



**TIAN CHANG GROUP HOLDINGS LTD.**  
**天 長 集 團 控 股 有 限 公 司**

(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 : 2182

Annual Report  
**2019**  
年報



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## CORPORATE INFORMATION

### 公司資料

#### BOARD OF DIRECTORS

##### Executive Directors

Mr. Chan Tsan Lam (*Chairman*)  
Ms. Poon Po Han Lisa  
Ms. Chan Yin Yan

##### Independent Non-Executive Directors

Mr. Ng Chi Wai  
Mr. Hung Chun Leung  
Mr. Chan Bing Kai

#### COMPANY SECRETARY

Ms. Poon Po Han Lisa

#### AUTHORISED REPRESENTATIVES

Mr. Chan Tsan Lam  
Ms. Poon Po Han Lisa

#### AUDIT COMMITTEE

Mr. Ng Chi Wai (*Chairman*)  
Mr. Hung Chun Leung  
Mr. Chan Bing Kai

#### REMUNERATION COMMITTEE

Mr. Chan Bing Kai (*Chairman*)  
Mr. Chan Tsan Lam  
Mr. Ng Chi Wai

#### NOMINATION COMMITTEE

Mr. Chan Tsan Lam (*Chairman*)  
Mr. Hung Chun Leung  
Mr. Ng Chi Wai

#### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

#### WEBSITE OF THE COMPANY

[www.hktcgroup.com](http://www.hktcgroup.com)

#### PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC")

Dongjiang Hi-New Tech  
Ind. Park, Huicheng District  
Shuikou Town, Huizhou  
Guangdong Province, PRC

#### 董事會

##### 執行董事

陳燦林先生 (*主席*)  
潘寶嫻女士  
陳燕欣女士

##### 獨立非執行董事

吳志偉先生  
洪俊良先生  
陳秉階先生

#### 公司秘書

潘寶嫻女士

#### 授權代表

陳燦林先生  
潘寶嫻女士

#### 審核委員會

吳志偉先生 (*主席*)  
洪俊良先生  
陳秉階先生

#### 薪酬委員會

陳秉階先生 (*主席*)  
陳燦林先生  
吳志偉先生

#### 提名委員會

陳燦林先生 (*主席*)  
洪俊良先生  
吳志偉先生

#### 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

#### 公司網站

[www.hktcgroup.com](http://www.hktcgroup.com)

#### 中華人民共和國(「中國」)主要營業地點

中國  
廣東省惠州市  
水口鎮惠城區  
東江高新科技產業園

## CORPORATE INFORMATION

### 公司資料

#### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Workshop Unit 6  
13th Floor, Block B  
Hoi Luen Industrial Centre  
55 Hoi Yuen Road  
Kwun Tong  
Hong Kong

#### COMPLIANCE ADVISER

Innovax Capital Limited  
Room 2002, 20/F  
Chinachem Century Tower  
178 Gloucester Road  
Wanchai  
Hong Kong

#### HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

#### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

#### AUDITOR

Mazars CPA Limited  
*Certified Public Accountants*  
42nd Floor, Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

#### LEGAL ADVISER AS TO HONG KONG LAWS

Loeb & Loeb LLP  
21st Floor, CCB Tower  
3 Connaught Road Central  
Hong Kong

#### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
The Hongkong and Shanghai Banking Corporation Limited

#### STOCK CODE

2182

#### 香港總部及主要營業地點

香港  
觀塘  
開源道55號  
開聯工業中心  
B座13樓  
6室

#### 合規顧問

創陞融資有限公司  
香港  
灣仔  
告士打道178號  
華懋世紀廣場  
20樓2002室

#### 香港股份過戶登記處

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

#### 開曼群島股份過戶登記總處

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

#### 核數師

中審眾環(香港)會計師事務所有限公司  
執業會計師  
香港  
灣仔  
港灣道18號  
中環廣場42樓

#### 香港法律的法律顧問

樂博律師事務所有限法律責任合夥  
香港  
干諾道中3號  
中國建設銀行大廈21樓

#### 主要往來銀行

中國銀行(香港)有限公司  
香港上海滙豐銀行有限公司

#### 股份代號

2182

## CHAIRMAN'S STATEMENT

### 主席致辭

TO THE SHAREHOLDERS

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Tian Chang Group Holdings Ltd. (the “**Company**”), I am pleased to present the annual report of the Company and its subsidiaries (together, the “**Group**”) for the year ended 31 December 2019 (the “**Period**”).

### BUSINESS REVIEW

In 2019, the Sino-US trade war heated up and Hong Kong experienced a half-year social unrest. It was an uneasy year for most of the local businesses and especially for those with manufacturing and trading activities in the US market such as the Group. Despite of this, the Group grasped the opportunity to work more closely with its business partners and through its competitive edge in the technical capabilities and quality control, the Group recorded a historically high revenue and net profit for the year ended 31 December 2019.

As a well-established provider of integrated plastic solutions in the People's Republic of China (the “**PRC**”), the Group operates business through two segments. The integrated plastic solutions segment is engaged in mould design and fabrication services as well as plastic component design and manufacturing services. The electronic cigarette (the “**e-cigarettes**”) products segment is engaged in the manufacturing and sales of e-cigarettes products under the brand names owned by a well known tobacco group. The Group distributes its products within the domestic market and to overseas markets, including Europe, Asia and the United States.

During the year, the Group's total revenue amounted to approximately HK\$1,251.1 million, representing a year-on-year increase of approximately 30.3% (2018: HK\$959.9 million). The Group recorded a gross profit of approximately HK\$313.4 million (2018: HK\$237.8 million) with a gross profit margin of approximately 25.0% (2018: 24.8%).

The Group recorded a profit for the year attributable to owners of the Company of approximately HK\$127.2 million (2018: HK\$75.8 million). Basic earnings per share attributable to equity holders of the Company were approximately HK20.52 cents (2018: HK12.80 cents).

致股東：

本人謹代表天長集團控股有限公司（「**本公司**」）董事（「**董事**」）會（「**董事會**」）欣然提呈本公司及其附屬公司（統稱「**本集團**」）截至2019年12月31日止年度（「**本期間**」）的年度報告。

### 業務回顧

2019年，中美貿易戰升溫，加上香港持續半年之久的社會動蕩。對於大多數本地企業而言，這是艱難的一年，尤其對於在美國市場從事製造及貿易活動的企業（如本集團）而言。儘管如此，本集團仍把握機會與業務夥伴更密切地合作，且憑著技術能力和質量控制的競爭優勢，截至2019年12月31日止年度，本集團的收益及純利創歷史新高。

作為中華人民共和國（「**中國**」）知名的一體化注塑解決方案供應商，本集團通過兩個分部經營業務。一體化注塑解決方案分部從事模具設計及製作服務以及注塑組件設計及製造服務。電子煙（「**電子煙**」）產品分部從事以知名煙草集團擁有的品牌製造及銷售電子煙產品。本集團將其產品分銷至國內市場及海外市場，包括歐洲、亞洲及美國。

年內，本集團的總收益約為1,251.1百萬港元，同比增長約30.3%（2018年：959.9百萬港元）。本集團錄得毛利約313.4百萬港元（2018年：237.8百萬港元），毛利率約25.0%（2018年：24.8%）。

本集團錄得本公司擁有人應佔年內溢利約127.2百萬港元（2018年：75.8百萬港元）。本公司權益持有人應佔每股基本盈利約為20.52港仙（2018年：12.80港仙）。

## CHAIRMAN'S STATEMENT

### 主席致辭

Since the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited in 2018, the Group has been continuously upgrading its production capacity through the addition of new machines for plastic injection and mould fabrication, as well as expansion of the factory premises. These new capacities provided space for production lines of new products and enabled the Group to increase productivity for current products. During the year ended 31 December 2019, the capital expenditure incurred by the Group amounted to approximately HK\$149.0 million, including HK\$85.2 million for the addition of new machines and HK\$49.1 million for the construction of new factory premises.

### FUTURE PLAN AND PROSPECTS

In 2020, the Board expects that the outbreak of COVID-19 will cause significant downturn in the global economy. It is also expected that the business activities will be slowed down due to the quarantine control in many countries. The demand for our clients' products may be affected due to uncertainty of market demand. The process of product development will be prolonged due to travel restriction between client and our production plants. We foresee that 2020 will be challenging and will adopt a prudent business strategy.

In response to these uncertainties, we shall continue to search for new market opportunities and aim to diversify our product portfolio through our research and development. The new factory premises under construction will provide room for us to locate more new product production lines, innovate our design through new product development and achieve automated production with addition of highly automated machineries. We believe that all of these measures will provide solid foundation for us to be well-equipped for grasping the momentum of growth when the difficult time is over.

自本公司股份於2018年在香港聯合交易所有限公司主板上市以來，本集團通過添置注塑及模具製作機器以及擴大廠房而一直不斷擴充產能。該等新產能可為新產品尋求生產線提供便利，並令本集團提高當前產品的生產率。截至2019年12月31日止年度，本集團產生的資本開支約為149.0百萬港元，包括85.2百萬港元用於購置新機器及49.1百萬港元用於建設新廠房。

### 未來計劃及前景

2020年，董事會預期新冠肺炎的爆發將令全球經濟大幅下滑。由於各國的檢疫控制，亦預期業務活動將放緩。由於市場需求的不確定性，我們客戶產品的需求將受到影響。由於客戶與我們製造廠之間的出行限制，產品開發的進程將會延長。我們預計2020年將是充滿挑戰的一年，並將採取審慎的業務策略。

為克服眼前這些不確定性，我們將繼續尋求新市場機遇，旨在通過研發使我們的產品組合多樣化。在建新廠房將令我們能夠建立更多新產品生產線、通過新產品開發革新我們的設計及通過購置高度自動化機器實現自動化生產。我們相信，當困境結束，所有這些措施都將為我們把握增長勢頭提供堅實基礎。

## CHAIRMAN'S STATEMENT

### 主席致辭

The outbreak of COVID-19 in early of 2020 has badly hit the global economy. It is expected that the pandemic will adversely affect the global business for a substantial time in 2020, placing difficulties and challenges ahead. Despite this, the Group will overcome these difficulties by seeking new market opportunities and adjusting our existing production base to meet the market needs for new products. At the same time, the Group will adopt a prudent approach and adjust our strategies to mitigate the expected downward risks as a result of the slowing down economic activities. These include lowering unit labour cost by continuous enhancement of production processes through enhancing our level of automation and construction of new factory space to prepare for the expected demand of new products in the market. These short to medium term measures will consolidate the foundation of the Group and get us well-equipped to grasp the opportunities when the economy rebounds after this difficult time.

### APPRECIATION

On behalf of the Board, I would like to express my most sincere gratitude towards the continual support from the shareholders and the valuable contributions of the staff. The management team will continue to fulfill its duties to create more values for the shareholders.

**Chan Tsan Lam**

*Chairman*

Hong Kong, 20 April 2020

2020年初新冠肺炎的爆發嚴重衝擊全球經濟。預期大流行病將會對2020年重要時期的全球業務產生不利影響，前路充滿困難與挑戰。儘管如此，本集團將透過尋求新市場機遇及調整我們現有的生產基地以滿足市場對新產品的需求，從而克服困難。同時，由於經濟活動放緩，本集團將採取審慎的方法及調整策略以降低預期的下行風險。該等策略包括透過提高自動化水平持續提高生產工序而降低單位勞動力成本及為滿足市場對新產品的預期需求而建設新工廠。該等中短期措施將鞏固本集團的基礎及令我們於該困難時期後經濟復甦時做好充分準備以抓住機遇。

### 致謝

本人謹代表董事會向股東的長期支持以及員工的寶貴貢獻致以最誠摯的謝意。管理團隊將繼續履行所肩負的職責，以為股東創造更多價值。

主席

**陳燦林**

香港，2020年4月20日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS SEGMENT ANALYSIS

#### Integrated Plastic Solutions

Revenue of the integrated plastic solutions business division was mainly derived from (i) the design and fabrication of plastic injection moulds; and (ii) design and manufacturing of plastic components employing the plastic injection moulds fabricated internally or by our subcontractors.

The Group is able to specifically engineer and fabricate, with cavities plastic injection moulds, to shape the plastic components in accordance with the desired and customised design, features and specifications. The Group has the technical capabilities to fabricate moulds that meet the MT1 precision level as defined by the "National Standard of the People's Republic of China GB/T14486-2008-Dimensional Tolerances for Moulded Plastic Parts" (《中華人民共和國國家標準GB/T14486-2008-塑料模塑件尺寸公差》), which is the highest precision level in the national guidelines. By utilising the plastic injection process and applying the plastic injection moulds fabricated by the Group or, in limited cases, external subcontractors, the Group manufactures plastic components for office furniture, office electronic products, home appliances, communication products and automobiles.

#### Manufacturing of E-cigarettes Products

The Group manufactured e-cigarettes products as an original equipment manufacturer ("OEM"). Such e-cigarette products included disposable e-cigarettes, refillable e-cigarettes, battery rods, clearomisers, liquidpods and heated tobacco device.

### FINANCIAL REVIEW

#### Revenue

Revenue for the year ended 31 December 2019 was approximately HK\$1,251.1 million, representing an increase of approximately HK\$291.2 million, or approximately 30.3%, from approximately HK\$959.9 million for the year ended 31 December 2018.

The integrated plastic solutions segment revenue for the year ended 31 December 2019 was approximately HK\$391.2 million, accounting for approximately 31.3% of the total revenue and representing a decrease of approximately HK\$83.1 million, or approximately 17.5%, from segment revenue of HK\$474.3 million for the year ended 31 December 2018. This decrease was primarily due to the decrease in sales order of certain products.

### 業務分部分析

#### 一體化注塑解決方案

一體化注塑解決方案業務分部的收益主要來自(i)注塑模具的設計及製作；及(ii)藉助內部或分包商製作的注塑模具進行注塑組件的設計及製造。

本集團能根據所需成型或定制注塑組件的設計、特點及規格特別設計及製作注塑模具及其型腔。本集團有相關技術能力，所製作的模具能達到《中華人民共和國國家標準GB/T14486-2008-塑料模塑件尺寸公差》所界定的國家指引最高級精密等級MT1精密等級。本集團藉助注塑工序及應用由本集團或(在少數情況下)外部分包商所製作的注塑模具製造辦公傢俱、辦公用電子產品、家用電器、通訊產品及汽車所需的注塑組件。

#### 電子煙產品的製造

本集團作為原始設備製造商(「OEM」)從事製造電子煙產品。有關電子煙產品包括一次性電子煙、可注油電子煙、電池桿、霧化器、蒸汽煙及加熱煙裝置。

### 財務回顧

#### 收益

截至2019年12月31日止年度的收益約為1,251.1百萬港元，較截至2018年12月31日止年度的約959.9百萬港元增加約291.2百萬港元或約30.3%。

截至2019年12月31日止年度，一體化注塑解決方案的分部收益約為391.2百萬港元，佔總收益約31.3%，較截至2018年12月31日止年度的分部收益474.3百萬港元減少約83.1百萬港元或約17.5%。有關減少主要是由於若干產品的銷售訂單減少。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW (Continued)

#### Revenue (Continued)

The e-cigarettes products segment revenue for the year ended 31 December 2019 was approximately HK\$859.9 million, accounting for approximately 68.7% of the total revenue and representing an increase of approximately HK\$374.2 million, or approximately 77.0%, from approximately HK\$485.7 million for the year ended 31 December 2018. The increase was primarily due to the orders for new model e-cigarettes devices.

#### Gross Profit

Gross profit for the year ended 31 December 2019 was approximately HK\$313.4 million (2018: HK\$237.8 million), representing a gross profit margin of 25.0% (2018: 24.8%).

Segment gross profit for integrated plastic solutions for 2019 was approximately HK\$97.2 million (2018: HK\$110.0 million), representing a gross profit margin of 24.8% (2018: 23.2%). The increase in gross profit margin was primarily contributed by the change of product mix in which the products with higher profit margin improved the overall gross profit margin.

Segment gross profit for e-cigarettes products for 2019 was approximately HK\$216.2 million (2018: HK\$127.8 million), representing a gross profit margin of 25.1% (2018: 26.3%). The decrease was primarily due to the launch of new model e-cigarettes which involve higher production costs and lower the gross profit margin.

#### Other Income

Other income for the year ended 31 December 2019 was approximately HK\$6.1 million, representing an increase of approximately HK\$0.7 million, or approximately 13.0%, from approximately HK\$5.4 million for the year ended 31 December 2018. The increase was primarily due to an increase of bank interest income together with the exchange gain.

#### Selling and Distribution Costs

Selling and distribution costs for the year ended 31 December 2019 were approximately HK\$11.4 million, which was similar to that for the year ended 31 December 2018 (2018: HK\$12.5 million).

### 財務回顧 (續)

#### 收益 (續)

截至2019年12月31日止年度，電子煙產品的分部收益約為859.9百萬港元，佔總收益約68.7%，較截至2018年12月31日止年度的約485.7百萬港元增加約374.2百萬港元或約77.0%。有關增加主要是由於新型電子煙設備的訂單。

#### 毛利

截至2019年12月31日止年度的毛利約為313.4百萬港元（2018年：237.8百萬港元），毛利率為25.0%（2018年：24.8%）。

2019年的一體化注塑解決方案的分部毛利約為97.2百萬港元（2018年：110.0百萬港元），毛利率為24.8%（2018年：23.2%）。毛利率增加主要是由於產品組合的變化，該組合中利潤率較高的產品提高了整體毛利率。

2019年的電子煙產品的分部毛利約為216.2百萬港元（2018年：127.8百萬港元），毛利率為25.1%（2018年：26.3%）。該減少主要是由於推出生產成本較高及毛利率較低的新型電子煙。

#### 其他收入

截至2019年12月31日止年度，其他收入約6.1百萬港元，較截至2018年12月31日止年度的約5.4百萬港元增加約0.7百萬港元或約13.0%。有關增加主要是由於銀行利息收入及匯兌收益增加。

#### 銷售及分銷成本

截至2019年12月31日止年度，銷售及分銷成本約為11.4百萬港元，與截至2018年12月31日止年度相若（2018年：12.5百萬港元）。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### FINANCIAL REVIEW (Continued)

##### Administrative and Other Operating Expenses

Administrative and other operating expenses for the year ended 31 December 2019 were approximately HK\$135.6 million, representing an increase of approximately HK\$27.8 million, or approximately 25.8%, from approximately HK\$107.8 million for the year ended 31 December 2018. The increase was primarily contributed by the increase in headcount to support the expanded operation of the Group, increase in pay scale to retain and recruit high profile personnel, the performance bonus to the directors and senior management and the increase in research and development expenses.

##### Listing Expenses

The Group did not have any listing expense for the year ended 31 December 2019, compared to HK\$6.4 million recorded for the year ended 31 December 2018.

##### Finance Costs

Finance costs for the year ended 31 December 2019 were approximately HK\$9.1 million, representing a decrease of approximately HK\$2.9 million, or approximately 24.2%, from approximately HK\$12.0 million for the year ended 31 December 2018. The decrease in finance cost was primary due to the repayment of the secured bank borrowings.

##### Income Tax Expense

Income tax expenses for the year ended 31 December 2019 was approximately HK\$37.2 million, representing an increase of approximately HK\$8.7 million, or approximately 30.5%, from approximately HK\$28.5 million for the year ended 31 December 2018. The increase in income tax expense was primarily due to the increase in profit before tax.

##### Profit Attributable to Equity Holders of the Company

As a result of foregoing, profit for the year ended 31 December 2019 was approximately HK\$127.2 million, representing an increase of approximately HK\$51.4 million, or approximately 67.8%, from approximately HK\$75.8 million for the year ended 31 December 2018.

#### 財務回顧 (續)

##### 行政及其他經營開支

截至2019年12月31日止年度，行政及其他經營開支約為135.6百萬港元，較截至2018年12月31日止年度的約107.8百萬港元增加約27.8百萬港元或約25.8%。有關增加主要是由於增加員工人數以支持本集團擴張營運、上調工資以留挽及招聘人才、向董事及高級管理層發放績效獎金及增加研發開支。

##### 上市開支

截至2019年12月31日止年度，本集團並無任何上市開支，而截至2018年12月31日止年度則錄得6.4百萬港元。

##### 財務成本

截至2019年12月31日止年度，財務成本約為9.1百萬港元，較截至2018年12月31日止年度的約12.0百萬港元減少約2.9百萬港元或約24.2%。財務成本減少主要是由於償還有抵押銀行借款。

##### 所得稅開支

截至2019年12月31日止年度，所得稅開支約為37.2百萬港元，較截至2018年12月31日止年度的約28.5百萬港元增加約8.7百萬港元或約30.5%。所得稅開支增加主要是由於除稅前溢利增加所致。

##### 本公司權益持有人應佔溢利

因上述原因，截至2019年12月31日止年度的溢利約為127.2百萬港元，較截至2018年12月31日止年度的約75.8百萬港元增加約51.4百萬港元或約67.8%。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers. As at 31 December 2019, the Group had cash and cash equivalents of approximately HK\$85.6 million (2018: HK\$61.4 million). The interest-bearing borrowings as at 31 December 2019 was approximately HK\$103.2 million (2018: HK\$148.6 million) with interest rates weighted average effective interest rate of approximately 4.18% (2018: 4.40%) per annum. The Group's gearing ratio as at 31 December 2019, calculated based on the total borrowings to the equity attributable to owners of the Company, was 39.8% (2018: 52.7%). The Group recorded net current liabilities of approximately HK\$52.9 million as of 31 December 2019 (31 December 2018: approximately HK\$13.9 million). The net current liabilities as at 31 December 2019 increased by HK\$39.0 million as compared with 31 December 2018 due to the effect from acquisition of new machines and construction of new factory premises during the year which expended part of the cash flows generated from operations.

#### FOREIGN EXCHANGE RISK

The monetary assets and liabilities and business transactions of the Group are mainly carried out and conducted in Hong Kong dollars, the United States of America (the "U.S.") dollars and Renminbi. In view of the stability of the exchange rate between these currencies, the Directors do not consider that the Group was significantly exposed to foreign exchange risk for the year ended 31 December 2019. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by entering into currency hedge arrangement, if necessary. During the year ended 31 December 2019, no forward foreign exchange or hedging contracts had been entered into by the Group. The Group will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

#### MATERIAL ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2019, the Group has made no material acquisitions or disposals of subsidiaries and associated companies.

#### CONTINGENT LIABILITIES

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

#### 流動資金及財務資源

本集團通常以內部產生的現金流量及主要往來銀行提供的銀行融資為業務營運提供資金。於2019年12月31日，本集團擁有現金及現金等價物約85.6百萬港元（2018年：61.4百萬港元）。於2019年12月31日，計息借款約為103.2百萬港元（2018年：148.6百萬港元），加權平均實際年利率約4.18%（2018年：4.40%）。本集團於2019年12月31日的資產負債率按借款總額與本公司擁有人應佔權益之比計算，為39.8%（2018年：52.7%）。截至2019年12月31日，本集團錄得流動負債淨額為約52.9百萬港元（2018年12月31日：約13.9百萬港元）。於2019年12月31日，流動負債淨額較2018年12月31日增加39.0百萬港元，乃由於年內購置新機器及興建新廠房而支銷部分經營所得現金流量。

#### 外匯風險

本集團的貨幣資產及負債以及業務交易主要以港元、美利堅合眾國（「美國」）美元及人民幣計值。鑒於該等貨幣之間的匯率具有穩定性，董事認為，截至2019年12月31日止年度，本集團並無面臨重大的外匯風險。本集團通過定期審核其外匯風險淨額來管理外匯風險，並通過訂立貨幣對沖安排以降低匯率波動的影響（如有）。截至2019年12月31日止年度，本集團概無訂立任何遠期外匯或對沖合約。本集團將繼續評估本集團的外匯風險並適時採取措施。

#### 重大收購及出售事項

截至2019年12月31日止年度，本集團並無關於附屬公司及聯營公司的重大收購或出售事項。

#### 或然負債

於2019年12月31日，本集團並無任何重大或然負債。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### USE OF PROCEEDS

The net proceeds of the Group raised from the initial public offering were approximately HK\$77.6 million, after deducting the underwriting fees, commissions and other listing expenses. As at 31 December 2019, approximately HK\$72.9 million of the net proceeds had been utilised. During the second half of 2019, the Group had placed order (the “Order”) to purchase an automated polyester fiber (“PET”) manufacturing line as planned as set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 14 February 2018 and incurred approximately HK\$1.5 million in 2019. As at 31 December 2019, the unutilised net proceeds of approximately HK\$4.7 million were placed in licensed banks in Hong Kong, and are intended to settle the remaining amount of the Order in 2020. Set out below is a summary of the utilisation of net proceeds:

#### 所得款項用途

本集團產生自首次公開發售的所得款項淨額(經扣除包銷費用、佣金及其他上市開支)為約77.6百萬港元。於2019年12月31日，已動用所得款項淨額約72.9百萬港元。於2019年下半年，本集團按計劃發出訂單(「訂單」)採購本公司日期為2018年2月14日的招股章程「未來計劃及所得款項用途」一節所載的自動化聚酯纖維(「PET」)生產線，並於2019年產生約1.5百萬港元。於2019年12月31日，尚未動用所得款項淨額約4.7百萬港元已存放於香港的持牌銀行，並擬於2020年結清訂單的剩餘款項。下表載列所得款項淨額用途概要：

Planned use of proceeds	Actual utilised amount as at 31 December 2019	Actual utilised amount in 2019	Unutilised amount as at 31 December 2019		
				Planned use of proceeds	Actual utilised amount as at 31 December 2019
計劃所得款項用途	實際動用的金額	實際動用的金額	尚未動用的金額		
HK\$ million	HK\$ million	HK\$ million	HK\$ million		
百萬港元	百萬港元	百萬港元	百萬港元		
For the leasehold improvement in phase II of the Group's new site in Huizhou	用於本集團惠州新址二期的租賃物業裝修工程	3.0	3.0	-	-
For equipment upgrade and capacity expansion and related investments	用於設備升級及產能擴充以及相關投資	69.8	65.1	1.5	4.7
For working capital	用作營運資金	4.8	4.8	-	-
<b>Total</b>	<b>總計</b>	<b>77.6</b>	<b>72.9</b>	<b>1.5</b>	<b>4.7</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### SUBSEQUENT EVENT

Since the 2020 Chinese New Year Holidays, the Group's operations located in Huizhou of Guangdong Province, the PRC (the "Huizhou Operations") were suspended as a result of the outbreak of COVID-19. The Huizhou Operations have resumed in operation on 13 February 2020, however due to the suspension or limited service of transportation facilities in certain areas in the PRC, certain workers were unable to return to the Huizhou Operations as planned, which resulted in a temporarily drop in the production capacity of the Huizhou Operations. It is expected by the management that the Huizhou Operations will experience delay in resuming their original production schedule and there will be late delivery of products in the coming few months.

At the date of this annual report, the Group is yet to be able to estimate the financial impact of these events. The Directors consider those events have no significant adverse impacts to the financial position and the going concern of the Group.

#### EMPLOYEE AND REMUNERATION POLICY

The Group's remuneration policy is to compensate its employees based on their performance, qualifications and the Group's operational results. The total remuneration of employees includes basic salaries and performance bonus. Directors and senior management of the Group receive compensation in the form of fees, salaries, allowances, discretionary bonus, defined contribution plans and other benefits in kind with reference to those paid by comparable companies, time commitment and the performance of the Group. The Group also reimburses its Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Group regularly reviews and determines the remuneration and compensation packages (including incentive plans) of its Directors and senior management, by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of its Directors and senior management and the performance of the Group.

#### 期後事件

因新冠肺炎爆發，本集團位於中國廣東省惠州市的工廠（「惠州工廠」）自2020年農曆新年假期起暫停營運。惠州工廠已於2020年2月13日恢復營運，然而由於中國某些地區交通設施暫停或服務受限，若干工人無法按計劃返回惠州工廠，這導致惠州工廠的產能暫時下降。管理層預計惠州工廠將延遲恢復其原生產計劃並將未來幾個月的產品交付推後。

於本年報日期，本集團尚未能估計該等事件的財務影響。董事認為，該等事件對本集團之財務狀況及持續經營並無任何重大不利影響。

#### 僱員及薪酬政策

本集團的薪酬政策是根據僱員的表現、資歷及本集團的經營業績向僱員發放薪酬。僱員薪酬總額包括基本薪資及績效獎金。本集團的董事及高級管理層以袍金、薪金、津貼、酌情花紅、定額供款計劃及其他實物利益（經參考可資比較公司所支付的情況、時間投入及本集團表現）收取報酬。本集團亦就董事及高級管理層為本集團提供服務或就本集團的營運履行彼等職能所產生的必要及合理開支作出償付。本集團亦參考（其中包括）可資比較公司所支付薪酬及報酬的市場水平、董事及高級管理層各自的職責以及本集團的表現，定期檢討及釐定董事及高級管理層的薪酬及報酬待遇（包括獎勵計劃）。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### SIGNIFICANT INVESTMENTS HELD

During the year ended 31 December 2019, the Group did not hold any significant investment in equity interest in any other company.

#### FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report and the announcement of the Company dated 8 October 2019 regarding the construction of new factory premises in the remaining land area in Huizhou, the Group has no plan to make material investments or increase its capital assets.

#### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company and any of its subsidiaries has not purchased, redeemed or sold any of its listed securities during the year ended 31 December 2019.

#### FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK1.5 cents per share for the year ended 31 December 2019 to the shareholders whose names appear on the register of members of the Company at the close of business on 26 June 2020. The proposed final dividend is subject to the approval of the shareholders at the forthcoming annual general meeting. The final dividend, if approved, is expected to be paid on 10 July 2020.

#### 所持重大投資

截至2019年12月31日止年度，本集團並無持有任何其他公司股權的任何重大投資。

#### 有關重大投資及資本資產的未來計劃

除本報告及本公司日期為2019年10月8日有關在惠州其餘土地區域建設新廠房的公告所披露者外，本集團並無計劃進行重大投資或增加資本資產。

#### 購買、贖回或出售本公司上市證券

截至2019年12月31日止年度，本公司及其任何附屬公司並無購買、贖回或出售其任何上市證券。

#### 末期股息

董事會建議向於2020年6月26日營業時間結束時名列本公司股東名冊的股東派付截至2019年12月31日止年度的末期股息每股1.5港仙。建議末期股息須待股東於應屆股東週年大會上批准後方可作實。如獲批准，預期末期股息將於2020年7月10日派付。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### EXECUTIVE DIRECTORS

**Mr. CHAN Tsan Lam**, aged 59, is the founder of the Group. Mr. Chan is an executive Director, Chairman and Chief Executive Officer of the Company. He is primarily responsible for formulating corporate strategies, overseeing the overall management of business and operation of the Group. Mr. Chan is also a director of all of the Company's subsidiaries. Mr. Chan has over 30 years of experience in marketing, strategic planning and business management in the manufacturing industry. From 1991 until Mr. Chan founded Sun Leader Mould Industrial Limited ("Sun Leader HK") in September 2000, Mr. Chan worked as a sole proprietor specializing in mould design and manufacturing. Mr. Chan is the father of Ms. Chan Yin Yan, an executive Director of the Company, and Mr. Chan Tsz Wai, a senior management member of the Company. He is one of the controlling shareholders of the Company.

**Ms. POON Po Han Lisa (潘寶嫻)**, aged 57, is an executive Director, Chief Financial Officer and Company Secretary of the Group. Ms. Poon has over 20 years of experience in financial management, accounting and taxation working in professional and commercial accounting sectors. Ms. Poon holds a Bachelor of Science degree in accounting from The University of Hull in the United Kingdom, and a Master's degree in Corporate Governance from The Hong Kong Polytechnic University in Hong Kong. Ms. Poon is a fellow member of the Association of Chartered Certified Accountants, an associate of The Hong Kong Institute of Chartered Secretaries and an associate of The Institute of Chartered Secretaries and Administrators. Ms. Poon joined the Group in May 2008 and was appointed as Chief Financial Officer and Company Secretary in April 2017 and executive Director in May 2019.

**Ms. CHAN Yin Yan**, aged 30, is an executive Director and the Chief Operating Officer. Ms. Chan is primarily responsible for overseeing the overall management of business and operation of the Group and responsible for the marketing of the Group. Ms. Chan joined the Group in June 2013 and has been responsible for managing part of the business and developing the Group's customer base and is the key personnel in developing the Group's e-cigarette business. Ms. Chan holds a Bachelor's degree in Commerce from Curtin University of Technology in Australia. Ms. Chan is the daughter of Mr. Chan, an executive Director, Chairman and Chief Executive Officer of the Company, and the elder sister of Mr. Chan Tsz Wai, a senior management member of the Company.

#### 執行董事

**陳燦林先生**，59歲，為本集團的創始人。陳先生擔任本公司的執行董事、主席及首席執行官。彼主要負責制定企業策略、監督本集團的整體業務管理及營運。陳先生亦為本公司的所有附屬公司的一名董事。陳先生於製造業在營銷、策略規劃及業務管理等方面擁有逾30年的經驗。自1991年至陳先生於2000年9月成立新利達模具實業有限公司（「新利達(香港)」），陳先生擔任獨資經營者，專門從事模具設計及製造。陳先生為本公司執行董事陳燕欣女士及本公司高級管理層成員陳梓煒先生的父親，並為本公司的控股股東之一。

**潘寶嫻女士**，57歲，為本集團執行董事、首席財務官及公司秘書。潘女士在專業及商業會計部門從事財務管理、會計和稅務方面擁有逾20年經驗。潘女士持有英國赫爾大學會計專業理學學士學位及香港的香港理工大學企業管治碩士學位。潘女士為特許公認會計師公會資深會員，並獲准為香港特許秘書公會會員以及特許秘書及行政人員公會會員。潘女士於2008年5月加入本集團，並分別於2017年4月及2019年5月獲委任為首席財務官及公司秘書以及執行董事。

**陳燕欣女士**，30歲，擔任執行董事及首席營運官。陳女士主要負責監督本集團的整體業務管理及營運並負責本集團營銷。陳女士於2013年6月加入本集團，一直負責管理我們的部分業務及拓展本集團的客戶基礎且為開發本集團電子煙業務的關鍵人員。陳女士持有澳大利亞科廷科技大學商科學士學位。陳女士為本公司執行董事、主席及首席執行官陳先生的女兒及本公司高級管理層成員陳梓煒先生的姐姐。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. NG Chi Wai (吳志偉)**, aged 41, is an independent non-executive Director. He has over 15 years of experience in auditing, accounting and corporate management. He has worked at the audit department of two international accounting firms and he has held senior management positions in different listed companies. He is currently an executive director of a professional consultancy service company. Mr. Ng holds a bachelor of art degree in accounting and finance from Leeds Metropolitan University, the United Kingdom. He is a fellow member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants. Mr. Ng has joined our Group since May 2019.

