

Best Pacific International Holdings Limited 超盈國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 2111

**Built on
Innovation
and
Technology**

Annual Report 年報
2019



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Lu Yuguang (*Chairman*)
Mr. Zhang Haitao (*Chief Executive Officer*)
Mr. Wu Shaolun
Ms. Zheng Tingting (*Chief Operating Officer*)

Independent non-executive Directors

Mr. Cheung Yat Ming
Mr. Ding Baoshan
Mr. Sai Chun Yu

AUDIT COMMITTEE

Mr. Sai Chun Yu (*Chairman*)
Mr. Cheung Yat Ming
Mr. Ding Baoshan

REMUNERATION COMMITTEE

Mr. Ding Baoshan (*Chairman*)
Mr. Zhang Haitao
Mr. Cheung Yat Ming

NOMINATION COMMITTEE

Mr. Lu Yuguang (*Chairman*)
Mr. Cheung Yat Ming
Mr. Ding Baoshan

AUTHORISED REPRESENTATIVES

Mr. Zhang Haitao
Mr. Chan Yiu Sing

COMPANY SECRETARY

Mr. Chan Yiu Sing

AUDITOR

Deloitte Touche Tohmatsu

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

董事會

執行董事

盧煜光先生 (*主席*)
張海濤先生 (*行政總裁*)
吳少倫先生
鄭婷婷女士 (*首席運營官*)

獨立非執行董事

張一鳴先生
丁寶山先生
余振宇先生

審核委員會

余振宇先生 (*主席*)
張一鳴先生
丁寶山先生

薪酬委員會

丁寶山先生 (*主席*)
張海濤先生
張一鳴先生

提名委員會

盧煜光先生 (*主席*)
張一鳴先生
丁寶山先生

授權代表

張海濤先生
陳耀星先生

公司秘書

陳耀星先生

核數師

德勤 • 關黃陳方會計師行

香港股份過戶登記分處

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

**PRINCIPAL SHARE REGISTRAR AND
TRANSFER OFFICE IN THE
CAYMAN ISLANDS**

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

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd. Hong Kong Branch
CTBC Bank Co., Ltd.
Fubon Bank (Hong Kong) Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
United Overseas Bank Limited

REGISTERED OFFICE

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

**HEADQUARTER AND PRINCIPAL PLACE
OF BUSINESS IN THE PRC**

Xinsha Port Industrial Park
Machong Town
Dongguan City
The PRC

**PRINCIPAL PLACE OF BUSINESS IN
HONG KONG**

8th Floor
West Gate Tower
No. 7 Wing Hong Street
Lai Chi Kok
Kowloon
Hong Kong

COMPANY'S WEBSITE

www.bestpacific.com

STOCK CODE

2111

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

主要往來銀行

中國銀行(香港)有限公司
交通銀行股份有限公司香港分行
中國信託商業銀行股份有限公司
富邦銀行(香港)有限公司
恒生銀行有限公司
渣打銀行(香港)有限公司
大華銀行有限公司

註冊辦事處

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

總部及中國主要營業地點

中國
東莞市
麻涌鎮
新沙港工業園

香港主要營業地點

香港
九龍
荔枝角
永康街7號
西港都會中心
8樓

公司網站

www.bestpacific.com

股份代號

2111

CHAIRMAN'S STATEMENT

主席報告

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Best Pacific International Holdings Limited (the “**Company**” or “**Best Pacific**”, together with its subsidiaries, collectively, the “**Group**” or “**we**”), I am pleased to present the annual results of the Group for the year ended 31 December 2019.

The year 2019 is another difficult and complicated year. Ongoing concerns on the international trade order and other geographical factors continue to add pressure on the global economy. The gross domestic product (“**GDP**”) in the People's Republic of China (the “**PRC**”) expanded by 6.1% in 2019, which has decreased from a growth rate of 6.7% in 2018 and was the slowest rate since 1990, reflecting the softening of trade activities and the decrease in export demands as a result of the trade conflicts between the United States of America (the “**U.S.**”) and the PRC, which also pulled off growth in industrial production and manufacturing investments.

With the decrease in consumer spending and restrained business activities, the annualised GDP rose by 2.1% in the forth-quarter of 2019 in the U.S., as compared to the 2.9% increase in 2018 and the 2.4% increase in 2017, which was well below the U.S. government projection of 3% growth after the issuance of the 2017 tax bill that reduced corporate and individual rates. The unsatisfactory growth in GDP was mainly due to the decrease in the investment in structures and equipment in the U.S., as well as drops in imports and exports of goods. Moreover, the U.S. Personal Consumption Expenditures Price Index in December 2019 only increased by 1.6% year-to-year, which failed to meet the inflation target of 2 percentage points as set by the U.S. Federal Reserve. The situation in Europe was even tougher, with the unemployment rate standing at 7.4% in December 2019. According to the data published by the European Union, the GDP in the area edged up around 1.0% year-to-year in the forth-quarter of 2019, being the weakest growth rate since 2013.

本人謹代表超盈國際控股有限公司（「本公司」或「超盈國際」，連同其附屬公司統稱「本集團」或「我們」）董事（「董事」）會（「董事會」）欣然提呈本集團截至二零一九年十二月三十一日止年度之全年業績。

二零一九年又是艱難而複雜的一年。國際貿易秩序及其他地緣因素等疑慮持續對全球經濟造成壓力。於二零一九年，中華人民共和國（「中國」）的國內生產總值（「國內生產總值」）增長6.1%，低於二零一八年6.7%的增長率，且為一九九零年以來最緩慢，反映了美利堅合眾國（「美國」）與中國之間的貿易衝突導致貿易活動放緩及出口需求下降，亦拖累了工業生產及製造業投資的增長。

隨著消費支出減少及業務活動受限，相較於二零一八年的2.9%增長及二零一七年的2.4%增長，美國於二零一九年第四季度的年度國內生產總值增長2.1%，遠低於二零一七年發佈的稅法降低公司及個人稅率後美國政府預測的3%增長。國內生產總值增長不理想的主要原因是於美國結構和設備的投資減少，以及貨品進出口的下降。此外，二零一九年十二月的美國個人消費支出價格指數僅同比增長1.6%，未能達到如美國聯邦儲備局所設定的2個百分點通脹率目標。而歐洲形勢更為嚴峻，其失業率於二零一九年十二月達到7.4%。根據歐盟發佈的數據，二零一九年第四季度該區域的國內生產總值僅同比增長約1.0%，為自二零一三年以來最弱。

CHAIRMAN'S STATEMENT

主席報告

Despite the challenging business environment around the globe, our actions to build a more agile and resilient corporate in the past years had proven our ability to thrive in all kinds of market conditions and act swiftly on new opportunities. Taking the transformative initiatives, Best Pacific had executed its internationalisation blueprint smoothly, with Phase II of our production site in the Socialist Republic of Vietnam (“**Vietnam**”) and Phase I of our joint venture with Brandix Lanka Limited in Sri Lanka being completed successfully in the second half of 2019, the additional production capacities brought by these two developments had enabled the Group to further promote its high quality products to customers with operations in areas who can enjoy the tariff concessions as stated in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and in the Generalised Scheme of Preferences Plus, respectively.

The Group had maintained moderate business momentum in 2019 and our overall business had continued to expand at a double-digit growth rate. With the enormous potentials in the sportswear and apparel markets, the Group had succeeded in both seizing more business opportunities from existing customers as well as locating new clients. For the year ended 31 December 2019, the Group achieved an inspiring growth of approximately 22.9% in its overall sales of elastic fabric, as compared to the year ended 31 December 2018.

儘管全球商業環境充滿挑戰，過去幾年我們為建立更靈活和具彈性的企業而所採取的行動，已證明我們有能力在不同市場環境下蓬勃發展並及時把握新機遇。透過採取轉型策略，超盈國際已順利執行其國際化藍圖，我們於越南社會主義共和國（「**越南**」）的第二期生產基地及與斯里蘭卡Brandix Lanka Limited成立的第一期合營企業已於二零一九年下半年順利完工。此兩項開發帶來的額外產能使本集團能夠向在享有關稅優惠（分別如跨太平洋夥伴全面進展協定及超普遍化優惠關稅措施所載）區域開展業務的客戶進一步推廣其高質量產品。

本集團於二零一九年維持良好業務動能，我們的整體業務繼續以雙位數的增長率擴展。受惠於運動服裝及服裝市場的龐大潛力，本集團已成功把握現有客戶的新業務機遇以及開發新客戶。截至二零一九年十二月三十一日止年度，本集團於彈性織物面料的整體銷售額較截至二零一八年十二月三十一日止年度達到約22.9%的驕人增長。

CHAIRMAN'S STATEMENT

主席報告

Due to the recent coronavirus outbreak around the world, it is expected that 2020 will yet to be another very challenging year, for all industries and manufacturing sectors will be no exception. Nevertheless, Best Pacific, being one of the fast movers in the industry, has laid a solid foundation and we believe that the true value of internationalisation is yet to be fully revealed. The management at Best Pacific will continue to put unremitting efforts and work with its customers, business partners and shareholders to make Best Pacific a world-class textile player, thereby delivering promising returns to its investors in the future.

由於近期冠狀病毒於全球爆發，預期二零二零年對所有行業而言，仍將是極為艱鉅的一年，製造業亦不例外。儘管如此，作為行業先驅之一，超盈國際已奠定了穩健基礎，且我們相信國際化的真正價值尚未完全顯露。超盈國際的管理層將持續不懈努力，與客戶、業務夥伴及股東合作，使超盈國際成為世界一流的紡織品業者，從而為其投資者帶來樂觀回報。

Lu Yuguang

Chairman

Hong Kong, 25 March 2020

盧煜光

主席

香港，二零二零年三月二十五日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

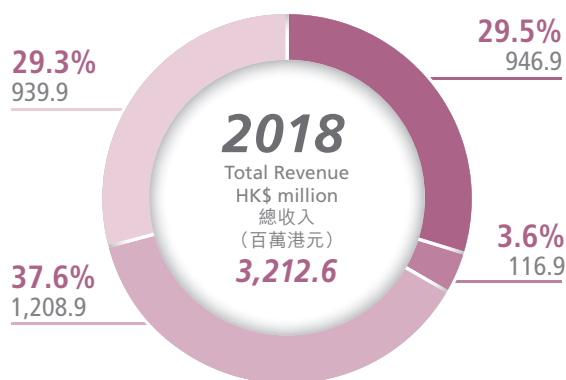
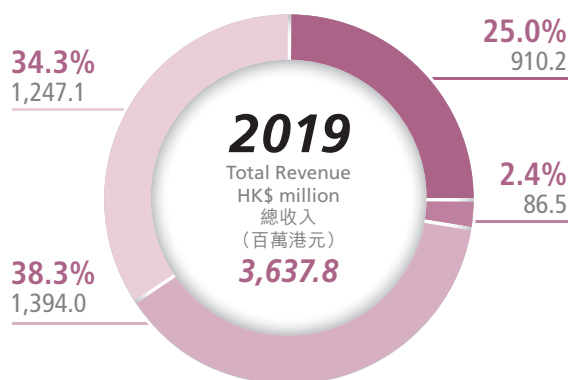
Trade figures for 2019 had not been encouraging before the U.S. and the PRC concluded their trade agreement in January 2020. According to the General Administration of Customs of the PRC, China's export growth slowed down to a three-year low at 0.5% in dollar terms in 2019 which was the result of the trade tensions between the U.S. and the PRC and a slowing global economy. Specifically, exports to the U.S. in 2019 had recorded a decline by 12.5% in dollar terms, as compared to an increase of 11.3% for the corresponding period in 2018.

For Best Pacific, the momentum in business expansion continued in 2019, where the total revenue for the year ended 31 December 2019 amounted to approximately HK\$3,637.8 million, representing a growth of approximately 13.2% when compared to the year ended 31 December 2018. Our core value "Built on Innovation and Technology" remained the foundation and the vision of the Group and the sales revenue of sportswear and apparel fabric materials had registered a promising year-on-year growth of approximately 32.7%, in which such revenue increased from approximately HK\$939.9 million for the year ended 31 December 2018 to approximately HK\$1,247.1 million for the year ended 31 December 2019.

業務回顧

在美國與中國於二零二零年一月達成貿易協議前，二零一九年的貿易數字並不振奮人心。根據中國海關總署，受到美中貿易緊張情勢及全球經濟增速放緩的影響，二零一九年中國的出口增長率（以美元計值）降至三年來最低的0.5%。更具體而言，二零一九年對美國的出口（以美元計值）下降了12.5%，而二零一八年同期則是增長了11.3%。

超盈國際於二零一九年持續了業務擴張動能，其截至二零一九年十二月三十一日止年度的總收入約為3,637.8百萬港元，較截至二零一八年十二月三十一日止年度增長約13.2%。我們的核心價值「以創新及技術為基礎」仍是本集團的基礎及願景，且運動服裝及服裝面料物料的銷售收入已錄得前景看好的約32.7%同比增長，該收入由截至二零一八年十二月三十一日止年度的約939.9百萬港元增加至截至二零一九年十二月三十一日止年度的約1,247.1百萬港元。



Elastic Webbing
彈性織帶

Elastic Fabric
(Sportswear and apparel)
彈性織物面料
(運動服裝及服裝)

Elastic Fabric
(Lingerie)
彈性織物面料
(女性內衣)

Lace
蕾絲

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As the overall lingerie market tended to be sluggish, business from the majority long-established lingerie customers did not seem to show supportive growth. Having said so, there was an increasing trend with intimate wear products which exhibited both comfort and modern fashion. Leveraging on Best Pacific's high product quality, strong innovation and research and development capabilities, we were able to both maintain an overall stable business from the long-established customers and to secure more orders from new large-scale customers.

With the intensive market competition and consolidation in the past few years, the Group had kicked off its internationalisation plan since 2017 and had successfully set up its production base in Vietnam and Sri Lanka. However, the relevant diversification into new geographical domains would not come without costs. The expansion, ramp-up and associated finance costs in funding these manufacturing capacities set up would inevitably pose a negative impact on the Group's profitability in the short run.

Overseas expansion – Vietnam

According to the General Statistics Office of Vietnam, the export value of textiles and garments reached approximately US\$32.9 billion in 2019, representing a significant increase of approximately 7.7% as compared to 2018 and remained as one of the top 3 export categories. Customers have shown increasing interests to our overseas capabilities in 2019, in which time Vietnam was perceived to be the key beneficiary of the U.S. – PRC trade war. Our operation in Vietnam, being the first overseas expansion project of Best Pacific, had been launched successfully and progressed as the management expected. Discounts in trade tariffs, local tax incentive and relatively more competitive manufacturing environment had certainly helped Best Pacific to grow its market share as well as to attain an improved profitability at the new establishment.

由於女性內衣市場整體趨於冷淡，與多數長久女性內衣客戶的業務似乎並未出現支持性的增長。儘管如此，舒適兼具現代時尚的內衣產品漸為大勢潮流。憑藉超盈國際的高產品質量及強大的創新及研發實力，我們得以維持來自長久客戶的業務整體平穩，並從新的大型客戶守住更多訂單。

在過去幾年激烈的市場競爭及快速的整合步伐中，本集團已自二零一七年啟動其國際化計畫，並於越南及斯里蘭卡成功設立生產基地。然而，於新地區從事相關多元化經營必須付出成本，擴展、提升及為設立該等製造能力提供資金之相關融資成本將不可避免地在短期內對本集團的盈利能力造成負面影響。

海外擴張 – 越南

根據越南統計總局，紡織品及服裝的出口額於二零一九年達到約329億美元，較二零一八年大幅增長約7.7%，並保持出口類別前三名之一。二零一九年，越南被視為中美貿易戰爭的主要受惠方，因此客戶對我們海外能力的興趣已逐漸提高。作為超盈國際首個海外擴張計劃，我們的越南業務已成功推出，並如管理層預期般取得進展。貿易關稅減免、地方稅項優惠及相對更加競爭的製造環境確實已幫助超盈國際擴大其市場份額，亦助其新設立的業務取得更好的盈利能力。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Overseas expansion – Sri Lanka

Our two joint ventures (the “**JV(s)**”) with the two reputable apparel and textile manufacturing market leaders, namely MAS Holdings (Pvt) Ltd and Brandix Lanka Limited, in Sri Lanka, had progressed according to our management’s expectation. With reference to Trischel Fabric (Private) Limited (“**Trischel**”), an overall net profit position had been achieved during the year under review. As to Best Pacific Textiles Lanka (Pvt) Ltd, another non-wholly owned subsidiary of the Company in Sri Lanka, the relevant trial production had officially been started in September 2019 and an overall loss of approximately HK\$33.9 million was resulted for the year ended 31 December 2019. Nevertheless, we believe that the strategic partnerships with the JV partners will allow the Group to leverage on their well-established position in the global apparel market and to facilitate the development of these JVs and the Group in the long run.

FINANCIAL REVIEW

Revenue

The Group’s revenue is primarily derived from the sales of its major products, elastic fabric, elastic webbing and lace.

For the year ended 31 December 2019, revenue amounted to approximately HK\$3,637.8 million, representing an increase of approximately HK\$425.2 million, or approximately 13.2%, from approximately HK\$3,212.6 million for the year ended 31 December 2018. The increase in overall revenue during the year under review was mainly attributable to the increase in revenue from elastic fabric which was the result of the continual expansion into the lingerie as well as the sportswear and apparel materials markets, such increase in the volume of products sold by the Group was echoed following the acquisition of a non-wholly owned subsidiary of the Company in Sri Lanka in August 2018.

海外擴張 – 斯里蘭卡

我們與斯里蘭卡兩大著名服裝及紡織品生產市場領袖MAS Holdings (Pvt) Ltd及Brandix Lanka Limited攜手成立的兩家合營企業（「合營企業」）如管理層預期般取得進展。Trischel Fabric (Private) Limited（「**Trischel**」）於回顧年內達到整體淨利潤。至於本公司另一間於斯里蘭卡的非全資附屬公司Best Pacific Textiles Lanka (Pvt) Ltd，已於二零一九年九月正式投入相關試產，並於截至二零一九年十二月三十一日止年度錄得整體虧損約33.9百萬港元。儘管如此，我們相信，與合營企業夥伴攜手的策略合作將使本集團得以利用彼等於全球服裝市場的完善佈局，促成該等合營企業及本集團長期的發展。

財務回顧

收入

本集團的收入主要源自銷售其主要產品彈性織物面料、彈性織帶及蕾絲。

截至二零一九年十二月三十一日止年度，收入為約3,637.8百萬港元，較截至二零一八年十二月三十一日止年度的收入約3,212.6百萬港元增加約425.2百萬港元或約13.2%。於回顧年內，整體收入增加主要是由於女性內衣以及運動服裝及服裝物料市場持續擴張，導致來自彈性織物面料的收入增加。本集團於二零一八年八月收購本公司於斯里蘭卡的一間非全資附屬公司後，產品銷量相應增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

A comparison of the Group's revenue for the years ended 31 December 2018 and 2019 by product categories is as follows:

本集團截至二零一八年及二零一九年十二月三十一日止年度之收入按產品類別劃分的比較如下：

| | | For the year ended 31 December 截至十二月三十一日止年度 | | | | | |
|-----------------|-----------|--|--------------------------------|--------------------------------------|--------------------------------|---------------------|-------------|
| | | 2019 二零一九年 | | 2018 二零一八年 | | Change 變動 | |
| | | Revenue (HK\$'000) 收入 (千港元) | % of Revenue 佔收入的 百分比 | Revenue (HK\$'000) 收入 (千港元) | % of Revenue 佔收入的 百分比 | (HK\$'000) (千港元) | % 百分比 |
| Elastic fabric | 彈性織物面料 | 2,641,075 | 72.6 | 2,148,814 | 66.9 | 492,261 | 22.9 |
| Elastic webbing | 彈性織帶 | 910,165 | 25.0 | 946,946 | 29.5 | (36,781) | (3.9) |
| Lace | 蕾絲 | 86,522 | 2.4 | 116,865 | 3.6 | (30,343) | (26.0) |
| Total | 總計 | 3,637,762 | 100.0 | 3,212,625 | 100.0 | 425,137 | 13.2 |

For the year ended 31 December 2019, revenue from sales of elastic fabric amounted to approximately HK\$2,641.1 million, representing an increase of approximately HK\$492.3 million, or approximately 22.9%, as compared to the year ended 31 December 2018. In addition to the increase in the volume of products (relevant revenue amounted to approximately HK\$325.2 million) sold which was brought about by the establishment of JVs in Sri Lanka, the Group had successfully won several core programmes from both existing clients and brand new customers. Besides, by leveraging on its strong innovation and research and development capabilities, and by fostering relationships with different sportswear and apparel brands, the Group continued to expand into the sportswear and apparel materials markets. In 2019, the Group recorded a year-on-year growth of approximately 32.7% in sales revenue of sportswear and apparel fabric materials, in which such revenue increased from HK\$939.9 million for the year ended 31 December 2018 to HK\$1,247.1 million for the year ended 31 December 2019.

截至二零一九年十二月三十一日止年度，銷售彈性織物面料的收入為約2,641.1百萬港元，較截至二零一八年十二月三十一日止年度增加約492.3百萬港元或約22.9%。除本集團於斯里蘭卡成立合營企業所帶來的產品銷量增加（相關收入達到約325.2百萬港元）以外，本集團已成功自現有客戶及全新客戶爭取到多項核心計劃。此外，本集團憑藉其強大的創新及研發實力，以及透過推動與不同運動服裝及服裝品牌的關係，持續擴張至運動服裝及服裝物料市場。於二零一九年，本集團錄得運動服裝及服裝面料物料的销售收入同比增長約32.7%，該收入由截至二零一八年十二月三十一日止年度的939.9百萬港元增加至截至二零一九年十二月三十一日止年度的1,247.1百萬港元。

With the overall lukewarm lingerie market, sales from elastic webbing and lace was on the decline, revenue from sales of elastic webbing amounted to approximately HK\$910.2 million for the year ended 31 December 2019, representing a decrease of approximately HK\$36.7 million, or approximately 3.9%, as compared to the year ended 31 December 2018. The volume sold during the year ended 31 December 2019 reduced by approximately 2.7% as compared to the year ended 31 December 2018.

由於女性內衣市場整體冷淡，彈性織帶及蕾絲的銷售也出現下跌。截至二零一九年十二月三十一日止年度，銷售彈性織帶的收入為約910.2百萬港元，較截至二零一八年十二月三十一日止年度減少約36.7百萬港元或約3.9%。截至二零一九年十二月三十一日止年度的銷售量較截至二零一八年十二月三十一日止年度減少約2.7%。

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Revenue from sales of lace decreased from approximately HK\$116.9 million for the year ended 31 December 2018 to approximately HK\$86.5 million for the year ended 31 December 2019. The year-on-year decrease of approximately 26.0% was mainly due to the decrease in sales volume of lace in the year ended 31 December 2019, as compared to the year ended 31 December 2018.

銷售蕾絲的收入由截至二零一八年十二月三十一日止年度的約116.9百萬港元減少至截至二零一九年十二月三十一日止年度的約86.5百萬港元，同比減少約26.0%，主要是由於截至二零一九年十二月三十一日止年度的蕾絲銷量較截至二零一八年十二月三十一日止年度減少所致。

Cost of sales

The Group's cost of sales mainly comprises costs of raw materials, manufacturing overheads, and direct labour costs.

銷售成本

本集團的銷售成本主要包括原材料成本、生產開支及直接人工成本。

Cost of sales – by nature of expense

銷售成本 – 按開支性質劃分

| | | For the year ended 31 December | | | | | |
|-------------------------|-----------|--------------------------------|--------------|------------------|--------------|----------------|-------------|
| | | 2019 | | 2018 | | Change | |
| | | 二零一九年 | | 二零一八年 | | 變動 | |
| | | (HK\$'000) | % | (HK\$'000) | % | (HK\$'000) | % |
| | | (千港元) | 百分比 | (千港元) | 百分比 | (千港元) | 百分比 |
| Raw materials | 原材料 | 1,446,828 | 52.3 | 1,284,803 | 53.1 | 162,025 | 12.6 |
| Manufacturing overheads | 生產開支 | 1,023,099 | 37.0 | 875,416 | 36.1 | 147,683 | 16.9 |
| Direct labour | 直接人工 | 276,603 | 10.0 | 246,333 | 10.2 | 30,270 | 12.3 |
| Others | 其他 | 18,423 | 0.7 | 14,112 | 0.6 | 4,311 | 30.5 |
| Total | 總計 | 2,764,953 | 100.0 | 2,420,664 | 100.0 | 344,289 | 14.2 |

The Group's cost of sales for the year ended 31 December 2019 amounted to approximately HK\$2,765.0 million, representing an increase of approximately HK\$344.3 million, or approximately 14.2%, as compared to the year ended 31 December 2018. The increase in our cost of sales was primarily due to the increase in overall sales volume, which was driven by the Group's continued business and capacity expansion.

本集團截至二零一九年十二月三十一日止年度之銷售成本為約2,765.0百萬港元，較截至二零一八年十二月三十一日止年度增加約344.3百萬港元或約14.2%。我們的銷售成本增加主要是由於本集團持續業務及產能擴張導致整體銷量增加所致。

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Cost of sales – by product category

銷售成本 – 按產品類別劃分

For the year ended 31 December

截至十二月三十一日止年度

| | | 2019 | | 2018 | | Change | |
|-----------------|-----------|------------------|--------------|------------------|--------------|----------------|-------------|
| | | 二零一九年 | | 二零一八年 | | 變動 | |
| | | (HK\$'000) | % | (HK\$'000) | % | (HK\$'000) | % |
| | | (千港元) | 百分比 | (千港元) | 百分比 | (千港元) | 百分比 |
| Elastic fabric | 彈性織物面料 | 2,107,709 | 76.2 | 1,705,448 | 70.5 | 402,261 | 23.6 |
| Elastic webbing | 彈性織帶 | 614,152 | 22.2 | 651,805 | 26.9 | (37,653) | (5.8) |
| Lace | 蕾絲 | 43,092 | 1.6 | 63,411 | 2.6 | (20,319) | (32.0) |
| Total | 總計 | 2,764,953 | 100.0 | 2,420,664 | 100.0 | 344,289 | 14.2 |

For the year ended 31 December 2019, the cost of sales of elastic fabric as a percentage of the total cost of sales increased by approximately 5.7 percentage points year-on-year while the cost of sales of elastic webbing as a percentage of the total cost of sales decreased by approximately 4.7 percentage points. It was mainly due to the overall increase in sales volume of elastic fabric during the year ended 31 December 2019.

截至二零一九年十二月三十一日止年度，彈性織物面料的銷售成本佔總銷售成本的百分比同比增長約5.7個百分點，而彈性織帶的銷售成本佔總銷售成本的百分比減少約4.7個百分點，主要由於截至二零一九年十二月三十一日止年度彈性織物面料銷量整體增加所致。

Gross profit, gross profit margin and net profit margin

毛利、毛利率及淨利潤率

For the year ended 31 December

截至十二月三十一日止年度

| | | 2019 | | 2018 | |
|-----------------|-----------|----------------|-------------|----------------|-------------|
| | | 二零一九年 | | 二零一八年 | |
| | | Gross profit | margin | Gross profit | margin |
| | | 毛利 | 毛利率 | 毛利 | 毛利率 |
| | | (HK\$'000) | (%) | (HK\$'000) | (%) |
| | | (千港元) | (百分比) | (千港元) | (百分比) |
| Elastic fabric | 彈性織物面料 | 533,366 | 20.2 | 443,366 | 20.6 |
| Elastic webbing | 彈性織帶 | 296,013 | 32.5 | 295,141 | 31.2 |
| Lace | 蕾絲 | 43,430 | 50.2 | 53,454 | 45.7 |
| Total | 總計 | 872,809 | 24.0 | 791,961 | 24.7 |

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group had maintained a relatively stable profitability with the overall gross profit increasing from approximately HK\$792.0 million for the year ended 31 December 2018 to approximately HK\$872.8 million for the year ended 31 December 2019, which was generally in line with the increase in overall revenue of the Group.

