關所徵收之所得稅相關，且本集團擬按淨額基準清償其即期稅項資產及負債之情況下予以抵銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Taxation (continued)

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

(x) PRC land appreciation tax ("LAT")

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs, business taxes and all property development expenditures. LAT is recognised as an income tax expense. LAT paid is a deductible expense for PRC enterprise income tax purposes.

(y) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

4. 主要會計政策(續)

(w) 稅項(續)

在評估所得稅處理的任何不確定性時，本集團考慮相關稅務機構是否可能接受個別集團實體在其所得稅申報中所使用或建議使用的不確定稅務處理。如果可能，即期所得稅與遞延所得稅的確定與所得稅申報中的稅務處理一致。如果有關稅務機構不太可能接受不確定稅收處理，則通過使用最可能的金額或預期值來反映各種不確定性的影響。

(x) 中國土地增值稅(「土地增值稅」)

土地增值稅是就土地增值即銷售物業所得款項減可扣減開支(包括土地成本、借貸成本、營業稅及全部物業開發開支)按介於30%至60%之累進稅率徵收。土地增值稅確認為所得稅開支。就中國企業之所得稅而言，已付土地增值稅為可扣減開支。

(y) 非金融資產減值

非金融資產之賬面值於各報告日期進行審閱以確定是否出現減值跡象。倘資產出現減值，則作為開支於綜合損益表撇減至其估計可收回金額。可收回金額乃按個別資產釐定，除非該資產並不產生現金流入，且在頗大程度上獨立於其他資產或資產組別，則會按資產所屬現金產生單位釐定可收回金額。可收回金額為個別資產或現金產生單位之使用價值或公允價值減出售成本(以較高者為準)。

使用價值為資產/現金產生單位估計未來現金流量之現值。現值利用稅前貼現率計算，其可反映貨幣時間價值及所進行減值計量之資產/現金產生單位之特定風險。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Impairment of non-financial assets (continued)

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(z) Impairment of financial assets and contracts assets

The Group recognises a loss allowance for ECL on trade receivables and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contracts assets. The ECL on these financial assets are estimated using a provision matrix 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 as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

4. 主要會計政策(續)

(y) 非金融資產減值(續)

現金產生單位之減值虧損首先分配至該單位之商譽，再按比例分配至現金產生單位之其他資產。倘可收回金額因估計數據變動而隨後增加，將按其所撥回之減值在損益入賬。

(z) 金融資產及合約資產減值

本集團就按貿易應收款項及合約資產確認預期信貸虧損之虧損準備。預期信貸虧損淨額於各報告日期更新以反映自各金融工具初步確認起信貸風險之變動。

本集團一直確認貿易應收款項及合約資產的預期信貸虧損存續期。該等金融資產的預期信貸虧損是使用基於集團過往的信貸虧損經驗作出的撥備矩陣估算，但須根據適用於債務人的特定因素、一般經濟狀況及於報告日對當前及預測條件方向的評估予以調整。

就所有其他金融工具而言，倘信貸風險自初步確認後顯著增加，則本集團確認整個存續期之預期信貸虧損。然而，倘金融工具之信貸風險自初步確認後並無顯著增加，則本集團按相等於12個月預期信貸虧損之金額計量該金融工具之虧損準備。

整個存續期之預期信貸虧損指於金融工具預計存續期內所有可能違約事件導致之預期信貸虧損。相對而言，12個月之預期信貸虧損指整個存續期預期信貸虧損中預期於報告日期後12個月內金融工具可能發生之違約事件預期導致之部份。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Impairment of financial assets and contracts assets (continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- 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 for a particular financial instrument;
- 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;

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

信貸風險顯著增加

於評估金融工具之信貸風險是否自初步確認以來顯著上升時，本集團比較金融工具於報告日期出現違約之風險與該金融工具於初步確認日期出現違約之風險。作此評估時，本集團均會考慮合理及有理據之定量及定性資料，包括歷史經驗及毋須花費不必要成本或精力即可獲得之前瞻性資料。所考慮的前瞻性資料包括本集團債務人所處行業的未來前景(來自經濟專家報告、財經分析員、政府機構、有關智囊及其他類似組織)以及與本集團核心業務有關的實際及預測經濟資料(來自多個外界資料來源)。

尤其是，評估信貸風險是否自初步確認以來顯著上升時會考慮下列資料：

- 金融工具外部(倘適用)或內部信用評級的實際或預期嚴重惡化；
- 特定金融工具信貸風險之外部市場指標的嚴重惡化；
- 預期引致債務人履行其債務責任能力大幅下降之業務、財務或經濟狀況的現有或預計不利變動；
- 債務人經營業績的實際或預期重大惡化；

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Impairment of financial assets and contracts assets (continued)

Significant increase in credit risk (continued)

- significant increases in credit risk on other financial instruments of the same debtor; and
- 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 on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

信貸風險顯著增加(續)

- 相同債務人其他金融工具信貸風險的顯著增加；及
- 債務人監管、經濟或技術環境的實際或預期重大不利變動，導致債務人履行其債務責任的能力大幅下降。

不論上述評估結果如何，本集團假定，倘合約付款逾期超過30天，則金融資產的信貸風險自初步確認以來已大幅增加，惟本集團擁有合理並有證據支持的資料顯示情況並非如此，則作別論。

儘管如此，倘本集團釐定某項金融工具於報告日期具有低信貸風險，則假設其信貸風險並無自初步確認以來顯著增加。倘存在下列情況，則釐定金融工具具有低信貸風險：

- 金融工具具低違約風險，
- 債務人有足夠能力於近期履行其合約現金流責任，及
- 較長期經濟及業務狀況的不利變動可能(但將非必要)降低借款人履行其合約現金流責任的能力。

當債務工具的外部信貸評級為「投資級別」(按照全球理解的釋義)或倘並無外部評級，該資產具「履行」內部評級，本集團會視該債務工具的信貸風險偏低。執行指交易對手有強大財務地位及並無過往逾期金額。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Impairment of financial assets and contracts assets (continued)

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.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- 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 analysis, 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.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

信貸風險顯著增加(續)

本集團定期監管用於確定信貸風險是否顯著增加的標準之有效性及作適當修改以確保金額逾期前能確定信貸風險顯著增加。

界定違約

就內部信貸風險管理而言，由於過往經驗顯示符合以下任何條件的應收款項普遍無法收回，故本集團認為此等情況構成違約事件：

- 對手方違反財務契諾；或
- 內部編製或來自外界資料來源的資料顯示債務人不大可能向債權人（包括本集團）清償所有款項（不計及本集團所持抵押品）。

不論上述分析如何，倘某項金融資產逾期超過90天，則本集團認為已出現違約，惟本集團擁有合理並有證據支持的資料顯示延遲違約標準更為恰當，則作別論。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Impairment of financial assets and contracts assets (continued)

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:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

信貸減值的金融資產

倘發生對金融資產的估計未來現金流量有不利影響的一項或多項事件，則該金融資產出現信貸減值。金融資產出現信貸減值的證據包括有關下列事件的可觀察數據：

- 發行人或對手方出現重大財務困難；
- 違反合約，如違約或逾期事件；
- 對手方的貸款人因有關借款人財務困難的經濟或合約原因向借款人授出貸款人不會另作考慮的特權；
- 對手方很可能將破產或進行其他財務重組；或
- 因財務困難而導致該金融資產失去活躍市場。

撇銷政策

於資料顯示債務人有嚴重財務困難及並無實際收回希望時，包括債務人已處於清盤或進入破產程序時，或就貿易應收款項而言，款項逾期超過一年(以較早者為準)，則本集團撇銷進入資產。於適當時，在考慮法律意見後，本集團可能仍會根據收款程序處理被撇銷的金融資產。所收回的任何款項於損益中確認。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Impairment of financial assets and contracts assets (continued)

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 as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即違約損失程度)及違約風險的函數。違約概率及違約損失率乃基於根據上述前瞻性資料調整的歷史數據評估。就金融資產而言，違約風險為資產於報告日期的總賬面值。

就金融資產而言，預期信貸虧損根據合約應付本集團的所有合約現金流量與本集團預期將收取的所有現金流量之間的差額估計，並按初始實際利率貼現。

倘本集團於上個報告期間以相等於可使用年期預期信貸虧損的金額計量一項財務工具的虧損撥備，但於本報告日期釐定該可使用年期預期信貸虧損的條件不再符合，則本集團於本報告日期按相等於12個月預期信貸虧損的金額計量虧損撥備，惟採用簡化方法的資產除外。

本集團於損益確認所有財務工具的減值收益或虧損，對透過虧損撥備賬對其賬面值作出相應調整。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(ab) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

4. 主要會計政策(續)

(aa) 撥備和或有負債

如果本集團須就已發生的事件承擔法定或推定義務，因而預期會導致含有經濟效益的資源外流，在可以作出可靠的估計時，本集團便會就該時間或數額不確定的負債計提準備。如果貨幣時間值重大，則按預計所需支出的現值計提準備。

當需要經濟利益流出的可能性較低或當金額不能可靠估計時，責任會作為或然負債披露，除非流出的可能性極低。可能的責任（其存在將僅由一項或以上未來事件的出現或不出現確認（亦作為或然負債披露，除非流出的可能性極低者，則另當別論。

(ab) 報告期後事項

為本集團於報告期末之狀況提供額外資料均屬於調整事項，並於綜合財務報表內反映。並非調整事項之重大報告期後事項則於綜合財務報表附註中披露。

5. 關鍵判斷及關鍵估計

應用會計政策時所作關鍵判斷

在應用會計政策過程中，董事已作出以下對綜合財務報表內所確認數額具重大影響之判斷（涉及估計外已於下文處理）。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Critical judgements in applying accounting policies (continued)

(a) Revenue recognition on tariff adjustments on sales of electricity

Tariff adjustments represent subsidy received and receivable from the government authorities in respect of the Group's solar power generation business.

In August 2013, the National Development and Reform Commission of the PRC released the New Tariff Notice to launch a new subsidising policy for distributed solar power plants and adjusted benchmark on-grid price for electricity generated by centralised solar power plants (which is known as the ground solar plants).

Pursuant to the New Tariff Notice, a set of standardised procedures for the settlement of the tariff subsidy has come into force since 2013 and approvals for the registration in the Catalogue on a project-by-project basis are required before the allocation of funds to the state grid companies, which then would make settlement to the Group.

Tariff adjustments of approximately HK\$35,495,000 (2018: HK\$33,561,000) recognised for the year ended 31 December 2019 are included in the sales of electricity as disclosed in note 8 and are recognised based on management judgement that all of the Group's operating power plants have qualified for, and have met all the requirements and conditions as required based on the prevailing nationwide government policies on renewable energy for solar power plants. Cumulative amount of tariff receivables relating to power plants yet to register in the Catalogue amounting to approximately HK\$59,398,000 (2018: HK\$39,478,000) remains outstanding as at the end of the reporting period.

In making their judgement, the Directors, taking into account the legal opinion as advised by the Group's legal advisor, considered that all of the Group's solar power plants currently in operation have met the requirements and conditions as stipulated in the New Tariff Notice for the entitlement of the tariff adjustments when the electricity was delivered on grid.

5. 關鍵判斷及關鍵估計(續)

應用會計政策時所作關鍵判斷(續)

(a) 電力銷售電價調整之收入確認

電價調整指本集團就太陽能發電業務已收或應收政府部門之補助。

於2013年8月，中國國家發展和改革委員會發佈新電價通知，出台適用於分布式太陽能發電站的新補助政策，並調整集中式太陽能發電站(稱為地面太陽能發電站)所產生電力之基準上網電價。

根據新電價通知，一套結算電價補助的標準程序自2013年起生效，向國家電網公司分配資金前，須按項目取得列入目錄之批准。隨後，國家電網公司將向本集團結算資金。

就截至2019年12月31日止年度確認之電價調整約35,495,000港元(2018年：33,561,000港元)已納入附註8披露之電力銷售額內，並根據管理層判斷本集團所有營運發電站均具備資格，並符合政府現行全國性太陽能發電站可再生能源政策之所有要求及條件而確認。於報告期末，有待列入目錄之發電站的應收電價累計金額約59,398,000港元(2018年：39,478,000港元)尚未支付。

董事於作出判斷時，經考慮本集團法律顧問之法律意見，認為本集團目前營運的所有太陽能發電站均符合新電價通知有關上網供電時可收取電價調整的要求及條件。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Critical judgements in applying accounting policies (continued)

(a) Revenue recognition on tariff adjustments on sales of electricity (continued)

The Directors are confident that all of the Group's operating power plants were able to be registered in the Catalogue in due course and the accrued revenue on tariff subsidy are fully recoverable but only subject to timing of allocation of funds from the government, after considering that there are no bad debt experiences with the state grid companies in the past and the tariff subsidy is fully funded by the PRC government.

(b) Legal titles of certain buildings

As stated in note 18 to the consolidated financial statements, the titles of certain buildings related to a production plant acquired from a third party were not transferred to the Group as at 31 December 2019. Despite the fact that the Group has not obtained the relevant legal titles, the directors determined to recognise those buildings as property, plant and equipment, on the grounds that they expect the transfer of legal titles in future should have no major difficulties and the Group is in substance controlling those buildings.

(c) Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

5. 關鍵判斷及關鍵估計(續)

應用會計政策時所作關鍵判斷(續)

(a) 電力銷售電價調整之收入確認(續)

考慮到國家電網公司並無壞賬以及電價補助由中國政府全額撥付，董事相信，本集團所有營運發電站均能夠在適當時候列入目錄，電價補助之累計收入可悉數收回，只待政府撥款。

(b) 若干樓宇之合法業權

誠如綜合財務報表附註18所呈列，於2019年12月31日，與自一名第三方收購之生產廠房有關之若干樓宇之業權並未轉移至本集團。儘管本集團並無取得相關法定業權，董事仍然決定確認該等樓宇為物業、廠房及設備，理由是彼等預期未來轉讓法定業權並無重大困難，且本集團實質控制該等樓宇。

(c) 信用風險顯著增加

預期信貸虧損計量撥備等於第一階段資產12個月的預期信貸虧損，或第二階段或第三階段資產的使用年期預期信貸虧損。當資產的信貸風險自初始確認以來顯著增加時，該資產移至第二階段。香港財務報告準則第9號並未界定構成信貸風險大幅增加的因素。在評估資產的信貸風險是否顯著增加時，本集團考慮定性與定量的合理且可支持的前瞻性資料。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 December 2019 was approximately HK\$401,534,000 (2018: HK\$458,835,000).

(b) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the year, income tax of approximately HK\$3,781,000 (2018: HK\$7,734,000) was charged to profit or loss based on the estimated profit.

5. 關鍵判斷及關鍵估計(續)

估計不明朗因素之主要來源

下文討論於報告期末存在重大風險可能導致須對下一財政年度資產及負債賬面值作出重大調整之未來主要假設及其他估計不明朗因素之主要來源。

(a) 物業、廠房及設備及折舊

本集團釐定其物業、廠房及設備之估計可使用年期、殘值及相關折舊支出。此項估計乃根據性質及功能相若之物業、廠房及設備過往實際可使用年期及殘值為基準作出。本集團將於可使用年期及殘值有別於以往估計之時調整折舊費用，或會撇銷或撇減已棄置之技術過時或非策略資產。

於2019年12月31日，物業、廠房及設備之賬面值為約401,534,000港元(2018年：458,835,000港元)。

(b) 所得稅

本集團須繳納數個司法管轄權區的所得稅。在釐定所得稅撥備時，須作出重大估計。在日常業務中許多交易及計算均難以明確釐定最終稅項。倘該等事項的最終稅務結果與初步入賬金額不同，該等差額將影響稅務釐定期內所得稅及遞延稅項撥備。於本年度，根據估計溢利所得稅約3,781,000港元(2018年：7,734,000港元)已扣除自損益。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (continued)

(c) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGU to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at the end of the reporting period was approximately HK\$Nil (2018: HK\$2,830,000) after an impairment loss of approximately HK\$2,830,000 (2018: HK\$ Nil) was recognised during the year. Details of the impairment loss calculation are provided in note 21 to the consolidated financial statements.