**Mr. HUNG Chun Leung**, aged 53, is an independent non-executive Director. Mr. Hung joined Messrs. Terry Yeung & Lai, Solicitors as a consultant solicitor in July 1997 and has become a partner of Messrs. Terry Yeung & Lai, Solicitors since February 2016. Mr. Hung has approximately 20 years of experience in handling legal matters in the areas of conveyancing, mortgage finance transactions, commercial contracts, acquisition of shares, matrimonial cases, civil litigation and estate agents disciplinary inquiry hearings. Mr. Hung has joined our Group since February 2018. Mr. Hung obtained his bachelor of laws degree with honours and Postgraduate Certificate in Laws from The University of Hong Kong. Mr. Hung was admitted as a solicitor of the Supreme Court of Hong Kong in October 1993 and has been a member of the Law Society of Hong Kong since then.

**Mr. CHAN Bing Kai**, aged 73, is an independent non-executive Director. Mr. Chan has over 40 years of experience in the industry of manufacturing electronic products. Mr. Chan is the co-founder of a company that designs and manufactures a comprehensive line of audio and LED products, including CD, DVD, iPod docking or accessories and other high-fidelity multimedia for LED OEM customers. Mr. Chan has joined our Group since February 2018.

#### 獨立非執行董事

吳志偉先生，41歲，擔任獨立非執行董事。彼於審計、會計及企業管理方面擁有逾15年經驗。彼曾在兩間國際會計師事務所的審計部門工作，並曾在不同的上市公司擔任高級管理職位。彼目前為一家專業諮詢服務公司的執行董事。吳先生持有英國利茲城市大學會計及財務文學士學位。彼為特許公認會計師公會資深會員及香港會計師公會會員。吳先生自2019年5月起加入本集團。

洪俊良先生，53歲，擔任獨立非執行董事。洪先生於1997年7月加入楊寶林、黎雅明律師行，任顧問律師，並已自2016年2月起成為楊寶林、黎雅明律師行的合夥人之一。洪先生在處理產權轉讓、抵押融資交易、商業合約、股份收購、婚姻訴訟、民事訴訟及不動產代理紀律調查聆訊等法律事宜方面擁有約20年經驗。洪先生自2018年2月起加入本集團。洪先生獲得香港大學法學學士（榮譽）學位及法學碩士學位。洪先生於1993年10月獲准為香港高等法院律師且自此為香港律師會的成員。

陳秉階先生，73歲，擔任獨立非執行董事。陳先生於電子產品製造行業擁有逾40年經驗。陳先生為一家為LED貼牌生產客戶設計和製造全套音頻和LED產品，包括CD、DVD、iPod擴展場或配件等高保真多媒體的公司之共同創始人。陳先生自2018年2月起加入本集團。



## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### SENIOR MANAGEMENT

**Mr. WU Chen-Tong**, aged 63, joined the Group in December 2015, is the technical consultant to the Group's research and development department and he is primarily responsible for overseeing the development and manufacturing of new products and quality control. Prior to joining the Group, Mr. Wu worked as senior management in Taiwan and Hong Kong companies where he gained vast experiences in product design and development. Mr. Wu holds a Bachelor's degree in Electronic Engineering from National Taiwan Ocean University.

**Mr. YUEH Yung Chan**, aged 47, is the vice general manager of the Group's engineering department and he is primarily responsible for overseeing the operation of the Group's production plant. Prior to joining the Group in February 2015, Mr. Yueh has over 15 years of experience in project engineering. Mr. Yueh obtained his Bachelor of Engineering degree in manufacturing engineering, Postgraduate Diploma in Mechanical Engineering from The Hong Kong Polytechnic University and Master of Science degree in Mechanical Engineering from The Hong Kong Polytechnic University.

**Mr. CHAN Tsz Wai**, aged 25, joined the Group in October 2016, is the vice president of marketing. Mr. Chan is primarily responsible for the development and marketing of new products of the Group. Mr. Chan obtained his Bachelor of Arts degree in Business & Management from The University of Lincoln in the United Kingdom. Mr. Chan is the son of Mr. Chan Tsan Lam, an executive Director, Chairman and Chief Executive Officer of the Company and the younger brother of Ms. Chan Yin Yan, an executive Director of the Company.

#### 高級管理層

**吳震東先生**，63歲，於2015年12月加入本集團，為本集團研發部門的技術顧問，主要負責監督新產品的開發及製造以及質量控制。在加入本集團之前，吳先生曾在台灣及香港公司擔任高級管理人員，在產品設計及開發方面積累了豐富的經驗。吳先生持有國立台灣海洋大學電子工程學士學位。

**葉永燦先生**，47歲，為本集團工程部副總經理，彼主要負責監管本集團生產廠的營運。於2015年2月加入本集團前，葉先生於項目工程方面擁有逾15年的經驗。葉先生獲得香港理工大學製造工程專業的工程學士學位、機械工程學的研究生文憑以及香港理工大學機械工程學碩士學位。

**陳梓煒先生**，25歲，於2016年10月加入本集團，擔任市場推廣副總裁。陳先生主要負責本集團新產品的發展及市場推廣。陳先生獲得英國林肯大學商業管理文學士學位。陳先生為本公司執行董事、主席及首席執行官陳燦林先生的兒子以及本公司執行董事陳燕欣女士的弟弟。

#### CORPORATE GOVERNANCE MEASURES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) to ensure that the Company’s business activities and decision making processes are regulated in a proper and prudent manner.

During the Period, the Company has applied the principles and code provisions of the CG Code contained in Appendix 14 of the Listing Rules (as in effect from time to time) as the basis of the Company’s corporate governance practices. The Company has complied with all the applicable code provisions of the CG Code, save and except for the code provision A.2.1. Details of the deviation from the code provision A.2.1 are explained in the section “Chairman and Chief Executive Officer” of this corporate governance report.

#### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 its code of conduct regarding dealings in the securities of the Company by the Directors and the Company’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company’s securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Company during the Period.

#### 企業管治措施

本公司承諾奉行高標準的企業管治，以保障股東利益並提升企業價值及問責制度。董事會已採納聯交所證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）的原則及守則條文，以確保以適當及審慎的方式管制本公司的業務活動及決策流程。

於本期間，本公司已採納上市規則附錄14所載企業管治守則之原則及守則條文（不時生效）作為本公司企業管治常規基準。本公司已遵守企業管治守則全部適用守則條文，惟守則條文第A.2.1條除外。有關偏離守則條文第A.2.1條之詳情載於本企業管治報告「主席兼首席執行官」章節。

#### 董事進行證券交易之標準守則

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之標準守則（「標準守則」）作為董事及本公司高級管理層買賣本公司證券的操守守則，原因是有關董事及高級管理層因其職位或僱傭關係而可能持有關於本公司證券的內幕消息。

在作出特定查詢後，全體董事均已確認彼等於本期間已遵守標準守則。此外，本公司並不知悉本公司高級管理層於本期間存在違反標準守則的情況。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### THE BOARD

##### Board Composition

The Board currently comprises of 6 members, consisting of 3 executive Directors and 3 independent non-executive Directors.

##### Executive directors

Mr. Chan Tsan Lam (*Chairman*)  
Ms. Poon Po Han Lisa  
Ms. Chan Yin Yan

##### Independent non-executive directors

Mr. Ng Chi Wai  
Mr. Hung Chun Leung  
Mr. Chan Bing Kai

The list of directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The biographical details of the directors of the Company are set out under “Directors and Senior Management” section in this annual report. Save as Ms. Chan Yin Yan is the daughter of Mr. Chan Tsan Lam, none of the members of the Board is related to one another.

#### 董事會

##### 董事會組成

董事會目前由6名成員組成，其中包括3名執行董事及3名獨立非執行董事。

##### 執行董事

陳燦林先生 (*主席*)  
潘寶嫻女士  
陳燕欣女士

##### 獨立非執行董事

吳志偉先生  
洪俊良先生  
陳秉階先生

董事名單 (按類別排列) 亦不時根據上市規則披露於本公司發出的所有企業通訊中。根據上市規則，獨立非執行董事會於所有企業通訊中明確識別。

本公司董事履歷資料載列於本年度報告「董事及高級管理層」章節。除陳燕欣女士為陳燦林先生之女外，董事會成員間概無關係。

**THE BOARD** (Continued)**Chairman and Chief Executive Officer**

Mr. Chan Tsan Lam (“**Mr. Chan**”) is the chairman of the Board and chief executive officer of the Company. Although this deviates from the practice under code provision A.2.1 of the CG Code, where it provides that the two positions should be held by two different individuals, as Mr. Chan has considerable experience in the enterprise operation and management of the Company, the Board believes that it is in the best interests of the Company and its shareholders as a whole to continue to have Mr. Chan as chairman of the Board so that it can benefit from his experience and capability in leading the Board in the long-term development of the Company. From a corporate governance point of view, the decisions of the Board are made collectively by way of voting and therefore the chairman should not be able to monopolize the decision-making of the Board. The Board considers that the balance of power between the Board and management can still be maintained under the current structure. The Board shall review the structure from time to time to ensure appropriate action be taken should the need arise.

Save as disclosed above, during the year ended 31 December 2019, the Company has complied with the CG Code.

**Independent Non-Executive Directors**

Throughout the Period, the Board has at all times met the requirements of the Rules 3.10 and 3.10A of the Listing Rules of having three independent non-executive Directors (representing at least one third of the Board) with at least one of them possessing appropriate professional qualifications, or accounting or related financial management expertise.

The independent non-executive Directors bring a wide range of business and financial expertise, experience and independent judgement to the Board and they are invited to serve on the board committees of the Company. Through active participation at board meeting, taking the lead in managing issues involving potential conflict of interests, all independent non-executive Directors have made various contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the shareholders.

**董事會** (續)**主席兼首席執行官**

陳燦林先生(「**陳先生**」)為本公司董事會主席兼首席執行官。儘管此情況與企業管治守則A.2.1條守則條文所規定的該兩項職務不應由同一人士兼任相違背，但是，由於陳先生於本公司的企業經營及管理方面擁有豐富的經驗，故董事會認為繼續由陳先生擔任董事會主席符合本公司及全體股東的最佳利益，而彼於領導董事會方面的經驗及能力將能夠令本公司在長期的發展中受益。從企業管治的角度看，董事會的決策是通過共同表決的方式作出，故主席無法控制董事會的決策。董事會認為，現行安排仍能保持董事會與管理層之間權力的平衡。董事會應不時檢討該結構，以確保可在有需要時採取恰當的措施。

除上文所披露者外，截至2019年12月31日止年度，本公司已遵守企業管治守則。

**獨立非執行董事**

於本期間，董事會一直符合上市規則第3.10及3.10A條有關委任三名獨立非執行董事(佔董事會人數至少三分之一)及其中至少一名擁有適當專業資格或會計或相關財務管理專長之規定。

獨立非執行董事為董事會帶來廣泛業務及財務專業才能、經驗及獨立判斷，彼等獲邀為本公司之董事會委員會提供服務。透過積極參與董事會會議，於管理涉及潛在利益衝突之事宜方面帶頭，所有獨立非執行董事為有效指導本公司作出不同貢獻並給予充分之制衡作用，以保障本集團及股東之利益。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### THE BOARD (Continued)

##### Independent non-executive Directors (Continued)

The Company has received written confirmation from each independent non-executive Director of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent in light of the independence guidelines set out in Rule 3.13 of the Listing Rules.

##### Appointment and re-election of directors and non-executive Directors

All Directors of the Company are appointed for a specific term, subject to renewal upon expiry of the existing term. Each executive Director is engaged on a service agreement for a term of three years. The appointment may be terminated by either party by not less than three months' written notice. Each of the independent non-executive Directors of the Company is appointed for a term of three years, which appointment may be terminated by either party by not less than one month's written notice.

The procedure and process of appointment, re-election and removal of Directors are laid down in the Company's Articles of Association (the "Articles"). The Nomination Committee is responsible for reviewing board composition, monitoring the appointment of directors and assessing the independent non-executive Directors.

According to the Articles, one-third of the Directors for the time being (if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting provided that every director shall be subject to retirement at an annual general meeting at least once every three years. In addition, any new Director appointed by the Board to fill a casual vacancy in the Board shall hold office only until the first general meeting after appointment, and any new director appointed by the Board as an addition to the Board shall hold office until the next following annual general meeting of the Company. The retiring Directors are eligible for re-election by the shareholders at the respective general meetings.

#### 董事會 (續)

##### 獨立非執行董事 (續)

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性作出之書面確認。本公司認為根據上市規則第3.13條所載之獨立性指引，全體獨立非執行董事均為獨立人士。

##### 董事及非執行董事的委任和重選

本公司所有董事均有固定任期，須於現有任期屆滿後重續。各執行董事訂有為期三年之服務協議。任何一方均可發出不少於三個月之書面通知終止委任。本公司各獨立非執行董事的任期為三年，任何一方均可發出不少於一個月之書面通知終止委任。

董事之委任、重選及罷免程序及步驟載列於本公司之組織章程細則（「細則」）內。提名委員會負責檢討董事會的組成、監督董事之委任以及對獨立非執行董事進行評估。

根據細則，在每屆股東週年大會上，當時三分之一董事（或若其人數並非三之倍數，則須為最接近但不少於三分之一人數）將輪流告退，惟各董事須至少每三年於股東週年大會上告退一次。此外，任何獲董事會委任填補董事會臨時空缺之新董事任期僅至其獲委任後首次股東大會為止，及任何獲董事會委任為董事會新增成員之新董事任期至本公司下屆股東週年大會為止。退任董事符合資格於各股東大會上由股東重選連任。

## THE BOARD (Continued)

### Appointment and re-election of Directors and non-executive Directors (Continued)

At the forthcoming annual general meeting of the Company (the "AGM"), Mr. Chan Tsan Lam and Mr. Hung Chun Leung will retire at the AGM pursuant to the Articles provisions stated in the foregoing paragraph. All the above retiring Directors, being eligible, will offer themselves for re-election at the AGM. The Board and the Nomination Committee recommended their re-appointment. The Company's circular, sent together with this annual report, contains detailed information of the above retiring Directors as required by the Listing Rules.

### Duties performed by the Board and management

The Board is responsible for the overall development of the Group, approving and monitoring the overall development strategy of the Group, assessing, monitoring and controlling the operation and financial performance, ensuring that the Directors perform their proper duties and act in the best interests of the Group and hold discussions on various important and proper businesses of the Company in a timely manner. All Directors are entitled to raise and include any matters that should be submitted to the Board for discussion in the agenda of the board meeting. The management shall provide members of the Board and specialized committees under the Board with appropriate and sufficient information in a timely manner so as to update them with the latest developments of the Group and to better facilitate the discharge of their duties. The management team is accountable to the Board, executing the strategies and plans formulated by the Board, and making decisions in relation to the day-to-day operation of the Group. The management reports monthly to the Board on the operation and financial performance of the Group.

## 董事會 (續)

### 董事及非執行董事的委任和重選 (續)

於本公司應屆股東週年大會(「股東週年大會」)上，陳燦林先生及洪俊良先生將根據上段所述之細則條文於股東週年大會上退任。所有上述退任董事符合資格並願意於股東週年大會上膺選連任。董事會及提名委員會推薦重新委任。連同本年報寄發之本公司通函載有上市規則規定之上述退任董事之詳細資料。

### 由董事會和管理層行使的職權

董事會負責本集團整體發展，批准及監察本集團的整體發展戰略，評估、監察及控制營運及財務表現，確保董事履行應有職責，以符合本集團最佳利益的方式行事，並就各項重要及適當的公司業務進行適時的討論。所有董事均有權提出任何必須提交董事會商討的事項以列入董事會議程。管理層向董事會及其專門委員會成員適時提供恰當及充足資料，讓其知悉本集團的最新發展以協助其履行職務。管理層團隊對董事會負責，執行由董事會制定的戰略及計劃，並作出本集團日常的營運決策。管理層負責每月向董事會報告本集團的營運及財務表現。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### THE BOARD (Continued)

##### Duties performed by the Board and management

(Continued)

The Board is also responsible for determining the Company's corporate governance policies which include:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct applicable to the directors and employees; and
- (e) to review the compliance with the CG Code and disclosures in the corporate governance report.

##### Training, induction and continuing development of Directors

Prior to the Listing, all Directors have been given relevant guideline materials and attended a training regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest in the Group. Such induction materials and briefings will also be provided to newly appointed Directors shortly upon their appointment as Directors. Continuing briefings and professional development to Directors will be arranged whenever necessary. The Company will continue to arrange and fund the training in accordance with code provision A.6.5 of the CG Code.

#### 董事會 (續)

##### 由董事會和管理層行使的職權 (續)

董事會亦負責釐定本公司的企業管治政策，包括：

- (a) 制定及檢討本公司的企業管治政策及常規；
- (b) 檢討及監控董事及高級管理層的培訓及持續專業發展；
- (c) 檢討及監控符合法律及監管規定之本公司政策及常規；
- (d) 制定、檢討及監控適用於董事及僱員之操守守則；及
- (e) 檢討遵守企業管治守則之情況及企業管治報告之披露。

##### 董事的培訓、就任及持續發展

上市前，全體董事均已獲提供相關指引資料，並參加培訓，內容涵蓋作為董事之職責及責任、適用於董事之相關法例及規例及本集團權益披露責任。新任董事獲委任為董事後，亦會於短期內獲發該等就職資料及簡報。如有需要，本公司將為董事安排持續簡報及專業發展。本公司將根據企業管治守則之守則條文第A.6.5條持續提供培訓及為培訓提供資金。

**THE BOARD** (Continued)**Board Meeting**

During the Period, four board meetings were held and the attendance records of individual Directors are set out below:

**董事會** (續)**董事會會議**

於本期間，已舉行四次董事會會議，各董事出席記錄載列如下：

		<b>Attendance/Number of Board Meetings</b> 出席／董事會 會議次數	<b>Annual General Meeting held on 28 May 2019</b> 於2019年5月28日 舉行的股東週年大會
<b>Executive Directors</b>			
<b>執行董事</b>			
Mr. Chan Tsan Lam ( <i>Chairman</i> )	陳燦林先生(主席)	4/4	1/1
Ms. Poon Po Han Lisa (Appointed on 28 May 2019)	潘寶嫻女士(於2019年 5月28日獲委任)	2/2	1/1
Ms. Chan Yin Yan	陳燕欣女士	3/4	0/1
Mr. Cheng Chak (Retired on 28 May 2019)	鄭澤先生(於2019年 5月28日退任)	2/2	1/1
<b>Independent Non-Executive Directors</b>			
<b>獨立非執行董事</b>			
Mr. Ng Chi Wai (Appointed on 28 May 2019)	吳志偉先生(於2019年 5月28日獲委任)	2/2	1/1
Mr. Hung Chun Leung	洪俊良先生	4/4	1/1
Mr. Chan Bing Kai	陳秉階先生	4/4	1/1
Mr. Lo Ka Ki (Retired on 28 May 2019)	盧家麒先生(於2019年 5月28日退任)	2/2	1/1

**Board committees****Nomination committee**

The Company established a nomination committee (the "Nomination Committee") on 8 February 2018 with written terms of reference in compliance with code provision A5 of the CG Code.

The duties of the Nomination Committee include, without limitation, (a) to review the structure, size, composition and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (b) to determine the policy for the nomination of directors, identify individuals suitably qualified to become members of the Board and may select individuals nominated for directorship; (c) to assess the independence of the independent non-executive directors; and (d) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive, taking into the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future.

**董事會委員會  
提名委員會**

本公司於2018年2月8日成立提名委員會(「提名委員會」)，並根據企業管治守則之守則條文第A5條制訂書面職權範圍。

提名委員會的職責包括(但不限於)(a)至少每年檢討董事會的架構、人數、組成及成員多元化(包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期)，並就任何為配合本公司的企業策略而擬對董事會作出的變動提出建議；(b)訂定提名董事的政策，物色具備合適資格可擔任董事會成員的人士，挑選被提名人士出任董事；(c)評核獨立非執行董事的獨立性；及(d)因應本公司的企業策略及日後需要的技能、知識、經驗及多元化組合，就董事委任或重新委任以及董事(尤其是主席及首席執行官)繼任計劃向董事會提出建議。



## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### THE BOARD (Continued)

##### Board committees (Continued)

##### Nomination committee (Continued)

The Nomination Committee consists of Mr. Chan Tsan Lam, Mr. Hung Chun Leung and Mr. Ng Chi Wai. Mr. Chan Tsan Lam is the chairman of the Nomination Committee.

During the Period, the Nomination Committee met once to review the structure, size and composition of the Board, assess the independence of the independent non-executive Directors and other related matters of the Company.

##### Board Diversity Policy

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company.

##### Implementation

The Nomination Committee will review annually the structure, size and composition of the Board and, where appropriate, make recommendations on changes to the Board to complement the Company’s corporate strategy.

In reviewing and assessing the Board composition and the nomination of directors (as applicable), board diversity has to be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and length of services.

The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

#### 董事會 (續)

##### 董事會委員會 (續)

##### 提名委員會 (續)

提名委員會由陳燦林先生、洪俊良先生及吳志偉先生組成。陳燦林先生為提名委員會的主席。

於本期間，提名委員會已舉行一次會議以檢討董事會的架構、人數及組成、評核獨立非執行董事的獨立性及本公司的其他相關事宜。

##### 董事會成員多元化政策

董事會已採納一套董事會成員多元化政策 (「**董事會成員多元化政策**」)，訂明達致本公司可持續均衡發展及提高本公司表現質素的方針。

##### 實施

提名委員會將每年檢討董事會的架構、規模及組成，並在適當時向董事會作出有關任何變更的推薦意見，以配合本公司的企業策略。

在審閱及評估董事會構成及董事提名 (如適用) 時，須從多方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識、行業、地區經驗及服務年限。

本公司亦將考慮有關其本身商業模式及不時的特殊需求等因素。最終決定乃基於經挑選候選人將帶給董事會的裨益及貢獻。

**THE BOARD** (Continued)**Board committees** (Continued)**Nomination committee** (Continued)**Nomination Policy**

A “Nomination Policy” for Directors was formally adopted and this incorporated the nomination criteria and principles for Directors that are set out in the Nomination Committee’s terms of reference. The Nomination Policy applies to the directors of the Company and where applicable, senior management prepared for Board positions under the succession planning of the Company.

The Nomination Policy aims to (i) set out the criteria and process in the nomination and appointment of directors of the Company; (ii) ensure that the Board of the Company has a balance of skills, experience and diversity of perspectives appropriate to the Company; and (iii) ensure the Board continuity and appropriate leadership at Board level.

In evaluating and selecting any candidate for directorship, the following criteria should be considered:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company’s business and corporate strategy;
- Any measurable objectives adopted for achieving diversity on the Board;
- Requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;

**董事會** (續)**董事會委員會** (續)**提名委員會** (續)**提名政策**

有關董事「提名政策」經正式採納，包括提名委員會職權範圍所載的董事提名準則及原則。提名政策適用於本公司董事，並在適當情況下適用於根據本公司的繼任計劃準備出任董事會職位的高級管理人員。

提名政策旨在(i)載列本公司提名及委任董事的準則及程序；(ii)確保本公司的董事會成員具備切合本公司業務所需的技能、經驗及多元觀點；及(iii)確保董事會的持續性及維持其領導角色。

在評估及挑選候選人擔任董事時，應當考慮下列準則：

- 品格與誠信；
- 資格，包括專業資格、技能、知識及與本公司業務及企業策略相關的經驗，以及董事會成員多元化政策所提述的多元化因素；
- 為達致董事會成員多元化而採納的任何可計量目標；
- 上市規則有關董事會需包括獨立董事的規定，以及參照上市規則所載的獨立指引候選人是否被視為獨立；
- 候選人在資歷、技能、經驗、獨立性及性別多元化方面可為董事會帶來的任何潛在貢獻；

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### THE BOARD (Continued)

##### Board committees (Continued)

##### Nomination committee (Continued)

##### Nomination Policy (Continued)

- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

##### Nomination process

###### Appointment of new directors

- (i) The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.
- (ii) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (iii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iv) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (v) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

#### 董事會 (續)

##### 董事會委員會 (續)

##### 提名委員會 (續)

##### 提名政策 (續)

- 是否願意及是否能夠投放足夠時間履行其身為本公司董事會成員及／或擔任董事會委員會的委員的職責；及
- 其他適用於本公司業務及其繼任計劃，及董事會及／或提名委員會可在有需要時不時就提名董事及繼任計劃採納及／或修訂的有關因素。

##### 提名程序

###### 委任新董事

- (i) 提名委員會及／或董事會可從各種渠道挑選候選人擔任董事，包括但不限於內部提升、調任、其他管理層成員及外部招聘代理推薦。
- (ii) 提名委員會及／或董事會應在收到委任新董事的建議及候選人的履歷資料(或相關詳情)後，依據上述準則評估該候選人，以釐定該候選人是否合資格擔任董事。
- (iii) 如過程涉及一個或多個合意的候選人，提名委員會及／或董事會應根據本公司的需要及每位候選人的證明審查(如適用)排列其優先次序。
- (iv) 提名委員會隨後應就委任合適候選人擔任董事向董事會提出推薦意見(如適用)。
- (v) 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會及／或董事會應依據上述準則評估該候選人，以釐定該候選人是否合資格擔任董事。

**THE BOARD** (Continued)

**Board committees** (Continued)

**Nomination committee** (Continued)

**Nomination process** (Continued)

*Appointment of new directors* (Continued)

Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

*Re-election of directors at general meeting*

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

**董事會** (續)

**董事會委員會** (續)

**提名委員會** (續)

**提名程序** (續)

*委任新董事* (續)

倘適合，提名委員會及／或董事會應就於股東大會上選舉董事的提案向股東提出推薦意見。

*於股東大會上重選董事*

- (i) 提名委員會及／或董事會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- (ii) 提名委員會及／或董事會亦應檢討及確定退任董事是否仍然符合上述準則。
- (iii) 提名委員會及／或董事會應就於股東大會上重選董事的提案向股東提出推薦意見。

若董事會擬於股東大會上提呈決議案選舉或重選某候選人為董事，隨附有關股東大會通告的致股東通函及／或說明函件中，將會按上市規則及／或相關適用法律及法規披露候選人的有關資料。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### THE BOARD (Continued)

#### Board committees (Continued)

##### Nomination committee (Continued)

Details of attendance of members at meeting of the Nomination Committee held during the Period are set out as follows:

		<b>Attendance/ Number of Meetings 出席／會議次數</b>
Mr. Chan Tsan Lam ( <i>Chairman</i> )	陳燦林先生 (主席)	1/1
Mr. Hung Chun Leung	洪俊良先生	1/1
Mr. Lo Ka Ki (Retired on 28 May 2019)	盧家麒先生 (於2019年 5月28日退任)	1/1
Mr. Ng Chi Wai (Appointed on 28 May 2019)	吳志偉先生 (於2019年 5月28日獲委任)	0/0

##### Audit committee

The Company established an audit committee (the “**Audit Committee**”) on 8 February 2018 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provision C3 of the CG Code.

The duties of the audit committee include, without limitation, (a) to be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; and (c) to discuss the risk management and internal control system with management to ensure that management has performed its duty to have effective systems.

The audit committee consists of Mr. Ng Chi Wai, Mr. Hung Chun Leung and Mr. Chan Bing Kai. Mr. Ng Chi Wai is the chairman of the audit committee.

During the Period, the audit committee met twice to review the annual financial statements of the Company and the effectiveness of the Company’s financial controls, internal control and risk management systems.

### 董事會 (續)

#### 董事會委員會 (續)

##### 提名委員會 (續)

提名委員會成員於本期間出席提名委員會會議的詳情如下：

##### 審核委員會

本公司於2018年2月8日成立審核委員會(「**審核委員會**」)，並根據上市規則第3.21條及企業管治守則之守則條文第C3條制訂書面職權範圍。

審核委員會的職責包括(但不限於)(a)主要負責就委任、重新委任及解聘外聘核數師向董事會提出建議及批准外聘核數師的酬金及委聘條款，以及處理任何有關辭任或解聘的問題；(b)檢討及監察外聘核數師的獨立性及客觀性以及根據適用的標準實施的核數程序的有效性；及(c)與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的系統。

審核委員會由吳志偉先生、洪俊良先生及陳秉階先生組成。吳志偉先生為審核委員會主席。

於本期間，審核委員會已舉行兩次會議以審閱本公司的年度財務報表及本公司財務控制、內部監控及風險管理系統的成效。

**THE BOARD** (Continued)**Board committees** (Continued)**Audit committee** (Continued)

Details of attendance of members at meetings of the audit committee held during the Period are set out as follows:

		<b>Attendance/ Number of Meetings</b>
		出席／會議次數
Mr. Lo Ka Ki ( <i>Chairman</i> ) (Retired on 28 May 2019)	盧家麒先生(主席) (於2019年5月28日退任)	1/1
Mr. Ng Chi Wai ( <i>Chairman</i> ) (Appointed on 28 May 2019)	吳志偉先生(主席) (於2019年5月28日獲委任)	1/1
Mr. Hung Chun Leung	洪俊良先生	2/2
Mr. Chan Bing Kai	陳秉階先生	2/2

**Remuneration committee**

The Company established a remuneration committee (the “**Remuneration Committee**”) on 8 February 2018 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph B1 of the CG Code as set out in Appendix 14 to the Listing Rules.

The duties of the remuneration committee, under the principle that no Director should be involved in deciding his own remuneration, include, without limitation, (a) to make recommendations to the Board on the Company’s policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (b) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management; and (c) to review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives.

The remuneration committee consists of Mr. Chan Bing Kai, Mr. Ng Chi Wai and Mr. Chan Tsan Lam. Mr. Chan Bing Kai is the chairman of the remuneration committee.

**董事會** (續)**董事會委員會** (續)**審核委員會** (續)

審核委員會成員於本期間出席審核委員會會議的詳情如下：

**薪酬委員會**

本公司於2018年2月8日成立薪酬委員會(「**薪酬委員會**」)，並根據上市規則第3.25條及上市規則附錄14所載企業管治守則第B1段制訂書面職權範圍。

按照董事不應參與釐定本身薪酬之原則，薪酬委員會的職責包括但不限於(a)就全體董事及高級管理層的整體薪酬政策及架構及制定薪酬政策建立正式且具透明度的程序向董事會提供建議；(b)就個別執行董事及高級管理層的薪酬待遇向董事會提供建議；及(c)參考董事會之企業目標及宗旨，審閱及批准管理層之薪酬建議。

薪酬委員會由陳秉階先生、吳志偉先生及陳燦林先生組成。陳秉階先生為薪酬委員會的主席。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### THE BOARD (Continued)

##### Board committees (Continued)

##### Remuneration committee (Continued)

During the Period, the remuneration committee met twice to review the remuneration policy for all directors and senior management. Details of attendance of members at meeting of the remuneration committee held during the Period are set out as follows:

		<b>Attendance/ Number of Meetings</b>
		出席／會議次數
Mr. Chan Bing Kai ( <i>Chairman</i> )	陳秉階先生 (主席)	2/2
Mr. Lo Ka Ki (Retired on 28 May 2019)	盧家麒先生 (於2019年5月28日退任)	2/2
Mr. Chan Tsan Lam	陳燦林先生	2/2
Mr. Ng Chi Wai (Appointed on 28 May 2019)	吳志偉先生 (於2019年5月28日獲委任)	0/0

#### COMPANY SECRETARY

The company secretary of the Company is Ms. Poon Po Han Lisa, who fulfils the qualification requirements laid down in the Listing Rules. Biographical details of Ms. Poon are set out under "Directors and Senior Management" section in this annual report.

#### EXTERNAL AUDITORS AND REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities for the Company's financial statements for the year ended 31 December 2019 is set out in the Independent Auditor's Report on pages 45 to 53 of this annual report.

#### 董事會 (續)

##### 董事會委員會 (續)

##### 薪酬委員會 (續)

於本期間，薪酬委員會已舉行兩次會議以審閱全體董事及高級管理層之薪酬政策。薪酬委員會成員於本期間出席薪酬委員會會議的詳情如下：

#### 公司秘書

本公司之公司秘書為潘寶嫻女士，彼符合上市規則所載之資歷規定。潘女士之履歷詳情載於本年報「董事及高級管理層」一節。

#### 外聘核數師及酬金

本公司的外聘核數師就彼等對本公司截至2019年12月31日止年度的財務報表的呈報責任的聲明載於本年度報告第45頁至53頁的獨立核數師報告內。

**EXTERNAL AUDITORS AND REMUNERATION**

(Continued)

The fees paid/payable to Mazars CPA Limited, the Company's auditors, in respect of audit services and non-audit services for the year ended 31 December 2019 are analysed below:

**外聘核數師及酬金 (續)**

截至2019年12月31日止年度，已付／應付本公司核數師中審眾環(香港)會計師事務所有限公司的核數及非核數服務費用分析如下：

**Types of services provided by the external auditors**

Types of services provided by the external auditors	外聘核數師提供的服務種類	Fees paid/payable 已付／應付費用 HK\$'000 千港元
Audit services fee for the year ended 31 December 2019	截至2019年12月31日止年度的核數服務費用	1,200
Audit-related services - Interim financial information and a major transaction	核數相關服務－中期財務資料及主要交易	425
<b>Total</b>	<b>總計</b>	<b>1,625</b>

\* The auditor's remuneration disclosed in note 6 to the consolidated financial statements included HK\$133,000, which was paid/payable to the statutory auditors of the PRC subsidiaries of the Company (not Mazars CPA Limited).