Net profit for the year ended 31 December 2019 amounted to approximately HK\$299.1 million, representing an increase of approximately 6.7% as compared to approximately HK\$280.2 million for the year ended 31 December 2018. The Group recorded a lower net profit margin of approximately 8.2% for the year ended 31 December 2019, representing a decline of approximately 0.5 percentage point, as compared to the year ended 31 December 2018. The decrease in net profit margin for the year ended 31 December 2019 was mainly due to (i) a lower gross profit margin attained; (ii) the start-up costs of the operations in Sri Lanka; and (iii) the increase in finance costs.

本集團已維持相對穩定的盈利能力，整體毛利由截至二零一八年十二月三十一日止年度約792.0百萬港元增加至截至二零一九年十二月三十一日止年度約872.8百萬港元，與本集團整體收入增加大致相符。

截至二零一九年十二月三十一日止年度的淨利潤為約299.1百萬港元，較截至二零一八年十二月三十一日止年度約280.2百萬港元增加約6.7%。截至二零一九年十二月三十一日止年度，本集團錄得較低淨利潤率約8.2%，較截至二零一八年十二月三十一日止年度下降約0.5個百分點。截至二零一九年十二月三十一日止年度淨利潤率下降主要是由於(i)毛利率降低；(ii)斯里蘭卡業務的啟動成本；及(iii)融資成本增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Profitability of the Group assuming to exclude the relevant loss of the newly set-up JV, namely Best Pacific Textiles Lanka (Pvt) Ltd was as follows:

本集團的盈利能力假設排除新成立的合營企業，即Best Pacific Textiles Lanka (Pvt) Ltd的相關虧損如下：

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

| | | The Group excluding BPTL[^] 本集團 (不包括 BPTL[^]) | The Group 本集團 | Difference 差額 | |
|---------------------|------|--|--------------------------|--------------------------|----------------------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | % |
| Revenue | 收入 | 3,628,053 | 3,637,762 | (9,709) | -0.3 |
| Gross profit | 毛利 | 890,043 | 872,809 | 17,234 | 2.0 |
| Gross profit margin | 毛利率 | 24.5% | 24.0% | | 0.5% point 百分點 |
| Profit for the year | 年內溢利 | 342,518 | 299,079 | 43,439 | 14.5 |
| Net profit margin | 淨利潤率 | 9.4% | 8.2% | | 1.2% points 百分點 |

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

| | | The Group excluding BPTL[^] 本集團 (不包括 BPTL[^]) | The Group 本集團 | Difference 差額 | |
|---------------------|------|--|--------------------------|--------------------------|---------------------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | % |
| Revenue | 收入 | 3,212,625 | 3,212,625 | – | – |
| Gross profit | 毛利 | 791,961 | 791,961 | – | – |
| Gross profit margin | 毛利率 | 24.7% | 24.7% | | – |
| Profit for the year | 年內溢利 | 291,632 | 280,232 | 11,400 | 4.1 |
| Net profit margin | 淨利潤率 | 9.1% | 8.7% | | 0.4% point 百分點 |

[^] BPTL refers to Best Pacific Textiles Lanka (Pvt) Ltd, a non-wholly owned subsidiary of the Group.

[^] BPTL指本集團非全資附屬公司Best Pacific Textiles Lanka (Pvt) Ltd。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Other income

The Group's other income mainly consists of net proceeds from sales of scrap materials, bank interest income, government grants and others. The following table sets forth the breakdown of the Group's other income for the years indicated:

其他收入

本集團的其他收入主要包括銷售廢料所得款項淨額、銀行利息收入、政府補助及其他。下表載列本集團於所示年度的其他收入明細：

| | | For the year ended 31 December | |
|--|------------|--------------------------------|---------------|
| | | 截至十二月三十一日止年度 | |
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Net proceeds from sales of scrap materials | 銷售廢料所得款項淨額 | 10,435 | 7,134 |
| Bank interest income | 銀行利息收入 | 6,996 | 9,179 |
| Government grants | 政府補助 | 6,052 | 16,508 |
| Others | 其他 | 8,655 | 8,014 |
| Total | 總計 | 32,138 | 40,835 |

The decrease in other income by approximately 21.3%, from approximately HK\$40.8 million for the year ended 31 December 2018 to approximately HK\$32.1 million for the year ended 31 December 2019, was mainly the result of the aggregate net effect of the decreases in government grants and bank interest income received and the increase in net proceeds from sales of scrap materials.

其他收入由截至二零一八年十二月三十一日止年度的約40.8百萬港元減少約21.3%至截至二零一九年十二月三十一日止年度的約32.1百萬港元，主要是由於所獲政府補助及銀行利息收入減少，以及銷售廢料所得款項淨額增加互相影響所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Other gains and losses

Other gains and losses mainly consist of net foreign exchange gain, net remeasurement of credit loss allowance for trade receivables and change in fair value of derivative financial instrument.

For the year ended 31 December 2019, the net foreign exchange gain was approximately HK\$13.8 million (for the year ended 31 December 2018: approximately HK\$11.4 million), the net remeasurement of credit loss allowance for trade receivables was approximately HK\$2.3 million (for the year ended 31 December 2018: approximately HK\$8.1 million) and the change in fair value of derivative financial instrument was approximately HK\$1.8 million (for the year ended 31 December 2018: approximately HK\$1.2 million).

Selling and distribution expenses

Selling and distribution expenses primarily consist of employee benefit expenses, transportation, marketing and promotional expenses and other selling and distribution expenses. For the years ended 31 December 2018 and 2019, the Group's selling and distribution expenses represented approximately 4.8% and 4.7% of its total revenue, respectively.

Administrative expenses

Administrative expenses primarily consist of employee benefit expenses, depreciation and amortisation, motor vehicle expenses, bank charges and other administrative expenses. For the years ended 31 December 2018 and 2019, the Group's administrative expenses represented approximately 6.2% and 6.1% of its total revenue, respectively.

其他收益及虧損

其他收益及虧損主要包括外匯收益淨額、貿易應收款項信貸虧損撥備重新計量淨額及衍生金融工具的公平值變動。

截至二零一九年十二月三十一日止年度，外匯收益淨額為約13.8百萬港元（截至二零一八年十二月三十一日止年度：約11.4百萬港元），貿易應收款項信貸虧損撥備重新計量淨額為約2.3百萬港元（截至二零一八年十二月三十一日止年度：約8.1百萬港元），而衍生金融工具的公平值變動為約1.8百萬港元（截至二零一八年十二月三十一日止年度：約1.2百萬港元）。

銷售及分銷開支

銷售及分銷開支主要包括僱員福利開支、運輸、市場推廣及宣傳開支以及其他銷售及分銷開支。截至二零一八年及二零一九年十二月三十一日止年度，本集團的銷售及分銷開支分別佔總收入的約4.8%及4.7%。

行政開支

行政開支主要包括僱員福利開支、折舊及攤銷、汽車開支、銀行費用及其他行政開支。本集團於截至二零一八年及二零一九年十二月三十一日止年度的行政開支分別佔總收入的約6.2%及6.1%。

MANAGEMENT DISCUSSION AND ANALYSIS

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Research and development costs

The Group is dedicated to catering to the changing market preferences by introducing innovative lingerie, sportswear and apparel materials. For the years ended 31 December 2018 and 2019, the Group's research and development costs represented approximately 2.8% and 2.7% of its total revenue, respectively.

Finance costs

The Group's finance costs mainly represent interest expenses for bank borrowings and lease liabilities. The finance costs increased by approximately 36.7% from approximately HK\$66.4 million for the year ended 31 December 2018 to approximately HK\$90.8 million for the year ended 31 December 2019. The increase in finance costs was primarily due to (i) the increase in average balance of bank borrowings as a result of continuous expansion in the Group's production scale throughout the year; and (ii) the relevant finance costs on lease liabilities recorded upon the adoption of Hong Kong Financial Reporting Standard 16 "Leases".

Income tax expense

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime will be applicable to any year of assessment commencing on or after 1 April 2018.

研發費用

本集團致力於引入創新的女性內衣、運動服裝及服裝物料，藉以迎合不斷變化的市場喜好。截至二零一八年及二零一九年十二月三十一日止年度，本集團的研發費用分別佔總收入約2.8%及2.7%。

融資成本

本集團的融資成本主要指銀行借款及租賃負債的利息開支。融資成本由截至二零一八年十二月三十一日止年度約66.4百萬港元增加約36.7%至截至二零一九年十二月三十一日止年度約90.8百萬港元。融資成本增加主要由於(i)本集團生產規模於整個年度期間持續擴大導致銀行借款的平均結餘增加；及(ii)採納香港財務報告準則第16號「租賃」時錄得之租賃負債的相關融資成本所致。

所得稅開支

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)條例草案(「**條例草案**」)，其引入利得稅兩級制。條例草案於二零一八年三月二十八日經簽署成為法律並於翌日刊登憲報。根據該利得稅兩級制，合資格集團實體的首2百萬港元溢利將按8.25%的稅率徵稅，而超過2百萬港元的溢利將按16.5%的稅率徵稅。不符合該利得稅兩級制資格的集團實體之溢利將繼續按16.5%之劃一稅率徵稅。利得稅兩級制將適用於自二零一八年四月一日或之後起計的任何評估年度。

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Accordingly, starting from the year ended 31 December 2018, the Hong Kong Profits Tax for the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC companies is 25% for both years ended 31 December 2018 and 2019, unless there is any preferential tax treatment applicable.

The Company’s subsidiaries, Dongguan Best Pacific Textile Company Limited (“**Dongguan BPT**”) and Dongguan New Horizon Elastic Fabric Company Limited (“**Dongguan NHE**”), obtained the qualification as high and new technology enterprises since 2010 and 2016, respectively, which are now renewing for an additional three years from financial year 2019, and they also completed the relevant filing requirements with the competent tax authorities. Hence, Dongguan BPT and Dongguan NHE are subject to the preferential tax treatment and the applicable tax rate for the years ended 31 December 2018 and 2019 has been 15%.

Pursuant to the relevant Vietnam Enterprises Income Tax rules and regulations, the applicable tax rate for the subsidiary operating in Vietnam is 20%. The subsidiary in Vietnam is eligible for tax holiday for two financial years since the first financial year of taxable profit and tax concession at a tax rate of 10% for the following four financial years. With the additional incentive in place during the year ended 31 December 2018 and the fulfillment of certain stated requirements by the Vietnam tax authority, the subsidiary in Vietnam is eligible for tax holiday for four financial years since 2018, tax concession at a tax rate of 5% for the following nine financial years and tax concession at a tax rate of 10% for the next following two financial years.

因此，自二零一八年十二月三十一日止年度起，合資格集團實體之香港利得稅按首2百萬港元之估計應課稅溢利8.25%及超過2百萬港元之估計應課稅溢利16.5%計算。

根據中國企業所得稅法（「**企業所得稅法**」）及企業所得稅法的實施細則，除非有任何其他適用優惠稅率待遇，否則中國公司於截至二零一八年及二零一九年十二月三十一日止兩個年度的稅率為25%。

本公司的附屬公司東莞超盈紡織有限公司（「**東莞超盈**」）及東莞潤信彈性織物有限公司（「**東莞潤信**」）分別自二零一零年及二零一六年起獲得高新技術企業資格，現正申請自二零一九年財政年度起有效期額外延長三年，且其亦已向主管稅務機關完成辦理相關備案手續。因此，東莞超盈及東莞潤信享有優惠稅率待遇，於截至二零一八年及二零一九年十二月三十一日止年度的適用稅率為15%。

根據相關越南企業所得稅規則及規例，於越南營運之附屬公司的適用稅率為20%。越南附屬公司於首個錄得應課稅溢利的財政年度起合資格享有兩個財政年度的稅項豁免，及於其後四個財政年度享有稅率10%的稅務優惠。憑藉於截至二零一八年十二月三十一日止年度獲授的額外激勵並滿足越南稅務機關的若干規定要求，於越南的附屬公司自二零一八年起合資格享有四個財政年度的稅項豁免，及於其後九個財政年度享有稅率5%的稅務優惠，以及於接下來的兩個財政年度享有稅率10%的稅務優惠。

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Pursuant to the Inland Revenue Act, No. 24 of 2017 in Sri Lanka, the applicable tax rate for the subsidiaries operating in Sri Lanka is 28%. By fulfilling certain export requirements set by the Board of Investment of Sri Lanka, the subsidiaries of the Group in Sri Lanka have enjoyed a preferential tax rate of 14% for the years ended 31 December 2018 and 2019. In addition, one of these subsidiaries is currently eligible for tax holiday till the year ending 31 December 2024.

Taxation arising in any other jurisdiction is calculated at the rate prevailing in the relevant jurisdiction.

The effective tax rate was approximately 11.2% (for the year ended 31 December 2018: 15.3%) for the year ended 31 December 2019. The drop in effective tax rate was mainly due to more profits being generated from operations in jurisdictions in which favourable tax incentives are in place.

Liquidity, financial resources and bank borrowings

As at 31 December 2019, net working capital (calculated as current assets less current liabilities) was approximately HK\$7.0 million, representing a decrease of approximately HK\$513.1 million as compared with 31 December 2018. The current ratio (calculated as current assets/current liabilities) is at 1.0 time as at 31 December 2019 as compared to 1.3 times as at 31 December 2018. The decrease in net working capital and current ratio were mainly due to part of a term loan, amounted to HK\$400 million, under a committed syndicated loan will be matured in 2020 and therefore such amount had become current liabilities as at 31 December 2019. On the other hand, the unutilised revolving loan facilities under the committed syndicated loan, amounted to HK\$840 million, is available for drawdown as at 31 December 2019 and up to 13 April 2021.

根據斯里蘭卡國內稅收法（二零一七年第24號），於斯里蘭卡營運之附屬公司的適用稅率為28%。本集團於斯里蘭卡的附屬公司藉由滿足斯里蘭卡投資局制定的若干出口要求而於截至二零一八年及二零一九年十二月三十一日止年度享有14%的優惠稅率。此外，其中一家附屬公司現享有稅項豁免直至截至二零二四年十二月三十一日止年度為止。

其他司法權區之稅項乃按有關司法權區當時之稅率計算。

截至二零一九年十二月三十一日止年度的實際稅率約為11.2%（截至二零一八年十二月三十一日止年度：15.3%）。實際稅率下降乃主要由於授出稅項優惠司法權區的業務產生更多溢利所致。

流動資金、財務資源及銀行借款

於二零一九年十二月三十一日，營運資金淨額（按流動資產減流動負債計算）為約7.0百萬港元，較二零一八年十二月三十一日減少約513.1百萬港元。流動比率（按流動資產除流動負債計算）於二零一九年十二月三十一日為1.0倍，而於二零一八年十二月三十一日則為1.3倍。營運資金淨額及流動比率減少乃主要由於承諾銀團貸款項下400萬港元定期貸款的部分將於二零二零年到期，故該金額已於二零一九年十二月三十一日計入流動負債。另一方面，承諾銀團貸款項下840百萬港元的未動用循環貸款融資於二零一九年十二月三十一日直至二零二一年四月十三日可供提取。

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For the year ended 31 December 2019, net cash generated from operating activities decreased from approximately HK\$563.0 million for the year ended 31 December 2018 to approximately HK\$407.8 million for the year ended 31 December 2019, which was mainly due to increase in inventories along with expansion in overseas operations.

Net cash used in investing activities amounted to approximately HK\$512.7 million for the year ended 31 December 2019, as compared to net cash used in investing activities amounting to approximately HK\$654.9 million for the year ended 31 December 2018. The decrease in net cash used in investing activities was mainly due to less investments being spent on purchase of property, plant and equipment for the year ended 31 December 2019.

During the year ended 31 December 2019, net cash from financing activities amounted to approximately HK\$210.2 million, as compared to net cash from financing activities of approximately HK\$372.6 million for the year ended 31 December 2018. The decrease in net cash from financing activities for the year ended 31 December 2019 was mainly due to lower net amounts borrowed from banks as compared to the year ended 31 December 2018.

As at 31 December 2019, the Group's net gearing ratio was 59.1% (as at 31 December 2018: 51.0%), which was calculated on the basis of the amount of net debt position (sum of bank deposits and bank balances and cash, less total bank and other borrowings and bank overdrafts) as a percentage of total equity. Details of bank borrowings are set out in Note 29 to the consolidated financial statements. The Group was in a net debt position of approximately HK\$1,546.7 million as at 31 December 2019, as compared to a net debt position of approximately HK\$1,252.2 million as at 31 December 2018.

截至二零一九年十二月三十一日止年度，經營活動所得現金淨額由截至二零一八年十二月三十一日止年度約563.0百萬港元減少至截至二零一九年十二月三十一日止年度約407.8百萬港元，乃主要由於存貨隨著海外業務擴張而增加所致。

截至二零一九年十二月三十一日止年度，投資活動所用現金淨額為約512.7百萬港元，而截至二零一八年十二月三十一日止年度的投資活動所用現金淨額為約654.9百萬港元。截至二零一九年十二月三十一日止年度的投資活動所用現金淨額減少乃主要由於購買物業、廠房及設備的投資較少所致。

截至二零一九年十二月三十一日止年度的融資活動所得現金淨額為約210.2百萬港元，而截至二零一八年十二月三十一日止年度的融資活動所得現金淨額為約372.6百萬港元。截至二零一九年十二月三十一日止年度的融資活動所得現金淨額減少乃主要由於向銀行借款淨額較截至二零一八年十二月三十一日止年度減少所致。

於二零一九年十二月三十一日，本集團的淨資產負債比率為59.1%（於二零一八年十二月三十一日：51.0%），其乃按債務淨額（銀行存款以及銀行結餘及現金的總和減銀行及其他借款及銀行透支總額）佔權益總額的百分比基準計算。銀行借款的詳情載於綜合財務報表附註29。於二零一九年十二月三十一日，本集團債務淨額為約1,546.7百萬港元，而於二零一八年十二月三十一日的債務淨額則為約1,252.2百萬港元。

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Working capital management

營運資金管理

For the year ended 31 December

截至十二月三十一日止年度

| | | 2019 二零一九年 | 2018 二零一八年 | Change 變動 | |
|---|-----------------|---------------|---------------|----------------|--------------|
| | | | | (days) (天數) | (%) (百分比) |
| Trade and bills receivables turnover days | 貿易應收款項及應收票據週轉天數 | 74.5 | 78.3 | (3.8) | (4.9) |
| Trade and bills payables turnover days | 貿易應付款項及應付票據週轉天數 | 81.7 | 80.8 | 0.9 | 1.1 |
| Inventory turnover days | 存貨週轉天數 | 127.4 | 117.6 | 9.8 | 8.3 |

The decrease in trade and bills receivables turnover days for the year ended 31 December 2019 by approximately 3.8 days was primarily due to improved control and efficiency in managing the repayment from customers.

截至二零一九年十二月三十一日止年度，貿易應收款項及應收票據週轉天數減少約3.8天，主要由於管理來自客戶還款的控制及效率有所改善。

The trade and bills payables turnover days remained relatively stable for the year ended 31 December 2018 and the year ended 31 December 2019.

截至二零一八年十二月三十一日止年度及截至二零一九年十二月三十一日止年度，貿易應付款項及應付票據週轉天數維持相對穩定。

The increase in inventory turnover days from 117.6 days for the year ended 31 December 2018 to 127.4 days for the year ended 31 December 2019 was primarily attributable to the establishment of our overseas operations.

存貨週轉天數由截至二零一八年十二月三十一日止年度的117.6天增加至截至二零一九年十二月三十一日止年度的127.4天，主要是由於我們設立海外業務所致。

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Capital expenditure

For the year ended 31 December 2019, total addition to property, plant and equipment amounted to approximately HK\$522.4 million (for the year ended 31 December 2018: approximately HK\$648.5 million), which was mainly attributed to the investment in machinery of approximately HK\$400.3 million (for the year ended 31 December 2018: approximately HK\$264.4 million) as well as the construction in progress of approximately HK\$74.1 million (for the year ended 31 December 2018: approximately HK\$346.9 million) to cope with the Group's overall business expansion. The increase in investment in machinery was mainly due to the Phase II development of our Vietnam production site and the Phase I development of our JV with Brandix Lanka Limited in Sri Lanka being completed in the second half of 2019.

Pledge of assets

As at 31 December 2019, the Group pledged certain bank deposits, amounting to approximately HK\$76.8 million (as at 31 December 2018: approximately HK\$82.2 million), to secure the bills payables issued by the Group.

資本開支

截至二零一九年十二月三十一日止年度，物業、廠房及設備的添置總額為約522.4百萬港元（截至二零一八年十二月三十一日止年度：約648.5百萬港元），主要由於因應本集團整體業務擴張，投資機器及在建工程分別約400.3百萬港元（截至二零一八年十二月三十一日止年度：約264.4百萬港元）及約74.1百萬港元（截至二零一八年十二月三十一日止年度：約346.9百萬港元）所致。於機器的投資增加主要是由於我們的越南生產基地第二期開發及與斯里蘭卡Brandix Lanka Limited成立的合營企業第一期開發已於二零一九年下半年完成所致。

資產抵押

於二零一九年十二月三十一日，本集團已為本集團所開出的應付票據抵押若干銀行存款約76.8百萬港元（於二零一八年十二月三十一日：約82.2百萬港元）。

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Contingent liabilities

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

Events after the reporting period

Save as disclosed in this annual report, the Group has no other significant events after the reporting period and up to the date of this annual report.

Foreign exchange risk

A substantial portion of the Group's revenue is denominated in US\$ and HK\$ and a portion of its purchases and expenses are denominated in Renminbi and Vietnam Dong. The Group manages its foreign exchange risk by performing regular reviews and monitoring its foreign exchange exposure. Our finance department monitors our foreign exchange risk on a continuous basis by analysing our domestic and overseas sales orders on hand, expected domestic and overseas orders from customers and estimated foreign currency payments for our purchases and expenses. We intend to manage our foreign exchange risk by (i) managing our sales, purchases and expenses denominated in HK\$ and RMB through our subsidiaries in Hong Kong and the PRC, respectively, managing our sales, purchases, and expenses denominated in US\$ through our subsidiaries in Hong Kong and Vietnam, and managing our purchases and expenses denominated in Vietnam Dong through our subsidiary in Vietnam; and (ii) holding cash and bank deposits denominated in HK\$ primarily by the Company and its subsidiaries in Hong Kong, holding cash and bank deposits denominated in US\$ primarily by the Company and its subsidiaries in Hong Kong and Vietnam, and holding cash and bank deposits denominated in RMB and Vietnam Dong primarily by our subsidiaries in the PRC and Vietnam, respectively.

或然負債

於二零一九年十二月三十一日，本集團並無任何重大或然負債。

報告期後事項

除本年報中所披露者外，於報告期後直至本年報日期，本集團並無其他重大事項。

外匯風險

本集團的收入大部分以美元及港元計值，而其一部分採購及開支以人民幣及越南盾計值。本集團通過定期檢討及監察其外匯風險以管理其外匯風險。我們的財務部門通過分析我們手上來自國內及海外的銷售訂單，以及預期國內及海外客戶的訂單及預期需要以外幣支付的採購及開支款項，持續地監控我們的外匯風險。我們擬通過以下方式管理外匯風險：(i)分別透過我們的香港及中國附屬公司管理我們以港元及人民幣計值的銷售、採購及開支、透過我們的香港及越南附屬公司管理我們以美元計值的銷售、採購及開支，及透過我們的越南附屬公司管理我們以越南盾計值的採購及開支；及(ii)以港元計值的現金及銀行存款主要由本公司及其香港附屬公司持有、以美元計值的現金及銀行存款主要由本公司及其香港及越南附屬公司持有，及以人民幣及越南盾計值的現金及銀行存款主要由我們的中國及越南附屬公司持有。

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Employees and remuneration policies

As at 31 December 2019, the Group employed a total of 7,437 full-time employees (as at 31 December 2018: 6,967). The increase in the number of employees was mainly due to the overseas expansion during the year.

The remuneration committee of the Company (the “**Remuneration Committee**”) was set up for reviewing the Group’s remuneration policy and structure for all remuneration of the Directors and employees of the Group, having regard to factors including but not limited to salaries paid by comparable companies, time commitment and responsibilities of the Directors/employees, employment conditions elsewhere in the Group, and whether the remuneration is commensurate with performance.

There was no significant change in the Group’s remuneration policy during the year and the Group will continue to provide regular training and competitive remuneration packages to its staff. The Group’s remuneration packages include salary, bonuses, allowances and retirement benefits based on employee’s performance, skills and knowledge. The Group also provides additional benefits to its employees that include subsidised accommodation, meals, accident and medical insurance and share options granted to eligible employees under the share option schemes of the Company.

Dividend policy

The Board intends to maintain a long term, stable dividend payout ratio of not less than 20% of the Group’s distributable profit for the year, providing shareholders with an equitable return.

僱員及薪酬政策

於二零一九年十二月三十一日，本集團總共僱用7,437名全職僱員（於二零一八年十二月三十一日：6,967名）。僱員人數增加主要由於年內海外擴張所致。

本公司薪酬委員會（「**薪酬委員會**」）的設立旨在審核本集團的薪酬政策及本集團全體董事及僱員之薪酬架構，其中考慮（包括但不限於）同類公司支付的薪酬、董事／僱員須付出的時間及職責、本集團內其他職位的僱傭條件及是否應按表現釐定薪酬等因素。

本集團薪酬政策於年內並無重大變動，而本集團將繼續向其員工提供定期培訓及具競爭力的薪酬待遇。本集團的薪酬待遇包括薪資、花紅、津貼及退休福利，乃以僱員的表現、技能及知識為基礎。本集團亦向其僱員提供額外福利，包括住宿、膳食、意外事故及醫療保險等補貼及根據本公司購股權計劃授予合資格僱員的購股權。

股息政策

董事會旨在維持長期、穩定的派息率，即不少於本集團年度可供分派溢利20%，為股東提供合理回報。

The Board has resolved to declare a final dividend of HK5.8 cents per ordinary share in respect of the year ended 31 December 2019 (the **“Final Dividend”**) (for the year ended 31 December 2018: HK6.7 cents). The Final Dividend is expected to be paid on or about 31 July 2020 to shareholders whose names appear on the register of members of the Company on 9 June 2020, subject to the approval by the shareholders at the forthcoming annual general meeting of the Company on 29 May 2020 (the **“AGM”**).

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2019 (for the six months ended 30 June 2018: nil).

FUTURE STRATEGIES AND PROSPECTS

Despite Phase One of Economic and Trade Agreement between the U.S. and the PRC had been concluded in January 2020, the World Health Organization (the **“WHO”**) had declared the COVID-19 epidemic an international public health emergency in late January 2020 and subsequently a global pandemic in March 2020, meaning that the WHO considered the disease as a serious global threat. The World Bank has then estimated that around 90% of the economic slowdown from the epidemic will be caused by people's fear of associating with others, which in turn will lead to the closures of factories, offices and stores and ultimately pose an impact on the national logistic and supply chains. If such slowdown continues throughout the year, the weak consumer demand may adversely impact short to medium-term financial performance of the Group, of which it may not be practical for us to estimate such impact at the moment. As of the date of this annual report, the overall utilisation rate of the production capacity of the Group is still not significantly affected. The extent of damage depends on how long it takes for the virus outbreak to fade out, but the epidemic will certainly be expected to pose a negative hit on the retail market and as a result the general economy across the globe in the short term.