(d) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belong. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

5. 關鍵判斷及關鍵估計 (續)

估計不明朗因素之主要來源 (續)

(c) 商譽減值

釐定商譽有否減值須估計獲分配商譽之現金產生單位的使用價值。計算使用價值要求本集團估計預期自現金產生單位產生的未來現金流及適當貼現率以計算現值。年內確認減值虧損2,830,000港元(2018年：零港元)後，商譽於報告期末的賬面值為零港元(2018年：2,830,000港元)。減值虧損計算方法之詳情載於綜合財務報表附註21。

(d) 物業、廠房及設備及使用權資產的減值

物業、廠房及設備及使用權資產按成本減累計折舊及減值(如有)列賬。在釐定資產是否減值時，本集團須作出判斷及估計，尤其需要評估：(1)有否發生可影響資產價值的事項或出現任何指標；(2)資產的賬面值能否以根據持續使用資產估計的使用價值，即未來現金流量現值淨額，按可收回金額支持；及(3)估計可收回金額時所採用的合適重要假設，包括現金流量預測及適當的貼現率。倘無法估計單項資產(包括使用權資產)的可收回金額時，本集團將估計資產所屬賺取現金產生單位的可收回金額。改變假設及估計(包括現金流量預測中採用的折現率或增長率假設)或會對減值測試中使用的淨現值產生重大影響。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (continued)

(d) Impairment of property, plant and equipment and right-of-use assets (continued)

The carrying amount of property, plant and equipment and right-of-use assets as at 31 December 2019 were HK\$401,534,000 (2018: HK\$458,835,000) and HK\$46,069,000 (2018: HK\$Nil) respectively.

(e) Impairment of trade receivables and contract assets

The management of the Group estimates the amount of impairment loss for ECL on trade receivables and contract assets based on the credit risk of trade receivables and contract assets. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 December 2019, the carrying amount of trade receivables and contract assets is HK\$216,837,000 (net of allowance for doubtful debts of HK\$2,178,000) (2018: HK\$264,064,000 (net of allowance for doubtful debts of HK\$5,066,000)).

5. 關鍵判斷及關鍵估計 (續)

估計不明朗因素之主要來源 (續)

(d) 物業、廠房及設備及使用權資產的減值 (續)

於2019年12月31日的物業、廠房及設備及使用權資產的賬面值分別為別為401,534,000港元(2018年: 458,835,000港元)及46,069,000港元(2018年: 無)。

(e) 貿易應收款項及合約資產的減值

本集團管理層基於貿易應收款項及合約資產的信貸風險估計貿易應收款項及合約資產的預期信貸虧損的減值金額。基於預期信貸虧損模式的減值虧損金額乃按根據合約應付本集團的所有合約現金流及本集團預期收取的所有現金流間的差額計量，按於初始確認時釐定的實際利率貼現。倘未來現金流少於預期或因事實及情況變動作向下修正，則可能產生重大減值虧損。

於2019年12月31日，貿易應收款項及合約資產的賬面值為216,837,000港元(扣除呆賬準備2,178,000港元)(2018年: 264,064,000港元(扣除呆賬撥備5,066,000港元))。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (continued)

(f) Allowance for slow-moving and net realisable value of inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed. Allowance for slow-moving inventories amounted to approximately HK\$319,000 (2018: HK\$212,000) was made for the year ended 31 December 2019.

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on current market conditions and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer's demand and competitor's actions in response to severe industry cycles. The Group will reassess the estimates by the end of each reporting period.

5. 關鍵判斷及關鍵估計(續)

估計不明朗因素之主要來源(續)

(f) 滯銷存貨撥備及可變現淨值

滯銷存貨撥備乃根據存貨賬齡及估計存貨可變現淨值作出。評估撥備金額涉及判斷及估計。倘日後之實際結果不同於原來估計，該等差額將影響上述估計出現變動期間存貨及撥備開支／撥回之賬面值。截至2019年12月31日止年度，滯銷存貨之撥備金額為約319,000港元(2018年：212,000港元)。

存貨可變現淨值指於一般業務過程中估計售價減估計完成成本及銷售開支後的金額。該等估計乃根據當前市況以及製造及銷售同類性質產品的過往經驗作出。由於為應對嚴苛行業週期客戶需求以及競爭者行動之變化，有關估計可能發生重大變動。本集團將於各報告期結束前重估有關估計。

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Price risk

The Group is exposed to equity price risk mainly through its investment in equity securities. Management manages this exposure by maintaining a portfolio of investments with different risk and return profiles. The Group's equity price risk is mainly concentrated on equity securities quoted on the Stock Exchange.

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices had been 10% (2018: 10%) higher/lower, loss after tax for the year ended 31 December 2019 would decrease/increase by approximately HK\$170,000 (2018: HK\$1,520,000). This is mainly due to the changes in fair value of held-for-trading investments.

6. 金融風險管理

本集團之業務承受各種金融風險：外幣風險、股價風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃針對金融市場之難以預測性，並尋求對本集團之財務表現產生之潛在不利影響減至最低。

(a) 外幣風險

本集團面對輕微外幣風險，原因為其大部分業務交易、資產及負債主要以本集團實體之功能貨幣計值。本集團目前並無就外幣交易、資產及負債制訂外幣對沖政策。本集團密切監察其外幣風險，並考慮於需要時對沖重大外幣風險。

(b) 股價風險

本集團主要透過其股本證券投資而面臨股價風險。管理層透過維持風險及回報各異的投資組合管理有關風險。本集團的股價風險主要集中在聯交所所報股本證券。

以下敏感度分析乃基於於報告期末面臨的股價風險釐定。

倘股價上升／下降10%（2018年：10%），則截至2019年12月31日止年度的除稅後虧損將減少／增加約170,000港元（2018年：1,520,000港元）。此乃主要由於持作買賣投資的公允價值變動所致。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due ranging from 30 to 180 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

6. 金融風險管理(續)

(c) 信貸風險

信貸風險指對手方無法履行金融工具或客戶合約項下責任而引致金融損失之風險。本集團面臨其經營活動(主要為貿易應收款項)及其金融活動(包括於銀行及金融機構的存款、外匯交易及其他金融工具)的信貸風險。本集團面臨現金及現金等值項目產生的信貸風險有限，因對手方為國際信貸評級機構評定的高信用評級之銀行及金融機構，本集團認為其具有低信貸風險。

貿易應收款項及合約資產

由各業務單元管理的客戶信貸風險受本集團制定的有關客戶信貸風險管理政策、程序及控制。對信貸超過一定金額的所有客戶進行個別信貸評估。該等評估專注客戶過往到期付款的歷史及現時支付的能力，並計及客戶的特定信息及與客戶經營相關經濟環境。貿易應收款項自票據日期起30至180日內到期。通常，本集團不會從客戶獲得抵押品。

本集團按相當於全期預期信貸虧損的金額(用撥備矩陣計算)來計量貿易應收款項及合約資產虧損撥備。因本集團的過往信貸虧損經驗沒有顯示不同客戶分部有重大差異的虧損型態，故按逾期狀態計算的虧損撥備沒有在本集團不同客戶群間進一步區分。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (continued)

Trade receivables and contract assets (continued)

Based on the track record of regular repayment of receivables from sales of electricity and the settlement of tariff adjustment receivables is in accordance with the prevailing government policies, all trade receivables and contract assets from sales of electricity, including tariff adjustment receivables, are expected to be recoverable and the ECL provision on contract assets is considered to be insignificant.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets, as at 31 December 2019:

6. 金融風險管理(續)

(c) 信貸風險(續)

貿易應收款項及合約資產(續)

根據電力銷售應收款項之定期償付往績紀錄，以及電價調整應收款項之結算符合現行政府政策，預計來自電力銷售之所有貿易應收款項及合約資產(包括電價調整應收款項)均可收回，而合約資產預期信貸虧損被視為不重大。

下表提供有關本集團面臨信貸風險及預期信貸虧損的資料，包括於2019年12月31日的貿易應收款項及合約資產：

		Expected loss rate 預期虧損率 %	2019 2019年 Gross carrying amount 總賬面值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Current (not past due)	即期(並無逾期)	0.06%	186,964	112
Less than 1 month past due	逾期少於一個月	0.21%	22,625	48
1 to 3 months past due	逾期1至3個月	0.33%	3,071	10
More than 3 months past due	逾期超過3個月	31.60%	6,355	2,008
			219,015	2,178

		Expected loss rate 預期虧損率 %	2018 2018年 Gross carrying amount 總賬面值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Current (not past due)	即期(並無逾期)	0%	197,933	–
Less than 1 month past due	逾期少於一個月	0.08%	44,284	36
1 to 3 months past due	逾期1至3個月	0.23%	15,926	36
More than 3 months past due	逾期超過3個月	45.45%	10,987	4,994
			269,130	5,066

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (continued)

Trade receivables and contract assets (continued)

Expected loss rates are based on actual loss experience over the past 5 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance for trade receivables during the year is as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At 1 January	於一月一日	5,066	3,655
Impairment losses recognised for the year	本年度確認減值虧損	6,425	2,066
Amounts written off during the year	本年度撇銷金額	(6,491)	–
Reversals	撥回	(2,769)	(404)
Exchange differences	匯兌差額	(53)	(251)
At 31 December	於12月31日	2,178	5,066

The following significant changes in the gross carrying amounts of trade receivables contributed to the decrease in the loss allowance during 2019:

- a reversal of trade receivables with a gross carrying amount of HK\$2,769,000 resulted in a decrease in loss allowance of HK\$2,769,000.
- a write-off of trade receivables with a gross carrying amount of HK\$6,491,000 resulted in a decrease in loss allowance of HK\$6,491,000.

6. 金融風險管理(續)

(c) 信貸風險(續)

貿易應收款項及合約資產(續)

預期虧損率按過往5年的實際虧損經驗計算。此等比率為反映期內(往績數據已在期間收集)經濟狀況差異、目前狀況及本集團對應收款項預期存續期的經濟狀況之意見，而加以調整。

年內有關貿易應收款項虧損撥備金額的變動如下：

以下貿易應收款項總賬面值的大幅變動導致2019年的虧損撥備減少：

- 賬面總值為2,769,000港元的貿易應收款項撥回導致虧損撥備減少2,769,000港元。
- 賬面總值為6,491,000港元的貿易應收款項撇銷導致虧損撥備減少6,491,000港元。

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (continued)

Financial assets at amortised cost

All of the Group's financial instruments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses. These instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Financial assets at amortised cost include other receivables.

Movement in the loss allowance for financial assets at amortised cost during the year is as follows:

6. 金融風險管理(續)

(c) 信貸風險(續)

按攤銷成本計量之金融資產

本集團所有按攤銷成本計量的金融工具被視為具低信貸風險，因此，期內確認的虧損撥備限於12個月預期虧損。該等工具在具有低違約風險時被視為低信貸風險且發行人具備近期履行其合約現金流責任的強大能力。

按攤銷成本計量之金融資產包括其他應收款項。

本年度按攤銷成本計量之金融資產虧損撥備的變動如下：

		Other receivables 其他應收款項 HK\$'000 千港元
At 1 January 2018, 31 December 2018 and 1 January 2019	於2018年1月1日、2018年12月31日 及2019年1月1日	1,345
Impairment losses recognised for the year	本年度確認減值虧損	2,255
Exchange differences	匯兌差額	(52)
At 31 December 2019	於2019年12月31日	3,548

The Group is also exposed to credit risk in relation to equity investments that are measured at FVTPL. The maximum exposure at the end of the reporting period is the carrying amount of these investments of HK\$1,696,000 (2018: HK\$15,199,000).

本集團亦面臨按公允價值計量其變動計入當期損益計量的股權投資有關信貸風險。於報告期末面臨的最大風險為賬面值1,696,000港元的該等投資(2018年：15,199,000港元)。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

		Less than 1 year or on demand 少於 1年或按要求 HK\$'000 千港元	Between 1 and 2 years 1年至2年 HK\$'000 千港元	Between 2 and 5 years 2年至5年 HK\$'000 千港元	Over 5 years 5年以上 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 31 December 2019	於2019年12月31日					
Trade and other payables	貿易應付款項及 其他應付款項	107,311	–	–	–	107,311
Bank borrowings	銀行貸款	71,660	–	–	–	71,660
Lease liabilities	租賃負債	3,880	2,618	4,469	20,743	31,710
At 31 December 2018	於2018年12月31日					
Trade and other payables	貿易應付款項及 其他應付款項	116,795	–	–	–	116,795
Bank borrowings	銀行貸款	163,069	–	–	–	163,069

(e) Interest rate risk

The Group's cash flow interest rate risk primarily relates to variable-rate bank borrowings. It is the Group's policy to keep its borrowings at floating rate of interest so as to minimise the fair value interest rate risk.

The Group's bank deposits bear interest at variable rates that vary with the then prevailing market condition.

The Group's bank borrowings of approximately HK\$55,875,000 (2018: HK\$45,544,000) bear interest at fixed interest rate and therefore are subject to fair value interest rate risk. Other bank borrowings are arranged at variable rates, thus exposing the Group to cash flow interest rate risk.

6. 金融風險管理 (續)

(d) 流動資金風險

本集團之政策為定期監察目前及預期之流動資金需求，從而確保本集團維持足夠現金儲備以應付其短期及較長期的流動資金需求。

根據本集團非衍生金融負債之合約未貼現現金流作出到期分析如下：

(e) 利率風險

本集團的現金流利率風險主要與浮息率銀行貸款有關。本集團之政策為將其借貸保持在浮動利率水平以將公允價值利率風險降至最低。

本集團的銀行存款按隨當時現行市況變化的浮動利率計息。

本集團的銀行貸款約55,875,000港元(2018年：45,544,000港元)按固定利率計息，因此面臨公允價值利率風險。其他銀行貸款按浮動利率安排，因此令本集團面臨現金流利率風險。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Interest rate risk (continued)

At 31 December 2019, if interest rates had been 100 basis points higher/lower with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$566,000 (2018: HK\$430,000) higher/lower, arising mainly as a result of higher/lower interest expense on bank borrowings.

(f) Categories of financial instruments at 31 December 2019

6. 金融風險管理(續)

(e) 利率風險(續)

於2019年12月31日，倘利率上升／下跌100個基點而所有其他變量維持不變，本年度之綜合除稅後虧損將增加／減少約566,000港元(2018年：430,000港元)，主要源於銀行貸款之利息開支增加／減少。

(f) 2019年12月31日的金融工具分類

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets:	金融資產：		
Financial assets at FVTPL – Held for trading	以公允價值計量且其變動計入當期損益的金融資產 – 持作買賣	1,696	15,199
Financial assets measured at amortised cost	以攤銷成本計量的金融資產	400,251	454,698
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	以攤銷成本計量的金融負債	177,213	276,420

(g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(g) 公允價值

於綜合財務狀況表所反映之本集團金融資產及金融負債之賬面值與其各自之公允價值相若。

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7. FAIR VALUE MEASUREMENTS

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. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy at 31 December 2019:

7. 公允價值計量

公允價值指市場參與者之間於計量日期在有序交易中出售資產將收取或轉讓負債將支付的價格。下文披露使用公允價值層級計量的公允價值，用作計量公允價值的估值方法輸入值據此分為三個級別：

第一層級輸入值：本集團可於計量日獲得之相同資產或負債於活躍市場上的報價（未經調整）。

第二層級輸入值：第一層級所包括的報價以外，資產或負債直接或間接可觀察之輸入值。

第三層級輸入值：資產或負債的不可觀察輸入值。

本集團的政策為確認截至事件或變化日導致轉讓的任何三個層級轉入及轉出情況。

(a) 於2019年12月31日公允價值層級的等級披露如下

Description 描述	Fair value measurements using: 公允價值計量方式使用：			Total 合計
	Level 1 第一層級 HK\$'000 千港元	Level 2 第二層級 HK\$'000 千港元	Level 3 第三層級 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Recurring fair value measurements: Financial assets: Financial assets at FVTPL – Listed equity securities	經常性公允價值計量： 金融資產： 以公允價值計量且其變動計入當期損益的金融資產 – 已上市股本證券			1,696

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7. FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Disclosures of level in fair value hierarchy at 31 December 2019: (continued)

Description 描述	Fair value measurements using: 公允價值計量方式使用：			Total 合計
	Level 1 第一層級 HK\$'000 千港元	Level 2 第二層級 HK\$'000 千港元	Level 3 第三層級 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Recurring fair value measurements:	經常性公允價值計量：			
Financial assets:	金融資產：			
Financial assets at FVTPL	以公允價值計量且其變動計入當期損益的金融資產			
- Listed equity securities	- 已上市股本證券	15,199	-	-
				15,199

During the two years, there were no changes in the valuation techniques used.