\* 已付／應付本公司中國附屬公司法定核數師(非中審眾環(香港)會計師事務所有限公司)之核數師酬金133,000港元於綜合財務報表附註6內披露。

**DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENT**

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements for each financial year, which give a true and fair view of the financial position of the Group and of the results and cash flows of the Group for that year and in compliance with relevant law and disclosure provisions of the Listing Rules. In preparing the financial statements for the year ended 31 December 2019, the Directors have selected appropriate accounting policies and applied them consistently, made judgements and estimates that are reasonable, and have prepared disclosure of the financial position of the Group with reasonable accuracy at any time.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

**董事就財務報表須承擔的責任**

董事知悉彼等編製每個財政年度真實而公平地反映本集團財務狀況及本集團於該年度的業績及現金流量的綜合財務報表，以及遵守相關法例及上市規則披露規定的責任。於編製截至2019年12月31日止年度的財務報表時，董事已選取適當的會計政策並加以貫徹應用、作出合理的判斷及估計以及隨時編製具有合理準確度的本集團財務狀況的披露資料。

董事並不知悉有關任何可能導致本公司的持續經營能力存在重大疑問的事件或狀況的任何重大不明朗因素。



## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### INTERNAL CONTROL

The Board is responsible for maintaining sound and effective internal control and risk management systems in order to safeguard the Group's assets and shareholders' interests, and review and monitor the effectiveness of the Group's internal control and risk management systems on a regular basis so as to ensure that the internal control and risk management systems in place are adequate. The purpose is to provide reasonable, but not absolute, assurance against material misstatements, errors, losses or fraud, and to manage rather than eliminate risks of failure in achieving the Group's business objectives.

The Group does not have an internal audit function due to the size of the Group and for cost effectiveness consideration. During the year ended 31 December 2019, the Board, through its Audit Committee carries out reviews on the effectiveness of the internal control and risk management systems. The Audit Committee had reported during the Audit Committee meetings the key findings identified by the Company's external auditor in respect of the Group's internal controls and risk management and discussed findings and actions or measures taken in addressing those findings. The Company considers the internal control and risk management system is effective during the year under review. No material issues on the Group's internal control and risk management system have been identified during the year ended 31 December 2019 which required significant rectification works.

#### SHAREHOLDER RIGHTS

##### Procedures for shareholders to convene an extraordinary general meeting

Pursuant to Article 58 of the Articles, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (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, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

#### 內部監控

董事會負責維持健全及有效的內部監控及風險管理系統，以保障本集團的資產及股東權益，並定期檢討及監察本集團內部監控及風險管理系統的成效，以確保採用充分的內部監控及風險管理系統。目的在於合理（而非絕對地）保證並無重大失實陳述、錯誤、損失或欺詐，以及管理而非抵銷未能達致本集團業務目標之風險。

由於本集團規模及為成本效益考慮，本集團並無內部審核職能。截至2019年12月31日止年度，董事會透過其審核委員會檢討內部監控及風險管理系統的成效。審核委員會已於審核委員會會議上報告本公司外聘核數師所識別有關本集團內部監控及風險管理的主要調查結果，並討論該等調查結果及為正視該等調查結果而採取的行動或措施。本公司認為，內部監控及風險管理系統於回顧年內屬有效。截至2019年12月31日止年度，並未發現本集團內部監控及風險管理系統存在需要重大修正的嚴重問題。

#### 股東權利

##### 由股東召開股東特別大會的程序

根據細則第58條，董事會可於其認為合適時間召開股東特別大會。於遞呈要求日期持有不少於本公司繳足股本（附有於本公司股東大會表決的權利）十分之一的任何一位或多位股東，於任何時候均有權透過向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何業務；且該大會應於遞呈該要求後兩(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可以同樣方式召開大會，而遞呈要求人士因董事會未有召開大會而招致的所有合理開支須由本公司向遞呈要求人士償付。

### SHAREHOLDER RIGHTS (Continued)

#### Procedures for shareholders to put forward proposals at shareholders' meeting

If a shareholder wishes to put forward proposals at a shareholders' meeting, the shareholder, who has satisfied the shareholding requirements set out in the above paragraph headed "Procedures for shareholders to convene an extraordinary general meeting", may follow the same procedures by sending a written requisition to the Board or the company secretary at the principal place of business of the Company in Hong Kong. The shareholder should state his/her proposals in the written requisition and submit the written requisition as early as practicable to enable the company secretary to make necessary arrangement.

#### Procedures for directing shareholder's enquiries to the Board

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board. Contact details are as follows:

Address: Workshop Unit 6, 13th Floor, Block B, Hoi Luen Industrial Centre, 55 Hoi Yuen Road, Kwun Tong, Hong Kong

Email: [info@hktcgroup.com](mailto:info@hktcgroup.com)

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto.

### 股東權利 (續)

#### 股東於股東大會上提出議案的程序

倘股東擬於股東大會上提出議案，在滿足上段「由股東召開股東特別大會的程序」所載持股條件的情況下，該股東可以依照相同程序向董事會或公司秘書於本公司香港主要營業地點的地址發出書面要求。該股東須在書面要求中列明其議案及盡早呈交該書面要求以便公司秘書作出必要安排。

#### 向董事會提交股東查詢的程序

股東可向本公司發送書面請求，以向董事會提出任何查詢或建議。聯絡資料如下：

地址：香港觀塘開源道55號開聯工業中心B座13樓6室

電子郵件：[info@hktcgroup.com](mailto:info@hktcgroup.com)

為免生疑，股東須於上述地址存置及發出正式簽署之書面要求、通知或聲明或查詢（視情況而定）之正本，並提供其全名、聯絡詳情及身份，以便本公司回覆。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Groups' business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The general meetings of the Company provide a platform for communication between the Board and the shareholders. The Chairman of the Board as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee or in their absence, other members of the respective committees, and, where applicable, the chairman of the independent board committee are available to answer questions at the shareholders' meeting.

To promote effective communication, the Company maintains a website at [www.hktcgroup.com](http://www.hktcgroup.com) where up-to-date information and updates on the Company's business operations and development, financial information and other information are available to public access.

#### CONSTITUTIONAL DOCUMENTS

During the Period, the Company did not make any changes to its Articles. An up-to-date version of the Articles is available on the websites of the Stock Exchange and the Company respectively.

#### 投資者關係

本公司認為與股東有效的溝通對增進投資者關係，及投資者對本集團之業務表現及策略的瞭解至關重要。本公司亦明白保持公司資料透明度及適時披露公司資料之重要性，以讓股東和投資者作出最佳投資決定。

本公司的股東大會提供一個讓董事會和股東進行溝通的平台。董事會主席及提名委員會、薪酬委員會及審核委員會之主席（或缺席時則為各委員會的其他成員）以及（如適用）獨立董事會委員會主席會於股東大會上回應問題。

為促進有效溝通，本公司設有網站 [www.hktcgroup.com](http://www.hktcgroup.com)，提供本公司的最新資料以及有關本公司業務營運及發展資料的更新資料、財務資料和其他資料供公眾人士查閱。

#### 章程文件

於本期間，本公司並無對其細則作出任何更改。細則的最新版本可分別於聯交所及本公司網站查閱。

## DIRECTORS' REPORT

### 董事會報告

The Directors are pleased to present the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Company is investment holding. Principal activities of the subsidiaries are set out in Note 12 to the consolidated financial statements.

A review of the business of the Group during the year, a discussion on the Group's future business development and an analysis of the Group's performance during the year using key financial performance indicators are provided in the "Chairman's Statement" on pages 4 to 6 and the "Management Discussion and Analysis" on pages 7 to 13 of this annual report.

#### COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year ended 31 December 2019, the Group was not aware of material non-compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

#### RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

We recognise that employees, customers and suppliers are keys to our sustainable development. We are committed to establishing a close and caring relationship with our employees, providing high quality products and services to our customers and maintaining cooperation with our suppliers.

We provide a fair and safe workplace, promote diversity, and provide competitive remuneration packages and career development opportunities for our employees based on their performance and experience. The Group also provides regular training and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions.

董事會欣然提呈本集團截至2019年12月31日止年度的年度報告及經審核綜合財務報表。

#### 主營業務及業務回顧

本公司的主營業務為投資控股。附屬公司的主營業務載於綜合財務報表附註12。

本集團通過使用本年度報告第4頁至6頁「主席致辭」及第7頁至13頁「管理層討論及分析」所提供之主要財務表現指標於年內審閱本集團業務、就本集團未來業務發展進行討論及分析本集團於年內的表現。

#### 遵守相關法律法規

截至2019年12月31日止年度，本集團並未獲悉任何對本集團之業務及經營有重大影響之重大不遵守相關法律法規之事宜。

#### 與客戶、供應商及僱員之關係

我們認為僱員、客戶及供應商對我們的持續發展至關重要。我們致力於與僱員建立親密友好關係，為客戶提供優質產品及服務並與供應商保持合作。

我們提供公平安全的工作場所，推動多樣性並根據僱員之表現及經驗為彼等提供具有競爭力之薪酬待遇及事業發展機遇。本集團亦為僱員提供定期培訓及發展資源以令彼等能夠了解市場及行業的最新發展並同時提高彼等在履行職責過程中的表現及自我實現。

## DIRECTORS' REPORT

### 董事會報告

#### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Group include market and financial risks.

##### Market Risks

The fluctuation of prices of raw materials exposes us to risks. While we monitor the price of raw materials and adjust our price quotations accordingly, we may not be able to directly pass on any increase in the price of raw materials to our customers in time or at all, which may have a material adverse effect on our business, financial condition and results of operations.

##### Financial Risks

The financial risk management objectives and policies of the Group are shown in Note 29 to the consolidated financial statements.

#### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises the importance of environmental protection and has adopted stringent measures for environmental protection in order to ensure our compliance with the prevailing environmental protection laws and regulations.

During the year, the Group did not have any violation of relevant environmental regulations and rules which gives rise to significant impact to the Group's development, performance and businesses.

The environmental, social and governance report will be published in a separate report to be uploaded on the websites of the Company and the Stock Exchange respectively.

#### CONSOLIDATED FINANCIAL STATEMENTS

The results of the Group for the year ended 31 December 2019 and the financial position of the Group as at that date are set out in the consolidated financial statements on pages 54 to 167 of this annual report.

#### FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK1.5 cents per share for the year ended 31 December 2019 to the shareholders whose names appear on the register of members of the Company at the close of business on 26 June 2020. The proposed final dividend is subject to the approval of the shareholders at the forthcoming annual general meeting. The final dividend, if approved, is expected to be paid on 10 July 2020.

#### 主要風險及不明朗因素

本集團面臨的主要風險及不明朗因素包括市場及財務風險。

##### 市場風險

我們面臨原材料價格波動的風險。儘管我們監管原材料價格並藉此調整我們的報價，但我們可能無法直接將原材料價格的任何增長及時轉嫁予我們的客戶或根本無法轉嫁，這可能會對我們的業務、財務狀況及經營業績造成重大不利影響。

##### 財務風險

本集團的財務風險管理目標及政策載於綜合財務報表附註29。

#### 環境政策及表現

本集團知悉保護環境的重要性，並已採納嚴格的環保措施以確保我們遵守現行的環保法律及法規。

年內，本集團並無違反對本集團發展、表現及業務產生重大影響的相關環保法例及規則。

環境、社會及企業管治報告將於獨立報告刊載，並分別於本公司及聯交所的網站登載。

#### 綜合財務報表

本集團截至2019年12月31日止年度的業績以及本集團於該日的財務狀況載於本年報第54頁至167頁的綜合財務報表內。

#### 末期股息

董事會建議向於2020年6月26日營業時間結束時名列本公司股東名冊的股東派付截至2019年12月31日止年度的末期股息每股1.5港仙。建議末期股息須待股東於應屆股東週年大會上批准後方可作實。如獲批准，預期待末期股息將於2020年7月10日派付。

**CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the AGM to be held on 28 May 2020, the register of members of the Company will be closed from 25 May 2020 to 28 May 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of the Company should ensure that all share transfer documents, accompanied by the relevant share certificates, are 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 for registration not later than 4:30 p.m. on 22 May 2020.

The register of members of the Company will be closed from 24 June 2020 to 26 June 2020 (both days inclusive) for the purpose of determining the identity of members who are entitled to the final dividend for the year ended 31 December 2019, during which period no transfer of shares of the Company will be registered. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 23 June 2020.

**FIVE YEARS FINANCIAL SUMMARY**

A summary of the Group's results, assets and liabilities for the past five financial years are set out on page 168 of this annual report. The summary does not form part of the audited financial statements.

**PROPERTY, PLANT AND EQUIPMENT**

Details of the movement in the Group's property, plant and equipment during the year are set out in Note 13 to the consolidated financial statements.

**BANK BORROWINGS**

Particulars of the bank borrowings of the Group as at 31 December 2019 are set out in Note 20 to the consolidated financial statements.

**暫停辦理股份過戶登記手續**

為釐定出席將於2020年5月28日舉行的股東週年大會及於會上投票的權利，本公司將於2020年5月25日至2020年5月28日（包含首尾兩天）暫停辦理股份過戶登記手續，期間概不會受理任何股份過戶登記。為符合資格出席股東週年大會及於會上投票，本公司的未登記持有人須確保所有股份過戶文件連同相關股票不遲於2020年5月22日下午四點三十分送達本公司香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心54樓）辦理登記手續。

為確定有權獲派截至2019年12月31日止年度末期股息的股東身份，本公司將於2020年6月24日至2020年6月26日（包含首尾兩天）暫停辦理股份過戶登記手續，期間本公司概不會受理任何股份過戶登記。為符合資格獲派末期股息，所有過戶文件連同相關股票須不遲於2020年6月23日下午四點三十分送達本公司於香港的香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心54樓）辦理登記手續。

**五年財務概述**

本集團過往五個財政年度的業績、資產及負債的概述載於本年報第168頁。該概述並不構成經審核財務報表的一部分。

**物業、廠房及設備**

本集團的物業、廠房及設備於年內變動的詳情載於綜合財務報表附註13。

**銀行借款**

本集團於2019年12月31日的銀行借款詳情載於綜合財務報表附註20。

## DIRECTORS' REPORT

### 董事會報告

#### SHARE CAPITAL

Details of the movement in the Company's share capital during the Period are set out in Note 24 to the consolidated financial statements.

#### DIVIDEND POLICY

On 28 December 2018, the Board approved and adopted a dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements, future business growth and its shareholding value.

#### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

#### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

#### RESERVES

Details of the movement in reserves of the Company and the Group during the Period are set out in Note 25 to the consolidated financial statements.

#### DIRECTORS

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

##### Executive Directors

Mr. Chan Tsan Lam (*Chairman*)  
Ms. Poon Po Han Lisa  
Ms. Chan Yin Yan

##### Independent Non-Executive Directors

Mr. Ng Chi Wai  
Mr. Hung Chun Leung  
Mr. Chan Bing Kai

Pursuant to Article 84 of the Company's Articles, Mr. Chan Tsan Lam and Mr. Hung Chun Leung will retire at the AGM and, being eligible, will offer themselves for re-election at the AGM.

#### 股本

本公司的股本於本期間變動的詳情載於綜合財務報表附註24。

#### 股息政策

於2018年12月28日，董事會批准及採納一項股息政策，該政策為在建議或宣派股息時，本公司應維持足夠現金儲備，以應付其營運資金需求、未來業務增長以及其股權價值。

#### 優先權

細則或開曼群島法例並無有關優先權的規定，要求本公司須按比例向本公司的現有股東發售新股份。

#### 購買、出售或贖回本公司上市證券

本公司及其任何附屬公司於本期間並無購買、出售或贖回本公司的任何上市證券。

#### 儲備

本公司及本集團的儲備於本期間變動的詳情載於綜合財務報表附註25。

#### 董事

於本期間及至本報告日期的董事為：

##### 執行董事

陳燦林先生 (*主席*)  
潘寶嫻女士  
陳燕欣女士

##### 獨立非執行董事

吳志偉先生  
洪俊良先生  
陳秉階先生

根據本公司細則第84條，陳燦林先生及洪俊良先生將於股東週年大會上退任，且符合資格並願意於股東週年大會上膺選連任。

## DIRECTORS' REPORT

### 董事會報告

#### FIVE HIGHEST PAID INDIVIDUALS

Details of the five highest paid individuals in the Group are set out in Note 8 to the consolidated financial statements.

#### DIRECTORS' SERVICE AGREEMENTS

Each of the executive Directors entered into a services agreement with the Company for a term of three years commencing from the Listing Date, which may be terminated by either party giving not less than three months' notice in writing.

The Company has issued a letter of appointment to each of the independent non-executive Directors for a term of three years commencing from the Listing Date, unless terminated by either party giving to the other not less than one month's notice in writing.

No director proposed for re-election at the forthcoming annual general meeting has a service agreement which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

#### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Related Party Transactions" in this report and Note 27 to the consolidated financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the Period.

#### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

At no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire by means of acquisition of shares, or debt securities, including debentures, of the Company or any other body corporate.

#### 五名最高薪酬人士

本集團五名最高薪酬人士的詳情載於綜合財務報表附註8。

#### 董事服務協議

各執行董事已與本公司訂立服務協議，自上市日期起計為期三年，相關協議可由任何一方發出不少於三個月的書面通知予以終止。

本公司已向各獨立非執行董事發出委任函，自上市日期起計為期三年，除非任何一方發出不少於一個月的書面通知予以終止則另當別論。

概無擬於應屆股東週年大會上重選的董事訂立不可由本集團於一年內免付賠償（法定賠償除外）而予以終止的服務協議。

#### 董事於合約中擁有的重大權益

除本報告「關聯方交易」一節及綜合財務報表附註27所披露者外，於本期間，概無董事直接或間接於本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立的對本集團業務而言屬重大的任何合約中擁有重大權益。

#### 董事收購股份或債券的權利

於本期間任何時間，本公司或任何其附屬公司概無訂立任何安排致令本公司董事可藉收購本公司或任何其他法人團體的股份或債務證券（包括債券）而獲益。



## DIRECTORS' REPORT

### 董事會報告

#### DIRECTORS' INTERESTS IN SHARES UNDERLYING SHARES AND DEBENTURES

As at the date of this report, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinances (the "SFO")), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

#### Long position in issued ordinary shares of the Company

Name of Director 董事姓名	Capacity 身份	Number of shares or underlying shares 股份或相關股份數目	Approximate percentage of shareholding 概約股權百分比
Mr. Chan Tsan Lam 陳燦林先生	Interest in controlled corporation (Note) 受控制法團權益(附註)	373,395,000	60.2%

Note: These shares are held by Oceanic Green Group Limited ("Oceanic Green"), New Strength Ventures Limited ("New Strength"), Gold Alliance Ventures Limited ("Gold Alliance") and Treasure Line Holdings Limited ("Treasure Line"), all of which are wholly owned by Mr. Chan Tsan Lam. By virtue of the SFO, Mr. Chan Tsan Lam is deemed to be interested in the shares held by Oceanic Green, New Strength, Gold Alliance and Treasure Line.

Save as disclosed above, as at the date of this report, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

#### 董事於股份、相關股份及債權證的權益

於本報告日期，本公司董事及主要行政人員於本公司及其相聯法團(定義見《證券及期貨條例》(「證券及期貨條例」)第XV部)股份、相關股份及債權證中擁有以下根據證券及期貨條例第352條記錄於該條所指的登記冊內的權益或淡倉，或根據上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》(「標準守則」)須知會本公司及聯交所的權益及淡倉：

#### 於本公司已發行普通股的好倉

附註：該等股份乃由海翠集團有限公司(「海翠」)、新力創投有限公司(「新力」)、金協創投有限公司(「金協」)及Treasure Line Holdings Limited(「Treasure Line」)持有，該等公司均由陳燦林先生全資擁有。根據證券及期貨條例，陳燦林先生被視為於海翠、新力、金協及Treasure Line持有的股份中擁有權益。

除上文所披露者外，於本報告日期，概無本公司董事或主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有根據證券及期貨條例第352條記錄於該條所指的登記冊內的權益或淡倉，或須根據標準守則須知會本公司及聯交所的權益或淡倉。

**SUBSTANTIAL SHAREHOLDERS INTERESTS IN SHARES AND UNDERLYING SHARES**

As at the date of this report, the following persons (other than the Directors and chief executive of the Company) had interests in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

**主要股東於股份及相關股份的權益**

於本報告日期，以下人士（本公司董事及主要行政人員除外）於本公司股份及相關股份中擁有須計入根據證券及期貨條例第336條本公司記錄於該條所指的登記冊內的權益：

**Long position in issued ordinary shares of the Company**

於本公司已發行普通股的好倉

Name of Shareholder(s)	Capacity	Number of ordinary shares of the Company held	Approximate percentage of the total issued shares of the Company
股東名稱	身份	所持本公司普通股數目	佔本公司全部已發行股份的概約百分比
Oceanic Green	Beneficial Owner	127,100,000 Shares	20.5%
海翠	實益擁有人	127,100,000股股份	20.5%
New Strength	Beneficial Owner	127,100,000 Shares	20.5%
新力	實益擁有人	127,100,000股股份	20.5%
Gold Alliance	Beneficial Owner	94,395,000 Shares	15.2%
金協	實益擁有人	94,395,000股股份	15.2%
New Straits Ventures Limited <sup>(3)</sup>	Beneficial Owner	79,205,000 Shares	12.8%
新海峽創投有限公司 <sup>(3)</sup>	實益擁有人	79,205,000股股份	12.8%
Treasure Line	Beneficial Owner	24,800,000 Shares	4.0%
Treasure Line	實益擁有人	24,800,000股股份	4.0%
Mr. Chan Tsan Lam <sup>(1)</sup>	Interest in controlled corporation	373,395,000 Shares	60.2%
陳燦林先生 <sup>(1)</sup>	受控制法團權益	373,395,000股股份	60.2%
Ms. Fung Suk Yee May <sup>(2)</sup>	Interest of Spouse	373,395,000 Shares	60.2%
馮淑儀女士 <sup>(2)</sup>	配偶權益	373,395,000股股份	60.2%
Mr. Cheng Chak <sup>(3)</sup>	Interest in controlled corporation	79,205,000 Shares	12.8%
鄭澤先生 <sup>(3)</sup>	受控制法團權益	79,205,000股股份	12.8%
Ms. Chong Po Lin Pauline <sup>(4)</sup>	Interest of Spouse	79,205,000 Shares	12.8%
莊寶蓮女士 <sup>(4)</sup>	配偶權益	79,205,000股股份	12.8%

## DIRECTORS' REPORT

### 董事會報告

## SUBSTANTIAL SHAREHOLDERS INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

### Long position in issued ordinary shares of the Company (Continued)

#### Notes:

- (1) Each of Oceanic Green, New Strength, Gold Alliance and Treasure Line is wholly-owned by Mr. Chan, who is therefore deemed to be interested in all the Shares held by each of Oceanic Green, New Strength, Gold Alliance, and Treasure Line.
- (2) Ms. Fung Suk Yee May is the spouse of Mr. Chan. Therefore, she is deemed to be interested in the Shares in which Mr. Chan is interested for the purpose of the SFO.
- (3) New Straits Ventures Limited is wholly owned by Mr. Cheng Chak. By virtue of the SFO, Mr. Cheng Chak is deemed to be interested in the shares of the Company held by New Straits Ventures Limited.
- (4) Ms. Chong Po Lin Pauline is the spouse of Mr. Cheng Chak. Therefore, she is deemed to be interested in the shares of the Company in which Mr. Cheng Chak is interested for the purpose of the SFO.

Save as disclosed above, as at the date of this report, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% 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 members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## SHARE OPTION SCHEME

The Company adopted a share option scheme on 28 May 2019 (the "Scheme"). No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 December 2019.

## 主要股東於股份及相關股份的權益 (續)

### 於本公司已發行普通股的好倉 (續)

#### 附註：

- (1) 海翠、新力、金協及Treasure Line均由陳先生全資擁有，因此陳先生被視為於海翠、新力、金協及Treasure Line各自所持有的所有股份中擁有權益。
- (2) 馮淑儀女士為陳先生的配偶。因此，根據證券及期貨條例，其被視為於陳先生擁有權益的股份中擁有權益。
- (3) 新海峽創投有限公司由鄭澤先生全資擁有。根據證券及期貨條例，鄭澤先生被視為於新海峽創投有限公司持有的本公司股份中擁有權益。
- (4) 莊寶蓮女士為鄭澤先生的配偶。因此，根據證券及期貨條例，其被視為於鄭澤先生擁有權益的本公司股份中擁有權益。

除上文所披露者外，於本報告日期，董事並不知悉有任何其他人士（本公司董事及主要行政人員除外）於本公司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3分部的條文須披露予本公司的權益或淡倉，或直接或間接在附有權利可在所有情況下在本集團任何成員公司的股東大會上進行投票的任何類別股本面值5%或以上擁有權益，或有任何其他主要股東擁有根據證券及期貨條例第336條本公司記錄於該條所指的登記冊內的權益或淡倉。

## 購股權計劃

本公司於2019年5月28日採納購股權計劃（「該計劃」）。自採納該計劃以來概無授出任何購股權，及於2019年12月31日並無任何購股權尚未行使。

## NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

The Company has received annual confirmations from the controlling shareholders, Mr. Chan Tsan Lam, Oceanic Green, New Strength, Gold Alliance, and Treasure Line and, in respect of their compliance with the non-competition undertaking provided in favour of the Company. The independent non-executive Directors have reviewed the said undertaking and are of the view that Mr. Chan Tsan Lam, Oceanic Green, New Strength, Gold Alliance and Treasure Line have complied with the non-competition undertaking since the Listing Date up to the date of this report.

## RELATED PARTY TRANSACTION

Related party transactions entered into by the Group for the year ended 31 December 2019 are disclosed in note 27 to the consolidated financial statements. These transactions had either been discontinued before the Company was listed on the Stock Exchange or constitute fully-exempted continuing connected transactions under the Listing Rules as at the date of this report.

## MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's revenue and purchases attributable to the major customers and suppliers respectively during the Period is as follows:

The largest customer	最大客戶
The five largest customers in aggregate	五大客戶合計
The largest supplier	最大供應商
The five largest suppliers in aggregate	五大供應商合計

Save as disclosed above and so far as the Board are aware, neither the Directors, their associates nor any shareholders of the Company (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any beneficial interest in these major customers and suppliers.

## 控股股東的不競爭承諾

本公司已接獲控股股東陳燦林先生、海翠、新力、金協及Treasure Line有關彼等遵守以本公司的利益提供的不競爭承諾的年度確認函。獨立非執行董事已審核上述承諾，且認為陳燦林先生、海翠、新力、金協及Treasure Line自上市日期起及直至本報告日期止始終遵守不競爭承諾。

## 關聯方交易

本集團截至2019年12月31日止年度訂立的關聯方交易披露於綜合財務報表附註27。於本報告日期，該等交易已於本公司於聯交所上市前終止或根據上市規則構成全面豁免持續關連交易。

## 主要客戶及供應商

於本期間，有關主要客戶及供應商各自佔本集團收益及採購額的資料如下：

### Percentage of the Group's total 佔本集團以下總額的百分比

	Revenue 收益	Purchases 採購額
The largest customer	72%	N/A 不適用
The five largest customers in aggregate	93%	N/A 不適用
The largest supplier	N/A 不適用	43%
The five largest suppliers in aggregate	N/A 不適用	63%

除上文所披露者外且據董事會所知，董事、彼等的聯繫人士或據董事所知擁有本公司5%以上股本的任何本公司股東概無於該等主要客戶及供應商中擁有任何實益權益。

## DIRECTORS' REPORT

### 董事會報告

#### 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, there was a sufficient prescribed public float of the issued shares of the Company under the Listing Rules.

#### PERMITTED INDEMNITY PROVISION

The articles of association of the Company provides that every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may sustain or incur by the execution of his/her duty, provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons. The Company has arranged appropriate directors liability insurance in respect of legal action against the Directors.

#### TAX RELIEF

The Directors are not aware of any relief from taxation available to the shareholders by reason of their holding of the shares of the Company.

#### PROFESSIONAL TAX ADVICE

If the shareholders of the Company are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the shares of the Company, they are advised to consult an expert.

#### AUDITOR

A resolution to re-appoint the retiring auditors, Messrs. Mazars CPA Limited, is to be proposed at the forthcoming annual general meeting of the Company.

#### ON BEHALF OF THE BOARD

**Chan Tsan Lam**

*Chairman*

Hong Kong, 20 April 2020

#### 公眾持股量

根據本公司所得公開資料及據董事所知，於本年度報告日期，本公司已發行股份維持上市規則規定的充足公眾持股量。

#### 獲准許彌償條文

公司章程概要指出各董事有權就履行其職務時所蒙受或產生之所有訴訟、費用、收費、損失、損害及開支自本公司之資產及溢利中獲得賠償及獲確保免就此受任何損害，惟賠償不得擴展至與任何上述人員可能出現的任何欺詐或不誠實行為有關的事件。本公司已就董事的法律行為安排適當的董事責任保險。

#### 稅項減免

由於董事持有本公司股份，彼等並不知悉可向股東提供稅項減免。

#### 諮詢專業稅務意見

倘本公司股東不確定購買、持有、出售、買賣本公司股份或行使當中任何權利的稅務影響，務請諮詢專家意見。

#### 核數師

本公司將於應屆股東週年大會上提呈一項續聘退任核數師中審眾環(香港)會計師事務所有限公司的決議案。

#### 代表董事會

主席

陳燦林

香港，2020年4月20日

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

To the members of  
**Tian Chang Group Holdings Ltd.**  
(incorporated in the Cayman Islands with limited liability)

#### OPINION

We have audited the consolidated financial statements of Tian Chang Group Holdings Ltd. (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 54 to 167, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated income statement, the consolidated statement of 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 financial position of the Group at 31 December 2019, and of its financial performance and 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.

#### BASIS FOR OPINION

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

致  
天長集團控股有限公司股東  
(於開曼群島註冊成立之有限公司)

#### 意見

我們已審核天長集團控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)載列於第54頁至167頁的綜合財務報表，包括於2019年12月31日的綜合財務狀況表、截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括重要會計政策摘要。

我們認為，該等綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈的香港財務報告準則(「**香港財務報告準則**」)真實而公允地反映 貴集團於2019年12月31日的財務狀況及截至該日止年度的財務表現及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

#### 意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「**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」一節中作進一步闡述。我們根據香港會計師公會的專業會計師道德守則(「**守則**」)獨立於 貴集團，並已根據守則履行我們其他道德責任。我們認為，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### 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 for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### The key audit matters

###### 關鍵審計事項

###### **Going concern**

###### 持續經營

*Refer to Note 2 to the consolidated financial statements – going concern*

參閱綜合財務報表附註2—持續經營

Throughout recent years, the Group has been investing significant amount for the construction of the new site in Huizhou, Guangdong province, the People's Republic of China. To finance the operations of the Group, the Group incurred significant borrowings. As a consequence, the current liabilities of the Group exceeded its current assets by approximately HK\$52,908,000 as at 31 December 2019 (2018: HK\$13,920,000).

貴集團於近幾年持續投資巨額款項用於建設於中華人民共和國廣東省的惠州新址。為向貴集團業務提供資金，貴集團產生大量借款。因此，於2019年12月31日，貴集團流動負債超過其流動資產約52,908,000港元(2018年：13,920,000港元)。

#### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本年度綜合財務報表的審計最為重要的事項。該等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。我們不會對該等事項提供單獨的意見。

##### How our audit addressed the key audit matter

###### 我們的審計如何處理關鍵審計事項

Our key audit procedures included:

我們的關鍵審計程序包括：

- inspecting the banking facilities letters;
- 核驗銀行融資函；
- verifying the unutilised amounts of the available banking facilities; and
- 核查尚未動用的可用銀行融資額；及

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (CONTINUED)

### 關鍵審計事項(續)

#### The key audit matters

#### 關鍵審計事項

#### How our audit addressed the key audit matter

#### 我們的審計如何處理關鍵審計事項

#### **Going concern** (Continued)

#### 持續經營(續)

Refer to Note 2 to the consolidated financial statements

- going concern (Continued)

參閱綜合財務報表附註2—持續經營(續)

At 31 December 2019, the Group had unutilised banking facilities of approximately HK\$237,517,000 (2018: HK\$172,623,000).

於2019年12月31日，貴集團有未動用的銀行融資約237,517,000港元(2018年：172,623,000港元)。

We have identified the above matter as a key audit matter because should the Group be unable to operate as a going concern, significant adjustments would have been made to the consolidated financial statements.

我們已將上述事項確認為關鍵審計事項，原因是倘若貴集團無法按持續經營基準經營，則將就綜合財務報表作出重大調整。

- enquiring and challenging the management on the assessment of the Group's adoption of the going concern assumption.

— 查詢及質詢管理層對貴集團採用持續經營假設的評估。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (CONTINUED)

### 關鍵審計事項(續)

#### The key audit matters

#### How our audit addressed the key audit matter

##### 關鍵審計事項

##### 我們的審計如何處理關鍵審計事項

#### **Recoverability of trade receivables**

#### 貿易應收款項的可收回性

Refer to Note 17 and Note 2 to the consolidated financial statements - critical accounting estimates and judgements

參閱綜合財務報表附註17及附註2—關鍵會計估計及判斷

At 31 December 2019, the carrying amount of trade receivables amounted to approximately HK\$120,777,000 (after the provision of approximately HK\$4,568,000), which approximated 12% of the Group's total assets.

於2019年12月31日，貿易應收款項的賬面值約為120,777,000港元（已計提撥備約4,568,000港元），佔貴集團總資產的約12%。

Management performed credit evaluations for the Group's customers and assessed expected credit losses of trade receivables. These assessments were focused on the customers' settlement record and their current repayment ability, and also took into account information specific to respective customer as well as pertaining to the economic environment in which the customer operated.