董事會已議決宣派截至二零一九年十二月三十一日止年度的末期股息（「**末期股息**」）每股普通股5.8港仙（截至二零一八年十二月三十一日止年度：6.7港仙）。預期末期股息將於二零二零年七月三十一日或前後向於二零二零年六月九日名列本公司股東名冊的股東派付，惟須待股東於二零二零年五月二十九日舉行之本公司應屆股東週年大會（「**股東週年大會**」）上批准後，方可作實。

董事會已議決不就截至二零一九年六月三十日止六個月宣派任何中期股息（截至二零一八年六月三十日止六個月：無）。

未來策略及展望

儘管中美已於二零二零年一月簽訂第一階段經濟及貿易協議，世界衛生組織（「**世界衛生組織**」）已於二零二零年一月下旬宣佈COVID-19的疫情為國際關注的突發公共衛生事件，其後於二零二零年三月宣佈其為全球性流行病，意味著世界衛生組織將其視為嚴重的全球威脅。世界銀行已接著估計，流行病造成的經濟放緩中約90%將由人們恐慌與他人接觸造成，從而將導致工廠、辦公室及商舖關閉，並最終影響國家物流及供應鏈。倘經濟於整個年度期間持續放緩，疲弱的消費者需求可能對本集團短期至中期的財務表現產生不利影響，唯於現階段，我們不能實際地估計此影響。於本年報日期，本集團整體產能的使用率仍未受到重大影響。損失程度取決於病毒消退所需的時間，然而，預期疫情確實將對零售市場造成負面影響，並在短期內進一步影響全球總體經濟。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In order to cope with the uncertainties caused by the Sino-US trade friction, Best Pacific will continue to pursue its internationalisation plan and to reinforce its strategy of close collaboration with its overseas garment customers, which are the top players in the relevant industry and the partnership is expected to drive further business potentials and market consolidation, especially amid the current challenging market environment. As at 31 December 2019, the overall designed production capacities of elastic fabric, elastic webbing and lace of the Group were approximately 197.7 million meters, 1,868.2 million meters and 39.7 million meters, respectively. Once all the existing three overseas factories are fully ramped up, we expect our Vietnam facilities to contribute approximately 20% to 25% and 10% to 15% of the Group's overall production capacities for elastic fabric and elastic webbing, respectively. At the same time, our two JVs in Sri Lanka shall contribute altogether approximately 20% to 25% and 10% to 15% of the Group's overall production capacities for elastic fabric and elastic webbing, respectively.

Amid the global epidemic crisis and the associated economic turmoil, the Group will keep a close eye on both domestic and international markets. As of the date of this annual report, the reported COVID-19 confirmed cases in China have dramatically reduced as compared to the beginning of the year. The Group intended to seize more business opportunities from the newly established relationships in the PRC market, with an eminent focus on the sportswear and apparel sectors. On the other hand, with the lesson learned from the precedent of Severe Acute Respiratory Syndrome outbreak in 2003, the Group is also looking forward to a strong rebound in market demands and the potential stimulating effects on economy resulting from the counter-cyclical policies imposed by the governments around the world subsequent to the COVID-19 crisis.

為了因應中美貿易摩擦造成的不確定因素，超盈國際將持續推動其國際化計劃並強化與相關業界領導者海外服裝客戶的緊密合作戰略，尤其在現時充滿挑戰的市場環境下，該夥伴關係預期將進一步推動業務潛力及市場整合。於二零一九年十二月三十一日，本集團彈性織物面料、彈性織帶及蕾絲的整體設計產能分別約為197.7百萬米、1,868.2百萬米及39.7百萬米。一旦現有的三間海外工廠全部擴充完成後，我們預計越南設施將分別為本集團彈性織物面料及彈性織帶的整體產能貢獻約20%至25%及10%至15%。同時，我們於斯里蘭卡的兩家合營企業將分別為本集團彈性織物面料及彈性織帶的整體產能總共貢獻約20%至25%及10%至15%。

身處全球疫情危機及其造成的相關經濟動盪，本集團將同時緊盯國內和國際市場。於本年報日期，中國的COVID-19確診案例與年初相比已大幅減少。本集團擬把握更多在中國市場建立新業務關係所帶來的商業機遇，並特別專注於運動服裝及服裝市場。另一方面，借鑒二零零三年嚴重急性呼吸道症候群的爆發，本集團正期待市場需求出現強勁反彈以及全球各地政府因應COVID-19危機採取反週期政策將產生的潛在刺激作用。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In the fourth-quarter of 2019, Phase II development of our Vietnam plant and the construction of BPTL's factory were completed and relevant production had been commenced. However, the Sri Lankan government had publicly announced in late March 2020 to impose various measures and restrictions on corporates so as to curb the COVID-19 outbreak in the country. A prolonged epidemic around the world in the future may lead to the underutilisation of the Group's production capacity. While foreseeing there are many uncertainties in the market for the coming year, Best Pacific is set to reduce its capital expenditure to the optimal and prioritise the ramp up of all new overseas production capacities as much as possible. Execution of costs controls and efficiency enhancement during the abnormal market time is paramount important and such strategies will also benefit the Group in terms of improving margins when the normal market conditions resume.

Complemented by our well-established competitive strengths, our drive to stay ahead of the curve of the rapid expansion and changing market environments, Best Pacific strongly believes that only market leaders will continue to grow their market share, which in turn will underpin Best Pacific's long-term sustainability and ensure its ability to deliver value for its shareholders in the long run.

於二零一九年第四季度，我們已完成越南工廠第二期開發及BPTL工廠的建設，並開始相關生產。然而，斯里蘭卡的政府已於二零二零年三月下旬公開宣佈將對企業實施多種措施及限制，以遏止COVID-19在該國爆發。全球的長久疫情可能導致本集團產能未來無法充分獲得使用。儘管預計下個年度市場存在諸多不確定性，但超盈國際決心將資本開支減至最適當，並盡可能優先提升所有新設海外工廠擴充產能。市場異常時，應首要實施成本控制及效能強化，而預期市場條件恢復正常時，該等策略亦將在改善利潤率方面為本集團帶來利益。

憑藉既有的競爭優勢，我們會在快速擴張及不斷變化的市場環境中保持領先地位，超盈國際堅信僅有市場領導者將持續擴大市場份額，並藉此鞏固超盈國際的長遠持續發展，確保能長期為其股東創造價值。

REPORT OF THE DIRECTORS

董事會報告

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

PRINCIPAL ACTIVITIES

The Group is principally engaged in the manufacture and trading of elastic fabric, elastic webbing and lace. Details of the Group's principal subsidiaries as at 31 December 2019 are set out in Note 44 to the consolidated financial statements.

The Group's turnover and results by operating segment are set out in Note 6 to the consolidated financial statements and Management Discussion and Analysis of this annual report.

There is no change in the principal activities of the Group during the year ended 31 December 2019.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2019 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 101.

The Board recommends the payment of the Final Dividend of HK5.8 cents per ordinary share for the year ended 31 December 2019. Subject to approval by shareholders of the Company at the forthcoming AGM, the Final Dividend will be distributed on or about 31 July 2020 to shareholders whose names appear on the register of members of the Company on 9 June 2020.

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2019 (for the six months ended 30 June 2018: nil).

董事欣然提呈其報告連同本集團截至二零一九年十二月三十一日止年度的經審核綜合財務報表。

主要活動

本集團主要從事製造及買賣彈性織物面料、彈性織帶及蕾絲。本集團於二零一九年十二月三十一日的主要附屬公司詳情載於綜合財務報表附註44。

本集團的營業額及經營分部業績載於綜合財務報表附註6及本年報的管理層討論及分析。

截至二零一九年十二月三十一日止年度本集團的主要活動並無變動。

業績及股息

本集團截至二零一九年十二月三十一日止年度的業績載於第101頁的綜合損益及其他全面收益表。

董事會建議派付截至二零一九年十二月三十一日止年度的末期股息每股普通股5.8港仙。經本公司股東於應屆股東週年大會上批准後，將於二零二零年七月三十一日或前後向於二零二零年六月九日名列本公司股東名冊的股東分派末期股息。

董事會已議決不就截至二零一九年六月三十日止六個月宣派任何中期股息（截至二零一八年六月三十日止六個月：無）。

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 26 May 2020 to 29 May 2020, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to determine the identity of shareholders who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged not later than 4:30 p.m. on 25 May 2020 with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Subject to the approval of shareholders at the forthcoming AGM, the proposed Final Dividend will be payable to shareholders whose names appear on the register of members of the Company on 9 June 2020 and the register of members of the Company will be closed from 5 June 2020 to 9 June 2020, both days inclusive, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed Final Dividend, all share transfer documents accompanied by the relevant share certificates shall be lodged not later than 4:30 p.m. on 4 June 2020 with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

BUSINESS REVIEW AND FUTURE DEVELOPMENT

A review of the business of the Group during the year, a discussion on the Group's future business development as well as the Group's relationships with its key stakeholders are set out in the Chairman's Statement as well as the Management Discussion and Analysis on pages 4 to 6 and pages 7 to 27 of this annual report. An analysis of the Group's performance during the year using financial key performance indicators is set out in the Group's Five-year Financial Information Summary on pages 263 to 264 of this annual report. Saved as disclosed in this annual report, the Group has no other significant events after the end of the financial year ended 31 December 2019 and up to the date of this annual report.

暫停辦理股份過戶登記

本公司將於二零二零年五月二十六日至二零二零年五月二十九日（首尾兩天包括在內）暫停辦理股份過戶登記，於該期間不會辦理股份過戶登記手續。為了確定可出席股東週年大會並於會上投票的股東身份，所有股份過戶文件連同相關股票須於二零二零年五月二十五日下午四時三十分前交至本公司的香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716號舖。

經股東於應屆股東週年大會上批准後，擬派末期股息將向於二零二零年六月九日名列本公司股東名冊的股東派付及本公司將於二零二零年六月五日至二零二零年六月九日（首尾兩天包括在內）暫停辦理股份過戶登記手續，於該期間不會辦理股份過戶登記手續。為了享有擬派末期股息之資格，所有股份過戶文件連同相關股票須於二零二零年六月四日下午四時三十分前交回本公司的香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716號舖。

業務回顧及未來業務發展

本集團於年內之業務回顧、有關本集團未來業務發展之討論以及本集團與其利益相關者之關係載於本年報第4頁至第6頁及第7頁至第27頁之主席報告及管理層討論及分析。使用財務關鍵績效指標分析的本集團於年內的表現載於本年報第263頁至第264頁之本集團五年財務資料摘要。除本年報中所披露者外，截至二零一九年十二月三十一日止財政年度結束後直至本年報日期，本集團並無其他重大事件。

REPORT OF THE DIRECTORS

董事會報告

PRINCIPAL RISKS AND UNCERTAINTIES

A description of possible risks and uncertainties that the Group may be facing are set out in the Chairman's Statement on pages 4 to 6 of this annual report. The financial risk management objectives and policies of the Group are set out in Note 42 to the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has been committed to operating in compliance with applicable environmental laws and regulations and has taken steps to ensure that any waste and by-products produced as a result of its operations are properly treated and discharged so as to minimise the adverse effects to the environment. With the ISO14001:2004 certification issued by SGS United Kingdom Ltd., we are regarded to have exercised quality environmental and energy management throughout the manufacturing process. At present, the Group has its on-site sewage treatment plants that treat sewage generated from its production process, in particular, dyeing and printing processes, by chemical and biological treatments. Processed sewage is required to meet certain chemical standards prescribed by the environmental protection department before it is discharged to the municipal sewage treatment network. The environmental protection department has also set up monitoring equipment at the Group's sewage treatment plants to ensure the processed sewage meets the prescribed standard before discharge. As the operating scale of the Group has expanded, the use of resources, the levels of gas emissions and waste disposal increased proportionally but all were under control during the year under review. We will continue to closely monitor the resources consumed and the levels of gas emissions and waste disposal and will take appropriate measures with a view to minimising the impact of the Group's operations to the environment.

Further details on the Group's environmental policies and performance (including the relevant key performance indicators) will be disclosed in the Group's Environmental, Social and Governance Report 2019 to be separately published by the Company in due course.

主要風險及不明朗因素

本集團可能面臨的潛在風險及不明朗因素的描述載於本年報第4頁至第6頁的主席報告內。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42。

環境政策及執行情況

本集團致力於使營運符合適用環境法律及法規，並已採取措施確保其營運所產生的任何廢料及副產品均得以妥善處理及棄置，以盡量減少對環境造成的不利影響。憑藉SGS United Kingdom Ltd.頒發的ISO14001:2004認證，我們於整個製造流程中推行高效的環境及能源管理。目前，本集團擁有廠內廢水處理廠，以化學及生物處理方式處理生產工序（尤其是印染工序）產生的污水。經處理的污水須符合環境保護部門指定的若干化學標準，方可排放至市級污水處理網絡。環保部門亦已於本集團的污水處理廠設置監察設備，以確保經處理污水於排放前符合指定標準。於回顧年內，隨著本集團運營規模擴張，資源利用、氣體排放水平及廢物處理呈等比例上升，但均在控制內。我們將繼續密切監測資源消耗、氣體排放水平及廢物處理，並將採取適當措施，以盡量降低本集團營運對環境的影響。

有關本集團環境政策及執行情況（包括相關關鍵績效指標）的進一步詳情將披露於本公司將於適當時候另行刊發的本集團二零一九年環境、社會及管治報告。

COMPLIANCE WITH LAWS AND REGULATIONS

The Company was incorporated in the Cayman Islands whose shares are listed on the Stock Exchange. The Group's operations are mainly carried out by the Company's subsidiaries in the PRC, Hong Kong, Vietnam and Sri Lanka. The Group has compliance procedures in place to ensure adherence to applicable laws and regulations which have a significant impact on the Group. For the year ended 31 December 2019, to the best knowledge and belief of the Board, the Group has complied in material respects with the relevant laws and regulations in the Cayman Islands, the PRC, Hong Kong, Sri Lanka and Vietnam.

SUBSIDIARIES

Particulars of the Group's subsidiaries are set out in Note 44 to the consolidated financial statements.

SHARE CAPITAL

Details of the movement in issued share capital of the Company during the year ended 31 December 2019 are set out in Note 33 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group during the year ended 31 December 2019 are set out in the "Consolidated Statement of Changes in Equity" on pages 104 and 105.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the distributable reserves of the Company amounted to approximately HK\$606.6 million, of which approximately HK\$60.3 million has been proposed as the Final Dividend for the year ended 31 December 2019.

遵守法律法規

本公司於開曼群島註冊成立，其股份於聯交所上市。本集團之業務主要由本公司於中國、香港、越南及斯里蘭卡的附屬公司進行。本集團設有合規程序，以確保遵守對本集團有重大影響之適用法律及法規。截至二零一九年十二月三十一日止年度，就董事會所深知及確信，本集團已於重大方面遵守開曼群島、中國、香港、斯里蘭卡及越南之相關法律及法規。

附屬公司

本集團附屬公司的詳情載於綜合財務報表附註44。

股本

本公司已發行股本截至二零一九年十二月三十一日止年度的變動詳情載於綜合財務報表附註33。

儲備

截至二零一九年十二月三十一日止年度本集團儲備的變動詳情載於第104頁及105頁「綜合權益變動表」。

可供分派儲備

於二零一九年十二月三十一日，本公司可供分派儲備達約606.6百萬港元，其中擬派發的截至二零一九年十二月三十一日止年度末期股息為約60.3百萬港元。

REPORT OF THE DIRECTORS

董事會報告

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the amended and restated articles of association of the Company (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.

DONATIONS

Charitable and other donations made by the Group during the year ended 31 December 2019 amounted to approximately HK\$359,000.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2019, sales to the Group’s five largest customers accounted for approximately 40.9% of the Group’s total sales for the year (of which sales to the Group’s largest customer accounted for approximately 14.6%). Purchases from the Group’s five largest suppliers accounted for approximately 27.9% of the Group’s total purchases for the year (of which purchases attributable to the largest supplier accounted for approximately 6.7%).

None of the Directors or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company’s issued share capital) had any beneficial interest in the Group’s five largest customers and suppliers.

BORROWINGS

Details of bank and other borrowings and bank overdrafts of the Group as at 31 December 2019 are set out in Note 29 to the consolidated financial statements.

FIXED ASSETS

Details of the movements in property, plant and equipment of the Group are set out in Note 16 to the consolidated financial statements.

優先購買權

本公司經修訂及重列組織章程細則（「**細則**」）或開曼群島法律並無有關本公司須按比例基準向現有股東發售新股份的優先購買權條文。

捐款

本集團於截至二零一九年十二月三十一日止年度的慈善及其他捐款為約359,000港元。

主要客戶及供應商

截至二零一九年十二月三十一日止年度，向本集團五大客戶的銷售額佔本集團本年度總銷售額約40.9%（其中對本集團最大客戶的銷售額約佔14.6%）。自本集團五大供應商的採購額佔本集團本年度總採購額約27.9%（其中最大供應商應佔採購額約佔6.7%）。

概無董事或任何彼等緊密聯繫人或任何股東（就董事所深知，擁有本公司已發行股本逾5%）於本集團五大客戶及供應商中擁有任何實益權益。

借款

於二零一九年十二月三十一日，本集團銀行及其他借款以及銀行透支的詳情載於綜合財務報表附註29。

固定資產

本集團的物業、廠房及設備的變動詳情載於綜合財務報表附註16。

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

DIRECTORS

The Directors who held office during the year and up to the date of this annual report are:

Executive Directors

Mr. Lu Yuguang
Mr. Zhang Haitao
Mr. Wu Shaolun
Ms. Zheng Tingting

Independent non-executive Directors

Mr. Cheung Yat Ming
Mr. Ding Baoshan
Mr. Sai Chun Yu

According to Article 83(3) of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Besides, Article 84(1) of the Articles stipulates that at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

購買、出售或贖回證券

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

董事

於年內及截至本年報日期任職的董事為：

執行董事

盧煜光先生
張海濤先生
吳少倫先生
鄭婷婷女士

獨立非執行董事

張一鳴先生
丁寶山先生
余振宇先生

根據細則第83(3)條，董事有權不時及隨時委任任何人士為董事，以填補董事會之臨時空缺，或作為現有董事會之新增成員。獲董事會委任以填補臨時空缺之任何董事之任期至其獲委任後的首個股東大會為止，並有資格於該大會上重選連任；至於獲董事會委任以增加現有董事會成員之任何董事之任期，僅至本公司下屆股東週年大會為止，屆時有資格重選連任。此外，細則第84(1)條規定，於每屆股東週年大會上，三分之一當時董事（或倘數目並非三(3)的倍數，則為最接近但不少於三分之一之數目）須輪值退任，惟至少每三年每名董事須於股東週年大會上輪值退任。

REPORT OF THE DIRECTORS

董事會報告

Mr. Zhang Haitao (“**Mr. Zhang**”), Mr. Wu Shaolun (“**Mr. Wu**”) and Mr. Cheung Yat Ming will retire by rotation at the forthcoming AGM. All the above Directors, being eligible, will offer themselves for re-election at the AGM.

PROFILES OF DIRECTORS

Profiles of the Directors are set out on pages 70 to 77 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors (except for Ms. Zheng Tingting (“**Ms. Zheng**”)) had entered into a service agreement with the Company for an extended term of three years commencing from 23 May 2017. Ms. Zheng had entered into a service agreement with the Company for an extended term of three years commencing from 23 November 2018. Each service agreement will continue thereafter until terminated by either party by giving to the other party at least three months' prior notice in writing. Each of the independent non-executive Directors had been appointed for an extended term of three years with effect from 23 May 2017.

All Directors are subject to retirement by rotation in accordance with the Articles and Appendix 14 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). None of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

張海濤先生(「張先生」)、吳少倫先生(「吳先生」)及張一鳴先生將於應屆股東週年大會輪值退任。所有上述董事均合資格並願意於股東週年大會上膺選連任。

董事履歷

董事履歷載於本年報第70頁至第77頁。

董事服務合約

各執行董事(鄭婷婷女士(「鄭女士」)除外)已與本公司訂立服務協議，自二零一七年五月二十三日起計延續任期三年。鄭女士已與本公司訂立服務協議，自二零一八年十一月二十三日起計延續任期三年。各服務協議之後將繼續有效，直至其中一方提前至少三個月向另一方發出事先書面通知予以終止。各獨立非執行董事已獲委任，自二零一七年五月二十三日起計延續任期三年。

根據細則及香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四，全體董事須輪值退任。擬於應屆股東週年大會上膺選連任的董事概無與本公司或其任何附屬公司訂立不可由本集團於一年內終止而毋須支付賠償(法定賠償除外)的服務合約。

EMOLUMENT POLICY – DIRECTORS’ REMUNERATION

The Directors’ fees are subject to shareholders’ approval at general meetings. Other emoluments are determined by the Board with reference to Directors’ duties, responsibilities and performance and the results of the Group.

Details of the emoluments of every Director for the year ended 31 December 2019 are set out in Note 10 to the consolidated financial statements.

DIRECTORS’ INTERESTS IN CONTRACTS

Save as disclosed under the sections headed “CONNECTED TRANSACTIONS” and “CONTINUING CONNECTED TRANSACTIONS” below and “RELATED PARTY TRANSACTIONS” in Note 43 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, or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year ended 31 December 2019.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2019, none of the Directors of the Company had any interest in any competing business with the Company or any of its subsidiaries.

Mr. Lu Yuguang (“**Mr. Lu**”) and Grandview Capital Investment Limited (“**Grandview**”), being the controlling shareholders of the Company (the “**Controlling Shareholders**”), have each provided a written confirmation to the Company confirming that he/it has complied with the terms of the Deed of Non-competition for the year ended 31 December 2019. The independent non-executive Directors of the Company have also reviewed the status of compliance by each of the Controlling Shareholders and confirmed that, as far as they can ascertain, each of the Controlling Shareholders has complied with the terms of the Deed of Non-competition.

薪酬政策 – 董事薪酬

董事的袍金須經股東於股東大會上批准。其他報酬乃由董事會參考董事的職責、責任及表現以及本集團的業績釐定。

各董事於截至二零一九年十二月三十一日止年度的報酬詳情載於綜合財務報表附註10。

董事於合約之權益

除了下文「關連交易」和「持續關連交易」，及綜合財務報表附註43「關聯方交易」所披露者外，概無董事於截至二零一九年十二月三十一日止年度於對本集團業務而言屬重要且本公司或其任何控股公司、附屬公司或同系附屬公司屬訂約方的任何合約中擁有重大權益（不論直接或間接）。

董事於競爭業務之權益

截至二零一九年十二月三十一日止年度，本公司董事概無於與本公司或其任何附屬公司有競爭的業務中擁有任何權益。

本公司控股股東（「**控股股東**」）盧煜光先生（「**盧先生**」）及Grandview Capital Investment Limited（「**Grandview**」）各自已向本公司提供一份書面確認，確認彼已於截至二零一九年十二月三十一日止年度遵守不競爭契據之條款。本公司之獨立非執行董事亦已審閱各控股股東的合規情況並確認（就彼等所能查證）各控股股東已遵守不競爭契據之條款。

REPORT OF THE DIRECTORS

董事會報告

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2019.

DISCLOSURE OF INTERESTS – DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND/OR DEBENTURES

As at 31 December 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be entered into the register required to be kept by the Company under Section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules, were set out below:

管理合約

截至二零一九年十二月三十一日止年度概無訂立或存在有關本公司全部或任何重大部分業務管理及行政的合約。

權益披露 – 董事及主要行政人員於股份、相關股份及／或債券的權益及淡倉

於二零一九年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及／或債券（視情況而定）中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例的該等條文而計入或視作彼等擁有的權益及淡倉），或根據證券及期貨條例第352條須登記於本公司存置的登記冊內的權益及淡倉，或根據上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及聯交所的權益及淡倉如下：

REPORT OF THE DIRECTORS

董事會報告

(I) The Company

(I) 本公司

| Name of Director | Long/short position | Capacity | Number of shares/ underlying shares | Notes | Approximate percentage of shareholding (%) 持股概約百分比 (%) |
|-----------------------------|---------------------|--|--|-------|---|
| 董事姓名 | 好/淡倉 | 身份 | 股份/相關 股份數目 | 附註 | |
| Mr. Lu Yuguang 盧煜光先生 | Long position 好倉 | Beneficial owner 實益擁有人 | 3,000,000 | 1 | |
| | Long position 好倉 | Interest held by his controlled corporation 其受控法團持有的權益 | 637,500,000 | 2 | |
| | | | 640,500,000 | | 61.59 |
| Mr. Zhang Haitao 張海濤先生 | Long position 好倉 | Interest held by his spouse 其配偶持有的權益 | 2,794,000 | 3 | |
| | Long position 好倉 | Interest held by his controlled corporation 其受控法團持有的權益 | 75,000,000 | 4 | |
| | | | 77,794,000 | | 7.48 |
| Ms. Zheng Tingting 鄭婷婷女士 | Long position 好倉 | Beneficial owner 實益擁有人 | 2,794,000 | 5 | |
| | Long position 好倉 | Interest held by her spouse 其配偶持有的權益 | 75,000,000 | 6 | |
| | | | 77,794,000 | | 7.48 |
| Mr. Wu Shaolun 吳少倫先生 | Long position 好倉 | Beneficial owner 實益擁有人 | 3,000,000 | 7 | |
| | Long position 好倉 | Interest held by his controlled corporation 其受控法團持有的權益 | 37,500,000 | 8 | |
| | | | 40,500,000 | | 3.89 |

REPORT OF THE DIRECTORS

董事會報告

Notes:

1. These 3,000,000 ordinary shares were issued by the Company to Mr. Lu, an executive Director and the Chairman of the Company, upon exercise of his share options granted by the Company on 19 May 2014 pursuant to the pre-IPO share option scheme (the “**Pre-IPO Share Option Scheme**”) of the Company, details of which are set out in the section headed “SHARE OPTION SCHEMES” in this report. 1,500,000 share options were exercised during each of the years ended 31 December 2016 and 2018 respectively.
2. These 637,500,000 ordinary shares were held by Grandview, which was wholly owned by Mr. Lu. Under the SFO, Mr. Lu was deemed to be interested in such shares held by Grandview.
3. These shares represented 2,794,000 ordinary shares held by Ms. Zheng, an executive Director and the Chief Operating Officer of the Company and the spouse of Mr. Zhang Haitao (“**Mr. Zhang**”), an executive Director and the Chief Executive Officer of the Company. Under the SFO, Mr. Zhang was deemed to be interested in such shares held by Ms. Zheng.
4. These 75,000,000 ordinary shares were held by Sunbrilliant Capital Investment Limited (“**Sunbrilliant**”), which was wholly owned by Mr. Zhang. Under the SFO, Mr. Zhang was deemed to be interested in such shares held by Sunbrilliant.
5. These 2,794,000 ordinary shares were held by Ms. Zheng upon exercise of her share options granted under the Pre-IPO Share Option Scheme, among which 1,000,000 share options were exercised during each of the years ended 31 December 2016 and 2018 respectively, and acquisitions of 794,000 shares from the market during the year ended 31 December 2016.
6. Ms. Zheng is the spouse of Mr. Zhang. Under the SFO, Ms. Zheng was deemed to be interested in the 75,000,000 ordinary shares held by Sunbrilliant as mentioned in Note 4 above.
7. These 3,000,000 ordinary shares were issued by the Company to Mr. Wu Shaolun (“**Mr. Wu**”) upon exercise of his share options granted under the Pre-IPO Share Option Scheme. 600,000 share options, 900,000 share options and 1,500,000 share options were exercised during the years ended 31 December 2015, 2016 and 2017 respectively.
8. These 37,500,000 ordinary shares were held by Lakefront Capital Investment Limited (“**Lakefront**”), which was wholly owned by Mr. Wu. Under the SFO, Mr. Wu was deemed to be interested in such shares held by Lakefront.