於兩個年度，所用的估值方法並沒有任何變動。

During the years ended 31 December 2019 and 2018, there were no transfers among Level 1, Level 2 and Level 3.

於截至2019年及2018年12月31日止年度，沒有金融工具在公允價值的第一層級、第二層級及第三層級間轉移。

(b) Reconciliation of liabilities measured at fair value based on Level 3:

Description 描述	Convertible bonds 可換股債券		
	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	
At 1 January	於1月1日	-	94
Total losses recognised in profit or loss	於損益確認之虧損總額	-	(94)
At 31 December	於12月31日	-	-

The total gains or losses recognised in profit or loss are presented in other gains and losses in the consolidated statement of profit or loss.

於損益確認的收益或虧損總額乃於綜合損益表內的其他收益及虧損呈列。

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8. REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the year is as follow:

8. 收入及分部報告

(a) 收入細分

按主要產品或服務劃分本年度來自客戶合約的收入細分如下：

		2019		2018	
		2019年		2018年	
		HK\$'000	%	HK\$'000	%
		千港元		千港元	
Revenue from contracts with customers within the scope of HKFRS 15	屬香港財務報告準則第15號範圍內來自客戶合約的收入				
Disaggregated by major products or service lines	按主要產品或服務細分				
Manufacturing and sales of BOPP films	產銷聚丙烯雙向拉伸薄膜				
– Cigarette films	– 香煙薄膜	219,631	58%	220,424	48%
– Non-cigarette-related films	– 非香煙相關包裝材料	81,318	22%	121,589	27%
Sub-total	小計	300,949	80%	342,013	75%
Sales of sub-processing cigarette films	銷售加工香煙薄膜	7,508	2%	50,083	11%
Properties development and related services	物業發展及相關服務	8,778	2%	10,377	2%
Generation of photovoltaic power	光伏發電	54,695	15%	50,181	12%
Cloud-related business	雲業務	4,278	1%	1,173	–
Total	合計	376,208	100%	453,827	100%

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8. REVENUE AND SEGMENT REPORTING (CONTINUED)

8. 收入及分部報告(續)

(a) Disaggregation of revenue (continued)

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

(a) 收入細分(續)

本集團於下列主要產品及地區透過在某時間段或時點轉讓產品及服務產生收入：

For the year ended 31 December 截至12月31日止年度		Manufacturing and sales of BOPP films 產銷聚丙烯雙向拉伸薄膜		Sales of sub-processing cigarette films 銷售加工香煙薄膜		Properties development and related services 物業發展及相關服務		Generation of photovoltaic power 光伏發電		Cloud-related business 雲業務		Total 合計	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		2019年	2018年	2019年	2018年	2019年	2018年	2019年	2018年	2019年	2018年	2019年	2018年
		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	
Primary geographical markets Mainland China	主要地區市場 中國內地	300,949	342,013	7,508	50,083	8,778	10,377	54,695	50,181	4,278	1,173	376,208	453,827
Timing of revenue recognition Products transferred at a point in time	收入確認時點 產品於某一時間點轉移	300,949	342,013	7,508	50,083	8,778	7,752	-	-	-	-	317,235	399,848
Products and services transferred over time	產品及服務隨時間轉移	-	-	-	-	-	2,625	54,695	50,181	4,278	1,173	58,973	53,979
Total	合計	300,949	342,013	7,508	50,083	8,778	10,377	54,695	50,181	4,278	1,173	376,208	453,827

(b) Segment reporting

The Group has five operating segments as follows:

- Manufacturing and sales of BOPP films: this segment engages in manufacturing and sales of cigarette packaging films and non-cigarette-related packing films (e.g. films for packing straws, food, cassettes and stationery tapes);
- Sales of sub-processing cigarette films: this segment engages in trading of sub-processing cigarette films;
- Properties development and related services: this segment engages in development and sales of properties and providing property management services;
- Generation of photovoltaic power: this segment engages in generating and sales of electricity; and
- Cloud-related business: this segment engaged in provision of development of cloud computing related software, outsourcing cloud platforms and providing cloud computing solutions and related services.

(b) 分部報告

本集團五個經營分部如下：

- 產銷聚丙烯雙向拉伸薄膜：此分部銷售及製造香煙和非香煙相關的包裝薄膜(如用作包裝吸管、食品、磁帶的薄膜及文具膠帶所用的薄膜)；
- 銷售加工香煙薄膜：此分部買賣貿易加工處理的香煙相關薄膜；
- 物業發展及相關服務：此分部發展及銷售物業及提供物業管理服務；
- 光伏發電：此分部產銷電力；及
- 雲業務：此分部提供開發雲計算相關軟件、外包雲平台及提供雲計算解決方案及相關服務。

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8. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements. Segment profits or losses do not include unallocated head office and corporate expenses, loss on disposal of subsidiaries, net realised and unrealised loss on investment in equity securities, dividend income from equity securities and impairment of unallocated other receivables. Segment assets do not include equity securities and unallocated head office and corporate assets. Segment liabilities do not include unallocated head office and corporate liabilities.

8. 收入及分部報告(續)

(b) 分部報告(續)

本集團之可報告分部為提供不同產品及服務的策略業務單位。由於各項業務所需之技術及營銷策略有別，故有關業務會分開管理。

經營分部的會計政策與綜合財務報表附註4所述者相同。分部溢利或虧損不包括未分配總部和公司支出、出售附屬公司虧損、股本證券投資的已變現及未變現淨虧損、股本證券的股息收入及未分配其他應收款項減值。分部資產不包括股本證券及未分配總部和公司資產。分部負債不包括未分配總部和公司負債。

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8. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities

Information about operating segment profit or loss, assets and liabilities is as follows:

8. 收入及分部報告(續)

(b) 分部報告(續)

(i) 分部業績、資產及負債

有關營運分部損益、資產及負債之資料如下：

		Manufacturing and sales of BOPP films 產銷聚丙烯雙向拉伸薄膜		Sales of sub-processing cigarette films 銷售加工香煙薄膜		Properties development and related services 物業發展及相關服務		Generation of photovoltaic power 光伏發電		Cloud-related business 雲業務		Total 合計	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Year ended 31 December	截至12月31日止年度												
Revenue from external customers	來自外部客戶收益	300,949	342,013	7,508	50,083	8,778	10,377	54,695	50,181	4,278	1,173	376,208	453,827
Reportable segment revenue	可申報分部收入	300,949	342,013	7,508	50,083	8,778	10,377	54,695	50,181	4,278	1,173	376,208	453,827
Reportable segment gross profit/(loss)	可申報分部毛利/(毛損)	44,424	68,095	2,087	14,534	(1,090)	2,339	33,356	31,670	1,683	(1,234)	80,460	115,404
Reportable segment (loss)/profit before tax	可申報分部稅前(虧損)/溢利	(7,188)	1,783	(14,303)	5,914	(5,217)	(507)	17,297	19,049	(12,629)	(24,068)	(22,040)	2,171
Interest income from bank deposits	銀行存款利息收益	118	64	54	54	250	755	13	17	27	50	462	940
Interest expense	利息開支	5,053	6,003	1,299	1,960	-	-	877	193	-	-	7,229	8,156
Depreciation and amortisation	折舊和攤銷	17,288	15,781	3,035	2,077	206	432	16,528	14,826	1,420	3,891	38,477	37,007
Other material non-cash items:	其他重大非現金項目：												
(Reversal)/impairment of trade and other receivables	貿易應收款項及其他應收款項(撥回)/減值	(355)	1,662	-	-	3,534	-	-	-	1,432	-	4,611	1,662
Impairment of goodwill	商譽減值	-	-	-	-	-	-	-	-	2,830	-	2,830	-
Impairment of property, plant and equipment	物業、廠房及設備減值	-	-	5,015	-	-	-	-	-	7,074	19,419	12,089	19,419
As at 31 December	於12月31日												
Reportable segment assets	可申報分部資產	291,897	372,894	73,120	125,439	190,751	163,576	401,567	393,694	9,092	35,365	966,427	1,090,968
Additions to non-current segment assets during the year	年內非流動分部資產的增置	7,110	2,872	1,848	9,143	-	7	3,896	65,244	-	-	12,854	77,266
Reportable segment liabilities	可申報分部負債	144,259	168,122	35,334	62,025	10,370	45,452	23,391	10,351	4,484	3,434	217,838	289,384

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8. REVENUE AND SEGMENT REPORTING 8. 收入及分部報告(續)

(b) Segment reporting (continued)

(ii) Reconciliations of segment profit or loss, assets and liabilities

(b) 分部報告(續)

(ii) 分部溢利或虧損、資產及負債的對賬

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Profit/(loss)	溢利/(虧損)		
Reportable segment (loss)/profit before tax	可申報分部稅前(虧損)/溢利	(22,040)	2,171
Loss on disposal of subsidiaries	出售附屬公司虧損	–	(1,629)
Net realised and unrealised loss on investment in equity securities	股本證券投資的已變現及未變現淨虧損	(18,566)	(4,167)
Dividend income from equity securities	股本證券的股息收入	13,617	129
Impairment of unallocated other receivables	未分配其他應收款項減值	(1,300)	–
Unallocated head office and corporate expenses	未分配總部和公司支出	(15,803)	(15,386)
Consolidated loss before tax	綜合稅前虧損	(44,092)	(18,882)
Assets	資產		
Reportable segment assets	可申報分部資產	966,427	1,090,968
Equity securities	股本證券	1,696	15,199
Unallocated head office and corporate assets	未分配總部和公司資產	15,518	15,638
Consolidated total assets	綜合資產總額	983,641	1,121,805
Liabilities	負債		
Reportable segment liabilities	可申報分部負債	217,838	289,384
Unallocated head office and corporate liabilities	未分配總部和公司負債	152	1,114
Consolidated total liabilities	綜合負債總額	217,990	290,498

8. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(iii) Geographic information

No geographic information is present as the revenue, contribution to operating results, assets and liabilities of the Group are attributable to operating activities which are carried out or originated principally in the PRC including Hong Kong.

(iv) Revenue from major customers

(b) 分部報告(續)

(iii) 地區資料

由於本集團的收入、對經營業績的貢獻、資產及負債均歸屬於主要在中國(包括香港)進行或發起的經營活動，故並未呈報地區資料。

(iv) 來自主要客戶的收入

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Segment of manufacturing and sales of BOPP films and sale of sub-processing cigarette firms	產銷聚丙烯雙向拉伸薄膜及銷售加工香煙薄膜分部		
Customer A	客戶甲	154,898	150,949
Customer B	客戶乙	46,620	95,988
		201,518	246,937
Segment of generation of photovoltaic power	光伏發電分部		
Customer C	客戶丙	54,695	50,181

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9. OTHER INCOME

9. 其他收入

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Compensation	補償	–	358
Dividend income from equity securities	股本證券的股息收入	13,617	129
Government grants (Note (i))	政府補助(附註(i))	1,996	497
Amortisation of deferred government grants (Note 35)	遞延政府補助攤銷(附註35)	213	–
Interest income on bank deposits	銀行存款利息收入	465	940
Loan interest income	貸款利息收入	1,665	–
Rental income	租金收入	983	–
Sales of scrap materials	出售廢料	4,139	10,581
Sundry income	雜項收入	839	182
		23,917	12,687

Note:

- (i) Government grants mainly related to the subsidy received from the local government authority for the achievements of the Group.

附註：

- (i) 政府補助主要有關因本集團成就自地方政府機構收取之補助。

10. OTHER GAINS AND LOSSES, NET

10. 其他收益及虧損淨額

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	25	107
Write off of property, plant and equipment	物業、廠房及設備撇銷	(661)	(28)
Loss on disposal of subsidiaries	出售附屬公司的虧損	–	(1,629)
Net foreign exchange losses	匯兌虧損淨額	(629)	(2,337)
Net realised and unrealised gain on investment in wealth management products	理財產品投資的已變現及未變現收益淨額	–	592
Net realised and unrealised loss on investment in equity securities	股本證券投資的已變現及未變現淨虧損	(18,566)	(4,167)
Fair value gain on convertible bonds	可換股債券公允價值收益	–	94
Others	其他	(1,171)	(2,000)
		(21,002)	(9,368)

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11. FINANCE COSTS

11. 融資成本

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Interest expense on lease liabilities (Note 20)	租賃負債的利息開支(附註20)	1,451	–
Interest on bank borrowings	銀行貸款利息	5,778	7,786
Other interest expense	其他利息開支	–	370
Total borrowing costs	借貸成本總額	7,229	8,156

12. INCOME TAX EXPENSE

12. 所得稅支出

Income tax has been recognised in profit or loss as follows:

所得稅於損益內確認如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Current tax – Hong Kong Profits Tax	本期稅項 – 香港利得稅		
Overprovision in prior year	於過往年度超額撥備	–	(917)
Current tax – PRC enterprise income tax	即期稅項 – 中國企業所得稅		
Provision for the year	本年度撥備	3,758	4,720
(Over)/under-provision in prior years	年於過往年度(超額撥備)/ 撥備不足	(2,506)	1,485
		1,252	5,288
LAT	土地增值稅	118	71
Deferred tax (note 33)	遞延稅項(附註33)	2,411	2,375
		3,781	7,734

(i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in these jurisdictions.

(i) 根據開曼群島及英屬維爾京群島的規則和規例，本集團無須於該等司法權區繳納任何所得稅。

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12. INCOME TAX EXPENSE (CONTINUED)

- (ii) No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year (2018: Nil).

Under the two-tiered profits tax regime, profits tax rate for the first HK\$2 million of assessable profits of qualifying corporations established in Hong Kong will be lowered to 8.25%, and profits above that amount will be subject to the tax rate of 16.5%.

- (iii) On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC ("New Tax Law") which became effective on 1 January 2008 and the PRC's statutory Corporate Income Tax rate is 25%.

Pursuant to the rules and regulations applicable to advanced technology enterprises established in the PRC, Jiangsu Sheen Colour Science Technology Co., Ltd. and Qingdao Ener Packaging Technology Co., Ltd. are subject to PRC corporate income tax at a preferential tax rate of 15% for the year ended 31 December 2019.

Entities engaged in qualified power generating projects, are eligible for a corporate income tax exemption for the first year to the third year, and a 50% reduction for the fourth year to the sixth year starting from the year in which the entities first generate operating income (the "3+3 tax holiday"). Xuzhou Sheentai New Energy Power Generation Co., Ltd. (an indirect wholly-owned subsidiary of the Group) obtained the "Notification of Corporate Income Tax ("CIT") 3+3 tax holiday" in 2016 and was entitled to the 3+3 tax holiday retrospectively from 2015 to 2020.

Entities engaged in software related business are eligible for a corporate income tax exemption for the first year to second year, and a 50% reduction for the third year to the fifth year starting from the year in which the entities first generate operating income (the "2+3 tax holiday"). Xuyi Guangcai Information Technology Co., Ltd. (an indirect wholly-owned subsidiary of the Group) obtained the "Notification of CIT 2+3 tax holiday" in 2018 and was entitled to 2+3 tax holiday retrospectively from 2016 to 2020.