管理層對貴集團的客戶進行信貸評估並對貿易應收款項的預期信貸虧損作出評估。該等評估著重於客戶的結算記錄及其目前償還能力，亦考慮相關客戶自身及其營運所處經濟環境的具體資料。

Our key audit procedures included:

我們的關鍵審計程序包括：

- obtaining management's assessment of expected credit losses of trade receivables and assessed the reasonableness of the key underlying information referenced by the management;
- 取得管理層對貿易應收款項的預期信貸虧損進行的評估，並評估管理層所參考的關鍵相關資料是否合理；
- checking and assessing whether the impairment provision was properly supported by considering available forward-looking information, the debtors' ageing analysis, settlement record and history of bad debt; and
- 檢查及評估減值撥備是否經考慮可得前瞻性資料、債務人賬齡分析、結算記錄及壞賬歷史而提供適當支持；及

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (CONTINUED)

### 關鍵審計事項(續)

#### The key audit matters

#### 關鍵審計事項

#### How our audit addressed the key audit matter

#### 我們的審計如何處理關鍵審計事項

#### **Recoverability of trade receivables** (Continued)

#### 貿易應收款項的可收回性(續)

*Refer to Note 17 and Note 2 to the consolidated financial statements – critical accounting estimates and judgements (Continued)*

參閱綜合財務報表附註17及附註2—關鍵會計估計及判斷(續)

All of these assessments involved significant judgements of the management.

所有該等評估涉及重大管理層判斷。

We have identified the above matter as a key audit matter because subjective judgements were made by the management over assessing the credit standing of the Group's customers and therefore the estimation of expected credit losses of trade receivables.

我們已將上述事項確認為關鍵審計事項，原因是管理層對評估 貴集團客戶的信用狀況及由此估計貿易應收款項的預期信貸虧損作出主觀判斷。

- in respect of receivables of individual customer which had not been identified by management as potentially impaired, we corroborated management's assessment with the external evidence obtained (e.g. public information available to us, our examination of the customers' payment records during the current year and subsequent to the end of the reporting period, as well as the historical collection records, etc.).

— 就未獲管理層識別為潛在減值的個別客戶之應收款項而言，我們通過所獲得之外部憑證(如我們公開可得資料、我們於本年度及報告期末後對客戶支付記錄的檢驗以及歷史收賬記錄等)證實管理層的評估。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2019 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

#### 其他資料

貴公司董事須對其他資料負責。其他資料包括 貴公司2019年年報內的所有資料，但不包括當中的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資料，我們亦不對該等其他資料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資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為該等其他資料存在重大錯誤陳述，我們需要報告該事實。在該方面，我們並無任何報告。

#### 董事及負責監管人士就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定擬備真實而公允的綜合財務報表，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。

於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，以及使用持續經營作為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助董事履行其監督 貴集團的財務報告過程的職責。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, 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。我們僅向閣下（作為整體）報告，除此之外本報告別無其他目的。我們概不就本報告的內容向任何其他人士負有或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響使用者依賴綜合財務報表所作出的經濟決策，則有關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，我們運用專業判斷及始終保持專業懷疑態度。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該等風險，以及獲取充足及適當的審計憑證，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。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性以及作出會計估計及相關披露的合理性。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### 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，且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，或倘若有關披露不足，則應當發表非保留意見。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、結構及內容(包括披露)，以及綜合財務報表是否以中肯呈列的方式反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

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

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

#### **Mazars CPA Limited**

*Certified Public Accountants*

Hong Kong, 20 April 2020

The engagement director on the audit resulting in this independent auditor's report is:

#### **She Shing Pang**

Practising Certificate number: P05510

#### 核數師就審計綜合財務報表承 擔的責任(續)

從與審核委員會溝通的事項中，我們確定了哪些事項對本期綜合財務報表的審計最為重要，該等事項因而構成關鍵審計事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在我們的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。

中審眾環(香港)會計師事務所有限公司

執業會計師

香港，2020年4月20日

出具本獨立核數師報告的審計項目負責人是：

**余勝鵬**

執業證書編號：P05510

## CONSOLIDATED INCOME STATEMENT

### 綜合收益表

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	收益	4	<b>1,251,074</b>	959,947
Cost of goods sold	商品銷售成本		<b>(937,715)</b>	(722,123)
<b>Gross profit</b>	<b>毛利</b>		<b>313,359</b>	237,824
Other income	其他收入	5	<b>6,143</b>	5,410
Fair value gain (loss) on financial assets at FVPL	按公允值計入損益的金融資產公允值收益(虧損)	6	<b>847</b>	(272)
Selling and distribution costs	銷售及分銷成本		<b>(11,374)</b>	(12,457)
Administrative and other operating expenses	行政及其他經營開支		<b>(135,555)</b>	(107,794)
Finance costs	財務成本	6	<b>(9,069)</b>	(12,027)
Listing expenses	上市開支		<b>-</b>	(6,402)
<b>Profit before tax</b>	<b>除稅前溢利</b>	6	<b>164,351</b>	104,282
Income tax expenses	所得稅開支	9	<b>(37,155)</b>	(28,527)
<b>Profit for the year, attributable to equity holders of the Company</b>	<b>本公司權益持有人應佔年內溢利</b>		<b>127,196</b>	75,755
<b>Earnings per share attributable to equity holders of the Company</b>	<b>本公司權益持有人應佔每股盈利</b>		<b>HK cents</b> 港仙	HK cents 港仙
Basic	基本	11	<b>20.52</b>	12.80
Diluted	攤薄	11	<b>20.52</b>	12.80

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### 綜合全面收益表

Year ended 31 December 2019 截至2019年12月31日止年度

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>Profit for the year</b>	年內溢利	<b>127,196</b>	75,755
<b>Other comprehensive loss:</b>	其他全面虧損：		
<i>Item that may be reclassified</i>	<i>日後或會重列入損益之項目</i>		
<i>subsequently to profit or loss</i>			
Exchange difference on consolidation	合併匯兌差額	<b>(13,312)</b>	(4,831)
<b>Total comprehensive income</b>	本公司權益持有人應佔年內		
<b>for the year, attributable to</b>	全面收益總額		
<b>equity holders of the Company</b>		<b>113,884</b>	70,924



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 綜合財務狀況表

At 31 December 2019 於2019年12月31日

		Note	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
		附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	<b>621,025</b>	484,833
Prepaid land lease payments	預付土地租賃款項	14	-	43,911
Financial assets at FVPL	按公允值計入損益的金融資產	15	<b>28,419</b>	26,841
Deferred tax assets	遞延稅項資產	23	<b>1,238</b>	2,818
			<b>650,682</b>	558,403
<b>Current assets</b>	<b>流動資產</b>			
Prepaid land lease payments	預付土地租賃款項	14	-	1,085
Inventories	存貨	16	<b>83,882</b>	85,928
Trade and other receivables	貿易及其他應收款項	17	<b>153,365</b>	261,561
Income tax recoverable	可退回所得稅		<b>33</b>	3,358
Bank balances and cash	銀行結餘及現金		<b>85,567</b>	61,414
			<b>322,847</b>	413,346
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	18	<b>211,596</b>	252,854
Income tax payables	應付所得稅		<b>2,603</b>	14,443
Payables for construction in progress	應付在建工程款項	19	<b>35,642</b>	11,927
Interest-bearing borrowings	計息借款	20	<b>103,177</b>	125,627
Obligations under finance leases	融資租賃承擔	21	-	22,415
Lease liabilities	租賃負債	22	<b>22,737</b>	-
			<b>375,755</b>	427,266
<b>Net current liabilities</b>	<b>流動負債淨額</b>		<b>(52,908)</b>	(13,920)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>597,774</b>	544,483

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 綜合財務狀況表

At 31 December 2019 於2019年12月31日

			2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
		Note 附註		
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Payables for construction in progress	應付在建工程款項	19	<b>12,280</b>	11,827
Interest-bearing borrowings	計息借款	20	-	22,969
Obligations under finance leases	融資租賃承擔	21	-	42,879
Lease liabilities	租賃負債	22	<b>39,754</b>	-
Deferred tax liabilities	遞延稅項負債	23	<b>8,515</b>	15,567
			<b>60,549</b>	93,242
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>537,225</b>	451,241
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	24	<b>62,000</b>	62,000
Reserves	儲備	25	<b>475,225</b>	389,241
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>537,225</b>	451,241

These consolidated financial statements on pages 54 to 167 were approved and authorised for issue by the Board of Directors on 20 April 2020 and signed on its behalf by

第54頁至167頁的該等綜合財務報表於2020年4月20日獲董事會批准及授權刊發，並由以下董事代表簽立

**CHAN Tsan Lam**

陳燦林  
Director  
董事

**CHAN Yin Yan**

陳燕欣  
Director  
董事

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### 綜合權益變動表

Year ended 31 December 2019 截至2019年12月31日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔							
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Statutory reserve 法定儲備	Translation reserve 換算儲備	Revaluation reserve 重估儲備	Accumulated profits 累計盈利	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(Note 24) (附註24)	(Note 25(a)) (附註25(a))	(Note 25(b)) (附註25(b))	(Note 25(c)) (附註25(c))	(Note 25(d)) (附註25(d))	(Note 25(e)) (附註25(e))		
<b>At 1 January 2018</b>	<b>於2018年1月1日</b>	-*	-	77,810	4,837	1,860	801	198,806	284,114
Adjustment on adoption of HKFRS 9	採納香港財務報告準則第9號的調整	-	-	-	-	-	(801)	801	-
As at 1 January 2018 (after adjustment)	於2018年1月1日(經調整)	-*	-	77,810	4,837	1,860	-	199,607	284,114
Profit for the year	年內溢利	-	-	-	-	-	-	75,755	75,755
<b>Other comprehensive loss:</b> <i>Item that may be reclassified subsequently to profit or loss</i>	<b>其他全面虧損:</b> <i>日後或會重列入損益之項目</i>								
Exchange difference on consolidation	合併匯兌差額	-	-	-	-	(4,831)	-	-	(4,831)
Total comprehensive (loss) income for the year	年內全面(虧損)收益總額	-	-	-	-	(4,831)	-	75,755	70,924
<b>Transactions with owners:</b>	<b>與擁有人的交易:</b>								
Appropriation of statutory reserve	提取法定儲備	-	-	-	7,498	-	-	(7,498)	-
Issue of shares pursuant to the Capitalisation Issue (Note 24(b))	根據資本化發行發行股份(附註24(b))	46,500	(46,500)	-	-	-	-	-	-
Issue of shares pursuant to the Global Offering (Note 24(c))	根據全球發售發行股份(附註24(c))	15,500	94,550	-	-	-	-	-	110,050
Transaction costs attributable to issue of shares (Note 24(c))	發行股份應佔的交易成本(附註24(c))	-	(13,847)	-	-	-	-	-	(13,847)
Total transactions with owners for the year	年內與擁有人的交易總額	62,000	34,203	-	7,498	-	-	(7,498)	96,203
<b>At 31 December 2018</b>	<b>於2018年12月31日</b>	62,000	34,203	77,810	12,335	(2,971)	-	267,864	451,241

\* less than HK\$1,000

\* 少於1,000港元

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

Year ended 31 December 2019 截至2019年12月31日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔							
		Share capital	Share premium	Capital reserve	Statutory reserve	Translation reserve	Revaluation reserve	Accumulated profits	Total
		股本	股份溢價	資本儲備	法定儲備	換算儲備	重估儲備	累計盈利	總計
		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
		(Note 24)	(Note 25(a))	(Note 25(b))	(Note 25(c))	(Note 25(d))	(Note 25(e))		
		(附註24)	(附註25(a))	(附註25(b))	(附註25(c))	(附註25(d))	(附註25(e))		
<b>At 1 January 2019</b>	於2019年1月1日	62,000	34,203	77,810	12,335	(2,971)	-	267,864	451,241
Profit for the year	年內溢利	-	-	-	-	-	-	127,196	127,196
<b>Other comprehensive loss:</b>	<b>其他全面虧損:</b>								
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>日後或會重列入損益之項目</i>								
Exchange difference on consolidation	合併匯兌差額	-	-	-	-	(13,312)	-	-	(13,312)
Total comprehensive (loss) income for the year	年內全面(虧損)收益總額	-	-	-	-	(13,312)	-	127,196	113,884
<b>Transactions with owners:</b>	<b>與擁有人的交易:</b>								
Appropriation of statutory reserve	提取法定儲備	-	-	-	11,659	-	-	(11,659)	-
Dividends (Note 10)	股息(附註10)	-	-	-	-	-	-	(27,900)	(27,900)
Total transactions with owners for the year	年內與擁有人的交易總額	-	-	-	11,659	-	-	(39,559)	(27,900)
<b>At 31 December 2019</b>	於2019年12月31日	62,000	34,203	77,810	23,994	(16,283)	-	355,501	537,225

## CONSOLIDATED STATEMENT OF CASH FLOWS

### 綜合現金流量表

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
<b>OPERATING ACTIVITIES</b> 經營活動				
Cash generated from operations	經營所得現金	26	<b>283,112</b>	124,633
Income tax paid	已付所得稅		<b>(50,603)</b>	(14,136)
<b>Net cash from operating activities</b> 經營活動所得現金淨額			<b>232,509</b>	110,497
<b>INVESTING ACTIVITIES</b> 投資活動				
Interest received	已收利息		<b>791</b>	47
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		<b>3,628</b>	3,831
Purchase of property, plant and equipment	購買物業、廠房及設備		<b>(98,008)</b>	(47,280)
Purchase of financial assets at FVPL	購買按公允值計入損益的金融資產		<b>(731)</b>	(16,607)
<b>Net cash used in investing activities</b> 投資活動所用現金淨額			<b>(94,320)</b>	(60,009)
<b>FINANCING ACTIVITIES</b> 融資活動				
Dividends paid	已付股息		<b>(27,900)</b>	-
Inception of interest-bearing borrowings	引入計息借款	28(b)	<b>223,863</b>	408,190
Repayment of interest-bearing borrowings	償還計息借款	28(b)	<b>(267,622)</b>	(449,952)
Repayment of payables for construction in progress	償還應付在建工程款項	28(b)	<b>(7,549)</b>	(39,286)
Repayment of lease liabilities/ obligations under finance leases	償還租賃負債／融資租賃承擔	28(b)	<b>(29,473)</b>	(12,194)
Proceeds from the Global Offering	全球發售所得款項	24(c)	-	110,050
Payment for transaction costs attributable to issue of shares	支付發行股份的交易成本	24(c)	-	(13,847)
Interest paid	已付利息		<b>(5,849)</b>	(10,877)
<b>Net cash used in financing activities</b> 融資活動所用現金淨額			<b>(114,530)</b>	(7,916)

## CONSOLIDATED STATEMENT OF CASH FLOWS

### 綜合現金流量表

Year ended 31 December 2019 截至2019年12月31日止年度

		<b>2019</b>	2018
		<b>2019年</b>	2018年
	Note	<b>HK\$'000</b>	HK\$'000
	附註	千港元	千港元
<b>Net increase in cash and cash equivalents</b>	現金及現金等價物增加淨額	<b>23,659</b>	42,572
<b>Cash and cash equivalents at the beginning of the year</b>	年初現金及現金等價物	<b>61,414</b>	18,567
Effect on exchange rate changes	匯率變動的影響	<b>494</b>	275
<b>Cash and cash equivalents at the end of the year, represented by bank balances and cash</b>	年末現金及現金等價物， 即銀行結餘及現金	<b>85,567</b>	61,414

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 1. GENERAL INFORMATION AND BASIS OF PRESENTATION

Tian Chang Group Holdings Ltd. (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 26 April 2017 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 March 2018. The ultimate controlling party of the Group is Mr. Chan Tsan Lam (the “Ultimate Controlling Party”). The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s principal place of business is situated at Unit 6, 13/F, Block B, Hoi Luen Industrial Centre, 55 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The Company together with its subsidiaries (hereinafter collectively referred to as the “Group”) is principally engaged in manufacturing and sales of electronic cigarettes products (“e-cigarettes products”) and providing integrated plastic solutions in Hong Kong and in the People’s Republic of China (the “PRC”). The details of the subsidiaries are set out in Note 12 to the consolidated financial statements.

### 2. PRINCIPAL ACCOUNTING POLICIES

#### Statement of compliance

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and accounting principles generally accepted in Hong Kong. The consolidated financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements under the Rules Governing the Listing of Securities on the Stock Exchange.

### 1. 一般資料及呈列基準

天長集團控股有限公司(「本公司」)於2017年4月26日在開曼群島註冊成立為獲豁免有限責任公司，其股份於2018年3月8日在香港聯合交易所有限公司(「聯交所」)主板上市。本集團的最終控股方為陳燦林先生(「最終控股方」)。本公司的註冊辦事處為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司的主要營業地點位於香港九龍觀塘開源道55號開聯工業中心B座13樓6室。

本公司的主營業務為投資控股。本公司及其附屬公司(以下統稱為「本集團」)主要於香港及中華人民共和國(「中國」)從事電子煙產品(「電子煙產品」)的製造及銷售以及提供一體化注塑解決方案。附屬公司詳情載於綜合財務報表附註12。

### 2. 主要會計政策

#### 合規聲明

綜合財務報表已根據香港財務報告準則(「香港財務報告準則」)而編製，包括由香港會計師公會(「香港會計師公會」)頒佈的所有適用個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋及香港公認會計原則而編製。綜合財務報表亦遵守香港《公司條例》的披露規定及聯交所證券上市規則的適用披露規定。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Going concern

At 31 December 2019, the current liabilities of the Group exceeded its current assets by approximately HK\$52,908,000 (2018: HK\$13,920,000).

At 31 December 2019, the Group had unutilised banking facilities of approximately HK\$237,517,000 (2018: HK\$172,623,000).

The management of the Company is of the opinion that, taking into account the confirmed credit commitments from financial institutions and internal financial resources of the Group, the Group has sufficient working capital for its present requirements. Hence, the consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the consolidated financial statements.

A summary of the principal accounting policies adopted by the Group in preparing the consolidated financial statements is set out below.

The Group has consistently applied all HKFRSs which are effective for the Group's financial year beginning on 1 January 2018 for the consolidated financial statements, except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year as set out below.

## 2. 主要會計政策(續)

### 持續經營

於2019年12月31日，本集團流動負債超過其流動資產約52,908,000港元(2018年：13,920,000港元)。

於2019年12月31日，本集團有未動用的銀行融資約237,517,000港元(2018年：172,623,000港元)。

本公司管理層認為，考慮到本集團之已確認的金融機構信貸承擔及內部財務資源，本集團有充足的營運資金，以滿足當前需求。因此，綜合財務報表乃按持續經營基準編製。倘本集團無法持續經營，則須作出調整，以將資產價值減記至其可收回金額，並就可能產生的任何進一步負債作出撥備。相關調整的影響並無反映在綜合財務報表中。

本集團編製綜合財務報表時採用的主要會計政策概要載於下文。

除採用下文所述與本集團相關且於本年度起生效的新訂／經修訂香港財務報告準則外，本集團之綜合財務報表已貫徹採用對本集團自2018年1月1日開始的財政年度生效之所有香港財務報告準則。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### Adoption of new/revised HKFRSs

The Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group.

##### Annual Improvements Project - 2015-2017 Cycle

###### - HKFRS 3: Previously held interest in a joint operation

The amendments clarify that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer shall therefore apply the requirements for a business combination achieved in stages, including remeasuring its entire previously held interest in the joint operation.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

###### - HKFRS 11: Previously held interest in a joint operation

The amendments clarify that when an entity that participated in a joint operation which is a business obtains joint control of the joint operation, its previously held interest in the joint operation is not remeasured.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

#### 2. 主要會計政策(續)

##### 採用新訂／經修訂香港財務報告準則

本集團首次應用以下與本集團相關的新訂／經修訂香港財務報告準則。

##### 年度改進項目 – 2015年至2017年週期

###### — 香港財務報告準則第3號：於共同經營中先前所持有的權益

該等修訂澄清，取得對共同經營業務的控制權是分階段實現的業務合併。因此，收購方應對分階段實現的業務合併應用該等規定，包括重新計量其於共同經營中先前所持有的全部權益。

採納該等修訂對綜合財務報表並無任何重大影響。

###### — 香港財務報告準則第11號：於共同經營中先前所持有的權益

該等修訂澄清，當實體參與共同經營業務時，若取得對該項共同經營業務的共同控制權，則不會重新計量其於共同經營中先前所持有的權益。

採納該等修訂對綜合財務報表並無任何重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### 2. 主要會計政策(續)

#### Adoption of new/revised HKFRSs (Continued)

#### 採用新訂／經修訂香港財務報告準則(續)

#### Annual Improvements Project - 2015-2017 Cycle (Continued)

#### 年度改進項目－2015年至2017年週期(續)

##### - HKAS 12: Income tax consequences of payments on financial instruments classified as equity

The amendments clarify that (a) the income tax consequences of dividends are recognised in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated the distributable profits were originally recognised and (b) these requirements apply to all income tax consequences of dividends as defined in HKFRS 9.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

##### - HKAS 23: Borrowing costs eligible for capitalisation

The amendments clarify that (a) if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of the funds an entity borrows generally and (b) funds borrowed specifically to obtain an asset other than a qualifying asset are included as part of general borrowings.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

##### - 香港會計準則第12號：支付權益類金融工具的所得稅處理

該等修訂澄清，(a)股息的所得稅處理根據最初確認產生可分配溢利的過往交易或事件於損益、其他全面收益或權益中確認及(b)該等要求適用於香港財務報告準則第9號所界定的所有股息所得稅處理。

採納該等修訂對綜合財務報表並無任何重大影響。

##### - 香港會計準則第23號：合資格撥充資本之借款成本

該等修訂澄清，(a)如果相關合資格資產已達到其預定可使用狀態或可銷售狀態後，有關專項借款尚未償還，則該專項借款通常成為實體所借入資金的一部分及(b)為獲得除合資格資產外的資產而專門借入的資金計入一般借款中。

採納該等修訂對綜合財務報表並無任何重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### Adoption of new/revised HKFRSs (Continued)

##### HK(IFRIC)-Int 23: Uncertainty over Income Tax Treatments

HK(IFRIC)-Int 23 supports the requirements in HKAS 12 Income Taxes by specifying how to reflect the effects of uncertainty in accounting for income taxes.

The adoption of HK(IFRIC)-Int 23 does not have any significant impact on the consolidated financial statements.

##### Amendments to HKAS 19: Employee Benefits

The amendments require the use of updated assumptions to determine current service cost and net interest for the remainder of the reporting period after a change is made to a plan.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

##### Amendments to HKAS 28: Investments in Associates and Joint Ventures

The amendments clarify that long-term interests in an associate or joint venture, to which the equity method is not applied, are accounted for using HKFRS 9.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

#### 2. 主要會計政策(續)

##### 採用新訂／經修訂香港財務報告準則(續)

##### 香港(國際財務報告詮釋委員會)－詮釋第23號：所得稅待遇的不確定性

香港(國際財務報告詮釋委員會)－詮釋第23號通過列明如何反映所得稅會計處理的不確定因素之影響來支持香港會計準則第12號所得稅中的要求。

採納香港(國際財務報告詮釋委員會)－詮釋第23號對綜合財務報表並無任何重大影響。

##### 香港會計準則第19號之修訂：僱員福利

該等修訂要求使用經更新假設來確定對計劃進行更改後報告期剩餘時間的當前服務成本及淨利息。

採納該等修訂對綜合財務報表並無任何重大影響。

##### 香港會計準則第28號之修訂：對聯營公司及合營企業之投資

該等修訂澄清，不採用權益法的聯營公司或合營企業的長期權益使用香港財務報告準則第9號入賬。

採納該等修訂對綜合財務報表並無任何重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### 2. 主要會計政策(續)

#### Adoption of new/revised HKFRSs (Continued)

#### 採用新訂／經修訂香港財務報告準則(續)

##### Amendments to HKFRS 9: Prepayment Features with Negative Compensation

##### 香港財務報告準則第9號之修訂：提早還款特性及負補償

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income instead of at FVPL if specified conditions are met.

該等修訂澄清，在符合特別條件下，附帶負補償的可預付財務資產可按攤銷成本或按公允值計入其他全面收益而非按公允值計入損益計量。

The adoption of the amendments did not have any significant impact on the consolidated financial statements.

採納該等修訂對綜合財務報表並無任何重大影響。

##### HKFRS 16: Leases

##### 香港財務報告準則第16號：租賃

HKFRS 16 replaces HKAS 17 and related Interpretations for annual periods beginning on or after 1 January 2019. It significantly changes, among others, the lessee accounting by replacing the dual-model under HKAS 17 with a single model which requires a lessee to recognise right-of-use assets and lease liabilities for the rights and obligations created by all leases with a term of more than 12 months, unless the underlying asset is of low value. For lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. HKFRS 16 also requires enhanced disclosures to be provided by lessees and lessors.

香港財務報告準則第16號於2019年1月1日或之後開始之年度期間取代香港會計準則第17號及相關詮釋。其對(其中包括)承租人的會計方法有重大變動，以單一模型取代香港會計準則第17號的雙重模型。該單一模型規定除非相關資產為低價值資產，否則承租人須就因年期超過12個月的所有租賃而產生的權利及責任確認使用權資產及租賃負債。就出租人會計處理而言，香港財務報告準則第16號大致繼承了香港會計準則第17號有關出租人會計處理的規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同之會計處理。香港財務報告準則第16號亦規定承租人及出租人提供更詳盡披露資料。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Adoption of new/revised HKFRSs (Continued)

#### HKFRS 16: Leases (Continued)

In accordance with the transitional provisions, the Group has applied HKFRS 16 for the first time at 1 January 2019 (i.e. the date of initial application, the "DIA") using the modified retrospective approach in which comparative information has not been restated. Instead, the Group recognised the cumulative effect of initially applying HKFRS 16 as an adjustment to the balance of accumulated profits or other component of equity, where appropriate, at the DIA.

The Group elected to use the transition practical expedient not to reassess whether a contract was, or contained, a lease at the DIA and the Group applied HKFRS 16 only to contracts that were previously identified as leases applying HKAS 17 and to contracts entered into or changed on or after the DIA that are identified as leases applying HKFRS 16.

#### As lessee

Before the adoption of HKFRS 16, lease contracts were classified as operating or finance lease in accordance with the Group's accounting policies applicable prior to the DIA.

Upon adoption of HKFRS 16, the Group accounted for the leases in accordance with the transition provisions of HKFRS 16 and the Group's accounting policies applicable from the DIA.

## 2. 主要會計政策(續)

### 採用新訂／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)

根據過渡條文，本集團於2019年1月1日(即首次應用日期「首次應用日期」)首次採用經修訂追溯調整法應用香港財務報告準則第16號，且並無重列比較資料。而本集團已於首次應用日期將首次應用香港財務報告準則第16號的累計影響確認為累計盈利結餘或其他權益組成部分(如適用)的調整。

本集團已選擇採用過渡可行權宜方法，不於首次應用日期重新評估合約是否為或包含一項租賃，且本集團僅將香港財務報告準則第16號應用於先前根據應用香港會計準則第17號確認為租賃的合約及於首次應用日期或之後訂立或變更並應用香港財務報告準則第16號確認為租賃的合約。

#### 作為承租人

於採納香港財務報告準則第16號前，根據首次應用日期前適用的本集團會計政策，租賃合約分類為經營租賃或融資租賃。

於採納香港財務報告準則第16號後，本集團根據香港財務報告準則第16號的過渡條文及自首次應用日期起適用的本集團會計政策對租賃進行入賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

## 2. 主要會計政策(續)

### Adoption of new/revised HKFRSs (Continued)

### 採用新訂／經修訂香港財務報告準則(續)

#### HKFRS 16: Leases (Continued)

#### 香港財務報告準則第16號：租賃(續)

##### As lessee – leases previously classified as operating leases

##### 作為承租人－先前分類為經營租賃的租賃

The Group recognised right-of-use assets and lease liabilities for leases previously classified as operating leases at the DIA, except for leases for which the underlying asset is of low value, and the Group applied the following practical expedients on a lease-by-lease basis:

於首次應用日期，本集團就先前分類為經營租賃的租賃確認使用權資產及租賃負債，惟相關資產價值較低的租賃除外。本集團已按逐項租賃基準採用以下可行權宜方法：

- (a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (b) adjusted the right-of-use assets at the DIA by the provision for onerous leases recognised immediately before the DIA by applying HKAS 37, as an alternative to performing an impairment review at the DIA;
- (c) did not recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the DIA;
- (d) excluded initial direct costs from the measurement of the right-of-use assets at the DIA; and
- (e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

- (a) 對具有合理相似特徵的租賃組合採用單一貼現率；
- (b) 於首次應用日期，透過對緊接首次應用日期前應用香港會計準則第37號確認的虧損性租賃計提撥備而調整使用權資產，作為於首次應用日期進行減值評估之替代方法；
- (c) 不就租期於首次應用日期起12個月內結束的租賃確認使用權資產及租賃負債；
- (d) 於首次應用日期計量使用權資產時撇除初步直接成本；及
- (e) 倘合約包含延長或終止租賃之選擇權，則使用事後方式釐定租期。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### Adoption of new/revised HKFRSs (Continued)

#### HKFRS 16: Leases (Continued)

#### As lessee - leases previously classified as operating leases

(Continued)

At the DIA, except for those that were previously or will be accounted for as investment property using the fair value model, right-of-use assets were, on a lease-by-lease basis, measured at either,

- (a) their carrying amount as if HKFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the DIA; or
- (b) an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised immediately before the DIA.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the DIA.

Reconciliation of operating lease commitments disclosed applying HKAS 17 at 31 December 2018 and lease liabilities recognised at the DIA is as follows.

### 2. 主要會計政策 (續)

#### 採用新訂／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)

#### 作為承租人－先前分類為經營租賃的租賃 (續)

於首次應用日期，除先前或將使用公允值模型以投資物業入賬的資產外，使用權資產乃根據逐項租賃基準按以下計量：

- (a) 其賬面值，猶如香港財務報告準則第16號已自開始日期起應用，惟須使用承租人於首次應用日期的增量借款利率進行貼現；或
- (b) 相等於租賃負債的金額，並經緊接首次應用日期前確認之租賃有關的任何預付或應計租賃付款的金額調整。

租賃負債按餘下租賃付款之現值計量，並使用承租人於首次應用日期的增量借款利率貼現。

於2018年12月31日應用香港會計準則第17號披露之經營租賃承擔與於首次應用日期確認之租賃負債的對賬如下。

		HK\$'000 千港元
Operating lease commitments at 31 December 2018	於2018年12月31日之經營租賃承擔	90
Less: Short-term leases and other leases with remaining lease term ending on or before 31 December 2019	減：短期租賃及餘下租期於2019年12月31日或之前屆滿的其他租賃	(90)
Lease liabilities at 1 January 2019	於2019年1月1日之租賃負債	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

## 2. 主要會計政策(續)

### Adoption of new/revised HKFRSs (Continued)

採用新訂／經修訂香港財務報告準則(續)

### HKFRS 16: Leases (Continued)

香港財務報告準則第16號：租賃(續)

#### As lessee - leases previously classified as finance leases

作為承租人－先前分類為融資租賃的租賃

The Group measures the carrying amount of the right-of-use assets and lease liabilities at the DIA at the carrying amount of the lease assets and lease liabilities immediately before that date measured applying HKAS 17. The Group accounts for those leases applying HKFRS 16 from the DIA.

於首次應用日期，本集團以緊接該日期前採用香港會計準則第17號計量的租賃資產及租賃負債的賬面值計量使用權資產及租賃負債的賬面值。本集團自首次應用日期起採用香港財務報告準則第16號對該等租賃進行入賬。

#### As lessee - presentation

作為承租人－呈列

At the DIA, except for those that meet the definition of investment properties, all other right-of-use assets were presented as "right-of-use assets" under property, plant and equipment on the consolidated statement of financial position. Besides, lease liabilities including those previously presented under "obligations under finance leases" were shown separately on the consolidated statement of financial position.

於首次應用日期，除符合投資物業界定的資產外，所有其他使用權資產於綜合財務狀況表中呈列為物業、廠房及設備項下的「使用權資產」。此外，包括先前於「融資租賃承擔」項下呈列的租賃負債於綜合財務狀況表中單獨列出。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Adoption of new/revised HKFRSs (Continued)

#### HKFRS 16: Leases (Continued)

#### As lessee - presentation (Continued)

As a result, transfer was made at the DIA to reflect the changes in presentation:

## 2. 主要會計政策(續)

採用新訂／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)

作為承租人－呈列(續)

因此，於首次應用日期進行轉讓以反映呈列變動：

		Classification and carrying amount under HKAS 17 香港會計準則 第17號下的 分類及賬面值 HK\$'000 千港元	Reclassification on adoption of HKFRS 16 採納香港財務 報告準則第16號 時的重新分類 HK\$'000 千港元	Classification and carrying amount under HKFRS 16 香港財務報告 準則第16號下的 分類及賬面值 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Prepaid land lease payments (Note 14)	預付土地租賃款項(附註14)	44,996	(44,996)	-
Property, plant and equipment (machinery and equipment under finance leases) (Note 13)	物業、廠房及設備(根據融資租賃出租的機械及設備)(附註13)	95,011	(95,011)	-
Right-of-use assets, presented in property, plant and equipment (Note 13)	於物業、廠房及設備內呈列的使用權資產(附註13)	-	140,007	140,007
		140,007	-	140,007
<b>Current liabilities</b>	<b>流動負債</b>			
Obligation under finance leases (Note 21)	融資租賃承擔(附註21)	22,415	(22,415)	-
Lease liabilities (Note 22)	租賃負債(附註22)	-	22,415	22,415
		22,415	-	22,415
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Obligation under finance leases (Note 21)	融資租賃承擔(附註21)	42,879	(42,879)	-
Lease liabilities (Note 22)	租賃負債(附註22)	-	42,879	42,879
		42,879	-	42,879

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### 2. 主要會計政策(續)

#### Adoption of new/revised HKFRSs (Continued)

#### 採用新訂／經修訂香港財務報告準則(續)

#### HKFRS 16: Leases (Continued)

#### 香港財務報告準則第16號：租賃(續)

##### As lessor

The Group is not required to make any adjustments on transition for leases in which it is a lessor and those leases are accounted for by applying HKFRS 16 from the DIA.

##### 作為出租人

本集團無需對其作為出租人的租賃作出任何過渡調整，而該等租賃自首次應用日期起採用香港財務報告準則第16號入賬。

##### Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for the financial assets at fair value through profit or loss ("FVPL"), which are measured at fair value as explained in the accounting policy as set out below.