附註：

1. 該3,000,000股普通股乃本公司執行董事兼主席盧先生行使本公司根據首次公開發售前購股權計劃（「**首次公開發售前購股權計劃**」）於二零一四年五月十九日授出的購股權時由本公司配發給盧先生，有關詳情載於本報告「購股權計劃」一節。1,500,000股購股權分別於截至二零一六年及二零一八年十二月三十一日止各年度獲行使。
2. 該637,500,000股普通股由Grandview持有，而該公司由盧先生全資擁有。根據證券及期貨條例，盧先生被視為於Grandview所持有的該等股份中擁有權益。
3. 該等股份指鄭女士（本公司執行董事兼首席運營官及本公司執行董事兼行政總裁張海濤先生（「**張先生**」）的配偶）所持有的2,794,000股普通股。根據證券及期貨條例，張先生被視為於鄭女士所持有的該等股份中擁有權益。
4. 該75,000,000股普通股由Sunbrilliant Capital Investment Limited（「**Sunbrilliant**」）持有，而該公司由張先生全資擁有。根據證券及期貨條例，張先生被視為於Sunbrilliant所持有的該等股份中擁有權益。
5. 該2,794,000股普通股乃鄭女士行使其根據首次公開發售前購股權計劃獲授的購股權（其中1,000,000股購股權分別於截至二零一六年及二零一八年十二月三十一日止各年度獲行使）及於截至二零一六年十二月三十一日止年度自市場購買794,000股股份時持有。
6. 鄭女士為張先生的配偶。根據證券及期貨條例，鄭女士被視為於上述附註4所提及由Sunbrilliant所持有的75,000,000股普通股中擁有權益。
7. 該3,000,000股普通股乃吳少倫先生（「**吳先生**」）分別於截至二零一五年、二零一六年及二零一七年十二月三十一日止年度行使其根據首次公開發售前購股權計劃獲授的600,000份購股權、900,000份購股權及1,500,000份購股權時由本公司配發給吳先生。
8. 該37,500,000股普通股由Lakefront Capital Investment Limited（「**Lakefront**」）持有，而該公司由吳先生全資擁有。根據證券及期貨條例，吳先生被視為於Lakefront所持有的該等股份中擁有權益。

REPORT OF THE DIRECTORS

董事會報告

(II) Associated Corporation (within the meaning of the SFO)

Grandview Capital Investment Limited

| Name of Director | Long/short position | Capacity | Number of shares | Approximate percentage of shareholding (%) |
|-------------------------|---------------------|---------------------------|------------------|--|
| 董事姓名 | 好 / 淡倉 | 身份 | 股份數目 | 持股概約百分比 (%) |
| Mr. Lu Yuguang 盧煜光先生 | Long position 好倉 | Beneficial owner 實益擁有人 | 10,001 | 100 |

(II) 相聯法團 (定義見證券及期貨條例)

Grandview Capital Investment Limited

Save as disclosed above, as at 31 December 2019, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一九年十二月三十一日，本公司董事或主要行政人員概無於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的該等條文而計入或視作彼等擁有的權益或淡倉），或根據證券及期貨條例第352條須登記於該條所述本公司存置的登記冊內的權益或淡倉，或根據標準守則而須另行知會本公司及聯交所的權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

DISCLOSURE OF INTERESTS – SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, so far as was known to the Directors of the Company, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

權益披露 – 主要股東於本公司股份 及相關股份的權益及淡倉

於二零一九年十二月三十一日，就本公司董事所知，以下人士／實體（董事或本公司主要行政人員除外）於本公司股份或相關股份中擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露的權益或淡倉，或根據證券及期貨條例第336條須記入本公司所存置登記冊的權益或淡倉：

| Name of substantial shareholder | Long/short position | Capacity | Number of shares/ underlying shares | Notes | Approximate percentage of shareholding (%) 持股概約百分比 (%) |
|---|---------------------|--|-------------------------------------|-------|---|
| 主要股東姓名／名稱 | 好／淡倉 | 身份 | 股份／相關股份數目 | 附註 | |
| Grandview Capital Investment Limited | Long position 好倉 | Beneficial owner 實益擁有人 | 637,500,000 | 1 | 61.30 |
| Sunbrilliant Capital Investment Limited | Long position 好倉 | Beneficial owner 實益擁有人 | 75,000,000 | 2 | 7.21 |
| FMR LLC | Long position 好倉 | Interest held by its controlled corporations 其受控法團持有的權益 | 104,156,772 | 3 | 10.01 |
| FIDELITY INVESTMENT TRUST | Long position 好倉 | Beneficial owner 實益擁有人 | 62,468,500 | 4 | 6.00 |
| Pandanus Associates Inc. | Long position 好倉 | Interest held by its controlled corporations 其受控法團持有的權益 | 69,082,800 | 5 | 6.64 |
| FIL Limited | Long position 好倉 | Interest held by its controlled corporations 其受控法團持有的權益 | 69,082,800 | 6 | 6.64 |

REPORT OF THE DIRECTORS

董事會報告

Notes:

1. Grandview was wholly owned by Mr. Lu, an executive Director and the Chairman of the Company and Mr. Lu was deemed to be interested in the 637,500,000 ordinary shares of the Company held by Grandview pursuant to the SFO. Mr. Lu's interests in shares are disclosed in this annual report in the section headed "DISCLOSURE OF INTERESTS – DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND/OR DEBENTURES".
2. Sunbrilliant was wholly owned by Mr. Zhang, an executive Director and the Chief Executive Officer of the Company and Mr. Zhang was deemed to be interested in the 75,000,000 ordinary shares of the Company held by Sunbrilliant pursuant to the SFO. Ms. Zheng, an executive Director and the Chief Operating Officer of the Company, is the spouse of Mr. Zhang and was accordingly deemed to be interested in the 75,000,000 ordinary shares which Mr. Zhang was deemed to be interested in for the purposes of the SFO. Mr. Zhang's and Ms. Zheng's interests in shares are disclosed in this annual report in the section headed "DISCLOSURE OF INTERESTS – DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND/OR DEBENTURES".
3. FMR LLC was deemed to be interested in the 104,156,772 ordinary shares of the Company through its 100% controlled corporations and 483A Bay Street Holdings LP, which was owned or controlled as to 18% by Fidelity Canada Investors LLC, which was owned by certain employees and shareholders of FMR LLC.
4. FIDELITY INVESTMENT TRUST held the 62,468,500 ordinary shares of the Company directly.
5. Pandanus Associates Inc. is a general partner of Pandanus Partners L.P., which owned or controlled 38.1% of the voting rights in FIL Limited, which then owned or controlled 82% of the voting rights in 483A Bay Street Holdings LP. By virtue of Part XV of the SFO, each of Pandanus Associates Inc. and Pandanus Partners L.P. was deemed to be interested in the 69,082,800 ordinary shares of the Company via FIL Limited, 483A Bay Street Holdings LP and its 100% controlled corporations.
6. FIL Limited was deemed to be interested in the 69,082,800 ordinary shares of the Company through its 100% controlled corporations and 483A Bay Street Holdings LP, which was 82% owned or controlled by FIL Limited.

附註：

1. Grandview由本公司執行董事兼主席盧先生全資擁有，及根據證券及期貨條例，盧先生被視為於Grandview所持本公司637,500,000股普通股中擁有權益。盧先生於股份的權益乃於本年報「權益披露 – 董事及主要行政人員於股份、相關股份及／或債券的權益及淡倉」一節披露。
2. Sunbrilliant由本公司執行董事兼行政總裁張先生全資擁有，及根據證券及期貨條例，張先生被視為於Sunbrilliant所持本公司75,000,000股普通股中擁有權益。本公司執行董事兼首席運營官鄭女士為張先生的配偶，因而根據證券及期貨條例被視為於張先生被視為擁有權益的75,000,000股普通股中擁有權益。張先生及鄭女士各自於股份的權益乃於本年報「權益披露 – 董事及主要行政人員於股份、相關股份及／或債券的權益及淡倉」一節披露。
3. FMR LLC通過其100%受控法團及483A Bay Street Holdings LP（由Fidelity Canada Investors LLC擁有或控制18%股權）而被視為於本公司104,156,772股普通股中擁有權益，而Fidelity Canada Investors LLC由FMR LLC之若干僱員及股東擁有。
4. FIDELITY INVESTMENT TRUST直接持有本公司62,468,500股普通股。
5. Pandanus Associates Inc.為Pandanus Partners L.P.之普通合夥人，其擁有或控制於FIL Limited的38.1%投票權，而FIL Limited擁有或控制於483A Bay Street Holdings LP的82%投票權。根據證券及期貨條例第XV部，Pandanus Associates Inc.及Pandanus Partners L.P.均被視為通過FIL Limited、483A Bay Street Holdings LP及其100%受控法團於本公司69,082,800股普通股中擁有權益。
6. FIL Limited被視為通過其100%受控法團及483A Bay Street Holdings LP（由FIL Limited擁有或控制82%股權）於本公司69,082,800股普通股中擁有權益。

REPORT OF THE DIRECTORS

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

SHARE OPTION SCHEMES

The Company has adopted two share option schemes on 8 May 2014, namely the Pre-IPO Share Option Scheme and the share option scheme (the “**Share Option Scheme**”) which is governed by Chapter 17 of the Listing Rules.

(a) Pre-IPO Share Option Scheme

The Company conditionally approved and adopted the Pre-IPO Share Option Scheme pursuant to a resolution of the shareholders passed on 8 May 2014. The purpose of the Pre-IPO Share Option Scheme is to recognise and reward the contribution that certain Directors and employees of the Group who made or may have made to the growth and development of the Group and the Company's IPO.

The principal terms of the Pre-IPO Share Option Scheme are substantially the same as the terms of the Share Option Scheme which has also been conditionally adopted by the Company pursuant to the aforesaid resolution, except that:

- (a) The subscription price is, subject to certain adjustments set out in the Pre-IPO Share Option Scheme, equivalent to 50% discount to the offer price under the IPO.
- (b) The maximum number of shares of the Company which may be issued upon exercise of all options granted under the Pre-IPO Share Option Scheme is 30,000,000 shares, representing approximately 2.89% of the issued share capital of the Company as at the date of this annual report (i.e. 1,039,808,000 shares).

除上文所披露者外，於二零一九年十二月三十一日，董事知悉概無任何其他人士／實體（董事及本公司主要行政人員除外）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分部條文須向本公司及聯交所披露的權益或淡倉，或根據證券及期貨條例第336條須記入本公司所存置登記冊的權益或淡倉。

購股權計劃

本公司已於二零一四年五月八日採納兩項購股權計劃，即首次公開發售前購股權計劃及購股權計劃（「**購股權計劃**」），由上市規則第17章規管。

(a) 首次公開發售前購股權計劃

根據二零一四年五月八日通過的股東決議案，本公司有條件批准及採納首次公開發售前購股權計劃。首次公開發售前購股權計劃的目的在於表揚及獎勵曾經或可能已對本集團之發展及本公司之首次公開發售作出貢獻的若干董事及僱員。

首次公開發售前購股權計劃的主要條款與本公司根據上述決議案有條件採納的購股權計劃的條款大致相同，惟下列者除外：

- (a) 認購價相當於首次公開發售的發售價折讓50%（可根據首次公開發售前購股權計劃所載進行若干調整）。
- (b) 本公司可能因行使根據首次公開發售前購股權計劃授出的所有購股權而發行的最多股份數目為30,000,000股股份，佔於本年報日期本公司已發行股本（即1,039,808,000股）約2.89%。

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- (c) Eligible participants under the Pre-IPO Share Option Scheme are the Directors and employees of the Group who, in the sole opinion of the Board, will contribute or have contributed to the Group.
- (d) Subject to any restrictions applicable under the Listing Rules, and notwithstanding the terms of grant thereof, all options granted under the Pre-IPO Share Option Scheme are subject to the following vesting period:
- (i) as to 20% of the aggregate number of shares underlying the option on the date of the first anniversary of the date of grant;
 - (ii) as to 30% of the aggregate number of shares underlying the option on the date of the second anniversary of the date of grant; and
 - (iii) as to 50% of the aggregate number of shares underlying the option on the date of the third anniversary of the date of grant.
- (e) Each option granted under the Pre-IPO Share Option Scheme will lapse upon the expiry of the option period of 5 years.
- (f) No further options will be offered or granted under the Pre-IPO Share Option Scheme on or after the listing date of the Company on 23 May 2014 (the “**Listing Date**”).
- (c) 首次公開發售前購股權計劃的合資格參與者，指本集團董事及僱員，即董事會全權認為將會或曾經對本集團作出貢獻者。
- (d) 在上市規則的任何適用限制下，儘管有關之授出條款有所規定，根據首次公開發售前購股權計劃所授出之所有購股權須遵守以下歸屬期：
- (i) 購股權所涉及股份總數的20%於授出日期第一週年當日歸屬；
 - (ii) 購股權所涉及股份總數的30%於授出日期第二週年當日歸屬；及
 - (iii) 購股權所涉及股份總數的50%於授出日期第三週年當日歸屬。
- (e) 根據首次公開發售前購股權計劃所授每份購股權將於5年購股權期間到期當日失效。
- (f) 本公司將不會於本公司上市日期（二零一四年五月二十三日）（「**上市日期**」）或之後根據首次公開發售前購股權計劃要約授出或授出其他購股權。

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On 19 May 2014, the Company has conditionally granted options to subscribe for a total of 26,470,000 shares of the Company to certain directors and employees of the Group under the Pre-IPO Share Option Scheme.

Details of movements of the share options granted under the Pre-IPO Share Option Scheme for the year ended 31 December 2019 are as follows:

於二零一四年五月十九日，本公司根據首次公開發售前購股權計劃向本集團若干董事及僱員有條件授出可認購本公司合共26,470,000股股份的購股權。

截至二零一九年十二月三十一日止年度根據首次公開發售前購股權計劃授出購股權的變動詳情如下：

Number of shares issuable under the share options

根據購股權可予以發行的股份數目

| Grantee | Date of grant | Exercise price per share | Exercise period | As at 1 January 2019 | Granted during the year | Exercised during the year | Lapsed/ cancelled during the year | As at 31 December 2019 |
|-------------------------------|---------------|--------------------------|-----------------------------------|----------------------|-------------------------|---------------------------|-----------------------------------|------------------------|
| 承授人 | 授出日期 | 每股行使價 | 行使期 | 於二零一九年一月一日 | 年內已授出 | 年內已行使 | 年內已失效／註銷 | 於二零一九年十二月三十一日 |
| Employees of the Group | | | | | | | | |
| 本集團僱員 | | | | | | | | |
| in aggregate | 19 May 2014 | 1.075 | 19/05/2015-19/05/2019 (Note 1) | 85,000 | - | (85,000) (Note 2) | - | - |
| 總計 | 二零一四年五月十九日 | | (附註1) | | | (附註2) | | |
| | | | Grand Total: | 85,000 | - | (85,000) | - | - |
| | | | 累計： | | | | | |

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Notes:

- (1) All share options granted under the Pre-IPO Share Option Scheme are subject to the following vesting period:
- (a) 20% of the share options are exercisable from the date of the first anniversary of the date of grant (i.e. on or after 19 May 2015);
 - (b) 30% of the share options are exercisable from the date of the second anniversary of the date of grant (i.e. on or after 19 May 2016); and
 - (c) 50% of the share options are exercisable from the date of the third anniversary of the date of grant (i.e. on or after 19 May 2017).
- (2) The closing price of the Company's shares immediately before the date on which these share options were exercised was HK\$3.10 per share.

(b) Share Option Scheme

The principal terms of the Share Option Scheme, which shall be valid and effective for 10 years from its adoption date, are summarised below:

Purpose

The purpose of the Share Option Scheme is to reward the eligible participants who have contributed to the Group and to encourage them to work towards enhancing the value of the Company and its shareholders.

附註：

- (1) 根據首次公開發售前購股權計劃授出的所有購股權受以下歸屬期規限：
- (a) 20%購股權可自授出日期第一週年當日起（即二零一五年五月十九日或之後）行使；
 - (b) 30%購股權可自授出日期第二週年當日起（即二零一六年五月十九日或之後）行使；及
 - (c) 50%購股權可自授出日期第三週年當日起（即二零一七年五月十九日或之後）行使。
- (2) 緊接該等購股權獲行使當日目前本公司股份的收市價為每股3.10港元。

(b) 購股權計劃

購股權計劃自其採納日期起10年有效，其主要條款概述如下：

目的

購股權計劃的目的在於獎勵曾對本集團作出貢獻的合資格參與者及鼓勵彼等致力於提升本公司及其股東的價值。

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Eligible participants

The Board may at its discretion make offers inviting the Directors and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers of any member of the Group who the Board considers, in its absolute discretion, have contributed or will contribute to the Group, to take up options to subscribe for shares of the Company, subject to such conditions as the Board may think fit.

Total number of shares available for issue under the Share Option Scheme

(a) 10% limit

Subject to the following paragraph, the maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the number of shares of the Company in issue on the Listing Date (not taking into account any shares which may be allotted and issued pursuant to the over-allotment option under the IPO) (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) such other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

The Company may, from time to time, refresh the Scheme Mandate Limit by obtaining the approval of the shareholders in general meeting, provided that the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed must not exceed 10% of the shares of the Company in issue as at the date of the shareholders’ approval of the refreshed limit.

合資格參與者

董事會可酌情要約邀請本集團董事及僱員以及董事會按其絕對酌情權認為曾經或將向本集團作出貢獻的任何顧問、專家顧問、分銷商、承包商、供應商、代理人、客戶、業務夥伴、合營企業合夥人、發起人或本集團任何成員公司的服務供應商認購可認購本公司股份的購股權，惟須達成董事會認為適當的有關條件方可作實。

根據購股權計劃可供發行的股份總數

(a) 10%限額

在不違反下述段落所載情況下，因行使根據購股權計劃及本公司任何其他購股權計劃所授出全部購股權而可能發行的股份數目上限，合共不得超過於上市日期本公司已發行股份數目的10%（未計及根據首次公开发售的超額配股權可能配發及發行的任何股份）（「**計劃授權限額**」）。計算計劃授權限額時，根據購股權計劃及（視乎情況而定）本公司其他購股權計劃的條款已告失效的購股權不計算在內。

獲股東於股東大會批准後，本公司可不時更新計劃授權限額，惟基於已更新限額而行使根據購股權計劃及本公司任何其他購股權計劃所授出全部購股權而可能發行的股份總數，不得超過股東批准已更新限額當日的本公司已發行股份的10%。

The Company may also seek separate approval of the shareholders in general meeting for granting options beyond the Scheme Mandate Limit or the refreshed limit, provided that the options in excess of such limit are granted only to eligible participants specifically identified by the Company before such approval is sought.

(b) *30% limit*

The overall limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the shares of the Company in issue from time to time.

Maximum entitlement of each participant

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares of the Company in issue from time to time. Where any further grant of options to a grantee would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant exceeding 1% of the shares of the Company in issue, such further grant must be separately approved by the shareholders in general meeting with such grantee and his associates abstaining from voting.

Performance target

The Share Option Scheme allows the Board, when offering the grant of any option, to impose any condition including any performance target, which must be met before the option shall vest and become exercisable.

本公司亦可在股東大會取得股東另行批准授出超過計劃授權限額或經更新限額的購股權，惟超出有關限額的購股權僅可授予本公司徵求有關股東批准前特別物色的合資格參與者。

(b) *30%限額*

因行使根據購股權計劃及本公司任何其他購股權計劃已授出但尚未行使的全部購股權而可能發行的股份數目整體上限，合共不得超過本公司不時已發行股份的30%。

各參與者的最高權利

任何12個月期間因行使各參與者所獲授購股權（包括已行使及尚未行使的購股權）而已發行及將發行的股份總數不得超過本公司不時已發行股份的1%。凡向承授人額外授出任何購股權會導致因行使截至額外授出購股權日期為止（包括當日）的12個月內已授予或將授予該人士的所有購股權（包括已行使、已註銷及尚未行使的購股權）而已發行及將發行的股份超過本公司已發行股份的1%，則須於股東大會上經股東另行批准，而有關承授人及其聯繫人不得就此投票。

表現目標

購股權計劃允許董事會在要約授出任何購股權時施加任何條件，包括在購股權歸屬及可行使前須達成任何表現目標。

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Minimum period for which an option must be held

The Board may at its discretion, when offering the grant of any option, impose any minimum period for which an option must be held before it can be exercised.

Exercise price

The exercise price shall be determined by the Board in its absolute discretion but in any event shall be not less than the highest of:

- (a) the closing price of the shares of the Company as stated in the daily quotations sheet of the Stock Exchange on the date of grant;
- (b) the average closing price of the shares of the Company as stated in the daily quotations sheets of the Stock Exchange for the 5 business days immediately preceding the date of grant; and
- (c) the nominal value of the shares of the Company.

Amount payable upon acceptance of option

HK\$1.00 is payable by each eligible participant to the Company on acceptance of an offer of option.

The Company has not granted any share options under the Share Option Scheme since its adoption on 8 May 2014.

The total number of shares available for issue upon exercise of all share options which are not yet granted under the Share Option Scheme is 73,530,000 shares, representing approximately 7.07% of the issued share capital of the Company as at the date of this annual report (i.e. 1,039,808,000 shares).

購股權須持有的最低期限

董事會可於要約授出任何購股權時酌情施加在任何購股權可行使前須持有的最低期限。

行使價

行使價由董事會全權酌情釐定但無論如何不得低於以下之最高者：

- (a) 於授出日期聯交所每日報價表所列本公司股份的收市價；
- (b) 緊接授出日期前5個營業日聯交所每日報價表所列本公司股份的平均收市價；及
- (c) 本公司股份面值。

接納購股權時應付數額

各合資格參與者在接納購股權要約時須向本公司支付1.00港元。

本公司自二零一四年五月八日採納購股權計劃以來並無授出任何購股權。

於所有尚未授出的購股權獲行使後可供發行的股份總數為73,530,000股股份，相當於本年報日期本公司已發行股本（即1,039,808,000股股份）約7.07%。

CONNECTED TRANSACTIONS

Certain related party transactions as disclosed in Note 43 to the consolidated financial statements also constitute connected transactions or continuing connected transactions under the Listing Rules, which are required to be disclosed in accordance with Chapter 14A of the Listing Rules. The following transactions between certain connected persons (as defined in the Listing Rules) and the Group have been entered into and/or are ongoing for which relevant disclosure had been made by the Company in the prospectus of the Company dated 13 May 2014 (the “**Prospectus**”) or disclosed by way of announcement in compliance with the disclosure requirements under Chapter 14A of the Listing Rules.

On 1 August 2019, Trischel (as lessee), an indirect non-wholly owned subsidiary of the Company since completion of the acquisition on 1 August 2018, entered into the Logiwiz Sub-Lease (as defined below) and the Weft Sub-Lease (as defined below) with MAS Fabric Park (Private) Limited (“**MAS Fabric Park**”) (as lessor), each for a term of three years commencing on 1 August 2019 to 31 July 2022.

Pursuant to the sub-lease dated 1 August 2019 entered into between MAS Fabric Park (as lessor) and Trischel (as lessee), MAS Fabric Park shall sub-lease the premises situated at MAS industrial park in Nangalla and Thulhiriya Villages in the District of Kegalle, Sabaragamuwa Province in Sri Lanka with an area of approximately 70,458 sq. ft. (the “**Logiwiz Premises**”), to Trischel for a term of three years commencing on 1 August 2019 to 31 July 2022 (“**Logiwiz Sub-Lease**”). The Logiwiz Premises are used by Trischel as a warehouse.

關連交易

綜合財務報表附註43中披露的若干關聯方交易亦構成上市規則項下的關連交易或持續關連交易，須根據上市規則第14A章予以披露。若干關連人士（定義見上市規則）與本集團之間已訂立及／或正在進行以下交易，本公司已遵照上市規則第14A章的披露要求在本公司日期為二零一四年五月十三日之招股章程（「**招股章程**」）中對其作出相關披露或透過公告予以披露。

於二零一九年八月一日，Trischel（作為承租人，自二零一八年八月一日收購完成後為本公司間接非全資附屬公司）與MAS Fabric Park (Private) Limited（「**MAS Fabric Park**」）（作為出租人）訂立Logiwiz分租協議（定義見下文）及Weft分租協議（定義見下文），各項分租協議的年期自二零一九年八月一日起至二零二二年七月三十一日為期三年。

根據MAS Fabric Park（作為出租人）與Trischel（作為承租人）訂立日期為二零一九年八月一日的分租協議，MAS Fabric Park將向Trischel分租位於斯里蘭卡Sabaragamuwa省Kegalle區Nangalla及Thulhiriya村MAS工業園，面積約70,458平方英尺的物業（「**Logiwiz物業**」），年期自二零一九年八月一日起至二零二二年七月三十一日為期三年（「**Logiwiz分租協議**」）。Logiwiz物業將由Trischel用作倉庫用途。

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Pursuant to the Logiwiz Sub-Lease, Trischel shall pay the following rentals and premium to MAS Fabric Park: (i) total ground rental of US\$38,475 calculated on the basis of US\$5,130 per acre per annum, payable in 12 instalments on the first day of August, November, February and May each calendar year during the term of the Logiwiz Sub-Lease; (ii) total building rental of US\$486,160.20 calculated on the basis of US\$2.30 per sq. ft. per annum, payable in 12 instalments on the first day of August, November, February and May each calendar year during the term of the Logiwiz Sub-Lease; and (iii) up-front premium of US\$9,000 calculated on the basis of US\$3,600 per acre, payable on the date of the agreement. In addition, Trischel shall pay the renovation fee of US\$125,277.68 to MAS Fabric Park on the date of the agreement.

Pursuant to the sub-lease dated 1 August 2019 entered into between MAS Fabric Park (as lessor) and Trischel (as lessee), MAS Fabric Park shall sub-lease the premises situated at MAS industrial park in Nangalla and Thulhiriya Villages in the District of Kegalle, Sabaragamuwa Province, Sri Lanka with an area of approximately 44,435 sq. ft. (the “**Weft Premises**”), to Trischel for a term of three years commencing on 1 August 2019 to 31 July 2022 (“**Weft Sub-Lease**”). The Weft Premises are used by Trischel as an expansion of its existing production site.

Pursuant to the Weft Sub-Lease, Trischel shall pay the following rentals and premium to MAS Fabric Park: (i) total ground rental of US\$22,119.93 calculated on the basis of US\$5,130 per acre per annum, payable in 12 instalments on the first day of August, November, February and May each calendar year during the term of the Weft Sub-Lease; (ii) total building rental of US\$306,601.50 calculated on the basis of US\$2.30 per sq. ft. per annum, payable in 12 instalments on the first day of August, November, February and May each calendar year during the term of the Weft Sub-Lease; and (iii) up-front premium of US\$5,174.25 calculated on the basis of US\$3,600 per acre, payable on the date of the agreement. In addition, Trischel shall pay the renovation fee of US\$106,807.51 to MAS Fabric Park on the date of the agreement.