12. 所得稅支出(續)

- (ii) 並無就香港利得稅作出撥備，因為本集團於本年度並無應課稅溢利(2018年：零)。

根據兩級利得稅制，於香港成立的合資格法團首200萬港元的應評稅利潤的利得稅稅率將下調至8.25%，超過200萬港元的利潤將繼續按16.5%稅率徵稅。

- (iii) 於2007年3月16日，第十屆全國人民代表大會第五次全體會議通過了《中華人民共和國企業所得稅法》(「新稅法」)，於2008年1月1日生效，中國法定企業所得稅率為25%。

根據適用於在中國成立的高新技術企業的法律法規，江蘇金格潤科技有限公司和青島英諾包裝科技有限公司須就截至2019年12月31日止年度按優惠稅率15%繳納中國企業所得稅。

從事合資格能源產生項目的企業可自其首次產生經營收入的年度起計第一至第三年度合資格獲得稅務豁免，並於第四至第六年度可減免50%的企業所得稅(「3+3稅務寬免期」)。徐州順泰新能源發電有限公司(本集團的間接全資附屬公司)於2016年度取得「企業所得稅(「企業所得稅」)3+3稅務寬免期的通知」，自2015年至2020年度期間可追溯享有3+3稅務寬免期。

從事軟件相關業務的企業可自其首次產生經營收入的年度起計第一至第二年度合資格獲得稅務豁免，並於第三至第五年度可減免50%的企業所得稅(「2+3稅務寬免期」)。盱眙廣財信息科技有限公司(本集團的間接全資附屬公司)於2018年度取得「企業所得稅2+3稅務寬免期的通知」，自2016年至2020年度期間可追溯享有2+3稅務寬免期。

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12. INCOME TAX EXPENSE (CONTINUED)

- (iv) According to the New Tax Law and its implementation rules, dividends receivable by non-PRC-resident corporate investors from PRC-resident enterprises are subject to withholding tax at 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. Under the tax arrangement between the Mainland of China and Hong Kong Special Administrative Region and the relevant regulations, a qualified Hong Kong tax resident which is the “beneficial owner” and holds a 25% equity interest or more of a PRC enterprise is entitled to a reduced withholding tax rate of 5%. The withholding tax rate applicable to the Group is 5%.
- (v) According to the New Tax Law and its implementation rules, where the research and development expenses incurred by an enterprise in its research and development activities do not form intangible assets and are included in the current period's profit or loss, 50% of such research and development expenses shall be deducted from the taxable income amount of the year; where intangible assets are formed, pretax amortisation shall be made based on 150% of the costs of the intangible assets.

12. 所得稅支出(續)

- (iv) 根據新稅法及其實施細則，除非2008年1月1日起賺取的溢利獲稅務條例或安排寬減，否則非中國居民企業投資者應收中國居民企業的股息須按10%繳納預扣稅。根據中國內地與香港特別行政區之間的稅務安排及相關法規，身為中國企業的「實益擁有人」並持有25%或以上股權的合資格香港稅務居民可享獲寬減預扣稅率5%。適用於本集團的預扣稅率為5%。
- (v) 根據新稅法及其實施細則，企業開展研發活動中實際發生的研發費用，未形成無形資產計入當期損益的，在按規定據實扣除的基礎上，按照本年度實際發生額的50%，從本年度應納稅所得額中扣除；形成無形資產的，按照無形資產成本的150%在稅前攤銷。

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12. INCOME TAX EXPENSE (CONTINUED)

The reconciliation between income tax expense and product of loss before tax multiplied by the applicable tax rates is as follows:

12. 所得稅支出(續)

所得稅支出與除稅前虧損乘以適用稅率之結果對賬如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Loss before tax	稅前虧損	(44,092)	(18,882)
Notional tax on loss before tax, calculated at the rates applicable in the jurisdictions concerned	按照在相關司法權區獲得的適用稅率計算稅前虧損的名義稅項	(8,325)	(2,020)
Tax effect of the preferential tax rates	優惠稅率的稅項影響	351	(3,058)
Additional deductible allowance for research and development expenses	可增加扣減之研發費用	(833)	(989)
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	11,005	8,752
PRC withholding tax	中國預扣稅	14	912
Tax effect of non-taxable income	非應稅收入的稅收影響	(2,966)	(102)
Tax effect of tax losses not recognised	未確認的稅項虧損的稅項影響	5,164	2,739
Tax effect of utilisation of tax losses not previously recognised	利用先前未確認的稅項虧損的稅項影響	(723)	-
(Over)/under-provision in prior years	於過往年度(超額撥備)/撥備不足	(2,506)	568
Overprovision in current year	於當前年度超額撥備	-	(120)
LAT	土地增值稅	118	71
Tax effect of unrecognised temporary differences	未確認暫時差額的稅項影響	2,482	981
Income tax expense	所得稅支出	3,781	7,734

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13. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

13. 年內虧損

經扣除／(計入)下列各項後，本集團年內虧損如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Amortisation of intangible assets (included in cost of sales)	無形資產攤銷 (包括於銷售成本)	550	462
Depreciation on property, plant and equipment	物業、廠房及設備折舊	40,890	43,489
Depreciation on right-of-use assets	使用權資產折舊	4,267	–
Amortisation of leasehold land	租賃土地攤銷	–	521
Operating lease charges:	經營租賃開支：		
– Land and buildings	– 土地及樓宇	–	3,975
Auditor's remuneration	核數師酬金	1,330	1,330
Cost of inventories sold	已售存貨成本	206,299	248,569
Allowance for inventories	存貨撥備	319	212
Allowance for trade and other receivables, net	貿易應收款項及其他應收款項 撥備淨額	5,911	1,662
Research and development expenditure	研發開支	12,559	16,214
Write off of property, plant and equipment	物業、廠房及設備撇銷	661	28

Cost of inventories sold includes staff costs, depreciation, amortisation and operating lease charges of approximately HK\$45,959,000 (2018: HK\$52,728,000) which are included in the amounts disclosed separately above or in note 14 for each of these type of expenses.

已售存貨成本包括員工成本、折舊、攤銷及經營租賃開支約45,959,000港元(2018年：52,728,000港元)，已計入上文單獨披露或附註14列示的各類開支之金額內。

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14. EMPLOYEE BENEFITS EXPENSE

14. 僱員福利開支

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Salaries, bonuses and allowances	薪金、獎金及津貼	39,103	47,822
Equity-settled share-based payments	以權益結算以股份為基礎的支付	837	1,811
Retirement benefit scheme contributions	退休福利計劃的供款	5,475	6,656
		45,415	56,289

Five highest paid individuals

The five highest paid individuals in the Group during the year included 2 (2018: 2) directors whose emoluments are reflected in the analysis presented in note 15(a). The emoluments of the remaining 3 (2018: 3) individuals are set out below:

五位最高酬金人士

本集團本年度五位最高酬金人士包括2位(2018年：2位)董事，其酬金已於綜合財務報表附註15(a)所列分析內反映。其餘3位(2018年：3位)人士之酬金載列如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Salaries, bonuses and allowances	薪金、獎金及津貼	1,826	1,978
Equity-settled share-based payments	以權益結算以股份為基礎的支付	65	65
Retirement benefit scheme contributions	退休福利計劃的供款	24	-
		1,915	2,043

The emoluments fell within the following band:

酬金在以下金額範圍內：

		Number of individuals 人數	
		2019 2019年	2018 2018年
Nil to HK\$1,000,000	零至1,000,000港元	3	3

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15. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director is set out below:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

15. 董事福利及權益

(a) 董事酬金

各名董事酬金載列如下：

就各名人士作為董事（不論為本公司或其附屬公司出任）的已支付或應收酬金：

		Fees 袍金 HK\$'000 千港元	Salaries 薪金 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	Employer's (Note i) contribution Estimated money value of other benefits (附註 i) 其他福利的 預算金額 HK\$'000 千港元	retirement benefit scheme 僱主就 退休福利 計劃的供款 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Executive directors	執行董事						
Guo Yumin	郭玉民	550	-	1,000	-	18	1,568
Xia Yu	夏煜	-	360	100	-	5	465
Zeng Xiangyang	曾向陽	-	764	300	34	28	1,126
Independent non-executive directors	獨立非執行董事						
Lo Wa Kei, Roy	盧華基	250	-	-	14	-	264
Fong Wo, Felix	方和	250	-	-	14	-	264
Fan Qing	范晴	250	-	-	14	-	264
Total for 2019	2019年合計	1,300	1,124	1,400	76	51	3,951

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15. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' emoluments (continued)

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

15. 董事福利及權益 (續)

(a) 董事酬金 (續)

就各名人士作為董事(不論為本公司或其附屬公司出任)的已支付或應收酬金：

		Fees 袍金 HK\$'000 千港元	Salaries 薪金 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	(Note i) Estimated money value of other benefits (附註i) 其他福利的 預算金額 HK\$'000 千港元	Employer's contribution to a retirement benefit scheme 僱主就 退休福利 計劃的供款 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Executive directors	執行董事						
Guo Yumin	郭玉民	550	–	2,750	–	18	3,318
Xia Yu	夏煜	–	300	100	–	–	400
Zeng Xiangyang	曾向陽	–	787	500	74	43	1,404
Guo Cheng (Note (ii))	郭誠(附註(ii))	–	120	–	21	–	141
Independent non-executive directors	獨立非執行董事						
Lo Wa Kei, Roy	盧華基	250	–	–	30	–	280
Fong Wo, Felix	方和	250	–	–	30	–	280
Fan Qing	范晴	250	–	–	30	–	280
Total for 2018	2018年合計	1,300	1,207	3,350	185	61	6,103

Notes: (i) Estimated money value of other benefits represented share options.

(ii) Resigned on 25 May 2018.

附註：(i) 其他福利的預算金額為購股權。

(ii) 於2018年5月25日辭任。

15. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Directors' material interests in transactions, arrangements and contracts

Save as disclosed in note 43 to the consolidated financial statements and contracts amongst group companies and aforementioned transaction, no other significant transactions, arrangements and contracts to which the Company was a party and in which a director of the Company and other director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

16. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2019 (2018: Nil).

17. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$47,873,000 (2018: HK\$26,498,000) and the weighted average number of ordinary shares of 2,437,838,000 (2018: 2,455,248,000) in issue during the year.

Diluted loss per share

As the Company's share options as at 31 December 2018 and 2019 do not give rise to any dilutive effect to the loss per share, diluted loss per share was the same as the basic loss per share for the year ended 31 December 2019.

15. 董事福利及權益 (續)

(b) 董事於交易、安排及合約之重大權益

除綜合財務報表附註43披露者以及集團內公司間合約及上述交易外，於年末或年內任何時間並無存續任何其他本公司訂立而本公司董事及其關連人士直接或間接擁有重大權益且與本集團業務有關之重大交易、安排及合約。

16. 股息

本公司董事並不建議派付截至2019年12月31日止年度的任何股息(2018年：無)。

17. 每股虧損

每股基本虧損

本公司擁有人應佔每股基本虧損乃基於本公司擁有人應佔本年度虧損約47,873,000港元(2018年：26,498,000港元)及普通股加權平均數2,437,838,000股(2018年：2,455,248,000股)。

每股攤薄虧損

由於本公司於2018年及2019年12月31日的購股權不會對每股虧損產生任何攤薄影響，因此每股攤薄虧損與截至2019年12月31日止年度的每股基本虧損相同。

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18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Solar power plants	Buildings	Plant and machinery	Office equipment and others	Motor vehicles	Yacht	Construction in progress	Total
		太陽能發電站	建築物	廠房及機器	辦公設備及其他	汽車	遊艇	在建工程	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Cost	成本								
At 1 January 2018	於2018年1月1日	282,527	100,817	231,395	10,614	9,119	35,716	256	670,444
Additions	增置	63,813	-	2,636	243	715	-	1,748	69,155
Disposals	處置	-	-	-	(3)	(1,528)	-	-	(1,531)
Write off	撤銷	-	-	-	(86)	(468)	-	-	(554)
Transfer from construction in progress	轉自在建工程	713	-	-	-	-	-	(713)	-
Disposal of a subsidiary	處置附屬公司	-	-	-	(29)	-	-	-	(29)
Exchange differences	匯兌差額	(16,668)	(5,046)	(11,736)	(449)	(344)	-	(52)	(34,295)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	330,385	95,771	222,295	10,290	7,494	35,716	1,239	703,190
Additions	增置	349	-	1,114	265	949	205	1,943	4,825
Disposals	處置	-	-	(2,216)	-	-	-	-	(2,216)
Write off	撤銷	-	-	-	(225)	(874)	(123)	(574)	(1,796)
Transfer from construction in progress	轉自在建工程	2,428	-	-	-	-	-	(2,428)	-
Exchange differences	匯兌差額	(6,162)	(1,767)	(4,099)	(156)	(116)	-	(8)	(12,308)
At 31 December 2019	於2019年12月31日	327,000	94,004	217,094	10,174	7,453	35,798	172	691,695
Accumulated depreciation and impairment	累計折舊及減值								
At 1 January 2018	於2018年1月1日	(23,986)	(32,723)	(104,798)	(8,077)	(7,589)	(16,675)	-	(193,848)
Charge for the year	本年折舊	(14,807)	(4,792)	(14,953)	(1,114)	(666)	(7,157)	-	(43,489)
Disposals	處置	-	-	-	2	1,423	-	-	1,425
Write off	撤銷	-	-	-	80	446	-	-	526
Impairment loss	減值虧損	-	-	(19,419)	-	-	-	-	(19,419)
Disposal of a subsidiary	處置附屬公司	-	-	-	19	-	-	-	19
Exchange differences	匯兌差額	1,770	1,805	6,208	377	271	-	-	10,431
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	(37,023)	(35,710)	(132,962)	(8,713)	(6,115)	(23,832)	-	(244,355)
Charge for the year	本年折舊	(15,775)	(4,581)	(12,163)	(714)	(509)	(7,148)	-	(40,890)
Disposals	處置	-	-	1,694	-	-	-	-	1,694
Write off	撤銷	-	-	-	213	831	91	-	1,135
Impairment loss	減值虧損	-	-	(11,332)	(273)	(484)	-	-	(12,089)
Exchange differences	匯兌差額	913	720	2,474	145	92	-	-	4,344
At 31 December 2019	於2019年12月31日	(51,885)	(39,571)	(152,289)	(9,342)	(6,185)	(30,889)	-	(290,161)
Carrying amount	賬面值								
At 31 December 2019	於2019年12月31日	275,115	54,433	64,805	832	1,268	4,909	172	401,534
At 31 December 2018	於2018年12月31日	293,362	60,061	89,333	1,577	1,379	11,884	1,239	458,835

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18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

At 31 December 2019, the carrying amount of property, plant and equipment pledged as security for the Group's bank borrowings amounted to approximately HK\$103,736,000 (2018: HK\$105,695,000).

At 31 December 2019, the Group was in the process of obtaining the relevant building ownership certificates of certain buildings with carrying amount of approximately HK\$17,548,000 (2018: HK\$18,763,000).

The Group carried out reviews of the recoverable amounts of property, plant and equipment attributable to Treasure Cloud Limited and its subsidiaries (the "Treasure Cloud Group") of the cloud-related business segment, having regarded to the fact that the operation of certain cloud platforms was temporarily ceased since the Group terminated the operation and maintenance services previously provided by a third party operator on the cloud platforms in previous year. The review led to the recognition of impairment losses of approximately HK\$7,075,000 (2018: HK\$19,419,000) for property, plant and equipment, that have been recognised in profit or loss.

The Group carried out reviews of the recoverable amounts of property, plant and equipment attributable to the sales of sub-processing cigarette films segment, having regarded to the substantial losses due to loss of sales orders from a major customer. The review led to the recognition of impairment losses of approximately HK\$5,014,000 (2018: HK\$Nil) for property, plant and equipment, that have been recognised in profit or loss.

18. 物業、廠房及設備(續)

於2019年12月31日，已抵押作為本集團銀行貸款擔保之物業、廠房及設備之賬面值金額約為103,736,000港元(2018年：105,695,000港元)。

於2019年12月31日，本集團正獲取賬面金額約為17,548,000港元(2018年：18,763,000港元)的若干樓宇的相關樓宇所有權證。

經考慮自本集團於去年終止第三方運營商先前在雲平台上提供的運營及維護服務以來，若干雲平台的運營已暫時停止的事實，本集團對與雲相關業務分部的Treasure Cloud Limited及其附屬公司(「Treasure Cloud Group」)應佔物業、廠房及設備的可收回金額進行了檢討。檢討導致確認物業、廠房及設備的減值虧損約7,075,000港元(2018年：19,419,000港元)，已於損益中確認。

經考慮主要客戶銷售訂單流失導致巨大虧損，本集團對應歸屬加工香煙薄膜分部銷售額的物業、廠房及設備的可收回金額進行了檢討。檢討導致確認於損益中確認物業、廠房及設備的減值虧損約5,014,000港元(2018年：無)。

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19. INTERESTS IN LEASEHOLD LAND HELD FOR OWN USE UNDER OPERATING LEASE

The Group's interests in leasehold land held for own use under operating lease represent prepaid operating lease payments and their net book value are analysed as follows:

19. 根據經營租賃持作自用的租賃土地的權益

本集團根據經營租賃持作自用的租賃土地權益是指預付經營租賃款項及其賬面淨值分析如下：

		HK\$'000 千港元
At 1 January 2018	於2018年1月1日	20,357
Additions	增置	8,103
Amortisation	攤銷	(521)
Exchange differences	匯兌差額	(1,003)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	26,936
Reclassification due to adoption of HKFRS 16 (note 3)	因採納香港財務報告準則第16號而重新分類(附註3)	(26,936)
Restated balance at 1 January 2019	於2019年1月1日的重列結餘	–

		2018 2018年 HK\$'000 千港元
Current portion (note 25)	即期部份(附註25)	648
Non-current portion	非即期部份	26,288
		26,936

At 31 December 2018, the carrying amount of interests in leasehold land for own use under operating lease pledged as security for the Group's bank borrowings amounted to HK\$18,847,000.