##### 計量基準

除下文會計政策所解釋的按公允值計入損益(「按公允值計入損益」)的金融資產按公允值計量外，編製該等綜合財務報表乃以歷史成本為計量基準。

##### Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

##### 綜合基準

綜合財務報表包括本公司及其所有附屬公司的財務報表。附屬公司的財務報表乃按與本公司相同的報告期間使用一致的會計政策編製。

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

集團內公司間的交易所產生的所有集團內公司間結餘、交易、收入及開支及盈虧均全數抵銷。附屬公司的業績乃自本集團取得控制權當日起綜合入賬，並繼續綜合入賬至該控制權終止之日為止。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented in Note 34 to the consolidated financial statements, investments in subsidiaries are stated at cost less impairment loss. The carrying amount of the investments is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the dividends received and/or receivable.

##### Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

#### 2. 主要會計政策(續)

##### 附屬公司

附屬公司指受本集團控制的實體。倘本集團就參與實體業務所得可變動回報承擔風險或享有權利，並能透過其於該實體之權力影響該等回報，則本集團對該實體有控制權。如有事實及情況顯示一項或多項控制權要素出現變化，則本集團會重新評估其對被投資者之控制權。

於本公司財務狀況表(綜合財務報表附註34)內，對附屬公司的投資按成本減減值虧損列示。倘投資的賬面值高於可收回金額，則將投資的賬面值按個別基準減記至其可收回金額。附屬公司的業績列入本公司已收及/或應收股息。

##### 物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本減累計折舊及累計減值虧損入賬。物業、廠房及設備項目的成本包括其購買價及任何使資產達致其使用狀態及地點作預定用途所產生的直接應佔成本。維修及保養開支乃於其產生的期間內於損益中支銷。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Property, plant and equipment (Continued)

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, other than construction in progress, over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis and depreciated separately:

Right-of-use assets	Shorter of useful lives or over the unexpired term of lease
Buildings	50 years or over the lease term, as appropriate
Leasehold improvements	20 years or over the lease term, as appropriate
Furniture and fixtures	5 years
Machinery and equipment	5-10 years
Motor vehicles	3 years
Computer	5-10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Construction in progress represents buildings, leasehold improvements and machinery and equipment under construction. It is stated at cost less any accumulated impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when the construction is completed and the asset is available for use.

## 2. 主要會計政策(續)

### 物業、廠房及設備(續)

物業、廠房及設備(在建工程除外)於下述估計可使用期限內，在考慮到其估計剩餘價值後，由其可供使用之日起以直線法計算折舊，以撇銷成本減累計減值虧損。倘物業、廠房及設備項目之各部分擁有不同的可使用期限，該項目之成本或估值會獨立按合理基準分配及計算折舊：

使用權資產	使用年期或未到期租賃期內 (以較短者為準)
樓宇	50年或於租賃期內(倘適用)
租賃物業裝修	20年或於租賃期內(倘適用)
傢俬及固定裝置	5年
機械及設備	5至10年
汽車	3年
電腦	5至10年

物業、廠房及設備項目於出售或預期持續使用資產將不會產生未來經濟利益時取消確認。取消確認資產所產生的任何收益或虧損(按出售所得款項淨額與該項目賬面值的差額計算)於取消確認項目的期間計入損益中。

在建工程包括在建樓宇、租賃物業裝修及機械及設備。在建工程按成本減任何累計減值虧損列賬且不計提折舊。成本由建築期間的直接建築成本組成。在建工程於施工完成及資產達到可用狀態後重新分類至合適的物業、廠房及設備類別。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### Prepaid land lease payments

Before 1 January 2019, prepaid land lease payments are up-front payments to acquire fixed term interests in lessee-occupied land that are classified as operating leases. The premiums are stated at cost less accumulated amortisation and impairment losses and are amortised over the period of the lease on a straight-line basis to profit or loss. From 1 January 2019, those payments are accounted for as “right-of-use assets” categorised in “property, plant and equipment”.

##### Research and development cost

Research costs are expensed as incurred. Costs incurred in development activities, which involve the application of research findings to a plan or design for the production of new or substantially improved products and processes, are capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss as an expense as incurred.

#### 2. 主要會計政策(續)

##### 預付土地租賃款項

於2019年1月1日前，預付土地租賃款項指收購分類為經營租賃的承租人佔用土地的固定年期權益而支付的前期款項。溢價按成本減累計攤銷及減值虧損列賬，並於租賃期內按直線法攤銷至損益。自2019年1月1日起，該等付款於「物業、廠房及設備」中的「使用權資產」項目入賬。

##### 研發成本

研究成本於發生時費用化。如果產品或工藝在技術及商業上可行，而且本集團有足夠的資源來完成開發，則在開發活動中發生的成本（包括將研究結果應用於生產新的或實質性改進的產品及工藝的計劃或設計）將予以資本化。資本化支出包括材料成本、直接人工成本及按適當比例分攤的間接費用。其他開發支出於發生時於損益內確認為開支。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

## 2. 主要會計政策(續)

### Financial instruments

### 金融工具

#### Financial assets

#### 金融資產

#### Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

#### 確認及取消確認

金融資產乃於且僅於本集團成為工具合約條文的訂約方時按交易日基準確認。

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) the Group transfers substantially all the risks and rewards of ownership of the financial asset, or (b) the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

金融資產於且僅於以下情況時取消確認：(i)本集團對金融資產產生的未來現金流量的合約權利屆滿時；或(ii)本集團轉移金融資產且(a)本集團已轉移該項金融資產擁有權的絕大部分風險及回報或(b)本集團既無轉移亦無保留該項金融資產擁有權的絕大部分風險及回報但並無保留該項金融資產的控制權時。

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.

倘本集團保留已轉移金融資產擁有權的絕大部分風險及回報，則本集團繼續確認金融資產。

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 the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

倘本集團既無轉移亦無保留擁有權的絕大部分風險及回報，並繼續控制已轉移資產，則本集團確認其持續參與的金融資產及可能須支付的相關負債款項。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Financial assets (Continued)

##### Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income (“Mandatory FVOCI”); (iii) equity investment measured at fair value through other comprehensive income (“Designated FVOCI”); or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group’s business model for managing the financial assets and the financial asset’s contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period, following the change in the business model.

## 2. 主要會計政策 (續)

### 金融工具 (續)

#### 金融資產 (續)

##### 分類及計量

金融資產(並無重大融資成分的貿易應收款項除外)初步按公允值確認,而倘金融資產並非按公允值計入損益,則加上收購金融資產直接應佔的交易成本。有關貿易應收款項初步按其交易價格計量。

於初步確認時,金融資產分類為(i)按攤銷成本計量;(ii)按公允值計入其他全面收益計量的債務投資(「強制按公允值計入其他全面收益」);(iii)按公允值計入其他全面收益計量的股本投資(「指定按公允值計入其他全面收益」);或(iv)按公允值計入損益計量。

金融資產於初步確認時的分類取決於本集團管理金融資產業務模式及金融資產的合約現金流量特徵。金融資產在初步確認後不會進行重新分類,惟倘本集團改變管理金融資產的業務模式,則所有受影響金融資產於改變業務模式後首個年度報告期間首日重新分類。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

### Financial assets (Continued)

### Classification and measurement (Continued)

#### 1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include trade and other receivables and bank balances and cash.

## 2. 主要會計政策(續)

### 金融工具(續)

### 金融資產(續)

### 分類及計量(續)

#### 1) 按攤銷成本計量的金融資產

倘金融資產符合以下條件，且並無指定按公允值計入損益，則該金融資產按攤銷成本計量：

- (i) 其為在以持有金融資產以收取合約現金流量為目標之業務模式下持有；及
- (ii) 其合約條款在特定日期產生之現金流量僅為支付本金及未償本金之利息。

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能受減值影響。因減值、取消確認或攤銷過程產生的收益及虧損在損益中確認。

本集團按攤銷成本計量的金融資產包括貿易及其他應收款項及銀行結餘及現金。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

#### Financial assets (Continued)

#### Classification and measurement (Continued)

##### 2) Financial assets at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL, and financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

- (i) acquired principally for the purpose of selling it in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

### 2. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

#### 分類及計量(續)

##### 2) 按公允值計入損益的金融資產

該等投資包括並非按攤銷成本或按公允值計入其他全面收益計量的金融資產，涵蓋持作買賣的金融資產、於初步確認時指定為按公允值計入損益的金融資產及因香港財務報告準則第3號適用的業務合併中的或然代價安排而產生的金融資產以及其他須按公允值計入損益的金融資產。該等投資按公允值列賬，而任何因此產生的收益及虧損於損益確認，不包括金融資產賺取的任何股息或利息。股息或利息收入獨立於公允值收益或虧損呈列。

金融資產如屬以下各項，則分類為持作買賣：

- (i) 收購目的主要為於短期內出售；
- (ii) 屬於受集中管理的已識別金融工具組合的一部分，且有跡象顯示其於初步確認時近期確實出現短期獲利模式；或
- (iii) 並非財務擔保合約或並非指定有效對沖工具的衍生工具。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

#### Financial assets (Continued)

#### Classification and measurement (Continued)

##### 2) Financial assets at FVPL (Continued)

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Group's financial assets measured at FVPL include the unlisted investments - key management insurance contracts.

#### Financial liabilities

#### Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

#### Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, interest-bearing borrowings, payables for construction in progress and lease liabilities. All financial liabilities, 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 insignificant, in which case they are stated at cost.

### 2. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

#### 分類及計量(續)

##### 2) 按公允值計入損益的金融資產(續)

金融資產僅在於初步確認時指定按公允值計入損益可消除或大大減少按不同基準計量資產或負債或確認其收益或虧損所產生的計量或確認不一致情況時，方可如此指定。

本集團按公允值計入損益計量的金融資產包括非上市投資 - 主要管理人員保險合約。

#### 金融負債

#### 確認及取消確認

金融負債乃於且僅於本集團成為工具合約條文的訂約方時確認。

金融負債於且僅於負債終絕時方取消確認，即有關合約訂明的責任獲解除、註銷或屆滿時。

#### 分類及計量

金融負債初步按公允值確認，而倘金融負債並非按公允值計入損益，則加上發行金融負債直接應佔的交易成本。

本集團的金融負債包括貿易及其他應付款項、計息借款、應付在建工程款項及租賃負債。所有金融負債初始按公允值確認，其後採用實際利率法按攤銷成本計量，除非貼現影響並不重大，則按成本列賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the reporting period, respectively. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, respectively, or where appropriate, a shorter period.

#### Impairment of financial assets and other items

The Group recognises loss allowances for expected credit losses (“ECL”) on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. At each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

#### Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 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.

## 2. 主要會計政策(續)

### 金融工具(續)

#### 實際利率法

實際利率法乃分別計算金融資產或金融負債之攤銷成本並於報告期分攤利息收入或利息開支之方法。實際利率乃分別按金融資產或負債的預計年期(或於適當時按較短期間)精確折現未來估計現金收入或支出之比率。

#### 金融資產及其他項目的減值

本集團就根據香港財務報告準則第9號應用減值規定的按攤銷成本計量的金融資產的預期信貸虧損(「預期信貸虧損」)確認虧損撥備。於各報告日期，倘該項金融資產的信貸風險自初步確認以來已大幅增加，則本集團按相等於整個存續期預期信貸虧損的金額計量金融資產的虧損撥備。倘金融資產的信貸風險自初步確認以來並無大幅增加，則本集團按相等於12個月預期信貸虧損的金額計量該項金融資產的虧損撥備。

#### 預期信貸虧損的計量

預期信貸虧損是對金融工具預計年期內信貸虧損的概率加權估計(即所有現金短缺的現值)。

就金融資產而言，信貸虧損為根據合約應付實體的合約現金流量與實體預期收到的現金流量之間差額的現值。

整個存續期的預期信貸虧損指因金融工具的預計年期內所有可能的違約事件而產生的預期信貸虧損，而12個月預期信貸虧損指於報告日期後12個月內因可能發生有關金融工具的違約事件而預期產生的部分整個存續期的預期信貸虧損。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

### Impairment of financial assets and other items (Continued)

#### Measurement of ECL (Continued)

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

- (i) past due information
- (ii) nature of instrument
- (iii) nature of collateral
- (iv) industry of debtors
- (v) geographical location of debtors
- (vi) external credit risk ratings

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument, except in the case of Mandatory FVOCI, the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

## 2. 主要會計政策 (續)

### 金融工具 (續)

### 金融資產及其他項目的減值 (續)

#### 預期信貸虧損的計量 (續)

當預期信貸虧損共同計量時，金融工具會根據下列一項或多項基準之共同信貸風險特徵進行分組：

- (i) 過往逾期資料
- (ii) 工具性質
- (iii) 抵押性質
- (iv) 債務人行業
- (v) 債務人地區位置
- (vi) 外部信貸風險評級

虧損撥備於各報告日期重新計量，以反映金融工具信貸風險及虧損自初始確認以來的變動。所產生之虧損撥備變動於損益內確認為減值收益或虧損，金融工具的賬面值亦會相應調整，惟如屬強制按公允值計入其他全面收益，則虧損撥備於其他全面收益確認及於公允值儲備累計(可轉回)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Impairment of financial assets and other items (Continued)

##### 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 the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

- (i) 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); or
- (ii) there is a breach of financial covenants by the counterparty.

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.

## 2. 主要會計政策(續)

### 金融工具(續)

#### 金融資產及其他項目的減值(續)

##### 違約定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，原因是過往經驗表明倘金融工具符合以下任何一項條件，則本集團可能無法悉數收回未償還合約款項。

- (i) 內部產生或自外部來源獲取的資料表明，債務人不太可能向債權人(包括本集團)全額還款(不計及本集團持有的任何抵押)；或
- (ii) 交易對手違反財務契諾。

不論上述分析如何，本集團認為，當金融資產逾期超過90日時，即屬發生違約，除非本集團有合理及具理據的資料證明較寬鬆的違約標準更為適當則當別論。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Impairment of financial assets and other items (Continued)

##### Assessment of 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 as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding 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.

##### Low credit risk

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

All financial assets, except for trade receivables, are determined to have low credit risk.

## 2. 主要會計政策(續)

### 金融工具(續)

#### 金融資產及其他項目的減值(續)

##### 信貸風險顯著上升的評估

於評估金融工具的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的風險與該金融工具於初步確認日期出現違約的風險。作此評估時，本集團會考慮合理及有理據的定量及定性資料，包括過往經驗及無需花費不必要成本或精力即可獲得的前瞻性資料。無論上述評估結果如何，本集團假定合約付款逾期超過30日時，金融工具的信貸風險自初步確認以來已大幅增加。

儘管存在上述情況，倘金融工具於報告日期確定具有低信貸風險，本集團假定金融工具的信貸風險自初步確認起並無大幅增加。

##### 信貸風險偏低

倘發生以下情況，則金融工具的信貸風險會被釐定為偏低：

- (i) 其違約風險偏低；
- (ii) 債務人有強大能力於短期內履行其合約現金流量責任；及
- (iii) 較長期的經濟及業務狀況可能存在不利變動，惟將未必削弱債務人達成其合約現金流量責任的能力。

所有金融資產(貿易應收款項除外)的信貸風險均被釐定為偏低。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Impairment of financial assets and other items (Continued)

##### Simplified approach of ECL

For trade receivables, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

##### Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower.
- (b) a breach of contract, such as a default or past due event.
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

## 2. 主要會計政策 (續)

### 金融工具 (續)

#### 金融資產及其他項目的減值 (續)

##### 預期信貸虧損的簡化方法

就貿易應收款項而言，本集團應用簡化方法計量預期信貸虧損。本集團於各報告日期根據其過往信貸虧損經驗確認基於整個存續期預期信貸虧損的虧損撥備，並根據債務人具體的前瞻性因素及經濟環境加以調整。

##### 信貸減值金融資產

金融資產在一項或以上事件（對該金融資產估計未來現金流量構成不利影響）發生時維持信貸減值。金融資產維持信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人的重大財困。
- (b) 違反合約（如違約或逾期事件）。
- (c) 借款人的貸款人因有關借款人財困的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠。
- (d) 借款人將可能陷入破產或其他財務重組。
- (e) 該金融資產的活躍市場因財困而消失。
- (f) 以大幅折扣購買或產生一項金融資產，而該折扣反映已發生的信貸虧損。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

#### Impairment of financial assets and other items (Continued)

##### Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

##### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, cost of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 2. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產及其他項目的減值(續)

##### 撇銷

倘本集團並無合理預期收回全部或部分金融資產的合約現金流量，則會撇銷相關金融資產。本集團預期並無重大撇銷收款。然而，在考慮法律意見(如適用)後，本集團可能仍會根據到期款項收回程序強制處理被撇銷的金融資產。其後所收回的任何款項於損益中確認。

##### 存貨

存貨乃按成本及可變現淨值兩者之較低值入賬。成本乃按加權平均成本法計算，包括所有採購成本及(倘適用)轉換成本及將存貨運至現時所在地點及使存貨達至現時狀況所產生之其他費用。可變現淨值是在日常業務過程中的估計銷售價格減估計完工成本及完成銷售所需之估計成本。

存貨出售時，該等存貨的賬面值於確認有關收益的期間確認為開支。存貨撇減至可變現淨值的減幅及所有存貨虧損一概在撇減或虧損產生期間確認為開支。任何存貨撇減撥回的金額，在作出撥回期間確認為沖減已確認為開支的存貨金額。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

##### Impairment of other assets

At the end of each reporting period, the Group reviews internal and external sources of information to determine whether there is any indication that its property, plant and equipment and the Company's investments in subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment loss is recognised as income in profit or loss immediately.

#### 2. 主要會計政策 (續)

##### 現金等價物

就綜合現金流量表而言，現金等價物指可隨時轉換為已知金額現金且價值變動風險不大的短期高流動性投資。

##### 其他資產減值

於各報告期末，本集團會審閱內部及外部資料來源，以釐定是否有跡象顯示其物業、廠房及設備以及本公司於附屬公司的投資可能出現減值，或之前確認的減值虧損是否已不再存在或可能減少。若出現任何有關跡象，將會根據資產的公允值減出售成本與使用價值之較高者估計資產的可收回金額。如未能估計個別資產的可收回金額，則本集團會估計能獨立產生現金流量的最小資產組（即現金產生單位）的可收回金額。

倘本集團估計某項資產或現金產生單位的可收回金額低於其賬面值，則該項資產或現金產生單位的賬面值會下調至其可收回金額。減值虧損即時於損益內確認為開支。

減值虧損的撥回以該項資產或現金產生單位在以往期間並無確認減值虧損而原應釐定的賬面值為限。減值虧損撥回即時於損益中確認為收入。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Foreign currency translation

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 is presented in the currency of Hong Kong Dollars ("HK\$"), which is also the functional currency of the Company, and rounded to the nearest thousands unless otherwise indicated.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented, are translated at the closing rate at the end of each reporting period;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rate;
- all resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity;

## 2. 主要會計政策 (續)

### 外幣換算

本集團各實體之財務報表所列項目乃按實體經營所在的主要經濟環境的貨幣(「功能貨幣」)計量。除另有註明者外，綜合財務報表按本公司之功能貨幣港元(「港元」)呈列，並調整至最接近的千位數。

外幣交易均按交易當日的現行匯率換算為功能貨幣。因該等交易結算及按期末匯率換算以外幣計值之貨幣資產及負債而產生之匯兌損益，均於損益中確認。

功能貨幣有別於呈列貨幣的所有集團實體(「海外業務」)的業績及財務狀況，均按以下方式換算為呈列貨幣：

- 各財務狀況表呈列的資產及負債乃按各報告期末的收市匯率換算；
- 各收益表、全面收益表的收支乃按平均匯率換算；
- 所有上述換算產生的匯兌差額及構成本集團於海外業務的投資淨額部分的貨幣項目所產生的匯兌差額，乃確認為權益的個別部分；

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### Foreign currency translation (Continued)

- on the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation and a disposal involving the loss of control over a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised;
- on the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss; and
- on all other partial disposals, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

#### 2. 主要會計政策 (續)

##### 外幣換算 (續)

- 出售海外業務時 (包括出售本集團於海外業務的全部權益，以及涉及失去對附屬公司 (包含海外業務) 的控制權的出售事項)，與海外業務相關且於其他全面收益中確認並於權益的個別部分累計的匯兌差額累計金額，於確認出售損益時由權益重新分類至損益；
- 部分出售本集團於附屬公司 (包含海外業務) 的權益但並無令本集團失去對該附屬公司的控制權時，於權益的個別部分確認的匯兌差額累計金額將按比例重新分類至該海外業務的非控股權益，而不會重新分類至損益；及
- 於所有其他部分出售時，按比例分佔於權益的個別部分確認的匯兌差額累計金額會重新分類至損益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### 2. 主要會計政策(續)

#### Revenue recognition

#### 收益確認

#### Revenue from contracts with customers within HKFRS 15

#### 香港財務報告準則第15號來自客戶合約的收益

#### Nature of goods or services

The nature of the goods or services provided by the Group is as follows:

#### 商品或服務性質

本集團所提供商品或服務的性質如下：

- (i) manufacturing and sales of e-cigarettes products.
- (ii) manufacturing and sales of moulds and plastic products.

- (i) 製造及銷售電子煙產品。
- (ii) 生產及銷售模具及塑膠製品。

#### Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

#### 識別履約責任

於合約開始時，本集團評估客戶合約內承諾的商品或服務，並識別為承諾向客戶轉移以下商品或服務的履約責任：

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

- (a) 可區分之單一商品或服務(或一組商品或服務)；或
- (b) 一系列大致相同且轉移予客戶的模式相同的可區分商品或服務。

A good or service that is promised to a customer is distinct if both of the following criteria are met:

倘同時符合下列標準，則向客戶承諾的商品或服務屬可區分：

- (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

- (a) 客戶可從商品或服務中獲益(不論是以其本身或連同客戶可得的其他資源，即商品或服務能夠被區分)；及
- (b) 本集團向客戶轉移商品或服務的承諾可與合約中的其他承諾分開識別(即轉移商品或服務的承諾在合約內容上有所區分)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition (Continued)

#### Revenue from contracts with customers within HKFRS 15 (Continued)

##### Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

### 2. 主要會計政策 (續)

#### 收益確認 (續)

#### 香港財務報告準則第15號來自客戶合約的收益 (續)

##### 收益確認的時間

收益於本集團透過向客戶轉移所承諾商品或服務(即一項資產)達成履約責任時(或就此)確認。資產於客戶取得對該項資產的控制權時(或就此)轉移。

倘符合下列其中一項標準，則本集團於一段時間內轉移商品或服務的控制權，並因此於一段時間內達成履約責任及確認收益：

- (a) 於本集團履約時，客戶同時取得並耗用本集團履約所提供的利益；
- (b) 本集團的履約產生或提升一項資產(例如在製品)，而該項資產於產生或提升時由客戶控制；或
- (c) 本集團的履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

倘履約責任並未於一段時間內達成，則本集團於客戶取得對所承諾資產的控制權時完成履約責任。於釐定控制權何時發生轉移時，本集團會考慮控制權的概念以及法定所有權、實質擁有權、付款請求權、資產擁有權的重大風險及回報以及客戶接受度等指標。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Revenue recognition (Continued)

#### Revenue from contracts with customers within HKFRS 15 (Continued)

##### Timing of revenue recognition (Continued)

Sales of e-cigarettes products and sales of moulds and plastic products are recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

##### Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For the business of sales of moulds and plastic products, it is common for the Group to receive from the customer the whole or some of the contractual payments before the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

## 2. 主要會計政策(續)

### 收益確認(續)

#### 香港財務報告準則第15號來自客戶合約的收益(續)

##### 收益確認的時間(續)

電子煙產品銷售以及模具及塑膠製品銷售於客戶取得對所承諾資產的控制權時(一般與商品交付予客戶及所有權轉移的時間相同)確認。

##### 合約資產及合約負債

倘本集團透過於客戶支付代價或付款到期前將商品或服務轉移予客戶履約，則將該合約呈列為合約資產(不包括呈列為應收款項的任何金額)。相反，倘於本集團向客戶轉移商品或服務之前，客戶支付代價或本集團有權無條件收取代價，則於客戶作出付款或有關付款到期時(以較早者為準)將該合約呈列為合約負債。應收款項為本集團無條件收取代價的權利，或代價僅隨時間推移即會成為到期支付。

單一合約或一組相關合約以合約資產淨值或合約負債淨額呈列。無關合約之合約資產及合約負債不按淨額基準呈列。

就模具及塑膠製品銷售業務而言，本集團通常在貨物交付之前向客戶收取全部或部分合約付款(即此類交易的收益確認時間)。本集團確認合約負債直至其確認為收益。在此期間，任何重大融資成分(如適用)將計入合約負債，並將作為應計費用支銷，除非利息開支符合資本化條件。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Leases

#### Applicable from 1 January 2019

The Group assesses whether a contract is, or contains, a lease at inception of the contract. 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.

#### As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group accounts for each lease component within a lease contract as a lease separately. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

## 2. 主要會計政策(續)

### 租賃

#### 自2019年1月1日起適用

本集團於合約開始生效時評估合約是否為或包含租賃。倘合約為換取代價而賦予在一段時間內控制可識別資產使用的權利，則該合約為租賃或包含租賃。

#### 作為承租人

本集團對短期租賃及低價值資產租賃應用確認豁免。該等租賃相關的租賃付款按直線法於租賃期內確認為開支。

本集團已選擇不從租賃部分中分離出非租賃部分，並將各租賃部分及任何相關非租賃部分作為單獨租賃部分入賬。

本集團將租賃合約內各租賃部分作為一項租賃單獨入賬。本集團根據租賃部分的相對獨立價格將合約代價分配至各租賃部分。

本集團未產生單獨組成部分之應付款項被視作分配至合約單獨可識別組成部分之總代價之一部分。

本集團於租賃開始日期確認使用權資產及租賃負債。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Leases (Continued)

#### Applicable from 1 January 2019 (Continued)

#### As lessee (Continued)

The right-of-use asset is initially measured at cost, which comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

## 2. 主要會計政策 (續)

### 租賃 (續)

#### 自2019年1月1日起適用 (續)

#### 作為承租人 (續)

使用權資產乃按成本進行初始計量，其中包括：

- (a) 租賃負債的初始計量金額；
- (b) 於開始日期或之前作出的任何租賃付款，減去已收取的任何租賃優惠；
- (c) 本集團產生的任何初始直接成本；及
- (d) 本集團拆除及移除相關資產、恢復相關資產所在場地或將相關資產恢復至租賃條款及條件所規定狀態將予產生的估計成本，除非該等成本乃因生產存貨而產生。

租賃負債乃按於合約開始日期尚未支付之租賃付款現值進行初始計量。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### Leases (Continued)

##### Applicable from 1 January 2019 (Continued)

##### As lessee (Continued)

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate;
- (c) amounts expected to be payable under residual value guarantees;
- (d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

#### 2. 主要會計政策(續)

##### 租賃(續)

##### 自2019年1月1日起適用(續)

##### 作為承租人(續)

計入租賃負債計量的租賃付款包括下列於租賃期內使用相關資產的權利且於開始日期尚未支付之付款：

- (a) 固定付款(包括實質性固定付款)減任何應收租賃優惠；
- (b) 取決於一項指數或比率之可變租賃付款；
- (c) 根據剩餘價值擔保預期應付之款項；
- (d) 購買選擇權的行使價(倘本集團合理確定行使該選擇權)；及
- (e) 終止租賃的罰款付款(倘租賃條款反映本集團行使選擇權終止租賃)。

租賃付款使用租賃的隱含利率貼現，或倘該利率無法可靠地釐定，則採用承租人之增量借款利率。

隨後，租賃負債透過增加賬面值以反映租賃負債之利息及調減賬面值以反映已付的租賃付款進行計量。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Leases (Continued)

#### Applicable from 1 January 2019 (Continued)

##### As lessee (Continued)

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

A lease modification is accounted for as a separate lease if:

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

## 2. 主要會計政策(續)

### 租賃(續)

#### 自2019年1月1日起適用(續)

##### 作為承租人(續)

當租賃期出現變動而產生租賃付款變動或重新評估本集團是否將合理確定行使購買選擇權時，租賃負債使用經修訂貼現率進行重新計量。

當指數或比率(浮動利率除外)變動導致剩餘價值擔保、實質性固定租賃付款或未來租賃付款出現變動，則租賃負債使用原貼現率進行重新計量。倘浮動利率變動導致未來租賃付款出現變動，則本集團使用經修訂貼現率重新計量租賃負債。

本集團將租賃負債之重新計量金額確認為對使用權資產之調整。倘使用權資產賬面值減少至零且於租賃負債計量進一步調減，本集團將於損益中確認任何重新計量之剩餘金額。

倘出現以下情況，租賃修改則作為單獨租賃入賬：

- (a) 該修改透過增加一項或以上相關資產之使用權利而擴大租賃範圍；及
- (b) 租賃代價增加之金額相當於經擴大範圍對應之獨立價格及為反映特定合約之情況而對該獨立價格進行之任何適當調整。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### Leases (Continued)

##### Applicable from 1 January 2019 (Continued)

##### As lessee (Continued)

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

- (a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.
- (b) the Group determines the lease term of the modified contract.
- (c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.
- (d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.
- (e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

#### 2. 主要會計政策 (續)

##### 租賃 (續)

##### 自2019年1月1日起適用 (續)

##### 作為承租人 (續)

當租賃修改並未於租賃修改生效日期作為單獨租賃入賬，

- (a) 本集團根據上述相對獨立價格將代價分配至經修訂合約。
- (b) 本集團釐定經修訂合約之租賃期。
- (c) 本集團透過於經修訂租賃期使用經修訂貼現率對經修訂租賃付款進行貼現以重新計量租賃負債。
- (d) 就縮減租賃範圍之租賃修改而言，本集團透過減少使用權資產之賬面值將租賃負債之重新計量入賬，以反映部分或全面終止該租賃及於損益中確認任何與部分或全面終止該租賃相關之收益或虧損。
- (e) 就所有其他租賃修改而言，本集團透過對使用權資產作出相應調整，將租賃負債之重新計量入賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Leases (Continued)

#### Applicable from 1 January 2019 (Continued)

##### As lessor

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and sublease as two separate contracts. The sublease is classified as an operating lease if the head lease is a short-term lease to which the Group has applied the recognition exemption. Otherwise, the sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Group accounts for each lease component within a lease contract as a lease separately from non-lease components of the contract. The Group allocates the consideration in the contract to each lease component on a relative stand-alone price basis.

Rental income under operating leases is recognised when the assets are let out on straight-line basis over the lease term.

##### As lessor – operating lease

The Group applies the derecognition and impairment requirements in HKFRS 9 to the operating lease receivables.

A modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

## 2. 主要會計政策 (續)

### 租賃 (續)

#### 自2019年1月1日起適用 (續)

##### 作為出租人

本集團於租賃開始生效日期將其各項租賃分類為融資租賃或經營租賃。倘租賃將相關資產擁有權附帶的絕大部分風險及回報轉讓，則該租賃分類為融資租賃。所有其他租賃均分類為經營租賃。

當本集團為中間出租人，本集團會將原租賃及分租作為兩項獨立合約入賬。倘原租賃為本集團已應用確認豁免之短期租賃，則分租分類為經營租賃，否則分租參考原租賃產生之使用權資產分類為融資或經營租賃。

本集團將租賃合約內各租賃部分作為一項租賃與合約之非租賃部分分開入賬。本集團按相對獨立價格將合約代價分配至各租賃部分。

經營租賃項下的租金收入於放租資產時，於租賃期內按直線法確認。

##### 作為出租人 – 經營租賃

本集團將香港財務報告準則第9號終止確認及減值規定應用於經營租賃應收款項。

經營租賃之修改自該修改生效日期起作為新租賃入賬，而與原租賃相關之任何預付或應計租賃付款則作為新租賃之租賃付款的一部分。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Leases (Continued)

#### Applicable before 1 January 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### As lessee

Assets held under finance leases are recognised as assets of the Group at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as finance lease obligation. Finance charges, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

#### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

## 2. 主要會計政策 (續)

### 租賃 (續)

#### 於2019年1月1日前適用

租賃條款將擁有權的絕大部分風險及回報轉移予承租人的租賃，均分類為融資租賃。所有其他租賃均分類為經營租賃。

#### 作為承租人

根據融資租賃持有的資產按租賃資產的公允值及最低租賃付款的現值(以較低者為準)確認為本集團的資產。對出租人的相關責任作為融資租賃承擔計入綜合財務狀況表。融資費用為租賃承擔總額與所收購資產公允值之間的差額，乃於相關租賃年期內於損益中扣除，藉以令各會計期間的承擔餘額的期間費率一致。

經營租賃項下的應付租金於相關租賃年期內以直線法在損益中扣除。

#### 政府補貼

政府補貼於能合理確定將收到補貼，且所有附帶條件將獲遵守之情況下按其公允值確認。倘補貼與開支項目相關，則有關補貼於需要系統性地將補貼與其擬補償之成本配對之年度內確認為收入。倘補貼與資產有關，則公允值計入遞延收益賬，並按相關資產之預計可使用期限按年以等額分期轉撥至損益。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

## 2. 主要會計政策(續)

### Employee benefits

### 僱員福利

#### Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

#### 短期僱員福利

薪金、年度花紅、帶薪年假及非現金福利成本乃於僱員提供相關服務的期間累計。

#### Defined contribution plans

The obligations for contributions to defined contribution retirement scheme in Hong Kong are recognised as an expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund. The Group had no forfeited contribution available to reduce the contribution payable in the future years.

#### 定額供款計劃

香港定額供款退休計劃之供款責任在產生時於損益內確認為開支。計劃資產與本集團的資產分開，由獨立管理的基金持有。本集團並無可供扣減未來年度應付供款之已沒收供款。

In accordance with the rules and regulations in the PRC, the employees of the Group's entities established in the PRC are required to participate in defined contribution retirement plans organised by local governments. Contributions to these plans are expensed in profit or loss as incurred and other than these monthly contributions, the Group has no further obligation for the payment of retirement benefits to its employees.

根據中國法例及法規，本集團於中國成立的實體的僱員須參與由地方政府安排的定額供款退休計劃。向該等計劃作出的供款於產生時於損益中支銷，而除該等每月供款外，本集團再無為其僱員支付退休福利款項的其他責任。

#### Long service payments

The Group's net obligation in respect of long service payments under the Hong Kong Employment Ordinance is the amounts of future benefit that employees have earned in return for their services in the current and prior periods. The obligation is calculated using the projected unit credit method and discounted to its present value and after deducting the fair value of any related assets, including those retirement scheme benefits.