根據Logiwiz分租協議，Trischel將向MAS Fabric Park支付以下租金及出讓金：(i)基於每年每英畝5,130美元計算的總地租38,475美元，須分12期，於Logiwiz分租協議期間每個曆年八月、十一月、二月及五月首日支付；(ii)基於每年每平方英尺2.30美元計算的總樓宇租金486,160.20美元，須分12期，於Logiwiz分租協議期間每個曆年八月、十一月、二月及五月首日支付；及(iii)基於每英畝3,600美元計算的預付出讓金9,000美元，須於協議日期支付。同時，Trischel於協議日期向MAS Fabric Park支付裝修費125,277.68美元。

根據MAS Fabric Park（作為出租人）與Trischel（作為承租人）訂立日期為二零一九年八月一日的分租協議，MAS Fabric Park將向Trischel分租位於斯里蘭卡Sabaragamuwa省Kegalle區Nangalla及Thulhiriya村MAS工業園，面積約44,435平方英尺的物業（「**Weft物業**」），年期自二零一九年八月一日起至二零二二年七月三十一日為期三年（「**Weft分租協議**」）。Weft物業將由Trischel用作擴張其現有生產基地。

根據Weft分租協議，Trischel將向MAS Fabric Park支付以下租金及出讓金：(i)基於每年每英畝5,130美元計算的總地租22,119.93美元，須分12期，於Weft分租協議期間每個曆年八月、十一月、二月及五月首日支付；(ii)基於每年每平方英尺2.30美元計算的總樓宇租金306,601.50美元，須分12期，於Weft分租協議期間每個曆年八月、十一月、二月及五月首日支付；及(iii)基於每英畝3,600美元計算的預付出讓金5,174.25美元，須於協議日期支付。同時，Trischel於協議日期向MAS Fabric Park支付裝修費106,807.51美元。

Further details of the Logiwiz Sub-Lease and the Weft Sub-Lease were disclosed in the Company's announcement dated 1 August 2019.

As at 1 August 2019 and the date of this annual report, MAS Fabric Park, is an indirect wholly owned subsidiary of MAS Holdings (Pvt) Ltd, which is the holding company of the MAS Capital (Private) Limited, indirectly holding 49% of the issued share capital of Trischel and hence a substantial shareholder of Trischel. Accordingly, MAS Fabric Park is a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules, and the transactions contemplated under the Logiwiz Sub-Lease and Weft Sub-Lease constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

a. Lease of certain premises for the use of production plant and dormitories in Humen Town

As disclosed in the Prospectus, on 1 January 2014, the Humen branch of Dongguan NHE, an indirect wholly-owned subsidiary of the Company, as lessee and Mr. Lu, as lessor, the Chairman and controlling shareholder of the Company, entered into a lease contract in relation to the lease of certain buildings with a gross floor area of approximately 5,835 square meters in Humen Town, Dongguan City, Guangdong Province, China, for the use as a production plant and dormitories for the staff of the Group for a term of three years from 1 January 2014 to 31 December 2016.

Logiwiz分租協議及Weft分租協議之進一步詳情披露於本公司日期為二零一九年八月一日之公告。

於二零一九年八月一日及本年報日期，MAS Fabric Park為MAS Holdings (Pvt) Ltd的間接全資附屬公司，而MAS Holdings (Pvt) Ltd為MAS Capital (Private) Limited的控股公司，間接持有Trischel已發行股本的49%，因此為Trischel的主要股東。因此，MAS Fabric Park為上市規則第14A.06(9)條項下本公司附屬公司層級的關連人士，且Logiwiz分租協議及Weft分租協議項下擬進行的交易構成上市規則第14A章項下本公司的關連交易。

持續關連交易

a. 租賃若干物業用作虎門鎮的生產廠房及宿舍

誠如招股章程所披露，於二零一四年一月一日，東莞潤信虎門分公司（本公司一間間接全資附屬公司，作為承租人）與本公司主席兼控股股東盧先生（作為出租人）就租賃中國廣東省東莞市虎門鎮總建築面積約5,835平方米的若干樓宇訂立一份租賃合同，將其用作本集團的生產廠房及員工宿舍，租期自二零一四年一月一日至二零一六年十二月三十一日止為期三年。

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To ensure the continuous use of those buildings, on 31 March 2017, Dongguan NHE and Mr. Lu entered into a lease contract (the “**Renewed Humen Lease Contract**”) for renewal of the above lease contract for a term of three years commencing from 1 April 2017 to 31 March 2020. The terms under the Renewed Humen Lease Contract are substantially the same as those under the above lease contract, save that the monthly rental payable under the Renewed Humen Lease Contract for the financial year ended 31 December 2019 was RMB105,905 and the maximum monthly rental payable for the financial years ending 31 December 2020 shall be RMB116,525. The rental so charged by Mr. Lu is determined by reference to the historical rents of those buildings, the prevailing market rents for similar premises in the same or nearby areas or similar locations in China, the terms and conditions of the Renewed Humen Lease Contract, the historical trend and the expected increase in the rents in the PRC property market and inflation. Further details of the Renewed Humen Lease Contract were disclosed by the Company in its announcement dated 31 March 2017.

During the year ended 31 December 2019, rental paid to Mr. Lu by the Group amounted to RMB1,270,860 (equivalent to approximately HK\$1,444,705).

b. Lease of certain premises for the use of production plant and dormitories in Houjie Town

As disclosed in the Prospectus, on 1 January 2014, Dongguan NHE as lessee and Mr. Lu as lessor entered into two lease contracts in relation to the lease of certain buildings with a total gross floor area of approximately 17,370 square meters in Houjie Town, Dongguan City, Guangdong Province, China, for the use as administrative offices, a production plant and dormitories for the staff of the Group for a term of three years from 1 January 2014 to 31 December 2016.

為確保該等樓宇的持續使用，於二零一七年三月三十一日，東莞潤信與盧先生訂立一份租賃合同（「**經續訂虎門租賃合同**」），以續訂上述租賃合同，自二零一七年四月一日起至二零二零年三月三十一日止為期三年。經續訂虎門租賃合同下的條款與上述租賃合同的條款基本相同，惟於截至二零一九年十二月三十一日止財政年度根據經續訂虎門租賃合同應付的月租為人民幣105,905元，而於截至二零二零年十二月三十一日止財政年度應付的最高月租則為人民幣116,525元。盧先生收取的租金乃參考該等樓宇的歷史租金、中國同一地區或鄰近地區或類似地點類似處所的現行市場租金、經續訂虎門租賃合同的條款及條件、中國房地產市場租金的歷史趨勢及預期增長以及通貨膨脹釐定。經續訂虎門租賃合同的進一步詳情於本公司日期為二零一七年三月三十一日的公告中披露。

於截至二零一九年十二月三十一日止年度內，本集團向盧先生支付的租金為人民幣1,270,860元（相當於約1,444,705港元）。

b. 租賃若干物業用於厚街鎮的生產廠房及宿舍

誠如招股章程所披露，於二零一四年一月一日，東莞潤信（作為承租人）與盧先生（作為出租人）就租賃中國廣東省東莞市厚街鎮總建築面積約17,370平方米的若干樓宇訂立兩份租賃合同，將其用作本集團的行政辦公室、生產廠房及員工宿舍。兩份租約的期限自二零一四年一月一日至二零一六年十二月三十一日止為期三年。

To ensure the continuous use of those buildings, on 31 March 2017, Dongguan NHE and Mr. Lu entered into another two lease contracts (the “**Renewed Houjie Lease Contracts**”) for renewal of the above lease contracts for a term of three years commencing from 1 April 2017 to 31 March 2020. The respective terms under the Renewed Houjie Lease Contracts are substantially the same as those under the above two lease contracts, save that the aggregated monthly rental under the Renewed Houjie Lease Contracts for the financial year ended 31 December 2019 was RMB315,266 and the maximum aggregated monthly rental payable for the financial years ending 31 December 2020 shall be RMB346,879. The rental so charged by Mr. Lu is determined by reference to the historical rents of those buildings, the prevailing market rents for similar premises in the same or nearby areas or similar locations in China, the terms and conditions of the Renewed Houjie Lease Contracts, the historical trend and the expected increase in the rents in the PRC property market and inflation. Further details of the Renewed Houjie Lease Contracts were disclosed by the Company in its announcement dated 31 March 2017.

During the year ended 31 December 2019, rental paid to Mr. Lu by the Group amounted to RMB3,783,192 (equivalent to approximately HK\$4,300,708).

c. Lease of certain property for daily production and operational use in Machong Town

On 25 September 2015, Dongguan BPT, an indirect wholly-owned subsidiary of the Company, as lessee, and Dongguan Quality Clothing Company Limited (“**Dongguan Clothing**”) as lessor entered into a lease agreement (the “**Machong Lease Agreement**”) in relation to the lease of a property with a total leasing area of approximately 21,868 square meters in Machong Town, Dongguan City, Guangdong Province, China for the Group’s daily production and operational use at a monthly rental of RMB328,020. The lease was for a term of three years from 1 October 2015 to 30 September 2018, and was terminable by mutual agreement.

為確保該等樓宇的持續使用，於二零一七年三月三十一日，東莞潤信與盧先生訂立另兩份租賃合同（「**經續訂厚街租賃合同**」），以續訂上述租賃合同，自二零一七年四月一日起至二零二零年三月三十一日止為期三年。經續訂厚街租賃合同下的相關條款與上述兩份租賃合同的條款基本相同，惟於截至二零一九年十二月三十一日止財政年度根據經續訂厚街租賃合同應付的總月租為人民幣315,266元，而於截至二零二零年十二月三十一日止財政年度應付的最高總月租則為人民幣346,879元。盧先生收取的租金乃參考該等樓宇的歷史租金、中國同一地區或鄰近地區或類似地點類似處所的現行市場租金、經續訂厚街租賃合同的條款及條件、中國房地產市場租金的歷史趨勢及預期增長以及通貨膨脹釐定。經續訂厚街租賃合同的進一步詳情於本公司日期為二零一七年三月三十一日的公告中披露。

於截至二零一九年十二月三十一日止年度內，本集團向盧先生支付的租金為人民幣3,783,192元（相當於約4,300,708港元）。

c. 於麻涌鎮租賃若干物業用於日常生產及經營用途

於二零一五年九月二十五日，本公司的間接全資附屬公司東莞超盈（作為承租人）與東莞市質品服飾有限公司（「**東莞質品**」，作為出租人）訂立一項租賃協議（「**麻涌租賃協議**」），該協議乃關於租賃中國廣東省東莞市麻涌鎮總租賃面積為約21,868平方米的物業，用於本集團的日常生產及經營用途，月租為人民幣328,020元。租約為期三年，自二零一五年十月一日至二零一八年九月三十日，可透過互相協定予以終止。

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To ensure the continuous use of the property, on 28 September 2018, Dongguan BPT and Dongguan Clothing entered into a lease agreement (the **“Renewed Machong Lease Agreement”**) for renewal of the above lease agreement for a term of three years commencing from 1 October 2018 to 30 September 2021. The terms under the Renewed Machong Lease Agreement are substantially the same as those under the above lease agreement, save that the monthly rental payable under the Renewed Machong Lease Agreement for the first year of the lease (i.e. from 1 October 2018 to 31 December 2018) shall be RMB393,624 and the maximum annual rent for the second year and third year of the lease shall not exceed RMB5,195,837 and RMB5,715,420 respectively. The rental so charged by Dongguan Clothing is determined by reference to (i) the historical rents of the property; (ii) the prevailing market rents of similar properties in the same or nearby areas or similar locations in the PRC; (iii) the conditions of the property, including but not limited to the location of the property as well as the facilities associated with the property; and (iv) the historical trend and the expected increase in the rents in the PRC property market. Dongguan BPT shall be responsible for all the charges for the utility services to be used in respect of the property. The annual caps for the transaction amounts payable by Dongguan BPT under the Renewed Machong Lease Agreement for the financial year ended 31 December 2019 was RMB7,400,000 and for the financial years ending 31 December 2020 and 2021 shall be RMB7,900,000 and RMB6,087,000 respectively. Further details of the Renewed Machong Lease Agreement were disclosed by the Company in its announcement dated 28 September 2018.

During the year ended 31 December 2019, rental and charges for the utility services paid to Dongguan Clothing by the Group under the Renewed Machong Lease Agreement amounted to approximately RMB7,202,807 (equivalent to approximately HK\$8,172,914).

為確保該物業的持續使用，於二零一八年九月二十八日，東莞超盈與東莞質品訂立一份租賃協議（「**經續訂麻涌租賃協議**」），以續訂上述租賃協議，自二零一八年十月一日起至二零二一年九月三十日止為期三年。經續訂麻涌租賃協議下的條款與上述租賃協議的條款基本相同，惟於租賃第一年（即自二零一八年十月一日至二零一八年十二月三十一日）根據經續訂麻涌租賃協議應付的月租為人民幣393,624元，而租賃第二年及第三年的最高年租分別不得超過人民幣5,195,837元及人民幣5,715,420元。東莞質品收取的租金乃參考以下各項釐定：(i)該物業的歷史租金；(ii)中國同一地區或鄰近地區或類似地點的類似物業的現行市場租金；(iii)該物業的狀況，包括但不限於該物業的位置以及與該物業相關的設施；及(iv)中國房地產市場租金的歷史趨勢及預期增長。東莞超盈須負責就物業使用的公用服務承擔所有相關支出。東莞超盈於截至二零一九年十二月三十一日止財政年度根據經續訂麻涌租賃協議須支付的年度上限為人民幣7,400,000元，而於截至二零二零年及二零二一年十二月三十一日止財政年度須分別支付人民幣7,900,000元及人民幣6,087,000元。經續訂麻涌租賃協議的進一步詳情由本公司於其日期為二零一八年九月二十八日的公告中披露。

截至二零一九年十二月三十一日止年度，本集團根據經續訂麻涌租賃協議向東莞質品支付的租金及公用服務相關支出為約人民幣7,202,807元（相當於約8,172,914港元）。

As at 25 September 2015 and 28 September 2018, Dongguan Clothing is owned as to 50% by Ms. Wu Wanxiong (the spouse of Mr. Lu, an executive Director and the Chairman of the Company, and the sister of Mr. Wu, an executive Director of the Company), 30% by Ms. Zheng (an executive Director and the Chief Operating Officer of the Company and the spouse of Mr. Zhang, an executive Director and the Chief Executive Officer of the Company), 10% by Mr. Wu Junjie (the son of Mr. Wu) and 10% by Mr. Lu Canping (the nephew of Mr. Lu). As at the date of this annual report, Dongguan Clothing is owned as to 40% by Ms. Wu Wanxiong, 40% by Ms. Zheng, 10% by Mr. Wu Junjie and 10% by Mr. Lu Canping. Accordingly, Dongguan Clothing is an associate of Mr. Lu, Ms. Zheng, Mr. Zhang and Mr. Wu, and therefore is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules.

d. Sales of elastic fabric and elastic webbing to Dongguan Clothing

On 3 May 2016, Dongguan BPT and Dongguan NHE (as suppliers) entered into a sales agreement (the “**Sales Agreement**”) with Dongguan Clothing (as purchaser) in relation to the sales of elastic fabric and elastic webbing for a term of three years commencing from 4 May 2016 to 3 May 2019. Further details of the Sales Agreement were disclosed in the Company’s announcement dated 3 May 2016.

From 1 January 2019 to 3 May 2019, sales to Dongguan Clothing by Dongguan BPT and Dongguan NHE under the Sales Agreement amounted to approximately RMB5,080,187 (equivalent to approximately HK\$5,930,545).

於二零一五年九月二十五日及二零一八年九月二十八日，東莞質品由吳婉雄女士（本公司執行董事兼主席盧先生的配偶及本公司執行董事吳先生的妹妹）、鄭女士（本公司執行董事兼首席運營官且為本公司執行董事兼行政總裁張先生的配偶）、吳俊傑先生（吳先生的兒子）及盧燦平先生（盧先生的侄兒）分別擁有50%、30%、10%及10%之股權。於本年報日期，東莞質品由吳婉雄女士、鄭女士、吳俊傑先生及盧燦平先生分別擁有40%、40%、10%及10%之股權。因此，東莞質品為盧先生、鄭女士、張先生及吳先生的聯繫人士，故根據上市規則第14A.07條為本公司之關連人士。

d. 銷售彈性織物面料及彈性織帶予東莞質品

於二零一六年五月三日，東莞超盈及東莞潤信（作為供應商）與東莞質品（作為買方）訂立銷售協議（「**銷售協議**」），內容有關銷售彈性織物面料及彈性織帶，銷售年期自二零一六年五月四日至二零一九年五月三日止為期三年。銷售協議的進一步詳情於本公司日期為二零一六年五月三日的公告中披露。

自二零一九年一月一日至二零一九年五月三日，根據銷售協議，東莞超盈及東莞潤信向東莞質品的銷售為約人民幣5,080,187元（相當於約5,930,545港元）。

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On 3 May 2019, Dongguan BPT and Dongguan NHE (as suppliers) entered into a sales agreement (the **“Renewed Sales Agreement”**) with Dongguan Clothing (as purchaser) in relation to the sale of elastic fabric, elastic webbing, lace, printing and embroidery for a term of three years commencing from 4 May 2019 to 3 May 2022. Pursuant to the Renewed Sales Agreement, the selling prices for elastic fabric shall be between the price range of RMB5 to RMB200 per meter (tax inclusive); the selling prices for lace shall be between the price range of RMB0.5 to RMB80 per meter (tax inclusive); the selling prices for printing and embroidery shall be between the price range of RMB5 to RMB40 per meter (tax inclusive) or the price range of RMB0.5 to RMB15 per piece (tax inclusive); and the selling prices for elastic webbing shall be between the price range of RMB0.5 to RMB2 per meter (tax inclusive). The selling price ranges for the goods under the Renewed Sales Agreement were determined after arm's length negotiation between the parties thereto and with reference to (i) the historical and prevailing market price of the same and similar goods in the area, (ii) the historical and prevailing selling prices of Dongguan BPT and Dongguan NHE for the goods, and (iii) the credit worthiness and potential business growth of Dongguan Clothing. The annual caps for the transaction amounted under the Renewed Sales Agreement for the financial year ended 31 December 2019 was RMB20 million and for the financial years ending 31 December 2020, 2021 and 2022 shall be RMB45 million, RMB60 million and RMB30 million respectively. Further details of the Renewed Sales Agreement were disclosed in the Company's announcement dated 3 May 2019.

From 4 May 2019 to 31 December 2019, sales to Dongguan Clothing by Dongguan BPT and Dongguan NHE under the Renewed Sales Agreement amounted to approximately RMB19,852,295 (equivalent to approximately HK\$22,157,180).

於二零一九年五月三日，東莞超盈及東莞潤信（作為供應商）與東莞質品（作為買方）訂立銷售協議（「**重續銷售協議**」），內容有關銷售彈性織物面料、彈性織帶、蕾絲、印花及繡花，銷售年期自二零一九年五月四日至二零二二年五月三日止為期三年。根據重續銷售協議，彈性織物面料的銷售價範圍介乎於每米人民幣5元至人民幣200元（含稅）；蕾絲的銷售價範圍介乎於每米人民幣0.5元至人民幣80元（含稅）；印花及繡花的銷售價範圍介乎於每米人民幣5元至人民幣40元（含稅）或價格範圍介乎於每件人民幣0.5元至人民幣15元（含稅）；而彈性織帶的銷售價範圍介乎於每米人民幣0.5元至人民幣2元（含稅）。重續銷售協議項下貨品之銷售價範圍乃經重續銷售協議項下訂約方公平磋商並參照(i)於相關區域等同及相若貨品之過往及現行市價；(ii)東莞超盈及東莞潤信就貨品提出之過往及現行銷售價；及(iii)東莞質品之信貸狀況及潛在業務增長後釐定。重續銷售協議項下交易額的年度上限於截至二零一九年十二月三十一日止財政年度為人民幣20百萬元，而於截至二零二零年、二零二一年及二零二二年十二月三十一日止財政年度則分別為人民幣45百萬元、人民幣60百萬元及人民幣30百萬元。重續銷售協議的進一步詳情於本公司日期為二零一九年五月三日的公告中披露。

自二零一九年五月四日至二零一九年十二月三十一日，根據重續銷售協議，東莞超盈及東莞潤信向東莞質品的銷售為約人民幣19,852,295元（相當於約22,157,180港元）。

As at 3 May 2016 and 3 May 2019, Dongguan Clothing is owned as to 50% by Ms. Wu Wanxiong (the spouse of Mr. Lu, an executive Director and the Chairman of the Company, and the sister of Mr. Wu, an executive Director of the Company), 30% by Ms. Zheng (an executive Director and the Chief Operating Officer of the Company and the spouse of Mr. Zhang, an executive Director and the Chief Executive Officer of the Company), 10% by Mr. Wu Junjie (the son of Mr. Wu) and 10% by Mr. Lu Canping (the nephew of Mr. Lu). As at the date of this annual report, Dongguan Clothing is owned as to 40% by Ms. Wu Wanxiong, 40% by Ms. Zheng, 10% by Mr. Wu Junjie and 10% by Mr. Lu Canping. Accordingly, Dongguan Clothing is an associate of Mr. Lu, Ms. Zheng, Mr. Zhang and Mr. Wu, and therefore is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules.

e. Sales of synthetic fabric and webbing to the Brandix Group

On 6 November 2017, Best Pacific Textile Holdings Limited (“BPTHL”), a wholly-owned subsidiary of the Company, entered into a framework agreement (the “**Brandix Framework Agreement**”) with Brandix Lanka Limited (“**Brandix**”) for a term of three years commencing from 6 November 2017.

Pursuant to the Brandix Framework Agreement, BPTHL and its affiliates (collectively, the “**BPTHL Group**”) (as seller) and Brandix and its affiliates (collectively, the “**Brandix Group**”) (as purchaser) will enter into transactions relating to the sale and purchase of the synthetic fabric and webbing (or any other products as may be agreed between the parties) from time to time on normal commercial terms and subject to and upon the terms and conditions to be agreed between the relevant members of the BPTHL Group and the Brandix Group, setting out, among other things, the products to be supplied, specifications, quantity, price, delivery method and payment arrangement.

於二零一六年五月三日及二零一九年五月三日，東莞質品由吳婉雄女士（本公司執行董事兼主席盧先生的配偶及本公司執行董事吳先生的妹妹）、鄭女士（本公司執行董事兼首席運營官且為本公司執行董事兼行政總裁張先生的配偶）、吳俊傑先生（吳先生的兒子）及盧燦平先生（盧先生的侄兒）分別擁有50%、30%、10%及10%之股權。於本年報日期，東莞質品由吳婉雄女士、鄭女士、吳俊傑先生及盧燦平先生分別擁有40%、40%、10%及10%之股權。因此，東莞質品為盧先生、鄭女士、張先生及吳先生的聯繫人士，故根據上市規則第14A.07條為本公司之關連人士。

e. 銷售合成織物面料及織帶予Brandix集團

於二零一七年十一月六日，本公司之全資附屬公司超盈紡織控股有限公司（「超盈紡織控股」）與Brandix Lanka Limited（「**Brandix**」）訂立框架協議（「**Brandix**框架協議」），自二零一七年十一月六日起為期三年。

根據Brandix框架協議，超盈紡織控股及其聯屬公司（統稱「**超盈紡織控股集團**」）（作為賣方）與Brandix及其聯屬公司（統稱「**Brandix**集團」）（作為買方）將按正常商業條款不時進行有關合成織物面料及織帶（或雙方之間可能商定的任何產品）之買賣交易，且該等交易須遵守將由超盈紡織控股集團及Brandix集團之相關成員同意之條款及條件，其中包括將供應之產品、規格、數量、價格、運輸方法及付款安排。

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The annual caps for the transaction amounts under the Brandix Framework Agreement for the financial year ended 31 December 2019 was US\$36 million and for the financial year ending 31 December 2020 shall be US\$64 million. During the year ended 31 December 2019, the sales to the Brandix Group by the BPTHL Group under the Brandix Framework Agreement amounted to approximately US\$17,414,284 (equivalent to approximately HK\$135,831,415). Further details of the Brandix Framework Agreement were disclosed in the Company's announcement dated 6 November 2017.

As at 6 November 2017 and the date of this annual report, BPTL, a non-wholly owned subsidiary of the Company, is owned as to 75% by the Company, via Best Pacific International Sri Lanka (Pannala) Limited, and 25% by Brandix. Accordingly, Brandix, as a substantial shareholder of BPTL, is a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules.

f. Sub-lease of a land for the use of production plant by MAS Fabric Park

On 22 December 2006, Trischel, a non-wholly owned subsidiary of the Company since completion of the acquisition on 1 August 2018, entered into an agreement (the "**Sub-Lease Agreement**") with MAS Fabric Park, an indirect wholly-owned subsidiary of MAS and a substantial shareholder of Trischel, for sub-leasing a piece of land, situated in Nangalla and Thulhiriya Villages in the District of Kegalle, Sabaragamuwa Province, Sri Lanka, with an approximate area of 3.37818 hectares, to Trischel for a term of 98 years and 7 months commencing on 22 December 2006 and ending on 29 July 2105.

Brandix框架協議項下於截至二零一九年十二月三十一日止財政年度之交易金額年度上限為36百萬美元，而於截至二零二零年十二月三十一日止財政年度之交易金額年度上限為64百萬美元。截至二零一九年十二月三十一日止年度，超盈紡織控股集團根據Brandix框架協議售予Brandix集團的銷售總額為約17,414,284美元（相當於約135,831,415港元）。有關Brandix框架協議的進一步詳情已於本公司日期為二零一七年十一月六日之公告中披露。

於二零一七年十一月六日及本年報日期，本公司之非全資附屬公司BPTL，由本公司（透過Best Pacific International Sri Lanka (Pannala) Limited）及Brandix分別擁有75%及25%股權。因此，根據上市規則第14A.06(9)條，作為BPTL主要股東的Brandix已成為本公司在附屬公司層級之關連人士。

f. 分租作為MAS Fabric Park生產廠房的土地

於二零零六年十二月二十二日，自收購事項於二零一八年八月一日完成後即成為本公司非全資附屬公司的Trischel與MAS Fabric Park（MAS之間接全資附屬公司及Trischel主要股東）訂立協議（「分租協議」），以向Trischel分租一塊位於斯里蘭卡Sabaragamuwa省Kegalle區Nangalla及Thulhiriya村面積為約3.37818公頃之土地，為期98年又7個月，自二零零六年十二月二十二日起至二零五五年七月二十九日止。

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Pursuant to the Sub-Lease Agreement, the initial ground rent was US\$29,218 per annum as at signing of the Sub-Lease Agreement, which shall be adjusted annually in line with the ground rent charged or chargeable at other industrial zones as published by Board of Investment of Sri Lanka (“**BOI**”), a governmental authority in Sri Lanka, and shall be paid on or before 22 December each year.

The annual caps for the transaction amounts under the Sub-Lease Agreement for the financial year ended 31 December 2019 was US\$57,000 and for the financial years ending 31 December 2020, 2021 and 2022 shall be US\$68,000, US\$81,000 and US\$97,000 respectively. During the year ended 31 December 2019, the ground rent paid to MAS Fabric Park by Trischel under the Sub-Lease Agreement amounted to approximately US\$39,696 (equivalent to approximately HK\$309,626). Further details of the Sub-Lease Agreement were disclosed in the Company’s announcement dated 4 December 2017.

Since completion of the acquisition on 1 August 2018, Trischel has become a non-wholly owned subsidiary of the Company in which 51% is indirectly owned by the Company, via Best Pacific International Sri Lanka (Thulhiriya) Limited, and 49% is owned by MAS Capital, which is a wholly-owned subsidiary of MAS. Accordingly, MAS Fabric Park, as an indirect wholly-owned subsidiary of MAS, has become a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules since 1 August 2018.