於2018年12月31日，本集團為銀行貸款作抵押的經營租賃下自用的租賃土地權益的賬面值為18,847,000港元。

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綜合財務報表附註

For the year ended 31 December 2019

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20. RIGHT-OF-USE ASSETS

20. 使用權資產

		Leasehold land 租賃土地 HK\$'000 千港元	Leased properties 租賃物業 HK\$'000 千港元	Plant & machinery 廠房及機器 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2019 (note 3)	於2019年1月1日(附註3)	41,905	1,041	–	42,946
Additions	增置	1,998	353	5,883	8,234
Depreciation	折舊	(1,378)	(928)	(1,961)	(4,267)
Exchange differences	匯兌差額	(785)	(3)	(56)	(844)
At 31 December 2019	於2019年12月31日	41,740	463	3,866	46,069

Lease liabilities of approximately HK\$18,911,000 are recognised with related right-of-use assets of HK\$18,352,000 as at 31 December 2019. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

於2019年12月31日，已確認約18,911,000港元的租賃負債及18,352,000港元的相關使用權資產。除出租人所持有租賃資產中的擔保權益外，租賃協議不施加任何其他契約。租賃資產不得用作借貸擔保。

		2019 2019年 HK\$'000 千港元
Depreciation expenses on right-of-use assets	使用權資產的折舊費用	4,267
Interest expense on lease liabilities (included in finance costs)	租賃負債的利息支出(已計入融資成本)	1,451
Expenses relating to short-term lease (included in cost of sales and administrative expenses)	與短期租賃有關的費用(計入銷售成本及行政開支)	1,284

Details of total cash outflow for leases is set out in note 40(b).

租賃現金流出總額的詳情載於附註40(b)。

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20. RIGHT-OF-USE ASSETS (CONTINUED)

For both years, the Group leases various land, offices and plant and machinery for its operations. Lease contracts are entered into for fixed term of 2 years to 50 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.

At 31 December 2019, the carrying amount of right-of-use assets pledged as security for the Group's bank borrowings amounted to HK\$18,020,000.

20. 使用權資產(續)

兩年期間，本集團租賃各種土地、辦公室及廠房與機器以進行經營。租賃合約的固定租期為2至50年。租賃條款是根據個別情況協商確定，其中包含各種不同的條款及條件。本集團在確定租期和評估不可撤銷的期限時，採用合約的定義並確定合約可強制執行的期限。

於2019年12月31日，本集團為銀行貸款作抵押的使用權資產的賬面值為18,020,000港元。

21. GOODWILL

21. 商譽

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Cost	成本		
At 1 January and at 31 December	於1月1日及於12月31日	52,475	52,475
Accumulated impairment losses	累計減值虧損		
At 1 January	於1月1日	(49,645)	(49,645)
Impairment loss recognised in the current year	於本年度確認的減值虧損	(2,830)	-
At 31 December	於12月31日	(52,475)	(49,645)
Carrying amount	賬面值		
At 31 December	於12月31日	-	2,830

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

於業務合併時收購之商譽乃於收購時分配至預期可受惠於業務合併之現金產生單位。商譽之賬面值分配如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Cloud-related business:	雲業務：		
Treasure Cloud Group (note (a))	Treasure Cloud Group (附註(a))	-	-
Yancheng Renhe Network Sci. & Tech. Limited ("YCRH") (note (b))	鹽城人和網絡科技有限公司 ("鹽城人和") (附註(b))	-	2,830
		-	2,830

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21. GOODWILL (CONTINUED)

(a) Treasure Cloud Group

Goodwill allocated to Treasure Cloud Group of approximately HK\$49,645,000 was fully impaired in previous year.

(b) YCRH

For the purpose of goodwill impairment testing in respect of acquisition of YCRH, goodwill arising from the business combinations was allocated to the CGU of YCRH, which is the YCRH's cloud-related business.

As at 31 December 2019, the recoverable amount of the CGU is determined based on value in use calculation, which uses cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using an estimated weighted average growth rate of 2% (2018: 2%) for the CGU which is consistent with the forecast included in industry reports. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using a discount rate of 19.5% (2018: 19.5%). The discount rate used is pre-tax and reflects specific risks relating to the segment.

As at 31 December 2019, before impairment testing, goodwill of HK\$2,830,000 was allocated to YCRH within the cloud segment. Due to a slow-down in the cloud business, the Group has revised its cash flow forecasts for this CGU. The CGU has been reduced to its recoverable of HK\$Nil and an impairment loss of HK\$2,830,000 recognised on goodwill.

21. 商譽(續)

(a) Treasure Cloud Group

分配予Treasure Cloud Group的商譽約49,645,000港元於先前年度已悉數減值。

(b) 鹽城人和

對於收購鹽城人和的商譽減值測試，由企業合併產生的商譽分配鹽城人和的現金產生單位，即鹽城人和的雲業務。

於2019年12月31日，現金產生單位的可收回金額按照使用價值計算方法釐定。使用價值計算方法採用的現金流量預測是以管理層所批准的涵蓋五年期間的財務預算為基礎。該現金產生單位於五年期間後的現金流量採用2% (2018年：2%)的估計加權平均增長率推算，該增長率與行業報告內所作預測一致。該增長率沒有超過現金產生單位所經營業務的平均長期增長率。現金流量按19.5% (2018年：19.5%)的貼現率進行貼現。採用的貼現率尚未扣除稅項，且反映分部的特定風險。

於2019年12月31日，在進行減值測試前，2,830,000港元的商譽已分配給鹽城人和的雲計算分部。由於雲業務的放緩，本集團已修訂其現金產生單位的現金流量預測。現金產生單位已減少至其可收回款項零港元及商譽確認減值虧損2,830,000港元。

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22. INTANGIBLE ASSETS

22. 無形資產

		Software	Cloud platform operating agreement	Total
		軟件	雲平台 營運協議	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Cost	成本			
At 1 January 2018	於2018年1月1日	12,701	183,707	196,408
Additions	增置	16	–	16
Write off	撇銷	–	(183,707)	(183,707)
Exchange differences	匯兌差額	(634)	–	(634)
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	12,083	–	12,083
Exchange differences	匯兌差額	(222)	–	(222)
At 31 December 2019	於2019年12月31日	11,861	–	11,861
Accumulated amortisation and impairment losses	累計攤銷及減值虧損			
At 1 January 2018	於2018年1月1日	(10,615)	(183,707)	(194,322)
Amortisation for the year	本年度攤銷	(462)	–	(462)
Write off	撇銷	–	183,707	183,707
Exchange differences	匯兌差額	550	–	550
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	(10,527)	–	(10,527)
Amortisation for the year	本年度攤銷	(550)	–	(550)
Exchange differences	匯兌差額	337	–	337
At 31 December 2019	於2019年12月31日	(10,740)	–	(10,740)
Carrying amount	賬面值			
At 31 December 2019	於2019年12月31日	1,121	–	1,121
At 31 December 2018	於2018年12月31日	1,556	–	1,556

The average remaining amortisation period of the software is 1.7 years (2018: 2.6 years).

軟件的平均剩餘攤銷期為1.7年(2018年: 2.6年)。

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23. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2019 are as follows:

23. 於附屬公司的投資

於2019年12月31日的附屬公司詳情如下：

Name of company 公司名稱		Date and place of incorporation/ establishment 註冊成立/ 成立日期及地點	Place of operation and business 營業及 業務地點	Issued and paid up capital 已發行及 繳足資本	Group's effective interest 本集團的 實際權益	Held by the Company 由本公司持有	Held by the subsidiary 由附屬公司持有	Principal activities 主要業務
Ling Xian Fei Yu Import and Export (Shenzhen) Co., Ltd. ("LXFY") (Note 1) and (Note 2)	領先飛宇進出口(深圳)有限公司(「LXFY」) (附註1)及(附註2)	10 September 2007/ The PRC 2007年9月10日/ 中國	The PRC 中國	HK\$23,180,000 23,180,000港元	100%	-	100%	Investment holding and trading of cigarette films 投資控股和香煙薄膜貿易
Jiangsu Sheen Colour Science Technology Co., Ltd. ("JSSC") (Note 1) and (Note 4)	江蘇金格潤科技有限公司(「JSSC」) (附註1)及(附註4)	6 March 2002/ The PRC 2002年3月6日/ 中國	The PRC 中國	US\$9,000,000 9,000,000美元	100%	-	100%	Printing of cigarette films 香煙薄膜印刷
Qingdao Ener Packaging Technology Co., Ltd. ("QD Ener") (Note 1) and (Note 2)	青島英諾包裝科技有限公司(「QD Ener」) (附註1)及(附註2)	27 June 2007/ The PRC 2007年6月27日/ 中國	The PRC 中國	US\$12,000,000 12,000,000美元	100%	-	100%	Manufacturing of cigarette and BOPP films 香煙及聚丙烯雙向拉伸薄膜的製造
Xuzhou New Advantage Real Estate Development Co., Ltd. ("NARED") (Note 1) and (Note 2)	徐州新優勢房地產開發有限公司(「NARED」) (附註1)及(附註2)	24 July 2013/ The PRC 2013年7月24日/ 中國	The PRC 中國	US\$30,000,000 30,000,000美元	100%	-	100%	Property development 物業發展
Hong Kong Sheen Tai Investment Limited ("HKSTIL")	香港順泰投資有限公司(「HKSTIL」)	10 May 2013/ Hong Kong 2013年5月10日/ 香港	Hong Kong 香港	US\$25,000,000 25,000,000美元	100%	-	100%	Investment holding 投資控股

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23. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Particulars of the subsidiaries as at 31 December 2019 are as follows: (continued)

23. 於附屬公司的投資(續)

於2019年12月31日的附屬公司詳情如下:(續)

Name of company 公司名稱		Date and place of incorporation/ establishment 註冊成立/ 成立日期及地點	Place of operation and business 營業及 業務地點	Issued and paid up capital 已發行及 繳足資本	Group's effective interest 本集團的 實際權益	Held by the Company 由本公司持有	Held by the subsidiary 由附屬公司持有	Principal activities 主要業務
Sheen Tai (HK) New Energy Investment Limited ("STNEIL(HK)")	順泰(香港)新能源投資有限公司 (「STNEIL(HK)」)	27 November 2013/ Hong Kong 2013年11月27日/ 香港	Hong Kong 香港	HK\$100 100港元	100%	-	100%	Investment holding 投資控股
Sheen Tai Energy Investment Ltd. ("STEIL")	順泰能源投資有限公司 (「STEIL」)	18 November 2013/ BVI 2013年11月18日/ 英屬維爾京群島	Hong Kong 香港	US\$100 100美元	100%	100%	-	Investment holding 投資控股
Sheen Tai International Investment Limited ("STIIL")	順泰國際投資有限公司 (「STIIL」)	2 May 2013/ BVI 2013年5月2日/ 英屬維爾京群島	Hong Kong 香港	US\$20,000,000 20,000,000美元	100%	100%	-	Investment holding 投資控股
Century Leader Asia Limited ("CLAL")	領先亞洲有限公司 (「CLAL」)	2 April 2007/ Hong Kong 2007年4月2日/ 香港	Hong Kong 香港	HK\$10,000 10,000港元	100%	-	100%	Investment holding and trading of cigarette films 投資控股和香煙薄膜貿易
Sheen China Group Holdings Inc. ("SCGHI")	順華集團控股有限公司 (「SCGHI」)	27 November 2008/ BVI 2008年11月27日/ 英屬維爾京群島	Hong Kong 香港	US\$10 10美元	100%	100%	-	Investment holding 投資控股
Sheen China Group Holdings Limited ("SCGHL")	順華集團控股有限公司 (「SCGHL」)	5 September 2008/ Hong Kong 2008年9月5日/ 香港	Hong Kong 香港	HK\$1 1港元	100%	-	100%	Inactive 無業務

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23. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Particulars of the subsidiaries as at 31 December 2019 are as follows: (continued)

23. 於附屬公司的投資(續)

於2019年12月31日的附屬公司詳情如下:(續)

Name of company		Date and place of incorporation/ establishment 註冊成立/ 成立日期及地點	Place of operation and business 營業及 業務地點	Issued and paid up capital 已發行及 繳足資本	Group's effective interest 本集團的 實際權益	Held by the Company 由本公司持有	Held by the subsidiary 由附屬公司持有	Principal activities 主要業務
Sheen China (Hong Kong) Limited ("HKSC")	順華(香港)有限公司 ("HKSC")	20 August 1997/ Hong Kong 1997年8月20日/ 香港	Hong Kong 香港	HK\$12,600,000 12,600,000港元	100%	-	100%	Investment and trading of cigarette films 投資控股和香煙薄膜貿易
Shenzhen Shuntai New Energy Science Technology Co., Ltd. ("SZNE") (Note 1) and (Note 2)	深圳順泰新能源科技有限公司 ("SZNE") (附註1)及(附註2)	31 March 2015/ The PRC 2015年3月31日/ 中國	The PRC 中國	US\$36,663,640 36,663,640美元	100%	-	100%	Investment holding and trading 投資控股和貿易
Xuzhou Shuntai New Energy Power Generation Co., Ltd. ("XZNE") (Note 1) and (Note 3)	徐州順泰新能源發電有限公司 ("XZNE") (附註1)及(附註3)	21 April 2015/ The PRC 2015年4月21日/ 中國	The PRC 中國	RMB39,000,000 人民幣 39,000,000元	100%	-	100%	Generation of photovoltaic power 光伏發電
Hong Kong Taiwo Holding Limited ("HKTHL")	香港泰和控股有限公司 ("HKTHL")	31 July 2015/ Hong Kong 2015年7月31日/ 香港	Hong Kong 香港	HK\$100 100港元	100%	-	100%	Inactive 無業務
Treasure Cloud Limited ("TC")	Treasure Cloud Limited ("TC")	4 January 2016/ BVI 2016年1月4日/ 英屬維爾京群島	Hong Kong 香港	US\$1 1美元	100%	100%	-	Investment holding 投資控股

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23. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Particulars of the subsidiaries as at 31 December 2019 are as follows: (continued)

23. 於附屬公司的投資(續)

於2019年12月31日的附屬公司詳情如下:(續)

Name of company		Date and place of incorporation/ establishment 註冊成立/ 成立日期及地點	Place of operation and business 營業及 業務地點	Issued and paid up capital 已發行及 繳足資本	Group's effective interest 本集團的 實際權益	Held by the Company 由本公司持有	Held by the subsidiary 由附屬公司持有	Principal activities 主要業務
Sheen Tai Cloud Network Limited ("STCNL")	順泰雲網絡有限公司 (「STCNL」)	31 August 2016/ BVI 2016年8月31日/ 英屬維爾京群島	Hong Kong 香港	US\$100 100美元	100%	100%	–	Investment holding 投資控股
Falcon Wisdom Limited ("FW")	鵬智有限公司(「FW」)	18 December 2015/ Hong Kong 2015年12月18日/ 香港	Hong Kong 香港	HK\$1 1港元	100%	–	100%	Investment holding 投資控股
China City Cloud Network Sci. & Tech. Limited ("CCCN")	中國城市雲網絡科技 有限公司(「CCCN」)	29 August 2016/ Hong Kong 2016年8月29日/ 香港	Hong Kong 香港	HK\$100 100港元	100%	–	100%	Investment holding 投資控股
Sheyang Tengyun Information Technology Co., Ltd. ("SYTY") (Note 1) and (Note 2)	射陽騰雲信息科技 有限公司(「SYTY」) (附註1)及(附註2)	30 May 2016/ The PRC 2016年5月30日/ 中國	The PRC 中國	HK\$25,000,000 25,000,000港元	100%	–	100%	Cloud-related business 雲業務
Xuyi Guangcai Information Technology Co., Ltd. ("XYGC") (Note 1) and (Note 2)	盱眙廣財信息科技 有限公司(「XYGC」) (附註1)及(附註2)	27 May 2016/ The PRC 2016年5月27日/ 中國	The PRC 中國	HK\$25,000,000 25,000,000港元	100%	–	100%	Cloud-related business 雲業務
Xuzhou Shuntai Agricultural Technology Co., Ltd. ("XZNY") (Note 1) and (Note 3)	徐州順泰農業科技 有限公司(「XZNY」) (附註1)及(附註3)	16 February 2016/ The PRC 2016年2月16日/ 中國	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	100%	–	100%	Agriculture technology 農業技術