#### 長期服務金

本集團根據香港僱傭條例就長期服務金的責任淨額乃僱員於本期間及過往期間就提供服務所賺取的未來福利金額。有關責任使用預測單位信貸法計算，並貼現至其現值及已扣除任何相關資產(包括該等退休計劃福利)的公允值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill, or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

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

Deferred tax is provided on temporary differences arising on undistributed dividend, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

#### 2. 主要會計政策 (續)

##### 稅項

即期所得稅支出乃根據本期間的業績計算，並就毋須課稅或不可扣減項目作出調整。計算時所使用的稅率為於各報告期末已頒行或實際上已頒行的稅率。

遞延稅項乃就資產及負債的稅基與其於綜合財務報表內所示的賬面值於各報告期末的所有暫時差額，採用負債法作出撥備。然而，初步確認商譽或一項交易（業務合併除外）中的其他資產或負債所產生的任何遞延稅項，倘其於交易時不影響會計溢利或應課稅溢利或虧損，則不會確認。

遞延稅項資產及負債乃根據於各報告期末已頒行或實際上已頒行的稅率及稅法，按收回資產或清償負債的期間預期適用的稅率計量。

倘可能有未來應課稅溢利可用作抵銷可扣減暫時差額、稅項虧損及抵免，則會確認遞延稅項資產。

遞延稅項按未分派股息所產生之暫時差額作出撥備，惟本集團可控制暫時差額之撥回時間，以及暫時差額不大可能於可見未來撥回之情況除外。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

## 2. 主要會計政策(續)

### Related parties

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

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a holding company of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

### 關聯方

關聯方為與本集團有關聯的人士或實體。

(a) 倘一名人士符合以下條件，該名人士或其近親即為與本集團有關聯：

(i) 對本集團有控制權或共同控制權；

(ii) 對本集團有重大影響力；或

(iii) 為本集團或本集團控股公司的主要管理人員。

(b) 倘一間實體符合以下條件，其即為與本集團有關聯：

(i) 該實體與本集團為同一集團的成員公司(即各控股公司、附屬公司及同系附屬公司彼此互有關聯)。

(ii) 其中一間實體為另一間實體之聯營公司或合營企業(或為另一間實體所屬集團成員公司的聯營公司或合營企業)。

(iii) 兩間實體均為同一第三方的合營企業。

(iv) 其中一間實體為一名第三方的合營企業，而另一間實體為該第三方的聯營公司。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### Related parties (Continued)

(b) (Continued)

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to a holding company of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

#### 2. 主要會計政策 (續)

##### 關聯方 (續)

(b) (續)

(v) 該實體為本集團或與本集團有關聯的實體就僱員福利而設的退休福利計劃。倘本集團本身為該計劃，提供資助的僱主亦為與本集團有關聯。

(vi) 該實體受(a)段所識別之人士控制或共同控制。

(vii) (a)(i)段所識別之人士對該實體有重大影響力或為該實體(或該實體控股公司)的主要管理人員。

(viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的控股公司提供主要管理人員服務。

一名人士的近親指可於該人士與實體進行交易時，預期可能會影響該名人士或受該名人士影響的家庭成員，包括：

(a) 該名人士的子女及配偶或同居伴侶；

(b) 該名人士的配偶或同居伴侶的子女；及

(c) 該名人士或該名人士配偶或同居伴侶的受養人。

於關聯方的定義中，聯營公司包括該聯營公司的附屬公司，而合營企業包括該合營企業的附屬公司。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### 2. 主要會計政策 (續)

#### Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

#### Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

#### 分部報告

綜合財務報表內所呈報的經營分部及各分部項目的金額，與定期就本集團各業務線及地域的資源分配及表現評估而向本集團最高行政管理人提供的財務資料一致。

就財務報告而言，個別重大的經營分部不會彙集計算，惟擁有類似經濟特徵及在產品及服務性質、生產過程性質、客戶類別或種類、分銷產品或提供服務的方法以及監管環境性質方面類似的分部除外。個別不重大的經營分部倘具備大部分該等特質，亦可以彙集計算。

#### 關鍵會計估計及判斷

管理層於編製綜合財務報表時會作出關於未來的估計及假設以及判斷。有關估計、假設及判斷會影響本集團會計政策的應用，資產、負債、收入及開支的呈報金額，以及所作出的披露。管理層會持續根據經驗及相關因素（包括在相關情況下被認為是對未來事件作出的合理預期）對有關估計、假設及判斷作出評估。於適用時，會計估計的修訂會於作出修訂的期間及未來期間（如有關修訂同時影響未來期間）確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Critical accounting estimates and judgements

(Continued)

Apart from the judgment made on the going concern basis as explained above, key sources of estimation uncertainty include:

#### (i) Useful lives of property, plant and equipment

The management determines the estimated useful lives of the Group's property, plant and equipment based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The estimated useful lives could be different as a result of technical innovations which could affect the related depreciation charges included in profit or loss.

#### (ii) Impairment of property, plant and equipment

The management determines whether the Group's property, plant and equipment are impaired when an indication of impairment exists. This requires an estimation of the recoverable amount of the property, plant and equipment, which is based on the higher of fair value less costs of disposal and value in use. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the property, plant and equipment and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Any impairment will be charged to profit or loss.

#### (iii) Deferred tax assets

The recognition of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss in the period in which such a reversal takes place.

## 2. 主要會計政策(續)

### 關鍵會計估計及判斷(續)

除上文所詳述按持續經營基準作出的判斷外，估計不確定性的主要來源包括：

#### (i) 物業、廠房及設備的可使用期限

管理層根據對性質及功能相似的有關資產的實際可使用期限的過往經驗釐定本集團的物業、廠房及設備的估計可使用期限。估計可使用期限或會因技術革新而變動，從而可能影響計入損益的有關折舊費用。

#### (ii) 物業、廠房及設備的減值

管理層於出現減值跡象時釐定本集團的物業、廠房及設備是否出現減值。該過程需要估計物業、廠房及設備的可收回金額，此乃根據公允值減出售成本與使用價值之較高者。於估計使用價值時，管理層需要估計物業、廠房及設備的預期未來現金流量，亦需選擇一個合適的貼現率以計算該等現金流量的現值。所有減值將計入損益。

#### (iii) 遞延稅項資產

遞延稅項資產的確認主要取決於未來是否有足夠的未來溢利或應課稅暫時差額。倘所產生的實際未來溢利少於預期，或會作出重大的遞延稅項資產回撥，此回撥將在回撥發生的期間內於損益內確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

## 2. 主要會計政策(續)

### Critical accounting estimates and judgements

(Continued)

### 關鍵會計估計及判斷(續)

#### (iv) Loss allowance for ECL

The Group's management estimates the loss allowance for trade receivables by using various inputs and assumptions including but not limited to risk of default. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables.

#### (iv) 預期信貸虧損的虧損撥備

本集團管理層通過採用多種輸入數據及假設(包括但不限於違約風險)估計貿易應收款項的虧損撥備。於各報告期末,估計涉及基於本集團過往資料、現行市況及前瞻性估計的高度不確定因素。倘預期與原先的估計不符,則有關差異將影響貿易應收款項的賬面值。

#### (v) Allowance for inventories

The management reviews the condition of inventories at the end of each reporting period and makes allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable. The management carries out the inventory review on a product-by-product basis and makes allowances by reference to the latest market prices and current market conditions.

#### (v) 存貨撥備

管理層於各報告期末檢討存貨情況,並就確認為過時、滯銷或不可回收的存貨作出撥備。管理層就各項產品逐一進行存貨檢討,並根據最新市場價格及現行市況作出撥備。

#### (vi) Income taxes

The Group is subject to income taxes in Hong Kong and the PRC. Significant estimates are required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain where the final tax outcome of these matters may be different from the amounts that were initially recorded and such differences will affect the income tax and deferred tax provision in the period in which such determination is made.

#### (vi) 所得稅

本集團須於香港及中國繳納所得稅。在釐定所得稅撥備時需要作出重大估計。有部分交易和計算無法確定最終定稅情況。倘該等事項的最終稅務後果與最初記錄的金額不同,此等差額將影響作出定稅期間的所得稅及遞延稅項撥備。

#### (vii) Discount rates for calculating lease liabilities - as lessee

The Group uses the lessee's incremental borrowing rates to discount future lease payments since interest rates implicit in the leases are not readily determinable. In determining the discounts rates for its leases, the Group refers to a rate that is readily observable as the starting point and then applies judgement and adjusts such observable rate to determine the incremental borrowing rate.

#### (vii) 計算租賃負債所用貼現率 - 作為承租人

由於租賃的隱含利率不易釐定,故本集團採用承租人之增量借款利率對未來租賃付款進行貼現。於釐定租賃貼現率時,本集團參考可直接觀察之利率作為起始點,其後對該可觀察利率運用判斷及調整來釐定增量借款利率。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### Future changes in HKFRSs

At the date of authorising these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for current year, which the Group has not early adopted.

Amendments to HKASs 1 and 8	Definition of Material <sup>1</sup>
Amendments to HKAS 39, HKFRSs 7 and 9	Interest Rate Benchmark Reform <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020

<sup>2</sup> Effective for acquisitions that occur on or after the beginning of the first annual period beginning on or after 1 January 2020

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>4</sup> The effective date to be determined

The management of the Company does not anticipate that the application of these new/revised HKFRSs in future periods will have any material impact on the financial performance and financial position of the Group.

#### 2. 主要會計政策(續)

##### 香港財務報告準則的未來變動

於該等綜合財務報表生效日期，香港會計師公會已頒佈下列於本年度尚未生效且本集團並無提前採納的新訂／經修訂香港財務報告準則。

香港會計準則第1及8號之修訂	重大性之定義 <sup>1</sup>
香港會計準則第39號、香港財務報告準則第7號及第9號之修訂	利率基準改革 <sup>1</sup>
香港財務報告準則第3號之修訂	業務之定義 <sup>2</sup>
香港財務報告準則第17號	保險合約 <sup>3</sup>
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>4</sup>

<sup>1</sup> 於2020年1月1日或之後開始的年度期間生效

<sup>2</sup> 於2020年1月1日或之後開始的首個年度期間或之後發生收購時生效

<sup>3</sup> 於2021年1月1日或之後開始的年度期間生效

<sup>4</sup> 生效日期待定

本公司管理層預期於未來期間應用該等新訂／經修訂香港財務報告準則不會對本集團之財務表現及財務狀況造成任何重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments are as follows:

- 1) E-cigarettes products segment: manufacture and sales of e-cigarettes products.
- 2) Integrated plastic solutions segment: manufacture and sales of moulds and plastic products.

#### Segment revenue and results

The accounting policies of the operating segments are the same as the Group’s accounting policies described in Note 2 to the consolidated financial statements.

Segment revenue represents revenue derived from manufacturing and sales of e-cigarettes products and manufacture and sale of moulds and plastic products.

Segment results represent the gross profit less selling and distribution costs incurred by each segment without allocation of other income, fair value gain (loss) on financial assets at FVPL, administrative and other operating expenses, finance costs, listing expenses and income tax expenses. This is the information reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

### 3. 分部資料

就資源分配及分部表現評估而向本公司執行董事（被認定為主要營運決策者（「主要營運決策者」））報告之資料，主要集中於所交付商品的類別。在設定本集團的可報告分部時，主要營運決策者並無將所識別之經營分部彙合。

具體而言，本集團的可報告及經營分部如下：

- 1) 電子煙產品分部：製造及銷售電子煙產品。
- 2) 一體化注塑解決方案分部：生產及銷售模具及塑膠製品。

#### 分部收益及業績

經營分部的會計政策與綜合財務報表附註2所述本集團的會計政策相同。

分部收益指製造及銷售電子煙產品以及生產及銷售模具及塑膠製品所得收益。

分部業績指各分部所賺取的毛利減銷售及分銷成本，而並無分配其他收入、按公允值計入損益的金融資產公允值收益（虧損）、行政及其他經營開支、財務成本、上市開支及所得稅開支。此乃就資源分配及表現評估向本集團主要營運決策者報告的資料。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 3. SEGMENT INFORMATION (CONTINUED)

##### Segment revenue and results (Continued)

The followings are analysis of the Group's revenue and results by reportable and operating segments:

#### 3. 分部資料 (續)

##### 分部收益及業績 (續)

以下為本集團可報告及經營分部的收益及業績分析：

		E-cigarettes products 電子煙產品 HK\$'000 千港元	Integrated plastic solutions 一體化注塑 解決方案 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Year ended 31 December 2019</b>	<b>截至2019年12月31日止年度</b>			
Segment revenue	分部收益	859,910	391,164	1,251,074
Gross profit	毛利	216,175	97,184	313,359
Selling and distribution costs	銷售及分銷成本	-	(11,374)	(11,374)
Segment results	分部業績	216,175	85,810	301,985
<i>Unallocated income and expenses</i>	<i>未分配收入及開支</i>			
Other income	其他收入			6,143
Fair value gain on financial assets at FVPL	按公允值計入損益的 金融資產公允值收益			847
Administrative and other operating expenses	行政及其他經營開支			(135,555)
Finance costs	財務成本			(9,069)
Profit before tax	除稅前溢利			164,351
Income tax expenses	所得稅開支			(37,155)
Profit for the year	年內溢利			127,196

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 3. SEGMENT INFORMATION (CONTINUED)

### 3. 分部資料 (續)

#### Segment revenue and results (Continued)

#### 分部收益及業績 (續)

		E-cigarettes products 電子煙產品 HK\$'000 千港元	Integrated plastic solutions 一體化注塑 解決方案 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Year ended 31 December 2018</b>	<b>截至2018年12月31日止年度</b>			
Segment revenue	分部收益	485,689	474,258	959,947
Gross profit	毛利	127,799	110,025	237,824
Selling and distribution costs	銷售及分銷成本	-	(12,457)	(12,457)
Segment results	分部業績	127,799	97,568	225,367
<i>Unallocated income and expenses</i>	<i>未分配收入及開支</i>			
Other income	其他收入			5,410
Fair value loss on financial assets at FVPL	按公允值計入損益的 金融資產公允值虧損			(272)
Administrative and other operating expenses	行政及其他經營開支			(107,794)
Finance costs	財務成本			(12,027)
Listing expenses	上市開支			(6,402)
Profit before tax	除稅前溢利			104,282
Income tax expenses	所得稅開支			(28,527)
Profit for the year	年內溢利			75,755



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 3. SEGMENT INFORMATION (CONTINUED)

### 3. 分部資料 (續)

#### Segment assets and liabilities

#### 分部資產及負債

		E-cigarettes products 電子煙產品 HK\$'000 千港元	Integrated plastic solutions 一體化注塑 解決方案 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>At 31 December 2019</b>	<b>於2019年12月31日</b>				
<b>Assets</b>	<b>資產</b>				
Reportable segment assets	可報告分部資產	<b>110,933</b>	<b>427,708</b>	<b>434,888</b>	<b>973,529</b>
<b>Liabilities</b>	<b>負債</b>				
Reportable segment liabilities	可報告分部負債	<b>60,339</b>	<b>57,984</b>	<b>317,981</b>	<b>436,304</b>
<b>Other information</b>	<b>其他資料</b>				
Capital expenditure	資本開支	<b>2,922</b>	<b>89,338</b>	<b>56,714</b>	<b>148,974</b>
Depreciation	折舊	<b>3,769</b>	<b>29,530</b>	<b>5,261</b>	<b>38,560</b>
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	<b>1</b>	<b>150</b>	<b>-</b>	<b>151</b>
Inventories written off	存貨撇銷	<b>-</b>	<b>1,525</b>	<b>-</b>	<b>1,525</b>
Research and development expenses	研發開支	<b>2,460</b>	<b>4,821</b>	<b>-</b>	<b>7,281</b>
<b>At 31 December 2018</b>	<b>於2018年12月31日</b>				
<b>Assets</b>	<b>資產</b>				
Reportable segment assets	可報告分部資產	149,368	446,836	375,545	971,749
<b>Liabilities</b>	<b>負債</b>				
Reportable segment liabilities	可報告分部負債	82,515	94,754	343,239	520,508
<b>Other information</b>	<b>其他資料</b>				
Capital expenditure	資本開支	1,537	131,042	5,653	138,232
Depreciation	折舊	3,434	21,873	3,224	28,531
Amortisation	攤銷	-	-	1,154	1,154
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	3	3,595	557	4,155
Loss allowance of trade receivables	貿易應收款項虧損撥備	-	4,662	-	4,662
Research and development expenses	研發開支	1,693	3,657	-	5,350

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 3. SEGMENT INFORMATION (CONTINUED)

#### Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- segment assets include certain property, plant and equipment, inventories and trade and bills receivables. Other assets are not allocated to operating segments as these assets are managed on a group basis; and
- segment liabilities include trade payables. Other liabilities are not allocated to operating segments as these liabilities are managed on a group basis.

#### Geographical information

The following table sets out information about the geographical location of the Group's property, plant and equipment and prepaid land lease payments ("specified non-current assets"). The geographical location of the specified non-current assets is based on the physical location of the assets.

#### Specified non-current assets

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Hong Kong	香港	5,151	3,085
The PRC	中國	615,874	526,744
		621,025	529,829

### 3. 分部資料 (續)

#### 分部資產及負債 (續)

就監控分部表現及分配分部間資源而言：

- 分部資產包括若干物業、廠房及設備、存貨及貿易應收款項及應收票據。其他資產均未分配至經營分部，因該等資產按集團基準管理；及
- 分部負債包括貿易應付款項。其他負債均未分配至經營分部，因該等負債按集團基準管理。

#### 地區資料

下表載列有關本集團物業、廠房及設備以及預付土地租賃款項（「指定非流動資產」）地理位置的資料。指定非流動資產的地理位置乃以資產的實際位置為依據。

#### 指定非流動資產

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 3. SEGMENT INFORMATION (CONTINUED)

##### Geographical information (Continued)

##### Specified non-current assets (Continued)

Information about the Group's revenue from external customers is presented based on the location of customers.

#### 3. 分部資料(續)

##### 地區資料(續)

##### 指定非流動資產(續)

有關本集團外部客戶收益的資料乃按客戶的位置呈列。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
<b>Revenue from external customers</b>	來自外部客戶的收益		
The United States of America	美利堅合眾國	172,017	199,626
The PRC	中國	236,652	290,661
The United Kingdom	英國	638,148	386,141
Hong Kong	香港	30,311	75,914
Netherlands	荷蘭	164,466	1,570
Others	其他	9,480	6,035
		<b>1,251,074</b>	959,947

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 3. SEGMENT INFORMATION (CONTINUED)

#### Information about major customers

Details of the entities individually accounting for 10% or more of aggregate revenue of the Group during the years ended 31 December 2019 and 2018 are as follows:

### 3. 分部資料 (續)

#### 有關主要客戶的資料

截至2019年及2018年12月31日止年度個別佔本集團總收益10%或以上的實體的詳情如下：

		<b>E-cigarettes products</b>	<b>Integrated plastic solutions</b>	<b>Total</b>
		電子煙產品	一體化注塑 解決方案	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
<b>Year ended 31 December 2019</b>	<b>截至2019年12月31日止年度</b>			
Customer A and its affiliated companies	客戶A及其聯屬公司	<b>857,920</b>	<b>40,693</b>	<b>898,613</b>
Year ended 31 December 2018	截至2018年12月31日止年度			
Customer A and its affiliated companies	客戶A及其聯屬公司	483,183	10,843	494,026
Customer B and its affiliated companies	客戶B及其聯屬公司	N/A* 不適用*	147,250	147,250
Customer C and its affiliated companies	客戶C及其聯屬公司	N/A* 不適用*	122,185	122,185
		483,183	280,278	763,461

\* Sales to these customers do not account for 10% or more of aggregate revenue of the Group for the year ended 31 December 2018.

\* 截至2018年12月31日止年度，該等客戶的銷售額並無佔本集團總收益10%或以上。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 4. REVENUE

#### 4. 收益

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Revenue from contracts with customers within HKFRS 15	香港財務報告準則第15號 來自客戶合約的收益		
Sales of e-cigarettes products	銷售電子煙產品	<b>859,910</b>	485,689
Sales of moulds and plastic products	銷售模具及塑膠製品	<b>391,164</b>	474,258
		<b>1,251,074</b>	959,947

The revenue from contracts with customers within HKFRS 15 is based on fixed price and recognised at a point in time.

香港財務報告準則第15號來自客戶合約的收益是按固定價格計算並於某一時點確認。

#### 5. OTHER INCOME

#### 5. 其他收入

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Bank interest income	銀行利息收入	<b>791</b>	47
Exchange gain, net	匯兌收益淨額	<b>1,218</b>	834
Government grants	政府補貼	<b>17</b>	-
Management service income	管理服務收入	<b>-</b>	90
Rental and utilities recharge income	租金及水電費退費收入	<b>1,605</b>	2,156
Sales of scrap materials	廢料銷售	<b>1,239</b>	1,242
Sundry income	雜項收入	<b>1,273</b>	1,041
		<b>6,143</b>	5,410

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 6. PROFIT BEFORE TAX

#### 6. 除稅前溢利

This is stated after charging (crediting):

此已扣除(計入)下列各項列賬：

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>Finance costs</b>	<b>財務成本</b>		
Interest on interest-bearing borrowings	計息借款利息	<b>5,849</b>	9,779
Interest on bank overdrafts	銀行透支利息	-	20
Interest on payables for construction in progress	應付在建工程款項的利息	<b>894</b>	1,150
Finance charges on obligations under finance leases	融資租賃承擔的財務支出	-	1,078
Interest on lease liabilities	租賃負債利息	<b>2,326</b>	-
		<b>9,069</b>	12,027
<b>Staff costs, including directors' emoluments</b>	<b>員工成本(包括董事酬金)</b>		
Employee benefits expenses	僱員福利開支	<b>201,507</b>	174,155
Contributions to defined contribution retirement schemes	向定額供款退休計劃供款	<b>13,770</b>	13,946
		<b>215,277</b>	188,101

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 6. PROFIT BEFORE TAX (CONTINUED)

#### 6. 除稅前溢利(續)

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>Other items</b>	<b>其他項目</b>		
Cost of inventories	存貨成本	<b>937,715</b>	722,123
Amortisation of prepaid land lease payments (charged to "administrative and other operating expenses")	預付土地租賃款項攤銷 (計入「行政及其他經營開支」)	-	1,154
Auditor's remuneration	核數師薪酬	<b>1,333</b>	1,309
Depreciation (charged to "cost of goods sold" and "administrative and other operating expenses", as appropriate)	折舊(計入「商品銷售成本」及「行政及其他經營開支」(倘適用))	<b>38,560</b>	28,531
Fair value (gain) loss on financial assets at FVPL	按公允值計入損益的金融資產 公允值(收益)虧損	<b>(847)</b>	272
Inventories written off	存貨撇銷	<b>1,525</b>	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	<b>151</b>	4,155
Lease payments (charged to "cost of goods sold" and "administrative and other operating expenses", as appropriate)	租賃付款(計入「商品銷售成本」及「行政及其他經營開支」(倘適用))	<b>90</b>	1,422
Research and development expenses	研發開支	<b>7,281</b>	5,350
Loss allowance of trade receivables	貿易應收款項虧損撥備	-	4,662

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 7. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

#### 7. 有關董事福利的資料

##### (a) Directors' remuneration

The aggregate amounts of remuneration received or receivable by the directors of the Company (the "Directors") are set out below.

##### (a) 董事薪酬

本公司董事（「董事」）已收或應收薪酬之總金額載列如下。

Year ended 31 December 2019

截至2019年12月31日止年度

		Directors' fees	Salaries and allowances	Discretionary bonus	Contributions to defined contribution plans	Total
		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
<i>Executive directors</i>	<i>執行董事</i>					
Chan Tsan Lam	陳燦林	-	2,901	24,759	18	27,678
Cheng Chak <sup>1</sup>	鄭澤 <sup>1</sup>	-	575	-	-	575
Chan Yin Yan	陳燕欣	-	2,190	3,004	18	5,212
Poon Po Han Lisa <sup>2</sup>	潘寶嫻 <sup>2</sup>	-	1,060	1,785	11	2,856
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Chan Bing Kai	陳秉階	153	-	-	-	153
Lo Ka Ki <sup>1</sup>	盧家麒 <sup>1</sup>	46	-	-	-	46
Hung Chun Leung	洪俊良	153	-	-	-	153
Ng Chi Wai <sup>2</sup>	吳志偉 <sup>2</sup>	107	-	-	-	107
		459	6,726	29,548	47	36,780



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 7. INFORMATION ABOUT THE BENEFITS OF DIRECTORS (CONTINUED) 7. 有關董事福利的資料 (續)

### (a) Directors' remuneration (Continued)

Year ended 31 December 2018

### (a) 董事薪酬 (續)

截至2018年12月31日止年度

	Directors' fees	Salaries and allowances	Discretionary bonus	Contributions to defined contribution plans	Total
	董事袍金	薪金及津貼	酌情花紅	定額供款 計劃供款	總計
	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
<i>Executive directors</i> 執行董事					
Chan Tsan Lam 陳燦林	-	1,652	10,329	18	11,999
Cheng Chak 鄭澤	-	1,503	2,260	-	3,763
Chan Yin Yan 陳燕欣	-	973	1,905	18	2,896
<i>Independent non-executive directors</i> 獨立非執行董事					
Chan Bing Kai 陳秉階	110	-	-	-	110
Lo Ka Ki 盧家麒	110	-	-	-	110
Hung Chun Leung 洪俊良	110	-	-	-	110
	330	4,128	14,494	36	18,988

<sup>1</sup> Retired during the year

<sup>1</sup> 於年內退任

<sup>2</sup> Appointed during the year

<sup>2</sup> 於年內獲委任

Mr. Chan Tsan Lam is also the chief executive officer of the Company and his emoluments disclosed above included those for services rendered by him as the chief executive officer.

陳燦林先生亦為本公司首席執行官，其於上文所披露之酬金包括彼出任首席執行官之酬金。

During the years ended 31 December 2019 and 2018, no emoluments were paid by the Group to any of these Directors as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 31 December 2019 and 2018.

截至2019年及2018年12月31日止年度，本集團概無向任何該等董事支付酬金，作為吸引彼等加入或加入本集團時的獎勵或離職補償。截至2019年及2018年12月31日止年度，概無董事放棄或同意放棄任何薪酬的安排。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 7. INFORMATION ABOUT THE BENEFITS OF DIRECTORS (CONTINUED)

##### (b) Loans, quasi-loans and other dealings in favour of directors

There were no other loans, quasi-loans or other dealings in favour of the Directors of the Company or their controlled companies entered into or subsisted during the years ended 31 December 2019 and 2018.

##### (c) Directors' material interests in transactions, arrangements or contracts

Saved as disclosed in Note 27 to the consolidated financial statements, no other transactions, arrangements and contracts of significance in relation to the Group's business to which the Company was a party and in which a director of the Company, or an entity connected with the director, had a material interest, whether directly or indirectly, subsisted at the year or at any time during the years ended 31 December 2019 and 2018.

#### 8. FIVE HIGHEST PAID INDIVIDUALS

An analysis of the five highest paid individuals during the years ended 31 December 2019 and 2018 is as follows:

		Number of individuals 人數	
		2019 2019年	2018 2018年
Director	董事	3	3
Non-director	非董事	2	2
		5	5

#### 7. 有關董事福利的資料(續)

##### (b) 以董事為受益人之貸款、類貸款及其他交易

截至2019年及2018年12月31日止年度，概無以本公司董事或彼等的控股公司為受益人訂立或存續之其他貸款、類貸款及其他交易。

##### (c) 董事於交易、安排或合約當中的重大權益

除綜合財務報表附註27所披露者外，概無本公司為訂約方且本公司董事或與該董事有關聯的實體於當中直接或間接擁有重大權益且對本集團業務屬重大的其他交易、安排及合約於本年度或截至2019年及2018年12月31日止年度的任何時間存續。

#### 8. 五名最高薪酬人士

截至2019年及2018年12月31日止年度，五名最高薪酬人士的分析如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 8. FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

Details of the remuneration of the above highest paid non-director individuals are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	1,516	2,149
Discretionary bonus	酌情花紅	3,518	1,116
Contributions to defined contribution plans	定額供款計劃供款	140	18
		<b>5,174</b>	<b>3,283</b>

上述最高薪酬非董事人士之薪酬詳情如下：

The number of these non-director individuals whose emoluments fell within the following emoluments band is as follows:

		2019 2019年	2018 2018年
Nil to HK\$1,000,000	零至1,000,000港元	-	-
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	-	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	-
		<b>2</b>	<b>2</b>

其酬金介乎下列酬金範圍的該等非董事人士人數如下：

During the years ended 31 December 2019 and 2018, no remuneration was paid by the Group to any of these highest paid non-director individuals as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which any of these highest paid non-director individuals waived or has agreed to waive any emoluments for the years ended 31 December 2019 and 2018.

截至2019年及2018年12月31日止年度，本集團概無向任何該等最高薪酬非董事人士支付薪酬，作為吸引彼等加入或加入本集團時的獎勵或離職補償。截至2019年及2018年12月31日止年度，概無任何該等最高薪酬非董事人士放棄或同意放棄任何酬金的安排。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 9. TAXATION

#### 9. 稅項

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
	Note 附註		
<b>Current tax</b>	<b>即期稅項</b>		
Hong Kong Profits Tax	香港利得稅	<b>5,091</b>	163
PRC Enterprise Income Tax	中國企業所得稅		
Current year	本年度	<b>37,667</b>	23,356
Over provision in prior year	過往年度超額撥備	<b>(556)</b>	-
		<b>42,202</b>	23,519
<b>Deferred tax</b>	<b>遞延稅項</b>		
Changes in temporary differences	暫時性差額變動	<b>(6,662)</b>	10,932
Utilisation (Benefit) of tax losses recognised	已確認稅項虧損之動用(免除)	<b>1,615</b>	(5,924)
	23	<b>(5,047)</b>	5,008
Total income tax expenses for the year	年內所得稅開支總額	<b>37,155</b>	28,527

The Group's entities established in the Cayman Islands and the British Virgin Islands (the "BVI") are exempted from income tax, respectively.

於開曼群島及英屬處女群島(「英屬處女群島」)成立的本集團實體分別獲豁免支付所得稅。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 9. TAXATION (CONTINUED)

For the years ended 31 December 2019 and 2018, the assessable profits of a Hong Kong incorporated subsidiary of the Group (as elected by the management of the Group) are subject to the two-tiered profits tax rates regime that the first HK\$2 million of assessable profits will be taxed at 8.25% (the “graduated tax rate”), and assessable profits above HK\$2 million will be taxed at 16.5% (the “standard tax rate”). The Hong Kong Profits Tax of other Hong Kong incorporated subsidiaries of the Group is calculated at the standard tax rate of 16.5% of their respective estimated assessable profits for the years ended 31 December 2019 and 2018.

The Group’s entities established in the PRC are subject to Enterprise Income Tax of the PRC at a statutory rate of 25% for the years ended 31 December 2019 and 2018.

#### Reconciliation of income tax expenses

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Profit before tax	除稅前溢利	<b>164,351</b>	104,282
Income tax at applicable tax rate	按適用稅率計算的所得稅	<b>37,869</b>	26,956
Effect on graduated tax rate	累進稅率的影響	<b>(165)</b>	(70)
Non-deductible expenses	不可扣稅開支	<b>200</b>	1,554
Tax exempt revenue	免稅收益	<b>(201)</b>	(11)
Others	其他	<b>8</b>	98
Over provision in prior year	過往年度超額撥備	<b>(556)</b>	-
Income tax expenses for the year	年內所得稅開支	<b>37,155</b>	28,527

The applicable tax rate is the weighted average of tax rates prevailing in the territories in which the Group’s entities operate.

#### 9. 稅項 (續)

截至2019年及2018年12月31日止年度，本集團於香港註冊成立的附屬公司(由本集團管理層選出)的應課稅溢利須按利得稅兩級制納稅，即首2百萬港元應課稅溢利將按8.25%繳稅(「累進稅率」)，而2百萬港元以上的應課稅溢利將按16.5%繳稅(「標準稅率」)。本集團其他於香港註冊成立的附屬公司的香港利得稅乃按截至2019年及2018年12月31日止年度其各自估計應課稅溢利的16.5%的標準稅率計算。

截至2019年及2018年12月31日止年度，本集團於中國成立的實體須按25%的法定稅率繳納中國企業所得稅。

#### 所得稅開支對賬

適用稅率指本集團的實體經營所在地區現行的加權平均稅率。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 10. DIVIDENDS

### 10. 股息

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
a.	Final dividend in respect of 2018 of HK3.0 cents per ordinary share (2017: HK\$nil)	18,600	-
b.	Interim dividend in respect of 2019 of HK1.5 cents per ordinary share (2018: HK\$nil)	9,300	-
		<b>27,900</b>	<b>-</b>
c.	Not recognised final dividend – Final dividend declared after the balance sheet date of HK1.5 cents per ordinary share (2018: HK3.0 cents) (Note (i))	9,300	18,600

Note (i): At a meeting held on 27 March 2020, the Directors recommended the payment of a final dividend of HK1.5 cents (2018: HK3.0 cents) per ordinary share totally approximately HK\$9,300,000 (2018: HK\$18,600,000) for the year ended 31 December 2019. The proposed dividend for the year ended 31 December 2019 will be accounted for as an appropriation of reserves in the year ending 31 December 2020 if it is approved at the forthcoming annual general meeting. The proposed final dividend has not been recognised as dividend payables in the consolidated statement of financial position.

附註(i): 在2020年3月27日舉行的會議上，董事建議派付截至2019年12月31日止年度的末期股息每股普通股1.5港仙(2018年: 3.0港仙)，總計約9,300,000港元(2018年: 18,600,000港元)。倘於應屆股東週年大會上獲批准，截至2019年12月31日止年度的建議股息將於截至2020年12月31日止年度以分配儲備的方式列賬。建議末期股息並未於綜合財務狀況表確認為應付股息。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 11. EARNINGS PER SHARE

#### 11. 每股盈利

The calculation of the basic earnings per share is based on the following data:

每股基本盈利乃按以下數據計算：

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<i>Profit:</i>	<i>溢利：</i>		
Profit for the purpose of calculating basic earnings per share	就計算每股基本盈利的溢利	<b>127,196</b>	75,755
		千股	千股
		<b>'000</b>	'000
<i>Number of shares:</i>	<i>股份數目：</i>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	就計算每股基本盈利的普通股加權平均數	<b>620,000</b>	591,973

Diluted earnings per share is the same as basic earnings per share as there were no potential ordinary shares outstanding during years ended 31 December 2019 and 2018.