根據分租協議，於簽訂分租協議時之最初地租為每年29,218美元，可每年按斯里蘭卡投資局（「**投資局**」，一個於斯里蘭卡的政府機關）所公佈在其他工業區內收取或應收的地租水平予以調整，並應於每年十二月二十二日或之前支付。

分租協議項下截至二零一九年十二月三十一日止財政年度、截至二零二零年、二零二一年及二零二二年十二月三十一日止財政年度的交易金額年度上限分別為57,000美元、68,000美元、81,000美元及97,000美元。截至二零一九年十二月三十一日止年度，Trischel根據分租協議向MAS Fabric Park支付的地租為約39,696美元（相當於約309,626港元）。有關分租協議的進一步詳情已於本公司日期為二零一七年十二月四日之公告中披露。

自收購事項於二零一八年八月一日完成後，Trischel已成為本公司非全資附屬公司，由本公司通過Best Pacific International Sri Lanka (Thulhiriya) Limited間接擁有51%股權及由MAS全資附屬公司MAS Capital擁有49%股權。因此，根據上市規則第14A.06(9)條，MAS間接全資附屬公司MAS Fabric Park自二零一八年八月一日起已成為本公司在附屬公司層級之關連人士。

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g. Utilities services provided by MAS Fabric Park

On 22 December 2006, Trischel also entered into a services agreement (the “**Services Agreement**”) with MAS Fabric Park pursuant to which MAS Fabric Park shall provide Trischel with electricity, steam, water, effluent discharge and fire hydrant water supply. The Services Agreement shall come into force and will be valid so long as the Sub-Lease Agreement remains valid and effective.

The initial monthly base service charge payable by Trischel to MAS Fabric Park was US\$5,000 as at signing of the Services Agreement which shall be adjusted annually with reference to the LIBOR. In addition to the monthly base service charge, Trischel shall also pay to MAS Fabric Park the utilities fees in amounts calculated with reference to the actual number of units or volume of use.

The annual caps for the transaction amounts under the Services Agreement for the financial year ended 31 December 2019 was US\$2,794,000 and for the financial years ending 31 December 2020, 2021 and 2022, shall be US\$3,495,000, US\$8,093,000 and US\$9,462,000 respectively. During the year ended 31 December 2019, the total service charge paid to MAS Fabric Park by Trischel under the Services Agreement amounted to approximately US\$2,693,115 (equivalent to approximately HK\$21,006,298). Further details of the Services Agreement were disclosed in the Company’s announcement dated 4 December 2017.

g. MAS Fabric Park提供公用設施服務

於二零零六年十二月二十二日，Trischel亦與MAS Fabric Park訂立服務協議（「**服務協議**」），據此，MAS Fabric Park須向Trischel提供電力、蒸汽、用水、污水排放及消防栓供水系統。凡分租協議仍屬有效及具效力，服務協議將生效及有效。

於簽訂服務協議時，Trischel應付MAS Fabric Park之最初每月基本服務費為5,000美元，並應每年參考倫敦銀行同業拆息予以調整。除每月基本服務費外，Trischel亦應向MAS Fabric Park支付根據使用的實際單位數目或用量計算金額之公用設施費用。

服務協議項下截至二零一九年十二月三十一日止財政年度、截至二零二零年、二零二一年及二零二二年十二月三十一日止財政年度的交易金額年度上限分別為2,794,000美元、3,495,000美元、8,093,000美元及9,462,000美元。截至二零一九年十二月三十一日止年度，Trischel根據服務協議向MAS Fabric Park支付的服務費總額為約2,693,115美元（相當於約21,006,298港元）。有關服務協議的進一步詳情已於本公司日期為二零一七年十二月四日之公告中披露。

h. Installation, maintenance and operation services in relation to a biomass thermic oil heater provided by MAS Fabric Park

On 15 July 2016, Trischel entered into a memorandum of understanding (the “**MOU**”) with MAS Fabric Park in relation to provision by MAS Fabric Park to Trischel of installation, maintenance and operation services in relation to a biomass thermic oil heater for a term of 10 years commencing from 15 July 2016 and ending on 14 July 2026. MAS Fabric Park shall bear the total cost of investment on purchasing and installation of the said heater pursuant to the MOU.

MAS Fabric Park shall charge Trischel at a rate determined according to the MOU for the energy consumed subject to review (and agreement between the parties to the MOU) annually in line with the percentage change in firewood prices and costs of labour, maintenance and electricity relating to the operation of the oil heater. MAS Fabric Park shall in addition to the above costs, charge a minimal administrative charge.

The annual caps for the transaction amounts under the MOU for the financial year ended 31 December 2019 was US\$897,000 and for the financial years ending 31 December 2020, 2021 and 2022 shall be US\$1,127,000, US\$2,321,000 and US\$2,715,000 respectively. During the year ended 31 December 2019, the total service charge paid to MAS Fabric Park by Trischel under the MOU amounted to approximately US\$631,850 (equivalent to approximately HK\$4,928,430). Further details of the MOU were disclosed in the Company’s announcement dated 4 December 2017.

h. MAS Fabric Park提供有關生物質導熱油加熱器之安裝、維護及營運服務

於二零一六年七月十五日，Trischel與MAS Fabric Park訂立諒解備忘錄（「**諒解備忘錄**」），內容有關MAS Fabric Park向Trischel提供生物質導熱油加熱器之安裝、維護及營運相關服務，為期10年，自二零一六年七月十五日起至二零二六年七月十四日止。根據諒解備忘錄，MAS Fabric Park應承擔購買及安裝上述加熱器之總投資成本。

MAS Fabric Park將按根據諒解備忘錄所載的收費率，就所耗用的能源向Trischel收取費用，並可每年參照木柴價格及勞工、有關營運導熱油加熱器之維護及電力的成本之變動百分比率作檢討（及由諒解備忘錄訂約方之間協商）。除上述費用外，MAS Fabric Park將收取最小的行政費用。

諒解備忘錄項下截至二零一九年十二月三十一日止財政年度、截至二零二零年、二零二一年及二零二二年十二月三十一日止財政年度的交易金額年度上限分別為897,000美元、1,127,000美元、2,321,000美元及2,715,000美元。截至二零一九年十二月三十一日止年度，Trischel根據諒解備忘錄向MAS Fabric Park支付的服務費總額為約631,850美元（相當於約4,928,430港元）。有關諒解備忘錄的進一步詳情已於本公司日期為二零一七年十二月四日之公告中披露。

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i. Sales of synthetic textiles and textile related products to the MAS Group

On 4 December 2017, BPTHL, a wholly-owned subsidiary of the Company, entered into a framework agreement (the “**MAS Framework Agreement**”) with MAS Capital for a term of three years commencing on the date on which the completion of the acquisition takes place, i.e. 1 August 2018.

On 31 December 2019, BPTHL and MAS Capital entered into a supplemental agreement (the “**MAS Supplemental Agreement**”) to revise the annual cap for the financial year ended 31 December 2019 and for the financial year ending 31 December 2020, and to decide the annual cap for the financial year ending 31 December 2021. Save for the annual caps as amended and decided under the MAS Supplemental Agreement as abovementioned, all other terms of the MAS Framework Agreement remain unchanged.

Pursuant to the MAS Framework Agreement (as amended by the MAS Supplemental Agreement), the BPTHL Group (as seller) has agreed to sell synthetic textiles and textile related products including synthetic fabrics to MAS Capital and its affiliates (collectively, the “**MAS Group**”) (as purchaser) from time to time on normal commercial terms and subject to and upon the terms and conditions contained in the purchase orders to be agreed between the relevant members of the BPTHL Group and the MAS Group, setting out, among other things, the products to be supplied, specifications, quantity, price, delivery method and payment arrangement.

The annual caps for the transaction amounts under the MAS Supplemental Agreement for the financial year ended 31 December 2019 was US\$65 million and for the financial years ending 31 December 2020 and 2021 shall be US\$84 million and US\$55 million respectively. During the year ended 31 December 2019, the sales to the MAS Group by the BPTHL Group under the MAS Supplemental Agreement amounted to approximately US\$64,792,171 (equivalent to approximately HK\$505,378,934). Further details of the MAS Supplemental Agreement were disclosed in the Company's announcement dated 31 December 2019.

i. 銷售合成紡織品及紡織相關產品予MAS集團

於二零一七年十二月四日，本公司之全資附屬公司超盈紡織控股與MAS Capital訂立框架協議（「**MAS框架協議**」），自收購事項完成日期（即二零一八年八月一日）起計為期三年。

於二零一九年十二月三十一日，超盈紡織控股與MAS Capital訂立補充協議（「**MAS補充協議**」），修訂截至二零一九年十二月三十一日止及截至二零二零年十二月三十一日止財政年度的年度上限，並釐定截至二零二一年十二月三十一日止財政年度的年度上限。除上述根據MAS補充協議修訂及釐定的年度上限外，MAS框架協議之所有其他條款保持不變。

根據MAS框架協議（經MAS補充協議修訂），超盈紡織控股集團（作為賣方）同意按正常商業條款不時銷售合成紡織品及紡織相關產品（包括合成纖維）予MAS Capital及其聯屬公司（統稱「**MAS集團**」）（作為買方），且該等交易須遵守購買訂單所載之將由超盈紡織控股集團及MAS集團之相關成員公司同意之條款及條件，其中包括將供應之產品、規格、數量、價格、運輸方法及付款安排。

MAS補充協議項下於截至二零一九年十二月三十一日止財政年度之交易金額年度上限為65百萬美元，而於截至二零二零年及二零二一年十二月三十一日止財政年度之交易金額年度上限分別為84百萬美元與55百萬美元。截至二零一九年十二月三十一日止年度，超盈紡織控股集團根據MAS補充協議售予MAS集團的銷售總額為約64,792,171美元（相當於約505,378,934港元）。有關MAS補充協議的進一步詳情已於本公司日期為二零一九年十二月三十一日之公告中披露。

Since completion of the acquisition on 1 August 2018, Trischel has become a non-wholly owned subsidiary of the Company in which 51% is indirectly owned by the Company and 49% is owned by MAS Capital. Accordingly, MAS Capital, as a substantial shareholder of Trischel, has become a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules since 1 August 2018.

j. Shared services from MAS Capital

On 1 August 2018, Trischel, a non-wholly owned subsidiary of the Company since completion of the acquisition on 1 August 2018, entered into a framework agreement (the “**MAS Capital Framework Agreement**”) with MAS Capital for a term of three years commencing from 1 August 2018 to 31 July 2021.

Pursuant to the MAS Capital Framework Agreement, MAS Capital shall provide the centralised group services in relation to the operation of Trischel and its subsidiaries (collectively, “**Trischel Group**”) in various areas, including legal, corporate finance, treasury, business strategy, risk and control, human resources, sustainability, corporate social responsibility, consultancy services and information technology, etc. as requested by Trischel from time to time. The service fees to be charged by MAS Capital in respect of the services under the MAS Capital Framework Agreement shall be determined either at the standard charging rate of MAS Capital (if any), or if no such rate, at a service fee to be determined with reference to the costs incurred by MAS Capital plus a percentage mark-up, which shall be negotiated between the parties at arm’s length basis.

自收購事項於二零一八年八月一日完成後，Trischel已成為本公司非全資附屬公司，由本公司間接擁有51%股權及由MAS Capital擁有49%股權。因此，根據上市規則第14A.06(9)條，作為Trischel主要股東的MAS Capital自二零一八年八月一日起已成為本公司在附屬公司層級之關連人士。

j. 由MAS Capital提供的共享服務

於二零一八年八月一日，自收購事項於二零一八年八月一日完成後即成為本公司非全資附屬公司的Trischel與MAS Capital訂立框架協議（「**MAS Capital框架協議**」），自二零一八年八月一日起至二零二一年七月三十一日止為期三年。

根據MAS Capital框架協議，MAS Capital將就Trischel及其附屬公司（統稱「**Trischel集團**」）的營運提供多個領域的集中式集團服務，包括Trischel不時要求的法律、企業財務、庫務、業務策略、風險及監控、人力資源、可持續性、企業社會責任、諮詢服務及資訊科技等。MAS Capital將就MAS Capital框架協議項下服務收取的服務費應按MAS Capital之收費標準（如有）釐定，或倘無該等費率，則按經參考MAS Capital所產生的成本加提價百分比的服務費釐定，其將由訂約方按公平基準磋商。

REPORT OF THE DIRECTORS

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The annual caps for the transaction amounts under the MAS Capital Framework Agreement for the year ended 31 December 2019 was US\$533,000 and for the financial years ending 31 December 2020 and 2021 shall be US\$646,000 and US\$441,000 respectively. During the year ended 31 December 2019, the total service fee paid by Trischel to MAS Capital under the MAS Capital Framework Agreement amounted to approximately US\$344,560 (equivalent to approximately HK\$2,687,566).

Further details of the MAS Capital Framework Agreement were disclosed in the Company's announcement dated 1 August 2018.

k. Shared services from MAS Legato

On 1 August 2018, Trischel, a non-wholly owned subsidiary of the Company since completion of the acquisition on 1 August 2018, also entered into a framework agreement (the “**MAS Legato Framework Agreement**”) with MAS Legato (Pvt) Ltd (“**MAS Legato**”) for a term of three years commencing from 1 August 2018 to 31 July 2021.

Pursuant to the MAS Legato Framework Agreement, MAS Legato shall provide the centralised group services to Trischel Group in relation to general ledger, account payables and account receivables processes, etc. as requested by Trischel from time to time. The service fees to be charged by MAS Legato in respect of the services under the MAS Legato Framework Agreement shall be determined either at the standard charging rate of MAS Legato (if any), or if no such rate, at a service fee to be determined with reference to the costs incurred by MAS Legato plus a percentage mark-up, which shall be negotiated between the parties at arm's length basis.

MAS Capital框架協議項下於二零一九年十二月三十一日止年度之交易金額年度上限為533,000美元，而於截至二零二零年及二零二一年十二月三十一日止財政年度之交易金額年度上限分別為646,000美元及441,000美元。截至二零一九年十二月三十一日止年度，Trischel根據MAS Capital框架協議向MAS Capital支付的服務費總額為約344,560美元（相當於約2,687,566港元）。

有關MAS Capital框架協議的進一步詳情已於本公司日期為二零一八年八月一日之公告中披露。

k. 由MAS Legato提供的共享服務

於二零一八年八月一日，自收購事項於二零一八年八月一日完成後即成為本公司非全資附屬公司的Trischel亦與MAS Legato (Pvt) Ltd（「**MAS Legato**」）訂立框架協議（「**MAS Legato**框架協議」），自二零一八年八月一日起至二零二一年七月三十一日止為期三年。

根據MAS Legato框架協議，MAS Legato須就Trischel不時要求的總賬、應付賬款及貿易應收賬款流程等向Trischel集團提供集中式集團服務。MAS Legato將就MAS Legato框架協議項下服務收取的服務費應按MAS Legato之收費標準（如有）釐定，或倘無該等費率，則按經參考MAS Legato所產生的成本加提價百分比的服務費釐定，其將由訂約方按公平基準磋商。

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The annual caps for the transaction amounts under the MAS Legato Framework Agreement for the year ended 31 December 2019 was US\$54,000 and for the financial years ending 31 December 2020 and 2021 shall be US\$66,000 and US\$45,000 respectively. During the year ended 31 December 2019, the total service fee paid by Trischel to MAS Legato under the MAS Legato Framework Agreement amounted to approximately US\$36,883 (equivalent to approximately HK\$287,687).

Since completion of the acquisition on 1 August 2018, Trischel has become a non-wholly owned subsidiary of the Company in which 51% is indirectly owned by the Company and 49% is owned by MAS Capital, which is a wholly-owned subsidiary of MAS. Accordingly, MAS Legato, as an indirect wholly-owned subsidiary of MAS, has become a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules since 1 August 2018.

Further details of the MAS Legato Framework Agreement were disclosed in the Company's announcement dated 1 August 2018.

MAS Legato 框架協議項下於二零一九年十二月三十一日止年度之交易金額年度上限為54,000美元，而於截至二零二零年及二零二一年十二月三十一日止財政年度之交易金額年度上限分別為66,000美元及45,000美元。截至二零一九年十二月三十一日止年度，Trischel根據MAS Legato 框架協議向MAS Legato 支付的服務費總額為約36,883美元（相當於約287,687港元）。

自收購事項於二零一八年八月一日完成後，Trischel已成為本公司非全資附屬公司，由本公司間接擁有51%股權及由MAS全資附屬公司MAS Capital 擁有49%股權。因此，根據上市規則第14A.06(9)條，作為MAS間接全資附屬公司的MAS Legato自二零一八年八月一日起已成為本公司在附屬公司層級之關連人士。

有關MAS Legato 框架協議的進一步詳情已於本公司日期為二零一八年八月一日之公告中披露。

REPORT OF THE DIRECTORS

董事會報告

Independent non-executive Directors' confirmation

The independent non-executive Directors have reviewed the above continuing connected transactions conducted during the year ended 31 December 2019 and confirmed that such transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
- (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Review by the Company's auditor

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Our auditor has issued its unmodified independent assurance report on continuing connected transactions of the Group for the year ended 31 December 2019 on pages 51 to 65 of this annual report in accordance with Rule 14A.56 of the Listing Rules. A copy of the independent assurance report has been provided by the Company to the Stock Exchange.

獨立非執行董事的確認

獨立非執行董事已審閱上述於截至二零一九年十二月三十一日止年度開展的持續關連交易並確認有關交易已在以下情況下訂立：

- (a) 在本集團的日常及一般業務過程中；
- (b) 按正常商業條款，或如果並無足夠的可資比較交易以判斷是否按正常商業條款，則按不遜色於本集團向獨立第三方提供或從獨立第三方享有（若適用）的條款；及
- (c) 依據按公平合理且符合本公司股東整體利益的條款訂立的規管各方的相關協議。

本公司核數師進行的審閱

根據上市規則第14A.56條，本公司委聘核數師根據香港會計師公會所頒佈之香港保證工作準則第3000號（經修訂）「審核或審閱過往財務資料以外之保證工作」及參考實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團持續關連交易作出報告。核數師已根據上市規則第14A.56條出具其無修正獨立保證報告，報告有關本集團在本年報第51頁至第65頁的截至二零一九年十二月三十一日止年度的持續關連交易。本公司已向聯交所提供獨立保證報告副本。

AUDIT COMMITTEE

An audit committee (the “**Audit Committee**”) was established by the Board with written terms of reference in compliance with the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Sai Chun Yu (“**Mr. Sai**”), Mr. Cheung Yat Ming and Mr. Ding Baoshan (“**Mr. Ding**”). Mr. Sai is the chairman of the Audit Committee.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report from pages 78 to 93 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s total issued share capital was held by the public as at the latest practicable date prior to the issue of this report.

審核委員會

董事會設立了審核委員會（「**審核委員會**」），其書面職權範圍符合上市規則附錄十四中所載的企業管治守則（「**企業管治守則**」）。審核委員會包括三位獨立非執行董事，即余振宇先生（「**余先生**」）、張一鳴先生及丁寶山先生（「**丁先生**」）。余先生為審核委員會的主席。

企業管治

本公司採納的主要企業管治慣例載列於本年報第78頁至第93頁的企業管治報告。

公眾持股量的充足性

基於本公司可從公開途徑獲得的資料及據董事所知，於本年報刊發前的最後實際可行日期，本公司總發行股本中至少有25%由公眾持有。

REPORT OF THE DIRECTORS

董事會報告

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

As disclosed in the Company's announcement dated 2 November 2017, the Company (as guarantor) and its seven wholly-owned subsidiaries (as borrowers) entered into a facility agreement (the "**Facility Agreement**") with certain banks in Hong Kong for a syndicated loan comprising HK\$2 billion equivalent multicurrency term loan and revolving credit facilities, with a maturity of 42 months from the date of first drawdown of the term loan facility. The Facility Agreement contains specific performance obligations on Mr. Lu, the controlling shareholder of the Company, requiring that he shall at all times:

- (i) maintain, directly or indirectly, at least 30% of the issued share capital of the Company and that such issued share capital shall remain unencumbered;
- (ii) be the single largest shareholder of the Company;
- (iii) be the Chairman of the Board of the Company; and
- (iv) maintain control over the management and business of the borrowers, the Company and the material subsidiaries.

As of the date of this annual report, Mr. Lu is an executive Director and the Chairman of the Board as well as the controlling shareholder of the Company, holding direct and indirect interests in 640,500,000 shares of the Company, representing approximately 61.59% of the issued share capital of the Company as at the date of this report, and is treated as the single largest shareholder of the Company.

Pursuant to the Facility Agreement, if Mr. Lu breaches any of his specific performance covenants as mentioned above, the borrowers shall prepay the syndicated loan together with the interests and all other amounts accrued in connection therewith in full within 21 days (or such longer period as the borrowers and the agent of the syndicated loan may agree) from the date of the notice delivered by the agent to the borrowers.

根據上市規則第13.21條進行的披露

誠如本公司日期為二零一七年十一月二日的公告所披露，本公司（作為擔保人）及其七間全資附屬公司（作為借方）與香港的若干銀行就銀團貸款（包括20億港元等值多元幣值的定期貸款及循環信貸融資，於定期貸款融資首次提取日期起計42個月到期）訂立一項融資協議（「**融資協議**」）。融資協議載有關於本公司控股股東盧先生的特定履約責任，要求其始終：

- (i) 直接或間接持有本公司已發行股本至少30%且該等已發行股本應始終為無抵押；
- (ii) 作為本公司的單一最大股東；
- (iii) 擔任本公司董事會主席；及
- (iv) 維持對借方、本公司及重要附屬公司的管理及業務的控制權。

截至本年報日期，盧先生為本公司執行董事兼董事會主席以及控股股東，於640,500,000股本公司股份中持有直接及間接權益，約佔於本報告日期本公司已發行股本的約61.59%，被視為本公司的單一最大股東。

根據融資協議，如盧先生違反其任何上述特定履約契諾，借方需於代理向借方發出通告日期起計21日內（或借方與銀團貸款的代理可能協定的有關較長期限）悉數提前歸還銀團貸款及與之有關的累計利息及所有其他金額。

REPORT OF THE DIRECTORS

董事會報告

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director shall be entitled to be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain in or about the execution of the duties of his/her office or otherwise in relation thereto.

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

EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in this annual report, the Group had no other significant events after 31 December 2019 and up to the date of this annual report.

AUDITOR

The consolidated financial statements of the Company for the year ended 31 December 2019 have been audited by Messrs. Deloitte Touche Tohmatsu. A resolution will be submitted at the forthcoming AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as independent auditor of the Company.

By order of the Board
Lu Yuguang
Chairman

Hong Kong, 25 March 2020

允許的彌償條款

根據細則，各董事有權就其於執行其職務的職責時或與之有關或另行相關而可能產生或承擔的所有行動、成本、費用、虧損、損害賠償及開支而自本公司的資產及溢利中獲得彌償。

於整個年度期間內，本公司已為本集團的董事及高級職員安排適當的董事及高級職員責任險。

報告期後事項

除本年報中所披露者外，二零一九年十二月三十一日之後直至本年報日期，本集團並無其他重大事項。

核數師

本公司於截至二零一九年十二月三十一日止年度的綜合財務報表已經德勤•關黃陳方會計師行審核。重新委任德勤•關黃陳方會計師行為本公司的獨立核數師的決議案將在應屆股東週年大會上提呈。

承董事會命
盧煜光
主席

香港，二零二零年三月二十五日

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Below is the biographical details of Directors and senior management of the Group as at 31 December 2019:

EXECUTIVE DIRECTORS

Mr. LU Yuguang (盧煜光), aged 54, is the chairman of the Company. He was appointed as a Director on 14 June 2013 and re-designated as an executive Director of the Company on 21 January 2014. Mr. Lu is also the chairman of the Nomination Committee of the Company. Mr. Lu has approximately twenty-five years of experience in the textile industry and he formulates overall management plans and oversees the strategic business development of the Group. He is currently the legal representative and the chairman of Dongguan NHE and the chairman of the board of directors of Dongguan BPT. Mr. Lu first started to engage in the textile industry in August 1994 when he was a chairman of Dongguan Runda Elastic Weaving Company Limited (“**Dongguan Runda**”), a company engaged in the manufacturing, production and sale of elastic webbing and throughout the years, Mr. Lu has been an active entrepreneur in Dongguan City and Guangdong Province. Mr. Lu has been a member of the Dongguan High-Tech Industry Association (東莞市高新技術產業協會) since July 2009 and a committee member of the Chinese People’s Political Consultative Conference of the Dongguan Municipal (東莞市政協委員會) since December 2011. Since July 2017 and April 2017, Mr. Lu has been appointed as the president of Dongguan City MaChong Association of Enterprises with Foreign Investment (東莞市外商投資企業協會麻涌分會) and an executive director of World Dongguan Entrepreneurs (世界莞商聯合會) respectively. In January 2018, Mr. Lu was appointed as the vice president of the Dongguan City Association of Enterprises with Foreign Investment (東莞市外商投資企業協會). In March 2019, Mr. Lu was appointed as the vice president of the Dongguan Trademark Brand Development Promotion Association (東莞市商標品牌發展保護促進會). In July 2009, Mr. Lu was awarded with the “Chinese Enterprise Management Innovation Achievement Award” (中國企業管理創新成就獎) by the China Academy of Management Science (中國管理科學研究院). Mr. Lu is the brother-in-law of Mr. Wu. As at 31 December 2019, Mr. Lu was the controlling shareholder of the Company. Details of Mr. Lu’s interests in the share capital of the Company are set out in the section headed “DISCLOSURE OF INTERESTS – DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND/OR DEBENTURES” in this annual report.

以下為本集團於二零一九年十二月三十一日的董事及高級管理層簡介：

執行董事

盧煜光先生，54歲，本公司主席。彼於二零一三年六月十四日獲委任為董事，並於二零一四年一月二十一日獲調任為本公司執行董事。盧先生亦為本公司提名委員會主席。盧先生在紡織業約有二十五年經驗，負責制訂本集團的整體管理計劃及監督本集團的策略性業務發展。彼目前為東莞潤信的法人代表兼主席，亦為東莞超盈董事會主席。盧先生於一九九四年八月開始從事紡織業，當時為東莞潤達彈性織造有限公司（「**東莞潤達**」，一間從事製造、生產及銷售彈性織帶的公司）的主席，為多年來一直活躍於東莞市及廣東省的企業家。盧先生自二零零九年七月起一直為東莞市高新技術產業協會會員，及自二零一一年十二月起一直為東莞市政協委員會委員。自二零一七年七月及四月，盧先生分別獲委任為東莞市外商投資企業協會麻涌分會會長和世界莞商聯合會常務理事。於二零一八年一月，盧先生獲委任為東莞市外商投資企業協會理事會副會長。於二零一九年三月，盧先生獲委任為東莞市商標品牌發展保護促進會常務副會長。二零零九年七月，盧先生獲中國管理科學研究院頒授「中國企業管理創新成就獎」。盧先生為吳先生的妹夫。於二零一九年十二月三十一日，盧先生為本公司的控股股東。盧先生於本公司股本中的權益的詳情載列於本年報「權益披露 – 董事及主要行政人員於股份、相關股份及／或債券的權益及淡倉」一節。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Mr. ZHANG Haitao (張海濤), aged 50, is the chief executive officer of the Group. He was appointed as a Director on 14 June 2013 and re-designated as an executive Director of the Company on 21 January 2014. He was also appointed as a member of the Remuneration Committee on 20 March 2018. He is currently a director and the general manager of Dongguan BPT and Dongguan NHE. Mr. Zhang formulates and executes overall corporate directions and business strategies of the Group. He has approximately twenty-four years of experience in the textile industry. Mr. Zhang has worked in the Group since February 2003 and held the position of general manager at Dongguan BPT. Prior to working in the Group, Mr. Zhang worked for Pioneer Elastic Fabric (China) Company Limited (明新彈性織物(中國)有限公司) as the business manager between March 1995 and March 1998. Between January 1998 and April 1999, and later from July 2001 to May 2010, Mr. Zhang was the general manager of Dongguan Runda. Mr. Zhang has been a director of the Guangdong Textiles Association (廣東省紡織協會) since November 2009 and an individual life member of the Hong Kong General Chamber of Textiles Limited (香港紡織商會) since September 2013. Since December 2019, Mr. Zhang became the Vice Chairman of The Hong Kong Intimate Apparel Industries' Association Ltd. Mr. Zhang completed a fashion technology course at Beijing Institute of Fashion Technology (北京服裝學院) in July 1992 and further obtained a master degree in software systems at the University of St. Thomas in the U.S. in May 2001. Mr. Zhang is the spouse of Ms. Zheng, an executive Director and the Chief Operating Officer of the Company. As at 31 December 2019, Mr. Zhang was interested in the shares of the Company, details of which are set out in the section headed "DISCLOSURE OF INTERESTS – DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND/OR DEBENTURES" in this annual report.