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23. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Particulars of the subsidiaries as at 31 December 2019 are as follows: (continued)

23. 於附屬公司的投資(續)

於2019年12月31日的附屬公司詳情如下：(續)

Name of company		Date and place of incorporation/ establishment 註冊成立/ 成立日期及地點	Place of operation and business 營業及 業務地點	Issued and paid up capital 已發行及 繳足資本	Group's effective interest 本集團的 實際權益	Held by the Company 由本公司持有	Held by the subsidiary 由附屬公司持有	Principal activities 主要業務
Shenzhen Qianhai Tengzhiyun Network Sci. & Tech. Limited ("SZQH") (Note 1) and (Note 2)	深圳前海騰之雲網絡科技 有限公司(「SZQH」) (附註1)及(附註2)	5 May 2016/ The PRC 2016年5月5日/ 中國	The PRC 中國	–	100%	–	100%	Inactive 無業務
Harbin Binghe Information Technology Co., Ltd. ("HEBBH") (Note 1) and (Note 2)	哈爾濱冰和信息科技 有限公司(「HEBBH」) (附註1)及(附註2)	7 June 2016/ The PRC 2016年6月7日/ 中國	The PRC 中國	–	100%	–	100%	Inactive 無業務
Shenzhen Qianhai Taizhiyun Network Sci. & Tech. Limited ("SZQH") (Note 1) and (Note 2)	深圳前海泰之雲網絡科技 有限公司(「SZQH」) (附註1)及(附註2)	14 December 2016/ The PRC 2016年12月14日/ 中國	The PRC 中國	–	100%	–	100%	Investment holding 投資控股
YCRH (Note 1) and (Note 3)	鹽城人和 (附註1)及(附註3)	12 September 2013/ The PRC 2013年9月12日/ 中國	The PRC 中國	RMB1,000,000 人民幣 1,000,000元	100%	–	100%	Cloud-related business 雲業務
City Cloud Network (China) Sci. & Tech. Limited ("CCNC")	城市雲網絡(中國)科技 有限公司(「CCNC」)	1 June 2017/ BVI 2017年6月1日/ 英屬維爾京群島	Hong Kong 香港	US\$46 46美元	100%	100%	–	Inactive 無業務

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23. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Note 1: The English translation of the names is for reference only. The official names of these entities are in Chinese.

Note 2: These entities are wholly foreign-owned enterprises in PRC.

Note 3: These entities are limited companies established in PRC.

Note 4: The entity is a sino-foreign joint venture limited liability established in the PRC.

As at 31 December 2019, the bank and cash balances of the Group's subsidiaries in the PRC denominated in Renminbi ("RMB") amounted to HK\$147,262,000 (2018: HK\$159,804,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

23. 於附屬公司的投資(續)

附註1：英文本的英譯名稱僅供參考。該等實體的官方名稱以中文為準。

附註2：該等實體為中國全外資企業。

附註3：該等實體為中國成立之有限責任公司。

附註4：該實體為中國成立之中外合資有限責任企業。

於2019年12月31日，本集團中國附屬公司以人民幣（「人民幣」）計值之銀行及現金結餘為147,262,000港元（2018年：159,804,000港元）。將人民幣兌換為外幣須遵守中國外匯管理條例及結匯、售匯及付匯管理規定。

24. INVENTORIES

24. 存貨

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Packaging materials manufacturing and trading	產銷包裝材料		
Raw materials	原材料	23,823	24,549
Work in progress	在製品	6,844	12,922
Finished goods	製成品	18,407	37,278
		49,074	74,749
Property development	物業發展		
Completed properties held for sale	持作轉售的已落成物業	13,789	26,039
		62,863	100,788

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24. INVENTORIES (CONTINUED)

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

24. 存貨(續)

確認為支出並計入損益的存貨數額分析如下：

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount of inventories sold	已售存貨的賬面值	205,980	248,357
Allowance for inventories	存貨撥備	319	212
		206,299	248,569

25. TRADE AND OTHER RECEIVABLES

25. 貿易應收款項及其他應收款項

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Trade and bills receivables	貿易應收款項及應收票據	159,617	229,652
Allowance for doubtful debts	呆賬撥備	(2,178)	(5,066)
		157,439	224,586
Deposits, prepayments and other receivables	按金、預付款及其他應收款項		
– related parties	– 關聯方	1,196	334
– third parties	– 第三方	35,839	49,050
Loan receivable (note a)	應收貸款(附註a)	43,838	–
Current portion of interests in leasehold land held for own use under operating lease (note 19)	根據經營租賃持作自用的租賃土地的權益的即期部分(附註19)	–	648
		238,312	274,618

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25. TRADE AND OTHER RECEIVABLES (CONTINUED)

Note a: Loan receivable of HK\$43,838,000 (net of allowance for doubtful debts of HK\$862,000) represented a loan agreement entered into by an indirect wholly-owned subsidiary of the Company on 10 December 2019 with Suining Chuyue Zhiye Company Limited (睢寧楚岳置業有限公司) (“Suining Chuyue”), a company established in the PRC with limited liability, and Mr. Sun Chuyue, 70% equity interest owner of Suining Chuyue, and Mr. Sun Yong, the father of Mr. Sun Chuyue. Pursuant to which the Group agreed to provide to Suining Chuyue a loan amount of RMB40,000,000 (equivalent to approximately HK\$44,700,000) for a term of six months, which carries interest at an interest rate of 1% per month and is secured by (1) 40% equity interest in Suining Chuyue which is held by Mr. Sun Chuyue as the share charge in favour of the subsidiary and (2) personal guarantee given by Mr. Sun Yong in favour of the subsidiary.

The Group’s trading terms with customers are mainly on credit. The credit terms generally range from 30 to 180 days from the invoice date. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The ageing analysis of trade and bills receivables, based on the invoice date, and net of allowance, is as follows:

25. 貿易應收款項及其他應收款項(續)

附註 a：應收貸款 43,838,000 港元（扣除呆賬撥備 862,000 港元）代表本公司的一間間接全資附屬公司於 2019 年 12 月 10 日與睢寧楚岳置業有限公司（「睢寧楚岳」，一家在中國成立的有限責任公司）、孫楚岳先生（睢寧楚岳的 70% 股權所有者）及孫勇先生（孫楚岳先生的父親）訂立的貸款協議。據此，本集團同意向睢寧楚岳提供人民幣 40,000,000 元（相等於約 44,700,000 港元）的貸款，為期六個月，按每月 1% 的利率計息，並以（1）孫楚岳先生持有的睢寧楚岳 40% 股權，作為以附屬公司為受益人的股份抵押，及（2）孫勇先生以附屬公司為受益人的個人擔保作為抵押。

本集團與客戶的貿易條款以信貸方式為主。信用期限一般介於發票日期起計 30 日至 180 日之間。各客戶均有最大信貸限額。本集團力求保持對未結清應收賬款的嚴格控制。董事對逾期餘額進行定期審閱。

根據發票日期，本集團貿易應收款項及應收票據（經扣除撥備）之賬齡分析如下：

		2019		2018	
		2019 年		2018 年	
		Trade receivables	Bills receivables	Trade receivables	Bills receivables
		貿易應收款項	應收票據	貿易應收款項	應收票據
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Unbilled (Note)	未開票據(附註)	27,540	–	23,696	–
Less than 30 days	少於 30 日	54,699	32,654	53,064	25,390
31 – 90 days	31 至 90 日	34,016	–	52,909	–
91 – 180 days	91 至 180 日	6,415	–	19,315	–
181 – 365 days	181 日 365 日	1,196	–	46,243	–
Over 365 days	365 日以上	919	–	3,969	–
		124,785	32,654	199,196	25,390

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

Note:

As at 31 December 2019 and 2018, the amount represents unbilled tariff adjustment receivables of solar power plants registered in the Catalogue.

As at 31 December 2019, trade receivables of approximately HK\$36,878,000 (2018: HK\$37,574,000) were pledged to a bank to secure bank borrowings as set out in note 32 to the consolidated financial statements.

The carrying amounts of the Group's trade receivables are denominated in RMB.

At 31 December 2019, an allowance of approximately HK\$3,548,000 (2018: HK\$1,345,000) was made for other receivables.

26. CONTRACT ASSETS

The contract assets primarily relate to the Group's right to tariff adjustments for the electricity sold to the local state grid companies in the PRC. The contract assets are transferred to trade receivables when the Group's respective operating power plants are registered in the Catalogue pursuant to prevailing national government policies on renewable energy for solar power plants.

The Directors considered that the ECL for contract assets is insignificant as at 31 December 2019, as the collection is well supported by the government policies.

27. FINANCIAL ASSETS AT FVTPL

Equity securities, at fair value Listed in Hong Kong	股本證券，按公允價值 於香港上市	1,696	15,199
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The carrying amounts of the above financial assets are classified as held for trading.

The carrying amounts of the above financial assets are measured at FVTPL in accordance with HKFRS 9.

25. 貿易應收款項及其他應收款項(續)

附註：

於2019年及2018年12月31日，該金額指列入目錄的太陽能發電站的未開票據電價調整應收款項。

於2019年12月31日，約36,878,000港元(2018年：37,574,000港元)的貿易應收款項乃抵押予銀行以取得銀行貸款，如綜合財務報表附註32所載。

本集團貿易應收款項之賬面值以人民幣計值。

於2019年12月31日，已就其他應收款項計提撥備約3,548,000港元(2018年：1,345,000港元)。

26. 合約資產

合約資產主要涉及本集團向中國地方國家電網公司銷售電力而收取電價調整的權利。當本集團有關營運發電站根據政府現行全國性太陽能發電站可再生能源政策列入目錄時，合約資產將撥入貿易應收款項。

董事認為，於2019年12月31日，合約資產的預期信貸虧損並不重大，因為收款獲政府政策充分支持。

27. 以公允價值計量且其變動計入當期損益的金融資產

2019	2018
2019年	2018年
HK\$'000	HK\$'000
千港元	千港元

上述金融資產之賬面值分類為持作買賣。

根據香港財務報告準則第9號，上述金融資產的賬面值乃以公允價值計量且其變動計入當期損益計量。

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27. FINANCIAL ASSETS AT FVTPL (CONTINUED)

The investments in listed equity securities offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The fair values of listed securities are based on the closing prices.

28. RESTRICTED CASH AND BANK AND CASH BALANCES

The Group's restricted cash represented deposits pledged to banks to secure the bills payable issued to suppliers of the Group as set out in note 36 to the consolidated financial statements.

As at 31 December 2019, the bank and cash balances of the Group denominated in RMB amounted to HK\$147,310,000 (2018: HK\$168,935,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

29. SHARE CAPITAL

27. 以公允價值計量且其變動計入當期損益的金融資產(續)

上市股本證券之投資透過股息收入及公允價值收益為本集團提供回報機會。該等投資並無固定到期日或票面息率。

上市證券之公允價值乃基於收市價釐定。

28. 受限制現金及銀行及現金結餘

本集團之受限制現金指已抵押予銀行的存款，以為向本集團供應商發行應付票據提供擔保(如綜合財務報表附註36所載)。

於2019年12月31日，本集團之銀行及現金結餘以人民幣計值，金額為147,310,000港元(2018年：168,935,000港元)。將人民幣兌換為外幣須遵守中國外匯管理條例及結匯、售匯及付匯管理規定。

29. 股本

		2019 2019年		2018 2018年	
		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised: Ordinary shares of HK\$0.0025 each	法定： 每股面值0.0025港元 的普通股	8,000,000	20,000	8,000,000	20,000
Issued and fully paid: Ordinary shares of HK\$0.0025 each	已發行及繳足： 每股面值0.0025港元 的普通股				
At 1 January	於1月1日	2,455,248	6,138	2,455,248	6,138
Repurchase of shares (note a)	回購股份(附註a)	(21,112)	(53)	-	-
At 31 December	於12月31日	2,434,136	6,085	2,455,248	6,138

Note a: During the year, the Company repurchased on the Stock Exchange a total of 21,112,000 ordinary shares of HK\$0.0025 each of the Company, at an aggregate consideration after expenses of approximately HK\$4,291,000, which were cancelled during the year. The nominal value of the cancelled shares was credited to capital redemption reserve and the aggregate consideration paid was debited to the share premium of the Group.

附註a：年內，本公司於聯交所回購合共21,112,000股每股面值0.0025港元之本公司普通股份，扣除開支後之總代價約為4,291,000港元，其已於年內註銷。已註銷股份的面值計入資本贖回儲備，已支付的總代價扣除自本集團的股份溢價。

29. SHARE CAPITAL (CONTINUED)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by adjusted capital. Total debt comprises borrowings. Adjusted capital comprises all components of equity (i.e. share capital, retained profits and other reserves).

During 2019, the Group's strategy, which was unchanged from 2018, was to maintain the equity and debt in a balanced position and ensure that there was adequate working capital to service its debt obligations. The Group's gearing ratios at 31 December 2019 was -12% (2018: -4%):

The decrease in the gearing ratio during 2019 resulted primarily from decrease in bank borrowings.

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the bank borrowings.

The Group receives a report from the share registrars monthly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year.

Breaches in meeting the financial covenants would permit the banks to immediately call borrowings. There have been no breaches in the financial covenants of any bank borrowings for the years ended 31 December 2019 and 2018.

29. 股本(續)

本集團管理資本之目的旨在保障本集團能持續經營及透過優化負債及權益的平衡最大化股東回報。

本集團按風險比例釐定資本金額。本集團管理資本結構，並根據經濟狀況變化及有關資產的風險特徵作出調整。為維持或調整資本結構，本集團可能調整支付的股息、發行新股份、股份回購、募集新債務、贖回現有的債務或出售資產以減少債務。

本集團基於資產負債比率監察資本。該比率以債務淨額除以經調整後資本計算。債務總額包括借貸。經調整後資本包括權益的全部組成部分(即股本、保留溢利及其他儲備)。

2019年，本集團的策略與2018年不變，乃為保持股本及債務的平衡，確保有充裕營運資金應付其債務責任。本集團於2019年12月31日之資產負債比率為-12% (2018年：-4%)。

2019年資產負債比率減少乃主要由於銀行貸款減少所致。

本集團受限於以下外來資本規定：(i)為了維持於聯交所的上市地位，其至少25%的股份須由公眾持有；及(ii)遵循銀行貸款附有的財務契諾。

本集團每月接獲股份過戶登記處發出列示公眾持股量的重大股份權益的報告，該報告顯示本集團於整個年度內一直符合最低25%的公眾持股量規定。

違反財務契諾將令銀行立即要求償還借貸。截至2019年及2018年12月31日止年度，概無就本集團任何銀行貸款違反財務契諾。

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30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

30. 本公司財務狀況表及儲備變動

(a) 本公司財務狀況表

			As at 31 December 於12月31日	
		Note 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資	23	481,512	493,743
Current assets	流動資產			
Financial assets at FVTPL	以公允價值計量且其變動計入當期損益的金融資產		–	13,503
Other receivables	其他應收款項		2,138	2,126
Due from subsidiaries	應收附屬公司款項		301,734	302,019
Bank and cash balances	銀行及現金結餘		8,688	311
Total current assets	流動資產總額		312,560	317,959
Current liabilities	流動負債			
Other payables	其他應付款項		24	1,069
Due to subsidiaries	應付附屬公司款項		57,054	46,171
Total current liabilities	流動負債總額		57,078	47,240
Net current assets	流動資產淨額		255,482	270,719
NET ASSETS	淨資產		736,994	764,462
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	29	6,085	6,138
Reserves	儲備	30(b)	730,909	758,324
Equity	權益		736,994	764,462

Approved by the Board of Directors on 31 March 2020 and is signed on its behalf by:

由董事會於2020年3月31日批准並由下列人士代表董事會簽署：

Guo Yumin
郭玉民

Xia Yu
夏煜

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30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

30. 本公司財務狀況表及儲備變動(續)

(b) Reserve movement of the Company

(b) 本公司儲備變動

	Note	Share premium	Treasury shares	Capital redemption reserve	Capital reserve	Share-based payments reserve	Retained profits	Total
	附註	股份溢利	庫存股份	資本贖回儲備	資本儲備	以股份為基礎的支付儲備	保留溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於2018年1月1日	605,876	-	-	81,955	14,190	21,398	723,419
Profit for the year	年內溢利	-	-	-	-	-	33,094	33,094
Share-based payments	以股份為基礎的支付	39	-	-	-	1,811	-	1,811
At 31 December 2018	於2018年12月31日	605,876	-	-	81,955	16,001	54,492	758,324
At 1 January 2019	於2019年1月1日	605,876	-	-	81,955	16,001	54,492	758,324
Loss for the year	年內虧損	-	-	-	-	-	(24,014)	(24,014)
Repurchase of shares	股份回購	-	(4,291)	-	-	-	-	(4,291)
Cancellation of shares	註銷股份	(4,291)	4,291	53	-	-	-	53
Share-based payments	以股份為基礎的支付	39	-	-	-	837	-	837
At 31 December 2019	於2019年12月31日	601,585	-	53	81,955	16,838	30,478	730,909

31. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

31. 儲備

(a) 本集團

本集團之儲備金額及其變動於綜合損益與其他全面收益表以及綜合權益變動表呈列。

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31. RESERVES (CONTINUED)

(b) Nature and purpose of reserves

(i) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Capital redemption reserve

Capital redemption reserve arises from the reduction of the nominal value of the issued capital of the Company upon the cancellation of the repurchased shares.