由於截至2019年及2018年12月31日止年度並無發行在外的潛在普通股，故每股攤薄盈利與每股基本盈利相同。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

## 12. SUBSIDIARIES

## 12. 附屬公司

Details of the subsidiaries at the end of the reporting period are as follows:

於報告期末的附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Date of incorporation/ establishment 註冊成立/ 成立日期	Particulars of paid up capital/ registered capital 繳足資本/ 註冊資本詳情	Attributable equity interest held by the Company 本公司持有的應佔權益		Principal activities/ place of operation 主營業務/ 經營地點
				2019 2019年	2018 2018年	
<i>Directly held by the Company</i> 本公司直接持有						
Tian Chang Investments Limited ("Tian Chang BVI")	The BVI	20 April 2017	United States Dollar ("US\$")1	100%	100%	Investment holding/Hong Kong
Tian Chang Investments Limited (["Tian Chang BVI"])	英屬處女群島	2017年4月20日	1美元 ([美元])	100%	100%	投資控股/香港
Sun Leader Holdings Limited ("Sun Leader BVI")	The BVI	20 April 2017	US\$1	100%	100%	Investment holding/Hong Kong
Sun Leader Holdings Limited (["Sun Leader BVI"])	英屬處女群島	2017年4月20日	1美元	100%	100%	投資控股/香港
<i>Indirectly held by the Company</i> 本公司間接持有						
Tian Chang Holdings Limited 天長控股有限公司	Hong Kong 香港	16 May 2006 2006年5月16日	HK\$10,000 10,000港元	100%	100%	Investment holding/Hong Kong 投資控股/香港
Tian Chang Industrial Limited ("Tian Chang HK")	Hong Kong	13 June 2006	HK\$10,000	100%	100%	Sales of e-cigarettes products and providing integrated plastic solutions/ Hong Kong
天長實業有限公司(["天長香港"])	香港	2006年6月13日	10,000港元	100%	100%	銷售電子煙產品及提供一體化 注塑解決方案/香港
天長實業(深圳)有限公司 Tian Chang Industrial (Shenzhen) Limited*	The PRC <sup>(0)(iii)</sup>	26 September 2006	HK\$100,000,000	100%	100%	Manufacturing and sales of e-cigarettes products and providing integrated plastics solutions/The PRC
天長實業(深圳)有限公司	中國 <sup>(0)(iii)</sup>	2006年9月26日	100,000,000港元	100%	100%	製造及銷售電子煙產品及 提供一體化注塑解決方案/中國



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 12. SUBSIDIARIES (CONTINUED)

#### 12. 附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Date of incorporation/ establishment 註冊成立/ 成立日期	Particulars of paid up capital/ registered capital 繳足資本/ 註冊資本詳情	Attributable equity interest held by the Company 本公司持有的應佔權益		Principal activities/ place of operation 主營業務/經營地點
				2019	2018	
				2019年	2018年	
惠州市天長實業有限公司 Huizhou Tian Chang Industrial Company Limited*	The PRC <sup>(i)(ii)</sup>	22 March 2011	Renminbi ("RMB") 50,000,000	100%	100%	Manufacturing and sales of e-cigarettes products and providing integrated plastic solutions/The PRC
惠州市天長實業有限公司	中國 <sup>(i)(ii)</sup>	2011年3月22日	人民幣(「人民幣」) 50,000,000元	100%	100%	製造及銷售電子煙產品及 提供一體化注塑解決方案/中國
Sun Leader Mould Industrial Limited ("Sun Leader HK")	Hong Kong	27 September 2000	HK\$1,000,000	100%	100%	Providing integrated plastic solutions/ Hong Kong
新利達模具實業有限公司(「新利達(香港)」)	香港	2000年9月27日	1,000,000港元	100%	100%	提供一體化注塑解決方案/香港
新利達模具(深圳)有限公司 Sun Leader Mould Industrial (Shenzhen) Limited*	The PRC <sup>(i)(ii)</sup>	17 June 2011	HK\$56,000,000	100%	100%	Providing integrated plastic solutions/ The PRC
新利達模具(深圳)有限公司	中國 <sup>(i)(ii)</sup>	2011年6月17日	56,000,000港元	100%	100%	提供一體化注塑解決方案/中國
新利達模具實業(惠州)有限公司 Sun Leader Mould Industrial (Huizhou) Limited*	The PRC <sup>(i)(ii)</sup>	27 June 2011	HK\$80,000,000	100%	100%	Providing integrated plastic solutions/ The PRC
新利達模具實業(惠州)有限公司	中國 <sup>(i)(ii)</sup>	2011年6月27日	80,000,000港元	100%	100%	提供一體化注塑解決方案/中國
Tian Hong New Materials Technology Limited	Hong Kong	10 October 2019	HK\$10,000	100%	-	Sales of polyester fibre ("PET") products/Hong Kong
天鴻新材料科技有限公司	香港	2019年10月10日	10,000港元	100%	-	銷售聚酯纖維(「PET」)產品/香港
天濠新材料科技(惠州)有限公司 Tian Hao New Materials Technology Limited*	The PRC <sup>(i)(ii)</sup>	4 December 2019	HK\$5,000,000	100%	-	Sales of PET products/The PRC
天濠新材料科技(惠州)有限公司	中國 <sup>(i)(ii)</sup>	2019年12月4日	5,000,000港元	100%	-	銷售PET產品/中國

\* English translation for identification purpose only.

(i) Being a wholly foreign owned enterprise.

(i) 為一家外商獨資企業。

(ii) Being a wholly owned enterprise in the PRC.

(ii) 為一家於中國的全資企業。

(iii) Limited liability company registered in the PRC.

(iii) 於中國註冊的有限責任公司。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 13. 物業、廠房及設備

### 13. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets 使用權資產 HK\$'000 千港元 (Note 22) (附註22)	Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture and fixtures 傢俬及固定裝置 HK\$'000 千港元	Machinery and equipment 機械及設備 HK\$'000 千港元	Motor Vehicles 汽車 HK\$'000 千港元	Computer 電腦 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Reconciliation of carrying amount - year ended 31 December 2018</b>									
賬面值之對賬 - 截至2018年 12月31日止年度									
於報告期初	-	200,034	90,190	9,315	73,067	246	5,285	20,365	398,502
添置	-	22,886	6,766	13,324	85,776	3,519	1,234	4,727	138,232
出售	-	-	(1,476)	(5)	(6,458)	-	(47)	-	(7,986)
轉讓	-	24,517	-	-	-	-	-	(24,517)	-
折舊	-	(4,379)	(5,309)	(2,834)	(14,470)	(706)	(833)	-	(28,531)
匯兌調整	-	(7,159)	(2,577)	(387)	(4,522)	(5)	(159)	(575)	(15,384)
At 31 December 2018	-	235,899	87,594	19,413	133,393	3,054	5,480	-	484,833
<b>Reconciliation of carrying amount - year ended 31 December 2019</b>									
賬面值之對賬 - 截至2019年 12月31日止年度									
於報告期初	140,007	-	-	-	(95,011)	-	-	-	44,996
調整至香港財務報告準則 第16號之調整(附註2)	19,440	-	-	6,262	69,676	3,383	1,153	49,060	148,974
添置	-	-	-	(1,746)	(2,033)	-	-	-	(3,779)
出售	(8,583)	-	-	-	8,583	-	-	-	-
轉讓	(11,691)	(5,032)	(4,996)	(3,422)	(10,863)	(1,731)	(825)	-	(38,560)
折舊	(3,486)	(5,853)	(2,118)	(627)	(2,343)	(22)	(141)	(849)	(15,439)
匯兌調整	-	-	-	-	-	-	-	-	-
At 31 December 2019	135,687	225,014	80,480	19,880	101,402	4,684	5,667	48,211	621,025

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 13. 物業、廠房及設備 (續)

### 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Right-of-use assets 使用權資產 HK\$'000 千港元 (Note 22) (附註22)	Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture and fixtures 傢俬及固定裝置 HK\$'000 千港元	Machinery and equipment 機械及設備 HK\$'000 千港元	Motor Vehicles 汽車 HK\$'000 千港元	Computer 電腦 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>At 31 December 2018</b>									
Cost	-	250,918	101,556	25,641	284,967	10,338	9,614	-	683,034
Accumulated depreciation	-	(15,019)	(13,962)	(6,228)	(151,574)	(7,284)	(4,134)	-	(198,201)
	-	235,899	87,594	19,413	133,393	3,054	5,480	-	484,833
<b>At 31 December 2019</b>									
Cost	159,393	244,599	99,004	29,052	269,036	13,219	10,553	48,211	873,067
Accumulated depreciation	(23,706)	(19,585)	(18,524)	(9,172)	(167,634)	(8,535)	(4,886)	-	(252,042)
	135,687	225,014	80,480	19,880	101,402	4,684	5,667	48,211	621,025

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### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 14. PREPAID LAND LEASE PAYMENTS

Prepaid land lease payments represent costs paid for leasehold lands in the PRC that are classified as operating leases with initial lease terms of 50 years and the remaining lease terms ranged from 43 years to 44 years as at 31 December 2018. The costs are amortised over the leasehold periods.

#### 14. 預付土地租賃款項

預付土地租賃款項指就中國分類為經營租賃的初始租期為50年的租賃土地支付的成本，且於2018年12月31日，剩餘租期介乎43年至44年之間。該等成本於租期內攤銷。

		2018 2018年 HK\$'000 千港元
<b>Net carrying amount</b>	<b>賬面淨值</b>	
At the beginning of the reporting period	於報告期初	47,468
Amortisation	攤銷	(1,154)
Exchange realignments	匯兌調整	(1,318)
At the end of the reporting period	於報告期末	44,996
Current portion	即期部分	(1,085)
Non-current portion	非即期部分	43,911

Upon the adoption of HKFRS 16 at 1 January 2019, the prepaid lease payments are presented under property, plant and equipment - right-of-use assets (*Note 2*).

於2019年1月1日採納香港財務報告準則第16號後，預付租賃款項於物業、廠房及設備－使用權資產項目下呈列(附註2)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 15. FINANCIAL ASSETS AT FVPL

#### 15. 按公允值計入損益的金融資產

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
<b>At fair value</b>	<b>按公允值</b>		
Unlisted investments - key management insurance contracts	非上市投資－主要管理層保險合約	<b>28,419</b>	26,841

The fair value of the key management insurance contracts is determined by reference to the respective surrender cash value of each insurance contract at the end of the reporting period, which is primarily based on the performance of the underlying investment portfolio together with the guaranteed minimum returns, ranging from 2% to 3.9% per annum (2018: ranging from 2% to 4.8% per annum).

主要管理層保險合約的公允值乃參考報告期末各保險合約的相關退保現金值釐定，乃主要基於相關投資組合的表現以及保證最低退款額，每年介乎2%至3.9%之間（2018年：每年介乎2%至4.8%之間）。

The movement of the key management insurance contracts is analysed as follows:

主要管理層保險合約的變動分析如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At the beginning of the reporting period	於報告期初	<b>26,841</b>	10,506
Additions	添加	<b>731</b>	16,607
Fair value changes recognised in profit or loss	於損益確認的公允值變動	<b>847</b>	(272)
At the end of the reporting period	於報告期末	<b>28,419</b>	26,841

The key management insurance contracts are pledged as collateral for the Group's interest-bearing borrowings amounting to approximately, in aggregate, HK\$31,070,000 (2018: HK\$24,396,000).

主要管理層保險合約已用作質押作為本集團合共約31,070,000港元（2018年：24,396,000港元）的計息借款的抵押品。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 16. INVENTORIES

#### 16. 存貨

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Raw materials	原材料	27,865	38,019
Work-in-progress	在製品	22,236	12,358
Finished goods	成品	33,781	35,551
		<b>83,882</b>	85,928

#### 17. TRADE AND OTHER RECEIVABLES

#### 17. 貿易及其他應收款項

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
<b>Trade receivables</b>	<b>貿易應收款項</b>		
From third parties	應收第三方	125,345	230,007
Loss allowance	虧損撥備	(4,568)	(4,662)
		17(c)	225,345
<b>Bills receivables</b>	<b>應收票據</b>	2,655	9,023
<b>Other receivables</b>	<b>其他應收款項</b>		
Deposits	按金	391	156
Prepayment for suppliers	預付供應商款項	-	2,248
Prepayment for insurance	保險預付款項	3,150	3,197
Prepayment for utilities	水電費預付款項	5,354	5,831
Prepaid expenses, other deposits and other debtors	預付開支、其他按金及其他應收賬款	21,038	15,761
		<b>29,933</b>	27,193
		<b>153,365</b>	261,561

Note: Information about the Group's exposure to credit risks for trade and other receivables is included in Note 29 to the consolidated financial statements.

附註：有關本集團貿易及其他應收款項信貸風險敞口的資料載於綜合財務報表附註29。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 17. TRADE AND OTHER RECEIVABLES (CONTINUED)

##### 17(a) Trade receivables from third parties

The Group grants credit period up to 90 days to its customers upon the issuance of invoices.

##### 17(b) Loss allowance

At 31 December 2019, the loss allowance of approximately HK\$4,568,000 (2018: HK\$4,662,000) was mainly and specifically resulted from a customer against whom the Group was in a legal action to recover the trade debt due to the Group.

The Group applies the simplified approach to provide ECL for trade receivables prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. Trade receivables are assessed individually for impairment losses based on 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 at the end of the reporting period, including time value of money where appropriate.

Except for the loss allowance made, the Group rebutted the presumption of default under ECL model for trade receivables over 90 days past due based on good repayment records for those customers and continuous business with the Group. The assessment is regularly reviewed by the management of the Group to ensure the relevant information about specific debtors is updated. There were no changes in the estimation techniques or significant assumptions on the assessment of loss allowance during the year ended 31 December 2019.

#### 17. 貿易及其他應收款項 (續)

##### 17(a) 來自第三方的貿易應收款項

本集團於出具發票後向其客戶授出最高90日的信貸期。

##### 17(b) 虧損撥備

於2019年12月31日，虧損撥備約4,568,000港元(2018年：4,662,000港元)主要及具體是由於本集團為收回應付本集團貿易債務而對其採取法律行動的客戶所致。

本集團應用香港財務報告準則第9號所規定的簡化方法就貿易應收款項的預期信貸虧損作出撥備，該規定允許對所有貿易應收款項使用整個存續期的預期虧損撥備。貿易應收款項根據過往信貸虧損經驗就減值虧損進行個別評估，並就債務人獨有之因素、整體經濟環境及對報告期末之現時及預測動向之評估(在適當時包括貨幣的時間價值)作出調整。

除已作出的虧損撥備外，由於該等客戶的還款記錄良好，並與本集團繼續有業務往來，因此本集團已推翻於預期信貸虧損模型下逾期超過90日的貿易應收款項屬違約的假設。本集團管理層定期審閱評估結果，以確保更新有關特定債務人的相關資料。截至2019年12月31日止年度，評估虧損撥備的估算技術或重大假設概無發生變動。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 17. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### 17. 貿易及其他應收款項 (續)

##### 17(b) Loss allowance (Continued)

The movement in the loss allowance for trade receivables during the year is summarised below.

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At the beginning of the reporting period	於報告期初	4,662	-
Increase in allowance	撥備增加	-	4,662
Exchange realignments	匯兌調整	(94)	-
At the end of the reporting period	於報告期末	4,568	4,662

##### 17(b) 虧損撥備 (續)

貿易應收款項於年內之虧損撥備變動概述如下。

##### 17(c) The ageing of trade receivables, net of loss allowance, by invoice date is as follows:

17(c) 按發票日期劃分的貿易應收款項(扣除虧損撥備)的賬齡如下:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Within 30 days	30日內	64,603	175,600
31 to 60 days	31至60日	47,555	40,657
61 to 90 days	61至90日	4,578	6,586
91 to 180 days	91至180日	2,600	1,419
Over 180 days	180日以上	1,441	1,083
		120,777	225,345



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 17. TRADE AND OTHER RECEIVABLES (CONTINUED)

##### 17(c) The ageing of trade receivables, net of loss allowance, by invoice date is as follows:

(Continued)

At the end of the reporting period, the ageing analysis of the trade receivables, net of loss allowance, by due date is as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Not yet due	尚未到期	45,253	107,106
Past due:	已到期：		
Within 30 days	30日內	66,989	102,056
31 to 60 days	31至60日	5,855	13,596
61 to 90 days	61至90日	962	1,094
91 to 180 days	91至180日	288	559
Over 180 days	180日以上	1,430	934
		<b>75,524</b>	118,239
		<b>120,777</b>	225,345

The Group does not hold any collateral over the trade receivables. The Group's trade receivables which are past due at the end of the reporting period but which the Group has not impaired as there has not been any significant changes in credit quality of customers and the management believes that the amounts are fully recoverable.

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no history of default.

#### 17. 貿易及其他應收款項 (續)

##### 17(c) 按發票日期劃分的貿易應收款項 (扣除虧損撥備) 的賬齡如下：(續)

於報告期末，按到期日劃分的貿易應收款項 (扣除虧損撥備) 的賬齡分析如下：

本集團並未對貿易應收款項持有任何抵押品。本集團並未對本集團於報告期末到期的貿易應收款項計提減值，原因是客戶信用質素並未發生重大變更，且管理層認為該等金額可全部收回。

未逾期及並無減值之應收款項與為數眾多之客戶有關，彼等並無近期欠繳記錄。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 17. TRADE AND OTHER RECEIVABLES (CONTINUED)

##### 17(c) The ageing of trade receivables, net of loss allowance, by invoice date is as follows:

(Continued)

At 31 December 2019, amount of approximately HK\$4,234,000 (2018: HK\$83,000) included in the trade receivables were in connection with factoring arrangements.

##### 17(d) Bills receivables

The bills receivables are interest-free, guaranteed by banks in the PRC and/or Hong Kong and have maturities of less than six months.

#### 17. 貿易及其他應收款項 (續)

##### 17(c) 按發票日期劃分的貿易應收款項(扣除虧損撥備)的賬齡如下：(續)

於2019年12月31日，約4,234,000港元(2018年：83,000港元)的貿易應收款項金額與保理安排有關。

##### 17(d) 應收票據

應收票據免息、由中國及／或香港的銀行擔保且於六個月內到期。

#### 18. TRADE AND OTHER PAYABLES

#### 18. 貿易及其他應付款項

		Note	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
<b>Trade payables</b>	<b>貿易應付款項</b>			
To third parties	應付第三方	18(a)	<b>118,323</b>	177,268
<b>Other payables</b>	<b>其他應付款項</b>			
Contract liabilities	合約負債	18(b)	<b>10,767</b>	7,203
Deferred government grants	遞延政府補貼		<b>565</b>	-
Salaries and bonus payable	應付薪金及花紅		<b>54,279</b>	43,016
Other accruals and other creditors	其他應計費用及其他應付賬款		<b>27,662</b>	25,367
			<b>93,273</b>	75,586
			<b>211,596</b>	252,854

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### 綜合財務報表附註

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#### 18. TRADE AND OTHER PAYABLES (CONTINUED)

##### 18(a) Trade payables

At the end of the reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Within 30 days	30日內	37,761	69,902
31 to 60 days	31至60日	47,219	87,333
61 to 90 days	61至90日	24,924	10,706
Over 90 days	90日以上	8,419	9,327
		<b>118,323</b>	177,268

The credit period on trade payables is up to 90 days.

##### 18(b) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities with customers within HKFRS 15 during the year are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At the beginning of the reporting period	於報告期初	7,203	792
Recognised as revenue	確認為收益	(7,203)	(792)
Receipt in advance	預收款項	10,767	7,203
At the end of the reporting period	於報告期末	<b>10,767</b>	7,203

For the years ended 31 December 2019 and 2018, there was an increase in the overall contract activities and the negotiation of larger prepayments, thereby increasing the amount arising from the receipt of advances.

#### 18. 貿易及其他應付款項 (續)

##### 18(a) 貿易應付款項

於報告期末，按發票日期劃分的貿易應付款項的賬齡分析如下：

貿易應付款項的信貸期不超過90日。

##### 18(b) 合約負債

年內符合香港財務報告準則第15號的客戶合約負債變動(不包括同年內增加及減少所產生的變動)如下：

於截至2019年及2018年12月31日止年度，整體合約活動及較大額預付款項的磋商增加，因此源自預收款項的金額增加。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 19. PAYABLES FOR CONSTRUCTION IN PROGRESS

#### 19. 應付在建工程款項

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Current portion	流動部分	<b>35,642</b>	11,927
Non-current portion	非流動部分	<b>12,280</b>	11,827
		<b>47,922</b>	23,754

Payables for construction in progress represent the amounts payable to the constructors in respect of the construction of the production plants located in the PRC which the payment terms are unsecured, interest-free and repayable from one to four years since its inception. The amounts represent the present value of the invoiced amounts at effective interest rate of 4.75% at 31 December 2019 (2018: ranged from 4.75% to 6.15%).

應付在建工程款項指就於中國建設製造廠應付施工人員的款項，支付條款乃無抵押、免息且須自開建後於一至四年內償還。該等款項指於2019年12月31日以實際利率4.75% (2018年：介乎4.75%至6.15%)計值的發票額現值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 20. INTEREST-BEARING BORROWINGS

#### 20. 計息借款

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Secured bank borrowings:	有抵押銀行借款：		
Current portion	流動部分	103,177	125,627
Non-current portion	非流動部分	-	22,969
		<b>103,177</b>	<b>148,596</b>

The secured bank borrowings are wholly repayable within seven years since its inception. At 31 December 2019, the secured bank borrowings carried weighted average effective interest rate of approximately 4.18% (2018: 4.40%) per annum.

有抵押銀行借款須自開始起計七年內全部償還。於2019年12月31日，有抵押銀行借款按加權平均實際年利率約4.18% (2018年：4.40%) 計息。

At 31 December 2019, the bank borrowings are secured by:

於2019年12月31日，銀行借款乃由以下各項抵押：

- (i) certain buildings and certain right-of-use assets in respect of the prepaid land lease payments with aggregate net carrying amount of approximately HK\$196,310,000 (2018: HK\$280,895,000);
- (ii) key management insurance contracts with fair value of approximately HK\$28,419,000 (2018: HK\$26,841,000), as set out in Note 15 to the consolidated financial statements;
- (iii) trade receivables in connection with factoring arrangement of approximately HK\$4,234,000 (2018: HK\$83,000), as set out in Note 17(c) to the consolidated financial statements; and/or
- (iv) certain machinery and equipment with aggregate net carrying amount of approximately HK\$4,915,000 (2018: HK\$1,749,000).

- (i) 賬面值淨額合共約196,310,000港元 (2018年：280,895,000港元) 的若干樓宇及有關預付土地租賃款項的若干使用權資產；
- (ii) 公允價值約28,419,000港元 (2018年：26,841,000港元) 的主要管理人員保險合約 (如綜合財務報表附註15所載)；
- (iii) 約4,234,000港元 (2018年：83,000港元) 與保理安排有關的貿易應收款項 (如綜合財務報表附註17(c)所載)；及/或
- (iv) 賬面淨值合共約4,915,000港元 (2018年：1,749,000港元) 的若干機械及設備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 21. OBLIGATIONS UNDER FINANCE LEASES

#### 21. 融資租賃承擔

At 31 December 2018, the Group leased certain machinery and equipment under finance leases. The lease term is ranging from 36 to 48 months. At 31 December 2018, the weighted average effective interest rate of the obligations under finance leases of the Group was 3.39%.

於2018年12月31日，本集團以融資租賃承租若干機械及設備。租期介乎36至48個月之間。於2018年12月31日，本集團融資租賃承擔的加權平均實際利率為3.39%。

		Minimum lease payments 最低租賃付款 2018 2018年 HK\$'000 千港元	Present value of minimum lease payments 最低租賃 付款的現值 2018 2018年 HK\$'000 千港元
Amounts payable:	應付款項：		
Within one year	一年以內	24,472	22,415
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	45,133	42,879
		69,605	65,294
Future finance charges	未來融資開支	(4,311)	
Present value of lease obligations	租賃承擔的現值	65,294	
Less: Amounts due for settlement within 12 months	減：應於十二個月內清償的款項		(22,415)
Amounts due for settlement after 12 months	應於十二個月後清償的款項		42,879

Upon the adoption of HKFRS 16 at 1 January 2019, the balances recognised under obligations under finance leases are reclassified as lease liabilities (Note 2).

於2019年1月1日採納香港財務報告準則第16號後，融資租賃承擔項下確認的結餘重新分類為租賃負債(附註2)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 22. LEASES LIABILITIES

#### 22. 租賃負債

		Prepaid land lease payments 預付土地 租賃款項 HK\$'000 千港元	Machinery and equipment 機械及設備 HK\$'000 千港元	Leased properties 租賃物業 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Right-of-use assets (Note 13)</b>	<b>使用權資產 (附註13)</b>				
<b>Reconciliation of carrying amount - year ended 31 December 2019</b>	<b>賬面值之對賬 - 截至 2019年12月31日止年度</b>				
At the beginning of the reporting period - upon adoption of HKFRS 16	於報告期初 - 於採納香港 財務報告準則第16號後	44,996	95,011	-	140,007
Additions	添置	-	15,535	3,905	19,440
Depreciation	折舊	(1,041)	(9,876)	(774)	(11,691)
Transfer	轉讓	-	(8,583)	-	(8,583)
Exchange differences	匯兌差額	(1,115)	(2,342)	(29)	(3,486)
At the end of the reporting period	於報告期末	42,840	89,745	3,102	135,687
<b>At 31 December 2019</b>	<b>於2019年12月31日</b>				
Cost	成本	51,128	104,394	3,871	159,393
Accumulated depreciation	累計折舊	(8,288)	(14,649)	(769)	(23,706)
		42,840	89,745	3,102	135,687

The Group leases various lands, machinery and equipment and properties for its daily operations with initial lease terms range from 2 to 50 years. The Group has recognised the following amounts for the year:

本集團就其日常營運租入若干地塊、機械及設備以及物業，初始租期介乎2至50年之間。本集團已於年內確認以下金額：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Lease payments:	租賃付款：		
Short-term leases of properties	短期物業租賃	90	-
Operating lease payments	經營租賃付款	-	1,422
Expenses recognised in profit or loss	於損益中確認之開支	90	1,422
Total cash outflow for leases	租賃現金流出總額	29,563	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 22. LEASES LIABILITIES (CONTINUED)

At 31 December 2019, the weighted average discount rate applied was 3.73% per annum. Commitments and present value of lease liabilities:

#### 22. 租賃負債 (續)

於2019年12月31日，採用的加權平均貼現率為每年3.73%。租賃負債承擔及現值：

		Lease payments	Present value of lease payments
		租賃付款	租賃付款的現值
		2019	2019
		2019年	2019年
		HK\$'000	HK\$'000
		千港元	千港元
Amounts payable:	應付款項：		
Within one year	一年以內	24,863	22,737
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	41,519	39,754
		<b>66,382</b>	<b>62,491</b>
Less: future finance charges	減：未來融資開支	<b>(3,891)</b>	-
Total lease liabilities	租賃負債總額	<b>62,491</b>	<b>62,491</b>

#### 23. DEFERRED TAXATION

#### 23. 遞延稅項

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Deferred tax assets	遞延稅項資產	1,238	2,818
Deferred tax liabilities	遞延稅項負債	<b>(8,515)</b>	(15,567)
Net deferred tax position	遞延稅項淨額狀況	<b>(7,277)</b>	(12,749)



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### 綜合財務報表附註

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#### 23. DEFERRED TAXATION (CONTINUED)

The movements in the Group's net position of deferred tax are as follows:

#### 23. 遞延稅項 (續)

本集團遞延稅項淨額狀況的變動如下：

		<b>Tax losses</b>	<b>Timing differences on income and expenses (including depreciation) recognised</b>	<b>Total</b>
		已確認收入與開支的時間差額	(包括折舊)	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2018	於2018年1月1日	2,242	(10,566)	(8,324)
Income tax credit (expenses)	所得稅抵免(開支)	5,924	(10,932)	(5,008)
Exchange difference	匯兌差額	(233)	816	583
Deferred tax assets (liabilities)	遞延稅項資產(負債)	7,933	(20,682)	(12,749)
Offsetting	抵銷	(5,115)	5,115	-
At 31 December 2018	於2018年12月31日	2,818	(15,567)	(12,749)
At 1 January 2019	於2019年1月1日	<b>2,818</b>	<b>(15,567)</b>	<b>(12,749)</b>
Income tax (expenses) credit	所得稅(開支)抵免	<b>(1,615)</b>	<b>6,662</b>	<b>5,047</b>
Exchange difference	匯兌差額	<b>(161)</b>	<b>586</b>	<b>425</b>
Deferred tax assets (liabilities)	遞延稅項資產(負債)	<b>1,042</b>	<b>(8,319)</b>	<b>(7,277)</b>
Offsetting	抵銷	<b>196</b>	<b>(196)</b>	<b>-</b>
At 31 December 2019	於2019年12月31日	<b>1,238</b>	<b>(8,515)</b>	<b>(7,277)</b>

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### 綜合財務報表附註

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#### 23. DEFERRED TAXATION (CONTINUED)

#### 23. 遞延稅項 (續)

The tax losses reflected in above deferred tax assets arising at the end of each reporting period which can be offset against future taxable profits of the respective subsidiaries will expire as follows:

上述遞延稅項資產所反應的於各報告期末產生的可被各附屬公司未來應課稅溢利抵銷的稅項虧損將於以下日期到期：

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>Year of expiry</b>	<b>到期年份</b>		
2021	2021年	<b>2,337</b>	5,331
2022	2022年	<b>3,149</b>	3,231
2023	2023年	<b>18,680</b>	19,689
2024	2024年	<b>464</b>	-
		<b>24,630</b>	28,251
No expiry	無到期日	-	5,280
		<b>24,630</b>	33,531

The estimated withholding tax effects on the distribution of accumulated profits were approximately HK\$24,289,000 (2018: HK\$13,337,000) which would become payable when they are distributed. In the opinion of the Directors, these accumulated profits, at the present time, are required for financing the continuing operations of these entities and no distribution would be made in the foreseeable future. Accordingly, no provisions for additional deferred taxation have been made.

分派累計溢利的估計預扣稅影響約為24,289,000港元(2018年：13,337,000港元)，於其分派時繳納。董事認為，目前該等累計溢利須為該等實體的持續經營撥款，並於可見將來不作分派。因此，並無作出額外遞延稅撥備。

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#### 24. SHARE CAPITAL

#### 24. 股本

	Note 附註	2019 2019年		2018 2018年	
		No. of shares 股份數目 '000 千股	HK\$'000 千港元	No. of shares 股份數目 '000 千股	HK\$'000 千港元
<b>Authorised:</b>					
<i>Ordinary shares of HK\$0.1 each</i>					
At the beginning of the reporting period		2,000,000	200,000	3,900	390
Increase on 8 February 2018	24(a)	-	-	1,996,100	199,610
At the end of the reporting period		2,000,000	200,000	2,000,000	200,000
<b>Issued and fully paid:</b>					
<i>Ordinary shares of HK\$0.1 each</i>					
At the beginning of the reporting period		620,000	62,000	3	-*
Issue of shares pursuant to the Capitalisation Issue	24(b)	-	-	464,997	46,500
Issue of shares pursuant to the Global Offering	24(c)	-	-	155,000	15,500
At the end of the reporting period		620,000	62,000	620,000	62,000

\* less than HK\$1,000

\* 少於1,000港元

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### 綜合財務報表附註

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#### 24. SHARE CAPITAL (CONTINUED)

- (a) Pursuant to the resolution of the Company's shareholders passed on 8 February 2018, inter-alia, the authorised share capital of the Company was increased from HK\$390,000 to HK\$200,000,000 by the creation of an additional 1,996,100,000 shares of HK\$0.1 each and the Capitalisation Issue (as defined below) was conditionally approved.
- (b) On 8 March 2018, the Company issued a total of 464,997,000 shares of HK\$0.1 each to the shareholders appeared on the shareholders' register on 13 February 2018, credited as fully paid at par by way of capitalisation of the sum of HK\$46,499,700 standing to be credit of the share premium account of the Company ("the Capitalisation Issue") and the shares issued carry the same rights as all shares in issue.
- (c) On 8 March 2018, the Company issued a total of 155,000,000 new ordinary shares of HK\$0.1 each at HK\$0.71 per share by way of global offering (the "Global Offering") and the shares issued carry the same rights as all shares in issue. The expenses attributable to issue of shares pursuant to the Global Offering of approximately HK\$13,847,000 were recognised in the share premium account of the Company. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange.

#### 25. RESERVES

##### 25(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

##### 25(b) Capital reserve

The capital reserve represents the waiver of the amount due from the Group granted by the Ultimate Controlling Party in prior years and the aggregate amount of the nominal value of the issued/registered capital of the entities now comprising the Group less consideration paid to acquire the relevant interests (if any).

#### 24. 股本(續)

- (a) 根據本公司股東於2018年2月8日通過的決議案(其中包括), 透過創設額外1,996,100,000股每股0.1港元的股份將本公司的法定股本由390,000港元增至200,000,000港元, 且資本化發行(定義見下文)獲有條件通過。
- (b) 於2018年3月8日, 本公司向於2018年2月13日名列股東名冊的股東發行合共464,997,000股每股0.1港元的股份, 按面值入賬列為繳足股款, 方法為將本公司的股份溢價賬中46,499,700港元之進賬額進行資本化(「資本化發行」), 所發行的股份與所有已發行股份擁有同等權利。
- (c) 於2018年3月8日, 本公司透過全球發售(「全球發售」)以每股0.71港元發行合共155,000,000股每股0.1港元的新普通股, 所發行的股份與所有已發行股份擁有同等權利。根據全球發售發行股份的開支約13,847,000港元乃於本公司股份溢價賬確認。同日, 本公司股份於聯交所主板上市。

#### 25. 儲備

##### 25(a) 股份溢價

股份溢價指發行本公司股份籌集之所得款項淨額超逾其面值之差額。根據開曼群島法例及本公司組織章程細則, 該等金額可分派予本公司股東, 前提為本公司須有能力支付日常業務過程中到期應付之債務。

##### 25(b) 資本儲備

資本儲備指於過往年度由最終控股方授出的應收本集團款項豁免, 及現時組成本集團之實體的已發行/註冊股本的賬面總值減收購相關權益的代價(如有)。

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### 綜合財務報表附註

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#### 25. RESERVES (CONTINUED)

##### 25(c) Statutory reserve

As stipulated by the relevant laws and regulations for enterprises incorporated/established in the PRC, the Group's subsidiaries in the PRC are required to maintain certain statutory reserves. The statutory reserve can be used to make up for losses, expand the existing operation and convert to additional capital.