張海濤先生，50歲，本集團行政總裁。彼於二零一三年六月十四日獲委任為董事，並於二零一四年一月二十一日獲調任為本公司執行董事。彼亦於二零一八年三月二十日獲委任為薪酬委員會成員。彼目前為東莞超盈及東莞潤信的董事兼總經理。張先生負責制訂並執行本集團之整體企業方針及業務策略。彼於紡織業約有二十四年經驗。張先生自二零零三年二月開始於本集團工作並一直擔任東莞超盈的總經理。張先生於本集團工作前於一九九五年三月至一九九八年三月期間擔任明新彈性織物(中國)有限公司營業經理。張先生其後於一九九八年一月至一九九九年四月期間及二零零一年七月至二零一零年五月期間擔任東莞潤達總經理。張先生自二零零九年十一月起一直為廣東省紡織協會理事，並自二零一三年九月起一直為香港紡織商會永久個人會員。自二零一九年十二月起，張先生擔任香港內衣業聯會副主席。張先生於一九九二年七月於北京服裝學院修畢一項服裝工程課程，其後於二零零一年五月取得美國聖托馬斯大學軟件系統碩士學位。張先生為本公司執行董事兼首席運營官鄭女士的配偶。於二零一九年十二月三十一日，張先生於本公司的股份中擁有權益，詳情載列於本年報「權益披露 – 董事及主要行政人員於股份、相關股份及／或債券的權益及淡倉」一節。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Mr. WU Shaolun (吳少倫), aged 55, is an executive Director of the Company. He was appointed as a Director on 14 June 2013 and re-designated as an executive Director of the Company on 21 January 2014. He is currently a director and the deputy general manager of Dongguan BPT and Dongguan NHE. Mr. Wu is principally responsible for the Group's infrastructure and the general management of Dongguan BPT and Dongguan NHE. He has over twenty-three years of experience in the textile industry. Prior to joining the Group, Mr. Wu worked in Dongguan Runda as the deputy general manager from April 1995 to May 2010. Since February 2003, Mr. Wu has been the deputy general manager of Dongguan BPT. In addition, he has been the deputy general manager of Dongguan NHE since 2010. Mr. Wu has been a member of the Dongguan High-tech Industry Association (東莞市高新技術產業協會) since July 2009 and a director of the Dongguan City Association of Enterprises with Foreign Investment (東莞市外商投資企業協會) since November 2013. Mr. Wu is the brother-in-law of Mr. Lu. As at 31 December 2019, Mr. Wu was interested in the shares of the Company, details of which are set out in the section headed "DISCLOSURE OF INTERESTS – DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND/OR DEBENTURES" in this annual report.

吳少倫先生，55歲，本公司執行董事。彼於二零一三年六月十四日獲委任為董事及於二零一四年一月二十一日獲調任為本公司執行董事。彼目前為東莞超盈及東莞潤信的董事兼副總經理。吳先生主要負責本集團之基建及東莞超盈及東莞潤信的整體業務管理。彼於紡織業擁有逾二十三年經驗。吳先生於加盟本集團前，於一九九五年四月至二零一零年五月期間擔任東莞潤達的副總經理。吳先生自二零零三年二月起一直為東莞超盈的副總經理。此外，彼自二零一零年起一直擔任東莞潤信的副總經理。吳先生自二零零九年七月起一直為東莞市高新技術產業協會會員，並自二零一三年十一月起一直為東莞市外商投資企業協會理事。吳先生為盧先生的內兄。於二零一九年十二月三十一日，吳先生於本公司的股份中擁有權益，詳情載列於本年報「權益披露 – 董事及主要行政人員於股份、相關股份及／或債券的權益及淡倉」一節。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Ms. ZHENG Tingting (鄭婷婷), aged 45, is an executive Director of the Company, the chief operating officer and vice-president (marketing) of the Group and is responsible for the overall operations, manufacturing and developing and implementing the sales and marketing strategies of the Group. Prior to joining the Group in December 2006, Ms. Zheng joined the Guangzhou office of Parker Pen (Shanghai) Limited as a sourcing specialist in January 2004. In December 2006, Ms. Zheng joined Dongguan Runda and worked as the vice-president when she left in May 2010 and she has since joined Dongguan NHE in the same capacity. Also, starting from December 2006, Ms. Zheng worked as a sales manager in Dongguan BPT and since December 2008, she has been promoted as the vice-president (marketing) of the Group. Ms. Zheng has also been promoted as the chief operating officer of the Group since 1 September 2014. Ms. Zheng graduated from the English department of Xi'an Translation College (西安翻譯培訓學院) in the PRC in June 1996. Further in January 2017, she graduated from the Northwestern University and The Hong Kong University of Science and Technology with a master degree in business administration. Ms. Zheng is the spouse of Mr. Zhang, an executive Director and the Chief Executive Officer of the Company. As at 31 December 2019, Ms. Zheng was interested in the shares of the Company, details of which are set out in the section headed "DISCLOSURE OF INTERESTS – DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND/OR DEBENTURES" in this annual report.

鄭婷婷女士，45歲，本公司執行董事、本集團首席運營官及營業副總裁，負責本集團整體運作、生產及制訂與實施銷售及營業策略等事宜。鄭女士於二零零六年十二月加盟本集團之前，於二零零四年一月加盟上海派克筆有限公司廣州辦事處擔任採購專員。鄭女士於二零零六年十二月加盟東莞潤達擔任副總裁至二零一零年五月離職為止，此後加盟東莞潤信，同樣擔任副總裁的職位。此外，自二零零六年十二月起，鄭女士於東莞超盈擔任銷售經理一職，於二零零八年十二月晉升為本集團營業副總裁。鄭女士亦於二零一四年九月一日起獲晉升為本集團首席運營官。鄭女士於一九九六年六月於中國西安翻譯培訓學院英文系畢業。其後於二零一七年一月，彼於美國西北大學及香港科技大學畢業，取得工商管理碩士學位。鄭女士為本公司執行董事兼行政總裁張先生的配偶。於二零一九年十二月三十一日，鄭女士於本公司的股份中擁有權益，詳情載列於本年報「權益披露 – 董事及主要行政人員於股份、相關股份及／或債券的權益及淡倉」一節。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHEUNG Yat Ming (張一鳴), who was named as Mr. CHEUNG Yiu Tai (張耀泰) up to 11 August 1987, aged 51, was appointed as an independent non-executive Director of the Company on 8 May 2014. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Cheung has extensive experience in the fields of investment, real estate and property market research, corporate finance and auditing. Prior to joining the Group, Mr. Cheung was a staff accountant and semi-senior accountant at Arthur Andersen & Co. in Hong Kong and China from August 1991. In August 1994, Mr. Cheung joined Citicorp Commercial Finance (HK) Limited as an administration and accounting manager and was promoted with Citibank's corporate title of assistant vice-president in September 1996. In October 1997, he joined Salomon Brothers Hong Kong Limited as an equity research associate. Mr. Cheung joined Donaldson, Lufkin & Jenrette as a research associate in its equity department in May 1999. In November 2000, Mr. Cheung joined HSBC Markets (Asia) Limited as its head of Hong Kong and China property research. In 2005, Mr. Cheung joined Cohen & Steers Asia Limited as an executive director and a vice-president in its investment research department and was promoted in January 2007 as a senior vice-president and Asia Pacific chief investment officer. In June 2009, Mr. Cheung joined DBS Vickers (Hong Kong) Limited as its head of research. From August 2011 to June 2013, Mr. Cheung worked as the chief investment officer of Neutron Greater China Equity Long/Short Fund as managed by Neutron INV Partners Limited. Since June 2013, Mr. Cheung has been the executive director, chief executive officer and responsible officer of New Century Asset Management Limited, which is the manager of New Century Real Estate Investment Trust, a REIT listed on the Stock Exchange (Stock Code: 1275). Since March 2014, Mr. Cheung has also taken up the position as an independent non-executive director of Springland International Holdings Limited, a company listed on the Stock Exchange (Stock Code: 1700). Mr. Cheung became a certified public

獨立非執行董事

張一鳴先生(於一九八七年八月十一日前名為張耀泰先生)，51歲，於二零一四年五月八日獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會、薪酬委員會及提名委員會之成員。張先生在投資、房地產及物業市場研究、企業融資及審計方面經驗豐富。張先生於加盟本集團前，於一九九一年八月起在香港及中國安達信公司擔任會計員及中級會計師。於一九九四年八月，張先生加盟花旗工商財務(香港)有限公司擔任行政及會計經理，並於一九九六年九月晉升為花旗銀行之助理副總裁。彼於一九九七年十月加盟所羅門兄弟香港有限公司擔任證券研究助理。於一九九九年五月，張先生於Donaldson, Lufkin & Jenrette之投資部擔任證券研究分析員。張先生於二零零零年十一月加盟HSBC Markets (Asia) Limited擔任香港及中國物業分析主管。於二零零五年，張先生加盟Cohen & Steers Asia Limited擔任執行董事兼投資研究部副總裁，並於二零零七年一月晉升為高級副總裁兼亞太區投資總監。張先生於二零零九年六月加盟星展唯高達香港有限公司擔任研究主管。於二零一一年八月至二零一三年六月期間，張先生擔任由Neutron INV Partners Limited管理之Neutron Greater China Equity Long/Short Fund的投資總監。自二零一三年六月起，張先生一直擔任開元資產管理有限公司的執行董事、行政總裁兼負責人員，該公司為開元產業投資信託基金(聯交所上市的產業投資基金，股份代號：1275)的經理。自二零一四年三月起，張先生成為華地國際控股有限公司的獨立非執行董事(聯交所上市公司，股份代號：1700)。張先生於一九九五年一

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

accountant of the Hong Kong Institute of Certified Public Accountants in January 1995, a fellow of the Association of Chartered Certified Accountants in September 1999 and a fellow member of the Institute of Chartered Accountants in England and Wales in September 2017. In June 2010, Mr. Cheung received the Outstanding Chinese Business Leader Award (中華傑出商業領袖獎) from the HongQi (紅旗畫刊) and China Report (中國報道). Mr. Cheung graduated from the Hong Kong Polytechnic University with a bachelor degree in accountancy in November 1991.

Mr. Cheung was appointed as a director of Neutron Greater China Equity Long/Short Fund, an exempted limited company incorporated in the Cayman Islands on 11 June 2010 to conduct securities investment business. The company had ceased to trade and was not in operation, had no assets, nor liabilities to creditors, shareholders or any other third party at the time when the directors of the company, one of whom was Mr. Cheung, and the shareholders of the company believed that it was for the best interests of the company to be struck off from the register of companies in the Cayman Islands. The company was subsequently struck off from the register on 31 December 2013. Mr. Cheung was also a director of Neutron Capital Management Ltd., an exempted limited company incorporated in the Cayman Islands on 11 June 2010 to conduct securities investment business. The company had ceased to trade and was not in operation, it also had no assets, nor liabilities to creditors, shareholders or any other third party at the time when the directors of the company, one of whom was Mr. Cheung, and the shareholders of the company believed that it was for the best interests of the company to be struck off from the register of companies in the Cayman Islands. The company was subsequently struck off from the register on 31 December 2013.

月成為香港會計師公會的執業會計師、於一九九九年九月成為特許公認會計師公會的資深會員以及於二零一七年九月成為英格蘭及韋爾斯特許會計師公會的資深會員。於二零一零年六月，張先生獲《紅旗畫刊》及《中國報道》授予中華傑出商業領袖獎。張先生於一九九一年十一月於香港理工大學畢業，取得會計學學士學位。

張先生獲委任為Neutron Greater China Equity Long/Short Fund (一間於二零一零年六月十一日在開曼群島註冊成立之獲豁免有限公司，從事證券投資業務)的董事。該公司已停止交易及營運，張先生為該公司其中一名董事時，該公司並無債權人、股東或任何其他第三方的資產或負債，而該公司的股東認為將該公司從開曼群島的公司登記冊中剔除對該公司最為有利。該公司隨後於二零一三年十二月三十一日自登記冊中剔除。張先生亦為Neutron Capital Management Ltd. (一間於二零一零年六月十一日在開曼群島註冊成立之獲豁免有限公司，從事證券投資業務)的董事。該公司已停止交易及營運，張先生為該公司其中一名董事時，該公司並無債權人、股東或任何其他第三方的資產或負債，而該公司的股東認為將該公司從開曼群島的公司登記冊中剔除對該公司最為有利。該公司隨後於二零一三年十二月三十一日自登記冊中剔除。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Mr. DING Baoshan (丁寶山), aged 57, was appointed as an independent non-executive Director of the Company on 8 May 2014. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Prior to joining the Group, Mr. Ding was an executive director of Denway Motors Limited, which was initially listed on the Stock Exchange but was delisted in 2010 upon its privatisation, from 2000 to 2007. Starting from July 2000, Mr. Ding also worked as the chief economist and the deputy general manager of Guangzhou Automobile Industry Group Company Limited (廣州汽車工業集團有限公司), managing various departments until October 2007. Starting from 2008, he was the general manager of Beijing Shengshi Huaxuan Investment Company Limited (北京盛世華軒投資有限公司) until June 2015. From May 2011 to November 2017, he was an independent director of Qinghai Huading Industrial Company Limited (青海華鼎實業有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600243). Mr. Ding has also taken up the position as the chairman and an executive director of Pizu Group Holdings Limited, a company listed on the Stock Exchange (Stock Code: 8053) since December 2012, and subsequently resigned as the chairman on 15 November 2016, and later resigned as the executive director on 9 January 2019. With effect from 30 March 2015, Mr. Ding has been an independent director of Shanxi Guoxin Energy Corporation Limited (山西省國新能源股份有限公司), a company listed on the Shanghai Stock Exchange (Stock code: 600617). Mr. Ding graduated from the Beijing Iron and Steel Institute (北京鋼鐵學院) with a bachelor degree in mining machinery in July 1985. In June 1988, Mr. Ding completed a master degree in engineering at Beijing University of Science and Technology (北京科技大學) in the PRC. Mr. Ding graduated from China Social Science Institute (中國社會科學院) with a doctorate degree in economics in July 1991.

丁寶山先生，57歲，於二零一四年五月八日獲委任為本公司獨立非執行董事。彼亦為本公司薪酬委員會主席，審核委員會及提名委員會成員。丁先生於加盟本集團前，於二零零零年至二零零七年期間出任駿威汽車有限公司（駿威汽車有限公司最初於聯交所上市，但在該公司私有化後於二零一零年除牌）執行董事。自二零零零年七月起，丁先生亦於廣州汽車工業集團有限公司擔任總經濟師兼副總經理，管理不同部門，直至二零零七年十月為止。自二零零八年起，彼於北京盛世華軒投資有限公司擔任總經理直至二零一五年六月為止。自二零一一年五月至二零一七年十一月，彼於青海華鼎實業有限公司（上海證券交易所上市公司，股份代號：600243）出任獨立董事。自二零一二年十二月起，丁先生出任比優集團控股有限公司（聯交所上市公司，股份代號：8053）主席兼執行董事，並其後於二零一六年十一月十五日辭任主席一職以及其後於二零一九年一月九日辭任執行董事一職。自二零一五年三月三十日起，丁先生為山西省國新能源股份有限公司（上海證券交易所上市公司，股份代號：600617）的獨立董事。丁先生於一九八五年七月於北京鋼鐵學院畢業，取得礦山機械學士學位。丁先生於一九八八年六月完成中國北京科技大學的工學碩士學位。丁先生於一九九一年七月於中國社會科學院畢業，取得經濟學博士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Mr. SAI Chun Yu (余振宇), aged 39, was appointed as an independent non-executive Director of the Company on 8 May 2014. He is also the chairman of the Audit Committee of the Company. Mr. Sai has over sixteen years of experience in audit, accounting, taxation and business consultancy. Prior to joining the Group, Mr. Sai worked at Ting Ho Kwan & Chan Certified Public Accountants from August 2002 to February 2006. Later in March 2006, Mr. Sai worked at KPMG as an assistant manager. Mr. Sai has been the managing partner of CCS & Company, Certified Public Accountants since March 2008. Since March 2012, Mr. Sai has been an independent non-executive director of China Gem Holdings Limited (formerly known as Yueshou Environmental Holdings Limited), a company listed on the Stock Exchange (Stock Code: 1191) and resigned from such position with effect from 10 October 2014. In February 2006, Mr. Sai was admitted as a member of the Association of Chartered Certified Accountants. In September 2007, Mr. Sai became a certified public accountant of the Hong Kong Institute of Certified Public Accountants and was later registered as a certified public accountant (practising) in February 2008 with the same institute. Mr. Sai graduated from the Chinese University of Hong Kong with a bachelor degree in business administration in December 2002.

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. CHAN Yiu Sing (陳耀星), aged 41, is the chief financial officer and company secretary of the Group. Mr. Chan is responsible for ensuring and maintaining the standards of corporate governance of the Group. Mr. Chan has over thirteen years of experience in audit, investment, accounting and finance. He joined an international audit firm in February 2006 and was a manager of such audit firm until May 2012 prior to joining the Group in February 2013. Mr. Chan graduated from the University of New South Wales in Australia with a master degree in commerce in June 2005 and a bachelor degree in accounting and finance in October 2003. He has been a member of the Hong Kong Institute of Certified Public Accountants since September 2009.

余振宇先生，39歲，於二零一四年五月八日獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會主席。余先生在審計、會計、稅務及商業顧問方面擁有逾十六年經驗。余先生於加盟本集團前，於二零零二年八月至二零零六年二月期間於丁何關陳會計師行工作。其後於二零零六年三月，余先生於畢馬威會計師事務所擔任助理經理。自二零零八年三月起，余先生成為安德會計師行之管理合夥人。自二零一二年三月起，余先生為中國中石控股有限公司（前稱粵首環保控股有限公司）（聯交所上市公司，股份代號：1191）獨立非執行董事並於二零一四年十月十日辭任該職務。於二零零六年二月，余先生獲認可為特許公認會計師公會會員。於二零零七年九月，余先生成為香港會計師公會之執業會計師，並於二零零八年二月於該機構註冊成為執業會計師。余先生於二零零二年十二月於香港中文大學畢業，取得工商管理學士學位。

首席財務官及公司秘書

陳耀星先生，41歲，本集團首席財務官兼公司秘書。陳先生負責確保並維持本集團企業管治水準。陳先生在審計、投資、會計及財務方面擁有逾十三年經驗。彼於二零零六年二月加盟一家國際審計事務所，在該審計事務所擔任經理至二零一二年五月為止，其後於二零一三年二月加盟本集團。陳先生畢業於澳洲新南威爾士大學，分別於二零零五年六月及二零零三年十月獲該校頒授商科碩士學位及會計及財務學士學位，並自二零零九年九月起一直為香港會計師公會會員。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance which is essential to the sustainable development and growth of the Company. The Board is of the view that the Company has met all the applicable code provisions set out in the CG Code throughout the year ended 31 December 2019 (the “Reporting Period”).

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made to all the Directors of the Company and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period.

The Company has also established a code no less exacting than the Model Code for securities transactions by senior management who are likely to be in possession of unpublished price-sensitive or inside information of the Company.

BOARD OF DIRECTORS

As at the end of the Reporting Period and the date of this annual report, the Board comprises seven members, consisting of four executive Directors, namely Mr. Lu (Chairman of the Board), Mr. Zhang (Chief Executive Officer), Mr. Wu and Ms. Zheng (Chief Operating Officer), and three independent non-executive Directors, namely Mr. Cheung Yat Ming, Mr. Ding and Mr. Sai.

The biographical information of the Directors as well as the relationships between the members of the Board are set out on pages 70 to 77 of this annual report.

企業管治常規

本公司致力維持高水平的企業管治，此對本公司之可持續發展及增長尤為重要。董事會認為，本公司已於截至二零一九年十二月三十一日止年度整個期間（「報告期間」）符合企業管治守則所載的所有適用守則條文。

進行證券交易的標準守則

本公司已採用上市規則附錄十中載列的標準守則。

經向本公司全體董事作出具體查詢，董事已確認彼等於報告期間一直遵守標準守則。

本公司亦制訂不遜於標準守則的守則，以作為可能擁有本公司未公開的股價敏感資料或內幕消息的高級管理層進行證券交易的守則。

董事會

於報告期間結束時及本年報刊發日期，董事會由七名成員組成，包括四名執行董事（即盧先生（董事會主席）、張先生（行政總裁）、吳先生及鄭女士（首席運營官），以及三名獨立非執行董事（即張一鳴先生、丁先生及余先生）。

董事的履歷資料以及董事會成員之間的關係載列於本年報第70頁至第77頁。

Chairman and Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by Mr. Lu and Mr. Zhang respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company's business development and daily management and operations generally. Their respective responsibilities are clearly defined and set out in writing.

Independent non-executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing more than one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Directors' Re-election and Retirement

According to the Articles, the Board has the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders after his/her appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Besides, at each annual general meeting, one-third of the Directors for the time being (or, 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 provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

主席及行政總裁

主席及行政總裁的職位分別由盧先生及張先生擔任。主席專責領導並負責董事會的有效運作。行政總裁專責本公司的業務發展、日常管理及運營。彼等各自的責任以書面形式清楚界定。

獨立非執行董事

於報告期間內，董事會一直符合上市規則有關委任至少三名獨立非執行董事（佔董事會超過三分之一），且其中至少一名獨立非執行董事須具有適當的專業資格或會計或相關財務管理專業知識的規定。

根據上市規則第3.13條載列的獨立性指引規定，本公司已接獲各獨立非執行董事關於其獨立性的書面確認。本公司認為，所有獨立非執行董事均屬獨立人士。

董事重選及退任

根據細則，董事會有權不時及於任何時候委任任何人士擔任董事以填補董事會臨時空缺或增加現有董事會的成員。董事會為填補臨時空缺而委任的任何董事須擔任其職務直至其獲委任後的首次股東週年大會召開為止，並可於有關大會上獲重選；董事會為增加現有董事會成員而委任的任何董事僅須擔任其職務至本公司下一屆股東週年大會為止，屆時有資格獲重選。此外，於各屆股東週年大會上，當時三分之一的董事（或倘其數目並非三的倍數，則為最接近但不少於三分之一的數目）須輪席退任，惟各董事至少須每三年於股東週年大會上退任一次。

CORPORATE GOVERNANCE REPORT

企業管治報告

Each of the executive Directors has entered into a service contract with the Company, and each of the independent non-executive Directors has signed a letter of appointment with the Company. All Directors are appointed for a specific term of three years, subject to retirement by rotation and re-election in accordance with the Articles.

Pursuant to the aforesaid provisions in the Articles, Mr. Zhang, Mr. Wu and Mr. Cheung Yat Ming will retire by rotation at the forthcoming AGM. All the above Directors, being eligible, will offer themselves for re-election at the AGM.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board take decisions objectively in the interests of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

各執行董事已與本公司訂立服務合約，且各獨立非執行董事已與本公司簽訂委任書。所有董事獲委任為期三年的特定年限，須依據細則輪席退任及重選。

根據前述細則條文，張先生、吳先生及張一鳴先生將於應屆股東週年大會輪席退任。所有上述董事均合資格並願意於股東週年大會上膺選連任。

董事會及管理層的責任、問責及貢獻

董事會負責領導及監控本公司，監督本集團的業務、戰略決策及表現，並共同負責管理及監管其事務以帶領本公司邁向成功。董事會成員就本公司的利益作出客觀決定。

全體董事（包括獨立非執行董事）為董事會提供廣泛而寶貴的業務經驗、知識及專業質素，使其可迅速及有效運作。

全體董事可全面、及時地取得本公司的所有資料以及公司秘書及高級管理層的服務及建議。於適當情況下，董事於履行彼等於本公司的職務時可要求尋求獨立專業意見，費用由本公司承擔。

董事須向本公司披露其擔任的其他職務詳情，董事會定期檢討各董事履行其對本公司的責任所需做出的貢獻。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

Continuous Professional Development of Directors

Pursuant to the code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director. The Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, in order to ensure compliance and enhance their awareness of good corporate governance practices. The Company is also arranging suitable professional development seminars and courses for the Directors. For instance, every newly appointed Director will receive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Directors' responsibilities and obligations under the Listing Rules and relevant statutory requirements.

The Directors informed the Company that they had received sufficient and relevant training and continuous professional development during the Reporting Period.

董事會保留其對有關以下各方面的所有重大事項的決策：政策事項、策略及預算、內部控制及風險管理、重大交易（尤其是可能涉及利益衝突的重大交易）、財務資料、董事委任及本公司的其他重大營運事項。有關實施董事會決策、指導及統籌本公司日常營運管理的責任則由管理層承擔。

董事的持續專業發展

根據企業管治守則的守則條文A.6.5條，全體董事均應參與持續專業發展以發展及更新其知識及技能，以確保其繼續在知情情況下對董事會作出切合所需的貢獻。本公司應負責安排合適的培訓並提供有關經費，以及適當注重上市公司董事的角色、職能及職責。本公司不時告知董事有關上市規則及其他適用監管要求的最新發展，以便確保合規並增強其在良好企業管治常規方面的意識。本公司亦為董事安排適當的專業發展研討會及課程。例如，每名新委任董事將於其首次委任接受入職培訓，以確保其充分了解本公司的業務及經營及全面知悉董事於上市規則及相關法定要求項下的責任及職責。

董事告知本公司，其於報告期間內獲得充分相關的培訓以及持續專業發展。

CORPORATE GOVERNANCE REPORT

企業管治報告

Records of training by the Directors are maintained by the company secretary. Training records of Directors in 2019 are as follows:

董事接受的培訓記錄由公司秘書保存。董事於二零一九年的培訓記錄如下：

| Directors 董事 | | Type of trainings 培訓種類 |
|---|-------|---------------------------|
| Executive Directors 執行董事 | | |
| Mr. Lu Yuguang | 盧煜光先生 | A & B |
| Mr. Zhang Haitao | 張海濤先生 | A & B |
| Mr. Wu Shaolun | 吳少倫先生 | A & B |
| Ms. Zheng Tingting | 鄭婷婷女士 | A & B |
| Independent non-executive Directors 獨立非執行董事 | | |
| Mr. Cheung Yat Ming | 張一鳴先生 | A, B & C |
| Mr. Ding Baoshan | 丁寶山先生 | A, B & C |
| Mr. Sai Chun Yu | 佘振宇先生 | A, B & C |

A: reading materials relating to the Group, general business, latest development of the Listing Rules and other applicable legal and regulatory requirements

A: 閱讀有關本集團、一般業務、上市規則的最新發展及其他適用法律及監管規定的材料

B: attending a training session on directors' duties and latest development of the Listing Rules conducted by legal advisers of the Company

B: 參加本公司法律顧問舉辦的有關董事職責及上市規則最新發展的培訓研討會

C: attending briefings, seminars, webinar or training courses

C: 參加簡報、研討會、網絡會議或培訓課程

BOARD AND BOARD COMMITTEES

Under code provision A.1.1 of the CG Code, the Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals and under code provision A.2.7 of the CG Code, the chairman of the Board should at least annually hold meeting with the non-executive Directors (including independent non-executive Directors) without the executive Directors present. Code provision A.2.7 of the CG Code was amended with effect from 1 January 2019. Under the newly amended code provision A.2.7, the chairman of the Board should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors.