(iii) Capital reserve

The capital reserve mainly represents the contribution from the ultimate controlling party and the difference between the nominal value of shares of the subsidiaries acquired over the nominal value of shares issued by the Company in exchange under the reorganisation of the Group on 21 June 2012.

(iv) Statutory reserve

Pursuant to the applicable PRC regulations, all PRC subsidiaries of the Group are required to appropriate 10% of their after-tax profit (after offsetting prior year/period losses) to the statutory reserve until such reserve reaches 50% of the registered capital of each relevant PRC subsidiary. The transfer to the statutory reserve must be made before distribution of dividends to equity shareholders. The statutory reserve fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the subsidiary.

31. 儲備(續)

(b) 儲備的性質和用途

(i) 股份溢價

股份溢價指本公司的股份面值與發行本公司股份所收取所得款項之間的差額。

根據開曼群島公司法，本公司的股份溢價賬中的資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須能夠償付一般業務過程中到期應付的債務。

(ii) 資本贖回儲備

資本贖回儲備產生自註銷回購股份後本公司已發行資本面值的減少。

(iii) 資本儲備

資本儲備主要指最終控制方注資及所收購附屬公司股份之面值與本公司於2012年6月21日重組用作交換而發行股份之面值之差額。

(iv) 法定儲備

根據適用的中國法規，本集團的所有中國附屬公司須將彼等的稅後溢利(經抵銷上一個年度/期間的虧損)的10%轉撥至法定儲備，直至該等儲備達至各相關中國附屬公司註冊資本的50%。必須於分派股息予權益股東前轉撥至法定儲備。法定儲備金可於獲得相關機關的批准後動用，以抵銷附屬公司的累計虧損或增加其註冊資本。

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31. RESERVES (CONTINUED)

(b) Nature and purpose of reserves (continued)

(v) Share-based payments reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4(t) to the consolidated financial statements.

(vi) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(c) to the consolidated financial statements.

31. 儲備(續)

(b) 儲備的性質和用途(續)

(v) 以股份為基礎的支付儲備

以股份為基礎的支付儲備指根據附註4(t)中以權益結算以股份為基礎的支付的會計政策授予本集團僱員的未行使購股權的實際或估計數目的公允價值。

(vi) 匯兌儲備

匯兌儲備包括換算海外業務的財務報表所產生的所有匯兌差額。該儲備根據綜合財務報表附註4(c)載列之會計政策處理。

32. BANK BORROWINGS

32. 銀行貸款

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Bank loans	銀行貸款	69,902	159,625

The bank borrowings are repayable within one year or on demand.

銀行貸款應於一年內或按要求應予償還。

The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

本集團銀行貸款的賬面金額乃以下列貨幣計值：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
HK\$	港元	10,000	20,000
US\$	美元	4,027	8,686
RMB	人民幣	55,875	130,939
		69,902	159,625

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32. BANK BORROWINGS (CONTINUED)

As at 31 December 2019, the average interest rate of bank borrowings was 5.06% (2018: 4.92%) per annum.

Bank borrowings of HK\$55,875,000 (2018: HK\$45,544,000) are arranged at fixed interest rates and expose the Group to fair value interest rate risk. Other bank borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

Bank loans of HK\$69,902,000 (2018: HK\$159,625,000) are secured by a charge over the Group's leasehold land (note 20), buildings and machinery (note 18), trade receivables (note 25) and corporate guarantee executed by the Company and two subsidiaries.

33. DEFERRED TAX

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

32. 銀行貸款(續)

於2019年12月31日，銀行貸款的平均年利率為5.06%（2018年：4.92%）。

銀行貸款55,875,000港元（2018年：45,544,000港元）以固定利率計息及令本集團面臨公允價值利率風險。其他銀行貸款按浮動利率計息，從而令本集團面臨現金流利率風險。

銀行貸款69,902,000港元（2018年：159,625,000港元）由本集團之租賃土地（附註20）、樓宇及機器（附註18）、貿易應收款項（附註25）以及由本公司與兩家附屬公司執行的公司擔保作抵押。

33. 遞延稅項

已在綜合財務狀況表確認的遞延稅項資產／（負債）的組成部分和本年度變動如下：

Deferred tax arising from:	Unrealised profit	Accrued expenses	Provision for inventories, trade and other receivables	Tax losses	Undistributed profits of subsidiaries	Fair value adjustment of assets	Total	
遞延稅項產生自：	未變現溢利	應計支出	存貨、貿易應收款項及其他應收款項撥備	稅項虧損	附屬公司的未分配溢利	資產的公允價值調整	合計	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 1 January 2018	於2018年1月1日	2,883	1,282	2,049	142	(4,674)	(284)	1,398
Exchange differences	匯兌差額	-	(53)	(116)	(7)	-	-	(176)
(Charge)/credit to profit or loss	(扣除自)/計入損益	(1,490)	(272)	273	-	(912)	26	(2,375)
At 31 December 2018	於2018年12月31日	1,393	957	2,206	135	(5,586)	(258)	(1,153)
Exchange differences	匯兌差額	-	(5)	(38)	-	-	-	(43)
(Charge)/credit to profit or loss	(扣除自)/計入損益	(1,328)	(952)	(50)	(135)	(14)	68	(2,411)
At 31 December 2019	於2019年12月31日	65	-	2,118	-	(5,600)	(190)	(3,607)

33. DEFERRED TAX (CONTINUED)

Reconciliation to the consolidated statement of financial position:

33. 遞延稅項(續)

綜合財務狀況表的對賬：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	2,183	4,691
Deferred tax liabilities	遞延稅項負債	(5,790)	(5,844)
		(3,607)	(1,153)

At the end of the reporting period the Group has unused tax losses of HK\$48,880,000 (2018: HK\$17,972,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$27,570,000 (2018: HK\$3,626,000) that will expire in five years. Other tax losses may be carried forward indefinitely.

於報告期末，本集團擁有未動用稅項虧損48,880,000港元(2018年：17,972,000港元)可用於抵銷未來溢利。由於未來溢利來源之不可預測性，並無確認遞延稅項資產。計入未確認稅項虧損的虧損27,570,000港元(2018年：3,626,000港元)將於五年內到期。其他稅項虧損可無限期結轉。

34. CONVERTIBLE BONDS**2016 Convertible Bond**

On 17 March 2016, the Company entered into a sale and purchase agreement with an independent third party and announced a plan to issue four tranches of convertible bonds (the "2016 Convertible Bond") with total principal amounts of HK\$236,160,000 to the independent third party.

34. 可換股債券**2016年可換股債券**

於2016年3月17日，本公司與獨立第三方訂立買賣協議，並宣佈計劃向獨立第三方發行四批本金總額為236,160,000港元的可換股債券(「2016年可換股債券」)。

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34. CONVERTIBLE BONDS (CONTINUED)

2016 Convertible Bond (continued)

The detailed components of the 2016 Convertible Bond are analysed as follows:

34. 可換股債券(續)

2016年可換股債券(續)

2016年可換股債券的詳細組成部分分析如下：

		First tranche of 2016 Convertible Bond 第一批 2016年 可換股債券 HK\$'000 千港元	Second tranche of 2016 Convertible Bond 第二批 2016年 可換股債券 HK\$'000 千港元	Third tranche of 2016 Convertible Bond 第三批 2016年 可換股債券 HK\$'000 千港元	Fourth tranche of 2016 Convertible Bond 第四批 2016年 可換股債券 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2018	於2018年1月1日	–	–	–	94	94
Lapsed of convertible bond	可換股債券失效	–	–	–	(94)	(94)
At 31 December 2018	於2018年12月31日	–	–	–	–	–

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35. DEFERRED GOVERNMENT GRANTS

The deferred government grants represented the subsidies granted by the PRC government to the Group in respect of acquisition of property, plant and equipment and right-of-use assets.

35. 遞延政府補助

遞延政府補助代表中國政府就購置物業、廠房及設備以及使用權資產給予本集團的補貼。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At 1 January	於1月1日	–	–
Received during the year	本年度領取	6,504	–
Credit to profit or loss for the year (note 9)	計入年度損益(附註9)	(213)	–
Exchange differences	匯兌差額	(91)	–
At 31 December	於12月31日	6,200	–
Analysed as:	分析：		
Current liabilities	流動負債	262	–
Non-current liabilities	非流動負債	5,938	–
		6,200	–

36. TRADE AND OTHER PAYABLES

36. 貿易應付款項及其他應付款項

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Trade and bills payables	貿易應付款項及應付票據	60,854	77,783
Other payables and accruals	其他應付款項及應計費用		
– related parties	– 關聯方	128	961
– third parties	– 第三方	46,329	37,178
Due to a director and ultimate controlling party	應付董事及最終控制方		
– Mr. Guo Yumin	– 郭玉民先生	–	873
		107,311	116,795

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36. TRADE AND OTHER PAYABLES (CONTINUED)

The ageing analysis of trade and bills payables, based on invoice date, is as follows:

		2019 2019年		2018 2018年	
		Trade payables	Bills payable	Trade payables	Bills payable
		貿易 應付款項	應付票據	貿易 應付款項	應付票據
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Due within 1 month or on demand	1個月內到期 或應要求	12,642	22,350	47,942	10,240
Due after 1 month but within 3 months	1個月後但3個月 內到期	7,740	–	3,871	–
Due after 3 months but within 6 months	3個月後但6個月 內到期	4,699	–	1,820	–
Due more than 6 months	6個月後到期	13,423	–	13,910	–
		38,504	22,350	67,543	10,240

The carrying amounts of the Group's trade and bills payables are denominated in the following currencies:

		2019 2019年	2018 2018年
		HK\$'000	HK\$'000
		千港元	千港元
US\$	美元	–	1,359
RMB	人民幣	60,854	76,424
Total	合計	60,854	77,783

36. 貿易應付款項及其他應付款項(續)

貿易應付款項及應付票據的賬齡分析(按發票日期)如下:

		2019 2019年		2018 2018年	
		Trade payables	Bills payable	Trade payables	Bills payable
		貿易 應付款項	應付票據	貿易 應付款項	應付票據
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Due within 1 month or on demand	1個月內到期 或應要求	12,642	22,350	47,942	10,240
Due after 1 month but within 3 months	1個月後但3個月 內到期	7,740	–	3,871	–
Due after 3 months but within 6 months	3個月後但6個月 內到期	4,699	–	1,820	–
Due more than 6 months	6個月後到期	13,423	–	13,910	–
		38,504	22,350	67,543	10,240

本集團貿易應付款項及應付票據的賬面金額乃以下列貨幣計值:

		2019 2019年	2018 2018年
		HK\$'000	HK\$'000
		千港元	千港元
US\$	美元	–	1,359
RMB	人民幣	60,854	76,424
Total	合計	60,854	77,783

37. CONTRACT LIABILITIES

Contract liabilities represented progress billing recognised in relation to sales of goods and properties.

There were no significant changes in the contract liabilities balances during the reporting period.

Movements in contract liabilities:

37. 合約負債

合約負債指就銷售貨品及物業確認的進度款。

於報告期內，合約負債結餘並無重大變動。

合約負債變動：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Balance at 1 January	於1月1日的結餘	2,185	8,306
Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the period	年內因確認收入的合約負債（期初計入合約負債）減少	(1,884)	(7,087)
Increase in contract liabilities as a result of advance received from customers	因預收客戶款項導致合約負債增加	1,687	1,143
Exchange differences	匯兌差額	(38)	(177)
Balance at 31 December	於12月31日的結餘	1,950	2,185

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38. LEASE LIABILITIES

38. 租賃負債

		Minimum lease payments		Present value of minimum lease payments	
		2019	2018	2019	2018
		2019年	2018年	2019年	2018年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Within one year	一年內	3,880	–	2,708	–
In the second to fifth years, inclusive	兩年至五年 (包括首尾兩年)	7,087	–	3,703	–
After five years	五年後	20,743	–	12,500	–
		31,710	–	18,911	–
Less: Future finance charges	減：未來融資費用	(12,799)	–	N/A	N/A
Present value of lease obligations	租賃承擔的現值	18,911	–	18,911	–
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：12個月內 到期應付金額 (於流動負債 下顯示)			(2,708)	–
Amount due for settlement after 12 months	12個月後到期應付金額			16,203	–

The carrying amounts of the Group's lease liabilities are denominated in the following currencies:

本集團租賃負債的賬面值以下列貨幣計值：

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	274	–
RMB	人民幣	18,637	–
		18,911	–

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38. LEASE LIABILITIES (CONTINUED)

The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Comparative information as at 31 December 2018 has not been restated. Further details on the impact of the transition to HKFRS 16 are set out in note 3.

39. SHARE-BASED PAYMENTS

Pursuant to an ordinary resolution of the then sole shareholder passed on 22 June 2012, a pre-IPO share option scheme (the "share option scheme") was approved and adopted to provide grantees with the opportunity to acquire equity interest in the Company.

The purpose of the share option scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time), directors and advisers of the Group and to promote the success of the business of the Group.

Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

- (a) The terms and conditions of the grants at the date of the grants are as follows:

38. 租賃負債(續)

本集團已初步採用經修改的追溯法應用香港財務報告準則第16號，並調整於2019年1月1日的期初結餘，以確認與先前根據香港會計準則第17號歸類為經營租賃的租賃相關的租賃負債。截至2018年12月31日的比較資料尚未重列。過渡至香港財務報告準則第16號的影響詳情載於附註3。

39. 以股份為基礎的支付

根據當時唯一股東於2012年6月22日通過的普通決議案，首次公開發售前購股權計劃（「購股權計劃」）獲批准及採納，為承授人提供機會獲得本公司的股本權益。

購股權計劃旨在吸引和挽留最佳的可用人員，向本集團僱員（全職）、董事及顧問提供額外獎勵以及促進本集團業務的成功。

每份購股權賦予持有人權利認購本公司一股普通股，並以股份全數結算。

- (a) 於授出日期所授購股權的條款及條件載列如下：

Date granted 授出日期	Vesting date 歸屬日期	Expiry date 到期日	Options granted to 授予以下人士的購股權		
			Directors 董事	Employees 僱員	Total 合計
29 January 2015 2015年1月29日	29 January 2016 2016年1月29日	28 January 2025 2025年1月28日	420,000	2,500,000	2,920,000
29 January 2015 2015年1月29日	29 January 2017 2017年1月29日	28 January 2025 2025年1月28日	420,000	2,500,000	2,920,000
29 January 2015 2015年1月29日	29 January 2018 2018年1月29日	28 January 2025 2025年1月28日	420,000	2,500,000	2,920,000
29 January 2015 2015年1月29日	29 January 2019 2019年1月29日	28 January 2025 2025年1月28日	420,000	2,500,000	2,920,000
29 January 2015 2015年1月29日	29 January 2020 2020年1月29日	28 January 2025 2025年1月28日	420,000	2,500,000	2,920,000
			2,100,000	12,500,000	14,600,000

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39. SHARE-BASED PAYMENTS (CONTINUED)

- (b) The number and weighted average exercise prices of share options are as follows:

39. 以股份為基礎的支付(續)

- (b) 購股權的數目和加權平均行使價如下：

		Share options granted on 29 January 2015 於2015年1月29日授出購股權		Total 合計
		Weighted average exercise price 加權平均 行使價 HK\$ 港元	No. of options 購股權 數目 '000 千	No. of options 購股權 數目 '000 千
Outstanding at 1 January 2019 and 31 December 2019	於2019年1月1日及 2019年12月31日 尚未行使	HK\$0.8250 港元	53,650	53,650
Exercisable at 31 December 2019	於2019年12月31日可行使	HK\$0.8250 港元	42,920	42,920
Outstanding at 1 January 2018 and 31 December 2018	於2018年1月1日及 2018年12月31日 尚未行使	HK\$0.8250 港元	53,650	53,650
Exercisable at 31 December 2018	於2018年12月31日可行使	HK\$0.8250 港元	32,190	32,190

The share options granted on 29 January 2015 outstanding at 31 December 2019 had an exercise price of HK\$0.8250 (2018: HK\$0.8250) and a weighted average remaining contractual life of 5.08 years (2018: 6.08 years).

於2015年1月29日批授而於2019年12月31日尚未行使的購股權的行使價為0.8250港元(2018年：0.8250港元)，餘下加權平均合約期限為5.08年(2018年：6.08年)。

The numbers of options and weighted average exercise price were presented as after the effect of the share subdivision with effect from 25 September 2015 on the basis of each issued or unissued share of the Company was subdivided into 4 subdivided shares.

購股權數目及加權平均行使價乃於股份拆細自2015年9月25日起生效後按每股本公司已發行或未發現股份拆細為4股拆細股份之基準呈列。

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40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) 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.

40. 綜合現金流量表附註

(a) 融資活動所產生的負債對賬

下表詳述本集團融資活動所產生的負債變動，包括現金及非現金變動。融資活動所產生的負債指本集團綜合現金流量表中現金流量過往分類為或未來現金流將分類為融資活動所產生的現金流的負債。

		Impact on initial application of HKFRS 16 (note 3)		Restated balance at 1 January 2019	Additions	Cash flows	Interest expense	Exchange differences	31 December 2019
		1 January 2019	對首次應用香港財務報告準則第16號的影響 (附註3)	1 January 2019	增置	現金流	利息支出	匯兌差額	2019年12月31日
		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
Bank borrowings (note 32)	銀行貸款(附註32)	159,625	-	159,625	-	(94,134)	5,778	(1,367)	69,902
Lease liabilities (note 38)	租賃負債(附註38)	-	16,010	16,010	6,237	(4,452)	1,451	(335)	18,911
		159,625	16,010	175,635	6,237	(98,586)	7,229	(1,702)	88,813

		At 1 January 2018	Cash flows	Lapsed	Exchange differences	At 31 December 2018
		於2018年1月1日	現金流	已失效	匯兌差額	於2018年12月31日
		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
Convertible bond (note 34)	可換股債券(附註34)	94	-	(94)	-	-
Bank borrowings (note 32)	銀行貸款(附註32)	153,452	12,923	-	(6,750)	159,625
		153,546	12,923	(94)	(6,750)	159,625

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40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Total cash outflow for leases

Amounts included in the statement of cash flows for leases comprise the following:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Within operating cash flows	在經營現金流量中	2,735	3,975
Within investing cash flows	在投資現金流量中	286	-
Within financing cash flows	在融資現金流量中	3,001	-
		6,022	3,975

These amounts relate to the following:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Lease rental paid	已付租金	5,736	3,975
Payments for right-of-use assets	使用權資產付款	286	-
		6,022	3,975

(c) Major non-cash transaction

During the year ended 31 December 2019, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$6,237,000 and HK\$6,237,000, respectively, in respect of lease arrangements for buildings and plant and machinery.

40. 綜合現金流量表附註(續)

(b) 租賃現金流出總額

租賃的現金流量表中包括以下金額：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Within operating cash flows	在經營現金流量中	2,735	3,975
Within investing cash flows	在投資現金流量中	286	-
Within financing cash flows	在融資現金流量中	3,001	-
		6,022	3,975

該等金額與以下項目有關：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Lease rental paid	已付租金	5,736	3,975
Payments for right-of-use assets	使用權資產付款	286	-
		6,022	3,975

(c) 主要非現金交易

於截至2019年12月31日止年度，本集團具有有關樓宇、廠房及機器之租賃安排之使用權資產及租賃負債非現金增置分別為6,237,000港元及6,237,000港元。

41. CONTINGENT LIABILITIES

As at 31 December 2019, the Group did not have any significant contingent liabilities (2018: Nil).

42. OPERATING LEASE ARRANGEMENTS**The Group as lessee**

At 31 December 2018 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

41. 或然負債

於2019年12月31日，本集團並無任何重大或然負債(2018年：無)。

42. 經營租賃安排**本集團作為承租人**

於2018年12月31日，根據不可撤銷經營租賃的未來最低租賃應付款總額支付如下：

		2018 2018年 HK\$'000 千港元
Within one year	一年內	2,403
In the second to fifth years inclusive	兩年至五年(包括首尾兩年)	3,879
After five years	五年後	15,885
		22,167

Operating lease payments represent rentals payable by the Group for certain of its offices and leasehold land. Leases are negotiated for terms ranging from 1 to 25 years and rentals are fixed over the lease terms and do not include contingent rentals.

The Group regularly entered into short-term leases for offices. As at 31 December 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 20.

As at 31 December 2019, the outstanding lease commitments relating to these offices are HK\$336,000.

經營租賃付款指本集團就其若干辦公及租賃土地應付之租金。租賃磋商的租期範圍為1至25年及租金於租賃期內固定且不包括或然租金。

本集團定期訂立辦公室短期租賃。於2019年12月31日，短期租賃組合與附註20中披露的短期租賃支出的短期租賃組合相似。

於2019年12月31日，該等辦公室相關的未償還租賃承擔為336,000港元。

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42. OPERATING LEASE ARRANGEMENTS (CONTINUED)

The Group as lessor

Operating leases relate to building owned by the Group with lease terms of 2 years. The lessee does not have an option to purchase the property at the expiry of the lease period.

Minimum lease payments receivable on leases are as follows:

Within one year

一年內

2019

2019年

HK\$'000

千港元

2,403

The following table presents the amounts reported in profit or loss:

下表呈列在損益中報告的金額：

2019

2019年

HK\$'000

千港元

Lease income on operating leases

經營租賃的租金收入

983

43. MATERIAL RELATED PARTY TRANSACTIONS

For the years ended 31 December 2019 and 2018, transactions with the following parties are considered to be related party transactions:

Mr. Guo Yumin
郭玉民先生

Ms. Xia Yu
夏煜女士

Xuzhou Ruilong Real Estate
Development Co., Ltd. (Note)
徐州瑞龍房地產開發有限公司(附註)

Cheng Jun Group Limited
誠俊集團有限公司

Union Winful Limited
聯合永豐有限公司

Sheen Dragon Properties Limited
瑞龍置業有限公司

Hong Kong Rising Star Group Holdings Limited
香港星辰集團控股有限公司

Hong Kong Sheen Dragon Investment Company Limited
香港瑞龍投資有限公司

Xuzhou Lvzhou Property Management Co., Ltd (Note)
徐州綠洲物業管理有限公司(附註)

Note: The English translation of the names is for reference only. The official names of these entities are in Chinese.

43. 重大關聯方交易

於截至2019年及2018年12月31日止年度內，與下列各方進行的交易被視為關聯方交易：

Director and the ultimate controlling party
of the Company
本公司董事及最終控制方

Director of the Company
本公司董事

Owned by Mr. Guo Yumin
由郭玉民先生擁有

Owned by Mr. Guo Yumin
由郭玉民先生擁有

Owned by Mr. Guo Yumin
由郭玉民先生擁有

Owned by Mr. Guo Yumin
由郭玉民先生擁有

Owned by Mr. Guo Yumin
由郭玉民先生擁有

Owned by Mr. Guo Yumin
由郭玉民先生擁有

Owned by Mr. Guo Yumin
由郭玉民先生擁有

附註：英文本的英譯名稱僅供參考。該等實體的官方名稱以中文為準。

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43. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 15 and certain of the highest paid employees as disclosed in note 14, is as follows:

43. 重大關聯方交易(續)

(a) 主要管理人員薪酬

本集團主要管理人員薪酬(包括於附註15所披露支付予董事及於附註14所披露支付予若干最高薪酬僱員的款項)載列如下:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	7,059	10,140
Post-employment benefits	離職後福利	281	346
Equity compensation benefits	股本補償福利	227	484
		7,567	10,970

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43. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Other related party transactions

In addition to those related party transactions disclosed in note 43(a) to the consolidated financial statements, the Group had the following transactions with its related parties during the year:

43. 重大關聯方交易 (續)

(b) 其他關聯方交易

除綜合財務報表附註43(a)所披露該等關聯方交易外，本集團於年內與其關聯方訂立以下交易：

		2019 2019年	Repayment to related parties 關聯方還款 所得款項	Repayment received from related parties 從關聯方 收取的還款
		Rental expenses 租金開支 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cheng Jun Group Limited	誠俊集團有限公司	–	–	26
Union Winful Limited	聯合永豐有限公司	–	–	51
Hong Kong Rising Star Group Holdings Limited	香港星辰集團控股有限公司	–	–	144
Hong Kong Sheen Dragon Investment Company Limited	香港瑞龍投資有限公司	–	–	7
Sheen Dragon Properties Limited	瑞龍置業有限公司	350	–	–
Xuzhou Ruilong Real Estate Development Co., Ltd.	徐州瑞龍房地產開發有限公司	–	(830)	–
Mr. Guo Yumin	郭玉民先生	170	(577)	–
		520	(1,407)	228

		Interest expense 利息開支 HK\$'000 千港元	2018 2018年 Rental expenses 租金開支 HK\$'000 千港元	Repayment to related parties 向關聯方還款 HK\$'000 千港元
Xuzhou Ruilong Real Estate Development Co., Ltd.	徐州瑞龍房地產開發有限公司	369	686	(24,919)
Mr. Guo Yumin	郭玉民先生	–	–	(4,795)
		369	686	(29,714)

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43. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED) 43. 重大關聯方交易(續)

(c) Balances with related parties

At 31 December 2019 and 2018, the Group had the following balances with related parties:

(c) 與關聯方的結餘

於2019年及2018年12月31日，本集團擁有以下與關聯方的餘額：

	Note	2019	2018
	附註	2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Due from related companies	應收關聯方款項		
– Cheng Jun Group Limited	– 誠俊集團有限公司 (i)	–	26
– Union Winful Limited	– 聯合永豐有限公司 (i)	–	51
– Sheen Dragon Properties Limited	– 瑞龍置業有限公司 (i)	544	106
– Hong Kong Rising Star Group Holdings Limited	– 香港星辰集團控股有限公司 (i)	–	144
– Hong Kong Sheen Dragon Investment Company Limited	– 香港瑞龍投資有限公司 (i)	–	7
Due from/(to) a director and ultimate controlling party	應收/(應付)董事及最終控制方款項		
– Mr Guo Yumin	– 郭玉民先生 (i)	572	(873)
Due from a director	應收董事款項		
– Ms Xia Yu	– 夏煜女士 (i)	80	–
Interest payable	應付利息		
– Xuzhou Ruilong Real Estate Development Co., Ltd.	– 徐州瑞龍房地產開發有限公司 (i)	–	(830)
Due to a related company	應付關聯方款項		
– Xuzhou Lvzhou Property Management Co., Ltd.	– 徐州綠州物業管理有限公司 (i)	(128)	(131)
		1,068	(1,500)

(i) The amounts due from/(to) related companies and directors are interest-free and expected to be recovered within one year.

(i) 應收/(應付)關聯公司及董事款項屬免息，且預期將於一年內收回。

44. EVENTS AFTER THE REPORTING PERIOD

After the COVID-19 outbreak in early 2020, a series of precautionary and control measures has been and continued to be implemented across the globe. The Group is paying close attention to the development of, and the disruption to business and economic activities caused by, the COVID-19 outbreak and evaluates its impact on the Group. Given the dynamic nature of the COVID-19 outbreak, it is not practicable to provide a reasonable estimate of its financial effect on the Group's financial position, cash flows and operating results at the date on which these financial statements are authorised for issue.

45. COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 3.

46. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 31 March 2020.

44. 報告期後事項

在2020年初爆發2019冠狀病毒病之後，一系列預防和控制措施已在全球範圍內持續實施。本集團一直密切關注2019冠狀病毒病爆發的進展以及商業和經濟活動的中斷，並評估其對本集團的影響。鑒於2019冠狀病毒病疫情的動態性質，在授權發佈該等財務報表日期，合理估計其對本集團財務狀況、現金流量及經營業績的財務影響並不實際。

45. 比較數據

本集團已於2019年1月1日採用經修訂的追溯法初次應用香港財務報告準則第16號。在此方法下，不重列比較資料。會計政策變更的進一步詳情披露於附註3。

46. 批准財務報表

財務報表於2020年3月31日經董事會批准並授權刊發。

Summary Financial Information

財務資料概要

The following is a summary of the published results and of the assets and liabilities of the Group for the last five financial years:

下文為過往五個財政年度本集團已刊發業績以及資產及負債之概要：

		Year ended 31 December 截至 12 月 31 日止年度				
		2019 2019 年 HK\$'000 千港元	2018 2018 年 HK\$'000 千港元	2017 2017 年 HK\$'000 千港元	2016 2016 年 HK\$'000 千港元	2015 2015 年 HK\$'000 千港元
RESULTS	業績					
Revenue	收入	376,208	453,827	1,250,706	478,354	469,241
(Loss)/profit before tax	稅前(虧損)/溢利	(44,092)	(18,882)	(182,164)	47,984	381,164
Income tax (expense)/credit	所得稅(支出)/抵免	(3,781)	(7,734)	16,078	(11,852)	(54,634)
(Loss)/profit for the year	年內(虧損)/溢利	(47,873)	(26,616)	(166,086)	36,132	326,530
Attributable to:	以下人士應佔：					
Equity shareholders of the Company	本公司權益股東	(47,873)	(26,498)	(165,219)	36,132	326,530
Non-controlling interests	非控股權益	–	(118)	(867)	–	–
(Loss)/profit for the year	年內(虧損)/溢利	(47,873)	(26,616)	(166,086)	36,132	326,530
		As at 31 December 於 12 月 31 日				
		2019 2019 年 HK\$'000 千港元	2018 2018 年 HK\$'000 千港元	2017 2017 年 HK\$'000 千港元	2016 2016 年 HK\$'000 千港元	2015 2015 年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Non-current assets	非流動資產	512,355	535,058	511,183	739,957	386,918
Current assets	流動資產	471,286	586,747	761,599	1,394,868	1,027,481
Current liabilities	流動負債	(190,059)	(284,654)	(369,958)	(1,041,845)	(417,314)
Non-current liabilities	非流動負債	(27,931)	(5,844)	(5,052)	(259,047)	(79,735)
Net assets	淨資產	765,651	831,307	897,772	833,933	917,350
Attributable to:	以下人士應佔：					
Equity shareholders of the Company	本公司權益股東	765,651	831,307	898,324	833,558	917,350
Non-controlling interests	非控股權益	–	–	(552)	375	–
Total equity	權益總額	765,651	831,307	897,772	833,933	917,350



順泰控股集團有限公司
Sheen Tai Holdings Group Company Limited
(incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司)
Stock Code 股份代號 : 1335