##### 25(d) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of foreign operations for consolidation.

##### 25(e) Revaluation reserve

The revaluation reserve represents the cumulative net changes in the fair value of the unlisted investments in key management insurance contracts classified as available-for-sale financial assets held in the period prior to 1 January 2018.

Upon the initial application of HKFRS 9 on 1 January 2018, the accumulated revaluation reserve of approximately HK\$801,000 were reclassified to accumulated profits.

#### 25. 儲備 (續)

##### 25(c) 法定儲備

根據相關法律法規對於中國註冊成立／成立之企業的規定，本集團於中國的附屬公司須保持若干法定儲備。法定儲備可用於彌補虧損、擴大現有經營及轉化為額外股本。

##### 25(d) 換算儲備

換算儲備包括合併時換算境外經營所產生的所有外匯差額。

##### 25(e) 重估儲備

重估儲備指於2018年1月1日之前之期間所持被分類為可供出售金融資產的主要管理層保險合約之非上市投資公允值的累計變動淨額。

於2018年1月1日首次應用香港財務報告準則第9號後，累計重估儲備約801,000港元重新分類至累計溢利。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 26. CASH GENERATED FROM OPERATIONS

#### 26. 經營所得現金

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Profit before tax	除稅前溢利	<b>164,351</b>	104,282
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	-	1,154
Expected credit loss allowance of trade receivables	貿易應收款項預期信貸虧損撥備	-	4,662
Depreciation	減值	<b>38,560</b>	28,531
Inventories written off	存貨撇銷	<b>1,525</b>	-
Interest income	利息收入	<b>(791)</b>	(47)
Fair value (gain) loss on financial assets at FVPL	按公允值計入損益的金融資產公允值(收益)虧損	<b>(847)</b>	272
Finance costs	財務成本	<b>9,069</b>	12,027
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	<b>151</b>	4,155
Exchange differences	匯兌差額	<b>9,373</b>	8,624
Changes in working capital:	營運資金變動：		
Inventories	存貨	<b>(1,639)</b>	(32,175)
Trade and other receivables	貿易及其他應收款項	<b>94,972</b>	(149,367)
Trade and other payables	貿易及其他應付款項	<b>(31,612)</b>	142,515
Cash generated from operations	經營所得現金	<b>283,112</b>	124,633

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 27. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the consolidated financial statements, during the years ended 31 December 2019 and 2018, further information of the related party transactions is set out below.

(a) Transactions between the group entities have been eliminated on consolidation and are not disclosed. During the years ended 31 December 2019 and 2018, the Group had the following significant transactions with related parties.

Related party relationship 關聯方關係	Nature of transaction 交易性質	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Companies controlled by the Ultimate Controlling Party 由最終控股方控制的公司	Purchase of property, plant and equipment (i) 購買物業、廠房及設備(i)	-	1,023
	Rental payments expenses (ii) 租金付款開支(ii)	585	540

(i) During the year ended 31 December 2018, the Group purchased motor vehicles from CDN Holdings Limited ("CDN Holdings"). Such purchase has been recognised in the additions of the Group's property, plant and equipment.

(ii) During the years ended 31 December 2019 and 2018, rental payments expenses represented lease payments on premises charged by CDN Holdings to the Group.

#### 27. 關聯方交易

除綜合財務報表其他地方所披露的交易／資料外，截至2019年及2018年12月31日止年度，有關關聯方交易的進一步資料載列如下。

(a) 集團實體間的交易已於合併時對銷且並未披露。截至2019年及2018年12月31日止年度，本集團與關聯方有以下重大交易。

(i) 截至2018年12月31日止年度，本集團向扒令控股有限公司（「扒令控股」）購買汽車。該等購買額已於本集團的物業、廠房及設備的添置中確認。

(ii) 截至2019年及2018年12月31日止年度，租金付款開支指扒令控股質押予本集團的物業租賃付款。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 27. RELATED PARTY TRANSACTIONS (CONTINUED)

#### 27. 關聯方交易 (續)

(b) Remuneration for key management personnel (including directors) of the Group:

(b) 本集團主要管理人員(包括董事)的薪酬:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Salaries and allowances	薪金及補貼	10,497	8,184
Discretionary bonus	酌情花紅	30,334	16,127
Contributions to defined contribution retirement schemes	定額供款退休計劃供款	148	110
		<b>40,979</b>	24,421

Further details of the directors' remuneration are set out in Note 7 to the consolidated financial statements.

董事薪酬的進一步詳情載於綜合財務報表附註7。

#### 28. ADDITIONAL INFORMATION ON CASH FLOWS

#### 28. 有關現金流量之其他資料

##### (a) Major non-cash transactions

The followings set out the major non-cash transactions during the year:

During the year ended 31 December 2019, the Group incurred additional payables of approximately HK\$31,526,000 (2018: HK\$34,132,000) to constructors for the addition of property, plant and equipment.

##### (a) 主要非現金交易

下文載列本年度的主要非現金交易:

截至2019年12月31日止年度, 本集團就添置物業、廠房及設備產生額外應付施工人員款項約31,526,000港元(2018年: 34,132,000港元)。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 28. ADDITIONAL INFORMATION ON CASH FLOWS (CONTINUED)

##### (a) Major non-cash transactions (Continued)

During the year ended 31 December 2019, the Group entered into lease arrangements in respect of certain machinery and equipment with a total capital value at the inception of the leases of approximately HK\$15,535,000 (2018: HK\$56,820,000).

During the year ended 31 December 2018, the Group accrued other liabilities of approximately HK\$4,934,000 for purchase of certain machinery and equipment. Such other liabilities were replaced by inception of leases during the year ended 31 December 2019.

During the year ended 31 December 2019, the Group incurred imputed interest expenses in respect of the payables for construction in progress of approximately HK\$894,000 (2018: HK\$1,150,000), which were not settled and were credited to the payables for construction in progress.

During the year ended 31 December 2019, the Group entered into lease arrangement in respect of leased properties with a total capital value at the inception of leases of approximately HK\$3,905,000 (2018: HK\$nil).

During the year ended 31 December 2019, the Group incurred imputed interest expenses in respect of the leased assets of approximately HK\$2,326,000 (2018: HK\$nil).

#### 28. 有關現金流量之其他資料 (續)

##### (a) 主要非現金交易 (續)

截至2019年12月31日止年度，本集團就若干機械及設備訂立租賃安排，租賃期初總資本價值約15,535,000港元(2018年：56,820,000港元)。

截至2018年12月31日止年度，本集團因購買若干機械及設備而產生其他負債約4,934,000港元。截至2019年12月31日止年度，該等其他負債已由租賃開始取代。

截至2019年12月31日止年度，本集團就應付在建工程款項產生的應計利息開支約894,000港元(2018年：1,150,000港元)，該等利息並無結清，並已計入應付在建工程款項。

截至2019年12月31日止年度，本集團就租賃物業訂立租賃安排，租賃期初總資本價值約3,905,000港元(2018年：零港元)。

截至2019年12月31日止年度，本集團就租賃資產產生的應計利息開支約2,326,000港元(2018年：零港元)。

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#### 28. ADDITIONAL INFORMATION ON CASH FLOWS (CONTINUED)

#### 28. 有關現金流量之其他資料 (續)

##### (b) Reconciliation of liabilities arising from financing activities

The movements in the Group's liabilities arising from financing activities are as follows:

##### (b) 融資活動所產生負債的對賬

本集團融資活動所產生負債的變動如下：

Year ended	截至2019年	Non-cash changes							
		At 1 January 2019	Net cash flow	Addition	Transfer	Imputed interest expenses	Adjustment on transition to HKFRS 16	Foreign exchange movement	At 31 December 2019
		於2019年1月1日	現金流量淨額	添置	轉讓	應計利息開支	過渡至香港財務報告準則第16號的調整	外匯變動	於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
31 December 2019	12月31日止年度								
Payables for construction in progress	應付在建工程款項	23,754	(7,549)	31,526	-	894	-	(703)	47,922
Interest-bearing borrowings	計息借款	148,596	(43,759)	-	-	-	-	(1,660)	103,177
Lease liabilities	租賃負債	-	(29,473)	19,440	4,934	2,326	65,294	(30)	62,491
		172,350	(80,781)	50,966	4,934	3,220	65,294	(2,393)	213,590

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### 綜合財務報表附註

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#### 28. ADDITIONAL INFORMATION ON CASH FLOWS (CONTINUED)

##### (b) Reconciliation of liabilities arising from financing activities (Continued)

#### 28. 有關現金流量之其他資料 (續)

##### (b) 融資活動所產生負債的對賬 (續)

Year ended	At 1 January 2018	Net cash flow	Non-cash changes 非現金變動					At 31 December 2018	
			Addition	Transfer	Imputed interest expenses	Adjustment on transition to HKFRS 16 過渡至香港 財務報告 準則第16號 的調整	Foreign exchange movement		
	於2018年 1月1日	現金 流量淨額	添置	轉讓	應計 利息開支		外匯變動	於2018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	
Year ended 31 December 2018	截至2018年 12月31日止年度								
Payables for construction in progress	應付在建工程款項	28,176	(39,286)	34,132	-	1,150	-	(418)	23,754
Interest-bearing borrowings	計息借款	192,513	(41,762)	-	-	-	-	(2,155)	148,596
Obligations under finance leases	融資租賃承擔	20,668	(12,194)	56,820	-	-	-	-	65,294
		241,357	(93,242)	90,952	-	1,150	-	(2,573)	237,644

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise of financial assets at FVPL, interest-bearing borrowings, payables for construction in progress, lease liabilities/obligations under finance leases and bank balances and cash. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has various other financial instruments such as trade and other receivables and trade and other payables, which arise directly from its business activities.

The main risks arising from the Group's financial instruments are market risk (including price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk. The Group does not have any written risk management policies and guidelines. However, the management generally adopts conservative strategies on its risk management and limits the Group's exposure to these risks to a minimum level as follows:

##### Price risk

The Group is exposed to price risk arising from its unlisted investments in key management insurance contracts which are classified as financial assets at FVPL. The fair value of the unlisted investments will fluctuate, subject to the returns which are at the discretion of the issuer of the investments. Such contracts have minimum guaranteed returns during the holding period. Management is of the opinion that the price risk arising from the contracts is not significant.

#### 29. 財務風險管理目標及政策

本集團的主要金融工具包括按公允值計入損益的金融資產、計息借款、應付在建工程款項、租賃負債／融資租賃承擔及銀行結餘及現金。該等金融工具的主要目的乃籌集及維持本集團營運所需資本。本集團擁有多種其他金融工具，如直接來自其業務活動的貿易及其他應收款項和貿易及其他應付款項。

本集團金融工具的主要風險乃市場風險（包括價格風險、利率風險及外幣風險）、信貸風險及流動性風險。本集團並無任何書面風險管理政策及指引。然而，管理層通常就其風險管理採取保守策略，並將本集團對該等風險的敞口降至最低水平，詳情如下：

##### 價格風險

本集團面臨來自主要管理人員保險合約非上市投資（劃分為按公允值計入損益的金融資產）的價格風險。非上市投資的公允值將視乎回報（由投資發行人全權決定）而波動。該等合約於持有期間擁有最低保證收益。管理層認為，合約的價格風險並不重大。

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Year ended 31 December 2019 截至2019年12月31日止年度

#### 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's interest-bearing borrowings and lease liabilities/obligations under finance leases of approximately HK\$143,319,000 (2018: HK\$176,235,000) with floating interest rate. The Group currently does not have a policy to hedge against the interest rate risk as the management does not expect any significant interest rate risk at the end of the reporting period.

At the end of the reporting period, if interest rate has been 1% higher/lower and all other variables were held constant, the Group's pre-tax results would decrease/increase by approximately HK\$1,433,000 (2018: HK\$1,762,000).

The sensitivity analysis above has been determined assuming that the change in interest rate had occurred throughout the year and had been applied to the exposure to interest rate risk for the closing balance of the lease liabilities/obligations under finance leases, interest-bearing borrowings and bank overdrafts in existence at the end of the reporting period. The stated changes represent management's assessment of a reasonably possible change in interest rates over the year.

In the opinion of the management, the sensitivity analysis is unrepresentative of the inherent interest rate risk because the exposure at the end of the reporting period does not reflect the exposure during the reporting period.

#### 29. 財務風險管理目標及政策 (續)

##### 利率風險

本集團面臨的利率變動市場風險主要與本集團的計息借款及租賃負債／融資租賃承擔(均按浮動利率計息)約143,319,000港元(2018年:176,235,000港元)有關。本集團目前並無政策規避利率風險，原因是管理層預期於報告期末不存在任何重大利率風險。

於報告期末，倘利率上升／下降1%，而所有其他變量保持穩定，本集團的稅前業績將減少／增加約1,433,000港元(2018年:1,762,000港元)。

上述敏感性分析乃於假設利率變動於本年度發生及已應用於報告期末存在的租賃負債／融資租賃承擔、計息借款及銀行透支期末結餘的利率風險敞口後釐定。上述變動指管理層對於本年度利率合理可能變動的評估。

管理層認為，敏感性分析不代表固有利率風險，因為於報告期末的敞口並不反映報告期的敞口。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### 29. 財務風險管理目標及政策 (續)

##### Foreign currency risk

The Group's transactions are mainly denominated in HK\$, US\$ and RMB.

Certain financial assets and financial liabilities of the Group are denominated in currencies other than the functional currency of the respective group entities and therefore exposed to foreign currency risk. The carrying amounts of those financial assets and liabilities are analysed as follows:

##### 外幣風險

本集團的交易主要以港元、美元及人民幣計值。

本集團的若干金融資產及金融負債以各集團實體功能貨幣以外的貨幣計值，因此面臨外幣風險。該等金融資產及負債的賬面值分析如下：

		Financial assets 金融資產		Financial liabilities 金融負債	
		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
HK\$	港元	3,997	11,432	1,717	2,390
US\$	美元	165,216	183,386	103,261	174,610
RMB	人民幣	2,274	136	-	-

The following table indicates the approximate change in the Group's pre-tax results if exchange rates of HK\$, US\$ and RMB had changed against the functional currencies of the respective group entities by 5% and all other variables were held constant at the end of the reporting period.

下表載列在報告期末港元、美元及人民幣兌各集團實體的功能貨幣變動5%且所有其他變量保持穩定的情況下本集團除稅前業績的概約變動。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
HK\$	港元	114	452
US\$	美元	3,098	439
RMB	人民幣	114	7

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#### 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Foreign currency risk (Continued)

The sensitivity analysis has been determined assuming that the changes in foreign exchange rates had occurred at the end of the reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the year until the end of the next reporting period.

In the opinion of the management, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the reporting period.

##### Credit risk

The carrying amount of financial assets recognised on the consolidated financial statement, which is net of loss allowances, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

##### Trade receivables from third parties

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. Credit quality of a customer is assessed based on an extensive credit rating and individual credit limit assessment which is mainly based on the Group's own trading records.

#### 29. 財務風險管理目標及政策 (續)

##### 外幣風險 (續)

敏感性分析乃於假設外匯匯率變動於報告期末發生及已應用於本集團當日存在的金融工具的貨幣風險敞口且所有其他變量(尤指利率)保持穩定後釐定。

上述變動指管理層對本年度直至下個報告期末外匯匯率合理可能變動的評估。

管理層認為，敏感性分析不代表固有外匯匯率風險，因為於報告期末的敞口並不反映報告期的敞口。

##### 信貸風險

於綜合財務報表確認的金融資產賬面值(已扣除虧損撥備)指本集團所面對的信貸風險，惟並未考慮所持有任何抵押品或其他信貸增值的價值。

##### 來自第三方的貿易應收款項

本集團與獲認可及信譽卓著的第三方交易。本集團的政策乃所有希望以信貸期交易的客戶均須進行信貸核准程序。本集團通過設定最高三個月付款期限來降低貿易應收款項的信貸風險。

本集團所面對的信貸風險主要受各客戶的個別特殊情況所影響。客戶經營所在行業及國家的違約風險亦會影響信貸風險，但程度較低。客戶的信用質素乃基於全面信貸評級及個人信用額度進行評估，該評估主要基於本集團的自身交易記錄。

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## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Credit risk (Continued)

#### Trade receivables from third parties (Continued)

The Group's customer base consists of a wide range of clients and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and contract costs and recognises a loss allowance based on lifetime ECL at the end of the reporting period, based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. At 31 December 2019 and 2018, except for a customer that the Group had taken legal action to recover the trade debt due to the Group, the expected loss rate of other trade debts is negligible.

At 31 December 2019, the Group had a concentration of credit risk as approximately 55.5% (2018: 41.1%) of the total trade receivables was due from the Group's largest trade debtor, and approximately 86.4% (2018: 85.5%) of the total trade receivables was due from the Group's five largest trade debtors.

#### Other receivables

The Group considers that other receivables have low credit risk based on the debtors' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default, therefore, the credit risk associated with other receivables is minimal. No loss allowance is recognised based on the measurement on 12-month ECL.

## 29. 財務風險管理目標及政策 (續)

### 信貸風險 (續)

#### 來自第三方的貿易應收款項 (續)

本集團客戶基礎由為數眾多之客戶組成，貿易應收款項按共同的風險特徵進行分類，該風險特徵代表客戶根據合約條款支付所有到期款項的能力。本集團應用簡化方法就貿易應收款項及合約成本計算預期信貸虧損，根據於報告期末整個存續期的預期信貸虧損及其過往信貸虧損經驗確認虧損撥備，並就債務人獨有之前瞻性因素及經濟環境作出調整。於2019年及2018年12月31日，除本集團已採取法律行動以收回應付本集團貿易債務的客戶外，其他貿易債務的預期虧損率可忽略不計。

於2019年12月31日，本集團的信貸風險集中，原因是約55.5% (2018年：41.1%) 的貿易應收款項總額乃應收本集團最大貿易債務人的款項，且約86.4% (2018年：85.5%) 的貿易應收款項總額乃應收本集團五大貿易債務人的款項。

#### 其他應收款項

本集團認為，基於債務人有雄厚實力履行其近期合約現金流量責任及違約風險低，其他應收款項的信貸風險亦低，因此其他應收款項的相關信貸風險極低。基於12個月預期信貸虧損的計量，並無確認虧損撥備。



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#### 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of payable for construction in progress, interest-bearing borrowings and lease liabilities/obligations under finance leases. The Group has no specific policy for managing its liquidity. The undiscounted contractual maturity profile of the Group's financial liabilities at the end of the reporting period, based on contractual undiscounted payments, is summarised below:

#### 29. 財務風險管理目標及政策 (續)

##### 流動性風險

本集團的目標乃通過動用應付在建工程款項、計息借款及租賃負債／融資租賃承擔維持融資持續性與靈活性之間的平衡。本集團並無特別政策管理其流動性。於報告期末，本集團基於合約未貼現付款的金融負債未貼現合約到期狀況概述如下：

		Total carrying amount	Total contractual undiscounted cash flow	Less than 1 year or on demand	1-2 years	2-5 years
		賬面值總額	現金流量總額	1年以下或按求償還	1至2年	2至5年
		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
<b>At 31 December 2019</b>	<b>於2019年12月31日</b>					
Trade and other payables	貿易及其他應付款項	211,596	211,596	211,596	-	-
Lease liabilities	租賃負債	62,491	66,382	24,863	37,849	3,670
Interest-bearing borrowings (i)	計息借款(i)	103,177	103,177	103,177	-	-
Payables for construction in progress	應付在建工程款項	47,922	48,936	36,376	12,560	-
		<b>425,186</b>	<b>430,091</b>	<b>376,012</b>	<b>50,409</b>	<b>3,670</b>
<b>At 31 December 2018</b>	<b>於2018年12月31日</b>					
Trade and other payables	貿易及其他應付款項	252,854	252,854	252,854	-	-
Obligations under finance leases	融資租賃承擔	65,294	69,605	24,472	18,680	26,453
Interest-bearing borrowings (i)	計息借款(i)	148,596	149,864	126,893	22,971	-
Payables for construction in progress	應付在建工程款項	23,754	25,368	12,111	6,655	6,602
		490,498	497,691	416,330	48,306	33,055

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## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Liquidity risk (Continued)

- (i) The amounts repayable under bank loan agreements that include a clause that gives the banks unconditional rights to call the loans at any time are classified under the category of "Less than 1 year or on demand". However, the management does not expect that the banks would exercise such rights to demand repayment and thus these borrowings, which include the related interest, would be repaid according to the below schedule as set out in the loan agreements.

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Less than 1 year or on demand	1年以下或按要求償還	84,019	107,412
1-2 years	1至2年	16,120	33,170
2-5 years	2至5年	4,728	10,481
Over 5 years	5年以上	1,553	2,047
		<b>106,420</b>	153,110

## 30. FAIR VALUE MEASUREMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in the consolidated financial statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13 "Fair Value Measurement" with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

## 29. 財務風險管理目標及政策 (續)

### 流動性風險 (續)

- (i) 銀行貸款協議(包括一項給予銀行隨時收回貸款的無條件權利的條款)項下應償還的金額劃分為「1年以下或按要求償還」類別。然而，管理層預期銀行不會行使該等權利要求我們還款，因此，該等借款(包括相關利息)將根據貸款協議所載下述時間表償還。

## 30. 公允值計量

以下乃按香港財務報告準則第13號「公允值計量」所界定之公允值三個級別呈列以公允值計量或須按重複基準於綜合財務報表披露公允值之資產及負債，而公允值計量乃基於對整體計量有重大影響之最低級別輸入數據作整體分類。輸入數據層級界定如下：

- 第一層級(最高級別)：本集團在計量日可獲得的相同資產或負債在活躍市場之報價(未經調整)；

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#### 30. FAIR VALUE MEASUREMENTS (CONTINUED)

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

##### a) Assets and liabilities measured at fair value

		2019 2019年 Level 3 第三層級 HK\$'000 千港元	2018 2018年 Level 3 第三層級 HK\$'000 千港元
<b>Assets measured at fair value</b>	<b>以公允值計量的資產</b>		
Financial assets at FVPL	按公允值計入損益的金融資產		
- Unlisted investments -	- 非上市投資		
key management insurance	- 主要管理人員保險合約		
contracts (Note 15)	(附註15)	<b>28,419</b>	26,841

During the years ended 31 December 2019 and 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

截至2019年及2018年12月31日止年度，第一層級與第二層級公允值計量之間並無轉撥，且第三層級公允值計量並無任何轉入或轉出。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Total unrealised gain (loss)	計入損益的未變現收益		
included in profit or loss	(虧損)總額	<b>847</b>	(272)

#### 30. 公允值計量 (續)

- 第二層級：除第一級別所包括之報價以外，資產或負債的直接或間接可觀察之輸入數據；
- 第三層級（最低級別）：資產或負債之無法觀察輸入數據。

##### a) 以公允值計量的資產及負債

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#### 30. FAIR VALUE MEASUREMENTS (CONTINUED)

#### 30. 公允值計量 (續)

##### a) Assets and liabilities measured at fair value

(Continued)

The fair value of the key management insurance contracts is determined by reference to the surrender cash value, which is primarily based on the performance of the underlying investment portfolio, reported by the bank on a regular basis.

##### a) 以公允值計量的資產及負債 (續)

主要管理人員保險合約的公允值乃參考退保現金值釐定，該現金值乃主要基於銀行定期報告的相關投資組合表現。

##### b) Assets and liabilities with fair value disclosure, but not measured at fair value

All other financial assets and liabilities including trade and other receivables, trade and other payables, bank balances, interest-bearing borrowings, payables for construction in progress and lease liabilities/obligations under finance leases are carried at amounts not materially different from their fair values as at 31 December 2019 and 2018.

##### b) 披露公允值但不以公允值計量的資產及負債

所有其他金融資產及負債(包括貿易及其他應收款項、貿易及其他應付款項、銀行結餘、計息借款、應付在建工程款項及租賃負債／融資租賃承擔)均以與2019年及2018年12月31日公允值並無重大差異的金額計值。

#### 31. COMMITMENTS

#### 31. 承擔

##### Capital expenditure commitments

##### 資本開支承擔

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Contracted but not provided net of deposits paid for construction in progress	就在建工程支付的已訂約但未撥備金額(扣除按金)	141,328	-

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#### 32. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide returns for equity owners. The Group manages its capital structure and makes adjustments, including payment of dividend to equity owners, call for additional capital from equity owners or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 2018.

#### 33. EVENT AFTER REPORTING PERIOD

Since the 2020 Chinese New Year Holidays, the Group's operations located in Huizhou of Guangdong Province, the PRC (the "**Huizhou Operations**") were suspended as a result of the outbreak of COVID-19. The Huizhou Operations have resumed operation on 13 February 2020, however due to the suspension or limited service of transportation facilities in certain areas in the PRC, certain workers were unable to return to the Huizhou Operations as planned, which resulted in a temporary drop in the production capacity of the Huizhou Operations. It is expected by the management that the Huizhou Operations will experience delay in resuming their original production schedule and there will be late delivery of products in the coming few months.

At the date of authorisation for issue of these consolidated financial statements, the Group does not expect those events have any significant adverse impacts to the financial position and the application of going concern basis for the preparation of the Group's consolidated financial statements as set out in Note 2 to the consolidated financial statements.

#### 32. 資本管理

本集團的資本管理目標乃保護本集團持續經營及為權益擁有人提供回報的能力。本集團管理其資本架構並作出調整，包括向權益擁有人支付股息、要求權益擁有人額外注資，或出售資產以降低負債。截至2019年及2018年12月31日止年度，目標、政策或程序概無作出變動。

#### 33. 報告期後事項

因新冠肺炎爆發，本集團位於中國廣東省惠州市的工廠（「**惠州工廠**」）自2020年農曆新年假期起暫停營運。惠州工廠已於2020年2月13日恢復營運，然而由於中國某些地區交通設施暫停或服務受限，若干工人無法按計劃返回惠州工廠，這導致惠州工廠的產能暫時下降。管理層預計惠州工廠將延遲恢復其原生產計劃並將未來幾個月產品交付推後。

於授權刊發該等綜合財務報表日期，本集團預期該等事件不會對財務狀況及綜合財務報表附註2所載採用持續經營基準編製本集團綜合財務報表產生任何重大不利影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

### 34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 34. 本公司的財務狀況表

		Note	2019 2019年 HK\$ 港元	2018 2018年 HK\$ 港元
		附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Investments in subsidiaries	投資附屬公司		<b>16</b>	16
<b>Current assets</b>	<b>流動資產</b>			
Due from the subsidiaries	應收附屬公司款項	34(a)	<b>114,147,632</b>	117,745,962
Other receivables	其他應收款項		<b>213,630</b>	145,300
Bank balances	銀行結餘		<b>1,051,486</b>	2,426,063
			<b>115,412,748</b>	120,317,325
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables	其他應付款項		<b>242,736</b>	365,672
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>115,170,012</b>	119,951,653
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>115,170,028</b>	119,951,669
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	34(b)	<b>62,000,000</b>	62,000,000
Reserves	儲備	34(b)	<b>53,170,028</b>	57,951,669
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>115,170,028</b>	119,951,669

The statement of financial position was approved and authorised for issue by the Board of Directors on 20 April 2020 and signed on its behalf by

財務狀況表於2020年4月20日獲董事會批准及授權刊發並由以下董事代表簽立

**CHAN Tsan Lam**  
陳燦林  
Director  
董事

**CHAN Yin Yan**  
陳燕欣  
Director  
董事

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

#### 34. 本公司的財務狀況表 (續)

##### 34(a) Due from the subsidiaries

The amounts due are non-trade in nature, unsecured, interest-free and repayable on demand. No provision has been made for non-repayment of the amounts due during years ended 31 December 2019 and 2018.

Details of the amounts due from the subsidiaries are as follows:

##### 34(a) 應收附屬公司款項

應收款項屬非貿易性質，乃無抵押、免息且須按要求償還。截至2019年及2018年12月31日止年度，本集團並未對未償還的應收款項計提撥備。

應收附屬公司款項的詳情如下：

		2019 2019年 HK\$ 港元	2018 2018年 HK\$ 港元
Tian Chang HK	天長(香港)	86,047,632	87,745,962
Tian Chang BVI	Tian Chang BVI	16,000,000	-
Sun Leader HK	新利達(香港)	5,000,000	5,000,000
Sun Leader BVI	Sun Leader BVI	7,100,000	25,000,000
		<b>114,147,632</b>	117,745,962

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

Year ended 31 December 2019 截至2019年12月31日止年度

#### 34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

#### 34. 本公司的財務狀況表 (續)

##### 34(b) Movement of share capital and reserves

##### 34(b) 股本及儲備的變動

		Share capital 股本 HK\$ 港元	Share premium 股份溢價 HK\$ 港元 (Note 25(a)) (附註25(a))	Accumulated profits 累計盈利 HK\$ 港元	Total 總計 HK\$ 港元
At 1 January 2018	於2018年1月1日	300	-	-	300
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	23,748,709	23,748,709
<b>Transactions with owners</b>	<b>與擁有人進行的交易</b>				
<i>Contribution and distributions</i>	<i>貢獻及分派</i>				
Issue of shares pursuant to the Global Offering (Note 24(c))	根據全球發售發行股份(附註24(c))	15,500,000	94,550,000	-	110,050,000
Issue of shares pursuant to the Capitalisation Issue (Note 24(b))	根據資本化發行發行股份(附註24(b))	46,499,700	(46,499,700)	-	-
Transaction costs attributable to issue of shares (Note 24(c))	發行股份應佔交易成本(附註24(c))	-	(13,847,340)	-	(13,847,340)
Total transactions with owners	與擁有人進行的交易總額	61,999,700	34,202,960	-	96,202,660
At 31 December 2018	於2018年12月31日	62,000,000	34,202,960	23,748,709	119,951,669
At 1 January 2019	於2019年1月1日	<b>62,000,000</b>	<b>34,202,960</b>	<b>23,748,709</b>	<b>119,951,669</b>
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	<b>23,118,359</b>	<b>23,118,359</b>
<b>Transactions with owners</b>	<b>與擁有人進行的交易</b>				
<i>Contribution and distributions</i>	<i>貢獻及分派</i>				
Dividends (Note 10)	股息(附註10)	-	-	<b>(27,900,000)</b>	<b>(27,900,000)</b>
<b>At 31 December 2019</b>	<b>於2019年12月31日</b>	<b>62,000,000</b>	<b>34,202,960</b>	<b>18,967,068</b>	<b>115,170,028</b>

Certain administrative and other operating expenses were borne by the subsidiaries of the Company without recharge.

由本公司附屬公司承擔若干行政及其他經營開支，且不再向本公司收取。



## FIVE YEARS FINANCIAL SUMMARY

### 五年財務概述

A summary of the results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements in this annual report, the annual report for the years ended 31 December 2018 and 2017 and the prospectus in relation to the Listing, is set out below.

如摘錄自本年報、截至2018年及2017年12月31日止年度的年報及有關上市的招股章程的經審核綜合財務報表，本集團於過去五個財政年度的業績以及資產及負債概述如下。

## RESULTS

## 業績

For the year ended 31 December

截至12月31日止年度

		2015	2016	2017	2018	2019
		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
Revenue	收益	401,178	555,561	572,864	959,947	<b>1,251,074</b>
Cost of goods sold	商品銷售成本	(304,058)	(427,386)	(438,825)	(722,123)	<b>(937,715)</b>
<b>Gross Profit</b>	<b>毛利</b>	<b>97,120</b>	<b>128,175</b>	<b>134,039</b>	<b>237,824</b>	<b>313,359</b>
Other income	其他收入	3,658	8,296	4,868	5,410	<b>6,143</b>
Fair value (loss) gain on financial assets at FVPL	按公允值計入損益的金融資產公允值(虧損)收益	-	-	-	(272)	<b>847</b>
Selling and distribution costs	銷售及分銷成本	(8,522)	(11,570)	(11,604)	(12,457)	<b>(11,374)</b>
Administrative and other operating expenses	行政及其他經營開支	(55,473)	(66,584)	(66,909)	(107,794)	<b>(135,555)</b>
Finance costs	財務成本	(13,087)	(13,320)	(13,525)	(12,027)	<b>(9,069)</b>
Listing expenses	上市開支	-	-	(15,844)	(6,402)	<b>-</b>
<b>Profit before tax</b>	<b>除稅前溢利</b>	<b>23,696</b>	<b>44,997</b>	<b>31,025</b>	<b>104,282</b>	<b>164,351</b>
Income tax expenses	所得稅開支	(5,935)	(11,140)	(10,947)	(28,527)	<b>(37,155)</b>
<b>Profit for the year</b>	<b>年內溢利</b>	<b>17,761</b>	<b>33,857</b>	<b>20,078</b>	<b>75,755</b>	<b>127,196</b>
Other comprehensive (loss) income	其他全面(虧損)收益	(11,542)	(28,937)	16,948	(4,831)	<b>(13,312)</b>
<b>Total comprehensive income</b>	<b>全面收益總額</b>	<b>6,219</b>	<b>4,920</b>	<b>37,026</b>	<b>70,924</b>	<b>113,884</b>

## ASSETS AND LIABILITIES

## 資產及負債

As at 31 December

於12月31日

		2015	2016	2017	2018	2019
		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
Total assets	總資產	655,240	632,478	654,789	971,749	<b>973,529</b>
Total liabilities	總負債	413,072	385,390	370,675	520,508	<b>436,304</b>
Total equity	權益總額	242,168	247,088	284,114	451,241	<b>537,225</b>



**TIAN CHANG GROUP HOLDINGS LTD.**  
天長集團控股有限公司