董事會及董事委員會

根據企業管治守則的守則條文A.1.1條，董事會應定期召開會議且每年應至少舉行四次（大約每季度一次）；根據企業管治守則的守則條文A.2.7條，董事會主席應至少每年與非執行董事（包括獨立非執行董事）舉行一次沒有執行董事出席的會議。企業管治守則的守則條文A.2.7條已予修訂並自二零一九年一月一日起生效。根據新修訂的守則條文A.2.7條，董事會主席應至少每年與獨立非執行董事舉行一次沒有其他董事出席的會議。

During the Reporting Period, six Board meetings were held. In addition, the Chairman held a meeting with the independent non-executive Directors without the executive Directors' presence.

於報告期間內，本公司已舉行六次董事會會議。另外，主席與獨立非執行董事舉行一次會議，且執行董事並無出席。

CORPORATE GOVERNANCE REPORT

企業管治報告

A tentative schedule for regular Board meetings for 2020 will be provided to the Directors at the beginning of the year. At least 14 days' notice for all regular Board meetings will be given to all Directors and all Directors must be given the opportunity to include items or businesses for discussion in the agenda. For all other Board meetings, reasonable notice will be given. Relevant agenda and accompanying Board papers will be sent to all Directors at least three working days in advance of every regular Board meeting.

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The majority of the members of each Board committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2 of this annual report.

Audit Committee

The Company established the Audit Committee on 8 May 2014 in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee has three members, namely Mr. Sai, Mr. Cheung Yat Ming and Mr. Ding and is chaired by Mr. Sai.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems and procedures, audit plan and relationship with external auditors, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

二零二零年定期董事會會議的暫定時間表將於年初向董事提供。所有定期董事會會議的通知將至少提前十四天向全體董事發出，且必須給予全體董事機會將商討議題或事項列入議程中。至於召開所有其他董事會會議，本公司將發出合理的通知。相關的議程及隨附的董事會文件至少將於每次定期董事會會議之前三個工作日發送給全體董事。

為監督本公司特定方面的事務，董事會已成立三個委員會，即審核委員會、薪酬委員會及提名委員會。本公司所有董事委員會均有書面訂明的具體職權範圍。董事委員會的職權範圍於本公司網站及聯交所網站均有公佈，並可應要求供股東查閱。

各董事會下轄委員會的大部分成員均為獨立非執行董事。各董事會下轄委員會主席及成員的名單載列於本年報第2頁的「公司資料」項下。

審核委員會

於二零一四年五月八日，本公司遵照上市規則第3.21條及第3.22條以及企業管治守則的守則條文C.3.3條的規定成立審核委員會。審核委員會有三名成員，即余先生、張一鳴先生及丁先生，並由余先生擔任主席。

審核委員會的主要職責為協助董事會審核財務資料及報告流程、風險管理及內部控制系統及程序、審核計劃及與外聘核數師的關係，以及安排本公司員工能夠以保密的方式就有關本公司財務報告、內部控制或其他事項方面潛在的不當事宜提出關注。

CORPORATE GOVERNANCE REPORT

企業管治報告

The full terms of reference of the Audit Committee are available on the Stock Exchange's website and the Company's website.

During the Reporting Period, the Audit Committee held three meetings to review annual results of the Group for the year ended 31 December 2018, the interim results of the Group for the six months ended 30 June 2019 and significant issues on the financial reporting and compliance procedures, risk management and internal control systems, effectiveness of the Company's internal audit function, and arrangements for employees to raise concerns about possible improprieties.

The external auditors attended all the above meetings to discuss with the Audit Committee on issues arising from the audit and financial reporting matters.

Remuneration Committee

The Company established the Remuneration Committee on 8 May 2014 in compliance with Rules 3.25 and 3.26 of the Listing Rules and code provision B.1.2 of the CG Code. The Remuneration Committee has three members, namely Mr. Ding, Mr. Zhang and Mr. Cheung Yat Ming and is chaired by Mr. Ding.

The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management, and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration.

The full terms of reference of the Remuneration Committee are available on the Stock Exchange's website and the Company's website.

審核委員會的職權範圍全文可於聯交所網站及本公司網站上查閱。

於報告期間內，審核委員會舉行三次會議以審閱本集團截至二零一八年十二月三十一日止年度的年度業績、本集團截至二零一九年六月三十日止六個月的中期業績以及與下述各項有關的重大問題：財務報告及合規程序、風險管理及內部控制系統、本公司內部審核功能的有效性以及讓員工可對潛在的不當事宜提出關注的安排。

外聘核數師出席前述全部會議，與審核委員會就審核及財務報告事項所產生的問題進行磋商。

薪酬委員會

於二零一四年五月八日，本公司遵照上市規則第3.25條及第3.26條以及企業管治守則的守則條文B.1.2條的規定成立薪酬委員會。薪酬委員會有三名成員，即丁先生、張先生及張一鳴先生，並由丁先生擔任主席。

薪酬委員會的主要職能包括檢討個別執行董事及高級管理層的薪酬待遇、全體董事及高級管理層的薪酬政策及架構並向董事會提出建議；及建立制訂有關薪酬政策及架構的透明程序以確保並無董事或其任何聯繫人參與決定其自身的薪酬。

薪酬委員會的職權範圍全文可於聯交所網站及本公司網站上查閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the Reporting Period, the Remuneration Committee met two times for the purpose of, among other matters, reviewing and making recommendations to the Board on the remuneration policy and structure of the Company, and the remuneration packages of the executive Directors and senior management and other related matters.

The details of the remuneration paid to the Directors for the year ended 31 December 2019 are set out in Note 10 to the consolidated financial statements.

Pursuant to code provision B.1.5 of the CG Code, the remuneration paid to other member of the senior management by band for the year ended 31 December 2019 is set out below:

| Remuneration bands (HK\$) 薪酬等級 (港元) | Number of person(s) 人數 |
|--|---------------------------|
| 1,500,001 – 2,000,000 | 1 |

Nomination Committee

The Company established the Nomination Committee on 8 May 2014 in compliance with code provisions A.5.1 and A.5.2 of the CG Code. The Nomination Committee has three members, namely Mr. Lu, Mr. Cheung Yat Ming and Mr. Ding and is chaired by Mr. Lu.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

於報告期間內，薪酬委員會舉行兩次會議，以（其中包括）檢討本公司的薪酬政策及架構以及執行董事及高級管理層的薪酬待遇及其他相關事項，並向董事會提出建議。

截至二零一九年十二月三十一日止年度已付董事薪酬的詳情乃載於綜合財務報表附註10。

根據企業管治守則的守則條文B.1.5條，截至二零一九年十二月三十一日止年度按薪酬等級支付予其他高級管理層成員的薪酬詳情乃載列如下：

提名委員會

於二零一四年五月八日，本公司遵照企業管治守則的守則條文A.5.1條及A.5.2條的規定成立提名委員會。提名委員會有三名成員，即盧先生、張一鳴先生及丁先生，並由盧先生擔任主席。

提名委員會的主要職責包括檢討董事會組成、制定提名及委任董事的相關程序、就董事的委任及繼任規劃向董事會提出建議以及評估獨立非執行董事的獨立性。

CORPORATE GOVERNANCE REPORT

企業管治報告

The procedures and criteria for the Nomination Committee to select and recommend candidates for being appointed as Directors are summarised below:

- (a) diversity in all aspects, including but not limited to skills, knowledge, gender, age, ethnicity, cultural and educational background, professional experience and other personal qualities of the candidate;
- (b) ability to exercise sound business judgment and possess proven achievement and experience in directorship including effective oversight of and guidance to management;
- (c) commitment of the candidate to devote sufficient time for the proper discharge of the duties of a Director;
- (d) potential/actual conflicts of interest that may arise if the candidate is selected;
- (e) independence of the independent non-executive director candidates as required under the Listing Rules;
- (f) in the case of a proposed re-appointment of an independent non-executive Director, the number of years he/she has already served; and
- (g) identifying any persons who may be suitable and qualified to become members of the Board and select, or make recommendations to the Board on the selection of, any persons nominated for directorships.

提名委員會遴選及建議委任董事之候選人的程序及標準概述如下：

- (a) 於所有方面的多元化，包括但不限於候選人的技能、知識、性別、年齡、種族、文化及教育背景、專業經驗及其他個人特質；
- (b) 作出可靠商業判斷的能力及擔任董事的公認成就及經驗（包括有效監督及指導管理層）；
- (c) 候選人承諾投入充足時間妥為履行董事職責；
- (d) 倘候選人獲選可能產生之潛在／實際利益衝突；
- (e) 上市規則所規定之獨立非執行董事的獨立性；
- (f) 如擬重新委任獨立非執行董事，彼之服務年期；及
- (g) 尋找可能適合及合資格成為董事會成員的任何人士，並就甄選提名人士為董事向董事會作出甄選或提出推薦建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board diversity policy, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. A summary of the Company's board diversity policy is set out on pages 90 to 91 of this annual report.

The full terms of reference of the Nomination Committee are available on the Stock Exchange's website and the Company's website.

During the Reporting Period, the Nomination Committee met two times for the purpose of, among other matters, reviewing the structure, size and composition of the Board. The Nomination Committee considered the diversity of the Board is appropriate.

Corporate Governance Committee

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

The Company has formulated a comprehensive corporate governance manual containing various policies and procedures governing the functioning of the Board and its committees, appraisal and remuneration, risk management, financial reporting, conflict of interest, connected transactions, shareholders' communication and other aspects of corporate governance and management of the Company.

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

評估董事會組成時，提名委員會將考慮董事會成員多元化政策中載列的多項因素，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、知識及服務年限。董事會的所有委任均以用人唯才為原則，參照客觀標準對候選人予以考慮，並充分顧及董事會成員多元化的裨益。本公司董事會成員多元化政策之概要載列於本年報第90至91頁。

提名委員會的職權範圍全文可於聯交所網站及本公司網站上查閱。

於報告期間內，提名委員會舉行兩次會議，以（其中包括）檢討董事會的架構、人數及組成。提名委員會認為董事會在多元化方面為適當。

企業管治委員會

董事會負責履行企業管治守則的守則條文D.3.1條中載列的職能。

本公司已制定規管董事會及其委員會運行的全面企業管治措施（包括各種政策及程序）、評估及薪酬、風險管理、財務申報、利益衝突、關連交易、股東通訊及本公司企業管治及管理的其他方面。

董事會對以下各項進行了檢討：本公司的企業管治政策及實務、董事及高級管理層的培訓及持續專業發展、本公司遵守法律法規的政策及實務、標準守則的遵守情況及本公司遵守企業管治守則的情況以及本企業管治報告中的資料披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board and Board committee meetings and general meeting of the Company held during the Reporting Period is as follows:

董事及委員會成員會議出席記錄

各董事出席於報告期間內召開的本公司董事會及董事委員會會議及股東大會的記錄如下：

| Name of Directors 董事姓名 | Annual general meeting 股東週年大會 | Meetings attended/Meetings held 出席會議次數／會議舉行次數 | | | |
|---------------------------|--|--|----------------------------------|------------------------------------|-----------------------------|
| | | Board 董事會 | Nomination Committee 提名委員會 | Remuneration Committee 薪酬委員會 | Audit Committee 審核委員會 |
| LU Yuguang 盧煜光 | 1/1 | 5/5 | 2/2 | N/A 不適用 | N/A 不適用 |
| ZHANG Haitao 張海濤 | 1/1 | 5/5 | N/A 不適用 | 2/2 | N/A 不適用 |
| WU Shaolun 吳少倫 | 1/1 | 5/5 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| ZHENG Tingting 鄭婷婷 | 1/1 | 5/5 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| CHEUNG Yat Ming 張一鳴 | 1/1 | 5/5 | 2/2 | 2/2 | 3/3 |
| DING Baoshan 丁寶山 | 1/1 | 5/5 | 2/2 | 2/2 | 3/3 |
| SAI Chun Yu 佘振宇 | 1/1 | 5/5 | N/A 不適用 | N/A 不適用 | 3/3 |

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2019.

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

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 94 to 100 of this annual report.

AUDITOR'S REMUNERATION

The remuneration paid to the external auditors of the Company in respect of audit services and non-audit services (mainly for review of the condensed consolidated financial statements of the Group for the six months ended 30 June 2019 and tax compliance services) for the year ended 31 December 2019 amounted to approximately HK\$2.0 million and approximately HK\$0.7 million respectively.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group has in place the sound and effective risk management and internal control systems to safeguard shareholders' investment and assets of the Group. The Board acknowledges its responsibility for the risk management and internal control systems of the Group. From time to time and at least once a year, the Board reviews the effectiveness of the risk management and internal control systems of the Group in order to ensure that they meet with the dynamic and ever changing business environment as well as the requirements under the Listing Rules. To enhance the objectiveness and creditability of the review, an independent audit firm has been engaged to conduct the appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems.

董事對財務報表的責任

董事明白，編製本公司截至二零一九年十二月三十一日止年度的財務報表乃其責任。

董事並不知悉任何可能導致對本公司的持續經營能力產生重大懷疑的事項或狀況的重大不確定因素。

本公司獨立核數師關於其對財務報表的報告責任的聲明載列於本年報第94頁至第100頁的獨立核數師報告中。

核數師薪酬

就截至二零一九年十二月三十一日止年度的審核服務及非審核服務（主要為審閱本集團截至二零一九年六月三十日止六個月的簡明綜合財務報表及稅收合規服務）而向外聘核數師支付的薪酬分別為約2.0百萬港元及約0.7百萬港元。

風險管理及內部控制

本集團已制訂穩健及有效的風險管理及內部控制系統，以保障股東之投資及本集團之資產。董事會明白，本集團的風險管理及內部控制系統乃其責任。董事會不時且至少每年一次檢討本集團的風險管理及內部控制系統的有效性，以確保其適應高效且不斷變化的商業環境，並符合上市規則規定。為提高檢討的客觀性及可信度，本集團已委聘一間獨立審計事務所，就本集團風險管理及內部控制系統的客觀性及有效性進行評估。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2019, the Audit Committee, with reference to and based on the internal audit report issued by the independent audit firm, conducted a review on the effectiveness of the Group's risk management and internal control systems, including financial, operational and compliance controls and risk management functions, adequacy of resources, qualifications and experience of staff of the Company's accounting, internal control and financial reporting functions, and training programmes and budget. The Board has considered and discussed the internal audit report issued by the independent audit firm, the work conducted by the independent audit firm, the Audit Committee's view on the Group's risk management and internal control systems and their effectiveness. The Board and the Audit Committee are satisfied with the adequacy and effectiveness of the risk management and internal control of the Group.

BOARD DIVERSITY POLICY

The Board adopted a board diversity policy (the "**Diversity Policy**") on 23 May 2014. A summary of this Diversity Policy, together with the measurable objectives set for implementing this policy, and the progress made towards achieving those objectives are disclosed as below.

Summary of the Board Diversity Policy

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

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

截至二零一九年十二月三十一日止年度，經參考且根據獨立審計事務所發佈的內部審計報告，審核委員會對本集團風險管理及內部控制系統的成效進行審閱，審閱內容包括財務、營運及合規控制及風險管理活動、資源的充足性、本公司會計、內部監督及財務申報方面的員工資格及經驗以及培訓課程及預算。董事會已審議及討論獨立審計事務所發佈的內部審計報告、獨立審計事務所開展的工作、審核委員會就本集團的風險管理及內部控制系統以及其有效性發佈的觀點。董事會及審核委員會信納本集團風險管理及內部控制的客觀性及有效性。

董事會成員多元化政策

董事會於二零一四年五月二十三日採納董事會成員多元化政策（「**多元化政策**」）。多元化政策的摘要及為執行該政策而制定的可計量目標，以及達標進度載列如下。

董事會成員多元化政策摘要

本公司在設定董事會成員組合時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

可計量目標

甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會作出的貢獻而作決定。

CORPORATE GOVERNANCE REPORT

企業管治報告

Monitoring and Reporting

The Nomination Committee will report annually, in the corporate governance report, on the Board's composition under diversified perspectives, and monitor the implementation of the Diversity Policy.

As at the date of this annual report, the Board comprises seven Directors. Three of them are independent non-executive Directors, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of age, experience, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

COMPANY SECRETARY

Mr. Chan Yiu Sing, the Company Secretary appointed by the Board, is a full-time employee of the Company; and in the opinion of the Board, possesses the necessary qualifications and experience, and is capable of performing the functions of a company secretary. During the Reporting Period, Mr. Chan has taken not less than 15 hours of professional training. The Company will continue to provide funds for Mr. Chan to take not less than 15 hours of appropriate professional training in each financial year as required under Rule 3.29 of the Listing Rules.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of its corporate information, which enables shareholders and investors to make the best investment decision.

The Company maintains a website at www.bestpacific.com as a communication platform with shareholders and investors, where information and updates on the Group's business developments and operations and other information are available for public access.

監察及匯報

提名委員會將每年在企業管治報告內匯報董事會在多元化層面的組成，並監察多元化政策的執行。

於本年報日期，董事會由七名董事組成。三名為獨立非執行董事，這有助嚴格檢討及監控管理程序。以年齡、經驗、文化及教育背景、種族、專業經驗、技能、知識及服務任期等因素而言，董事會成員十分多元化。

公司秘書

由董事會委任的公司秘書陳耀星先生為本公司的全職僱員；董事會認為，彼擁有必要的資格及經驗且能夠履行公司秘書的職能。於報告期間內，陳先生已接受不少於15小時的專業培訓。按照上市規則第3.29條的要求，本公司將繼續為陳先生於每個財務年度接受不少於15小時的適當專業培訓提供經費。

與股東及投資者的溝通

本公司認為，與股東的有效溝通對加強投資者關係及促進投資者對本集團業務表現及策略的了解至關重要。本公司亦深明公司資料的透明度以及及時披露的重要性，其有助股東及投資者作出最佳的投資決定。

本公司設有(www.bestpacific.com)網站作為與股東及投資者溝通的平台，可供公眾人士瀏覽有關本集團的業務發展及營運的資料及最新情況以及其他資料。

CORPORATE GOVERNANCE REPORT

企業管治報告

Enquiries and suggestions from shareholders or investors to the Board are welcomed by mail to the Company's principal place of business in Hong Kong at 8th Floor, West Gate Tower, No. 7 Wing Hong Street, Lai Chi Kok, Kowloon, Hong Kong or via email to ir@bestpacific.com for the attention of the Investor Relations Department. Inquiries are dealt with in an informative and timely manner.

Besides, shareholders' meetings provide an opportunity for communication between the Board and the shareholders. It is the Company's general practice that the Chairman of the Board as well as chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee, or in their absence, their duly appointed delegates, who are members of the relevant committees, will be available to answer questions at the general meetings of the Company. In addition, the Company will invite representatives of the auditor to attend its annual general meeting to answer shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and the independence of the auditor.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual Director, for shareholders' consideration and voting. The Company's shareholders may convene an extraordinary general meeting (the "EGM") or put forward proposals at shareholders' meetings as follows:

- (1) Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company may request the Board to convene an EGM pursuant to Article 58 of the Articles by sending a written requisition to the Board or the Company Secretary at the Company's principal place of business in Hong Kong. The purpose of requiring such general meeting must be stated in the written requisition.

歡迎股東或投資者向董事會進行查詢及提出建議，可致函至本公司在香港的主要營業地點（香港九龍荔枝角永康街7號西港都會中心8樓）或發送電郵至 ir@bestpacific.com，收件人為投資者關係部。本公司會適時處理有關查詢及提供相關資訊。

此外，股東大會為董事會與股東之間提供了交流的機會。依據本公司慣例，董事會主席以及審核委員會、提名委員會及薪酬委員會的主席（或在彼等未能出席的情況下，其正式委任的代表（相關委員會的成員））將出席本公司的股東大會回答問題。此外，本公司將邀請核數師的代表出席其股東週年大會，以便回答股東提出的有關審核行為、核數師報告的編製及內容、會計政策及核數師獨立性的問題。

股東權利

為保障股東的權益及權利，本公司於股東大會上就各項重要問題（包括個別董事的選舉）提出單獨的決議案供股東考慮及投票表決。本公司股東可召開股東特別大會（「股東特別大會」）或於股東大會上提出如下提案：

- (1) 根據細則第58條的規定，於遞呈要求日期持有不少於本公司實繳股本十分之一的股東可透過向董事會或公司秘書（地址為本公司在香港的主要營業地點）發出書面要求，要求董事會召開股東特別大會。書面要求中須指明要求召開股東大會的目的。

(2) If a shareholder wishes to propose a person other than a retiring Director for election as a Director of the Company at a general meeting, pursuant to Article 85 of the Articles, the shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting shall send a written notice, duly signed by the shareholder, of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's principal place of business in Hong Kong, or the office of the Company's branch share registrar. The period for lodgement of such notices shall commence on the day after the despatch of the notice of such general meeting and end no later than 7 days prior to the date of such general meeting.

For the avoidance of doubt, shareholder(s) must provide their full name(s), contact details and identification, in the originally signed written requisition, notice or statement (as the case may be), in order to give effect thereto. Information of shareholder(s) may be disclosed as required by law. Shareholders may refer to the Articles for further details of the rights of shareholders.

All resolutions put forward at shareholders' meetings of the Company shall be voted by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands pursuant to the Listing Rules and the Articles. The poll results shall be posted on the websites of the Stock Exchange and the Company after each shareholders' meeting.

CONSTITUTIONAL DOCUMENTS

During the Reporting Period, there was no significant change in the Articles of the Company.

The latest version of the Articles of the Company are available on the websites of the Stock Exchange and the Company.

(2) 根據細則第85條的規定，倘股東擬於股東大會上提名即將退任董事以外的人士參選本公司董事，則正式合資格出席股東大會並於會上表決的股東（並非擬提名參選的人士）須發出經其正式簽署的書面通知，當中表明建議提名該人士參選的意向，並附上所提名人士簽署表示願意參選的通知。此等通知應提交至本公司在香港的主要營業地點或本公司股份過戶登記分處的辦事處。該等通知之提交期間於寄發有關股東大會召開通告後翌日開始，不得遲於有關股東大會舉行日期前七日結束。

為免生疑義，股東必須於最初簽署之書面申請書、通知或聲明（視乎情況而定）中提供其全名、聯繫方式及身份證明，以便使之生效，股東的資料可按照法律規定予以披露。有關股東權利的進一步詳情，股東可參閱細則。

根據上市規則及細則的規定，除主席決定容許有關程序或行政事宜的決議案以舉手方式表決外，本公司股東大會上提出的所有決議案均須進行投票表決。每次股東大會結束後，投票結果須於聯交所及本公司網站上公佈。

章程文件

於報告期間內，本公司細則並無任何重大變動。

本公司最新版本的細則可於聯交所及本公司網站上查閱。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Deloitte.

德勤

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
BEST PACIFIC INTERNATIONAL HOLDINGS LIMITED**
(incorporated in Cayman Islands with limited liability)

獨立核數師報告
致超盈國際控股有限公司股東

(於開曼群島註冊成立的有限公司)

OPINION

意見

We have audited the consolidated financial statements of Best Pacific International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as “**the Group**”) set out on pages 101 to 263, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師（以下簡稱「我們」）已審計列載於第101至263頁的超盈國際控股有限公司（以下簡稱「貴公司」）及其附屬公司（以下統稱「貴集團」）的綜合財務報表，此財務報表包括於二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

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

我們認為，該等綜合財務報表已根據由香港會計師公會（「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」）真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例披露規定妥為編製。

BASIS FOR OPINION

意見的基礎

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.

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」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則（「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

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

Impairment assessment of trade receivables

Key audit matter

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

As at 31 December 2019, the Group's net trade receivables amounting to approximately HK\$720.0 million, which represented approximately 12.3% of total assets of the Group and out of these trade receivables of approximately HK\$96.5 million were past due.

As disclosed in Note 4 to the consolidated financial statements, the management of the Group identifies trade receivables that are credit impaired and assesses their ECL individually. The management of the Group estimates the amount of lifetime ECL of the remaining trade receivables based on provision matrix through grouping of various debtors that have similar loss pattern, after considering internal credit ratings of trade debtors and/or past due status of respective trade receivables. The credit loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses. The assessment of credit risk of trade receivables involves high degree of estimation uncertainty.

As disclosed in note 42 to the consolidated financial statements, the Group's lifetime ECL on trade receivables as at 31 December 2019 amounting to approximately HK\$26.9 million.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

貿易應收款項之減值評估

關鍵審計事項

我們將貿易應收款項之減值評估列為關鍵審計事項，乃由於貿易應收款項對貴集團的綜合財務狀況實屬重大，且於評估報告期間結束時貴集團貿易應收款項的預期信貸虧損（「預期信貸虧損」）時涉及主觀判斷及管理層估計。

於二零一九年十二月三十一日，貴集團的貿易應收款項淨額為約720.0百萬港元，約佔貴集團總資產的12.3%，於該等貿易應收款項中，約96.5百萬港元已逾期。

誠如綜合財務報表附註4所披露，貴集團管理層識別發生信貸減值之貿易應收款項並個別評估其預期信貸虧損。貴集團管理層經考慮貿易應收賬款之內部信貸評級及／或個別貿易應收款項的逾期狀態後，根據具有類似虧損模式的多個債務人組別的撥備矩陣估計餘下貿易應收款項之全期預期信貸虧損金額。信貸虧損撥備金額按資產賬面值及估計現金流量現值之間的差額計量，並考慮預期未來信貸虧損。評估貿易應收款項的信貸風險涉及高度估計不確定性。

誠如綜合財務報表附註42所披露，貴集團於二零一九年十二月三十一日的貿易應收款項全期預期信貸虧損為約26.9百萬港元。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Impairment assessment of trade receivables (Continued)

How our audit address the key audit matter

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

- Understanding key controls on how the management estimates the credit loss allowance for trade receivables;
- Testing the accuracy of information used by the management to develop the provision matrix, including trade receivables ageing analysis as at 31 December 2019, on a sample basis, by comparing individual items in the analysis with the relevant sales invoices and monthly statement for sales;
- Challenging management's basis and judgement in determining credit loss allowance on trade receivables as at 31 December 2019, including their identification of credit impaired trade receivables which are assessed for ECL individually, the reasonableness of management's grouping of the remaining trade debtors into different categories in the provision matrix by internal credit ratings of trade debtors and/or past due status of respective trade receivables, and the basis of estimated loss rates applied in each category in the provision matrix; and
- Testing subsequent settlements of trade receivables, on a sample basis, by inspecting supporting documents in relation to cash receipt from trade debtors subsequent to the end of the current reporting period.

關鍵審計事項 (續)

貿易應收款項之減值評估 (續)

我們的審計如何對關鍵審計事項進行處理

我們有關貿易應收款項之減值評估的程序，包括：

- 了解管理層在估計貿易應收款項之信貸虧損撥備時的主要控制措施；
- 透過將分析中的獨立項目與相關銷售發票及銷售月結單比較，對管理層建立撥備矩陣所使用的資料，包括於二零一九年十二月三十一日之貿易應收款項賬齡分析的準確性進行抽樣測試；
- 查詢管理層在釐定於二零一九年十二月三十一日之貿易應收款項信貸虧損撥備時所採用的基準及判斷，包括其對發生信貸減值及就預期信貸虧損進行個別評估之貿易應收款項的識別、管理層於撥備矩陣中按貿易應收賬款之內部信貸評級及／或個別貿易應收款項的逾期狀態將餘下貿易應收賬款分組至不同類別的合理性，以及應用於撥備矩陣各類別的預期虧損率基準；及
- 透過檢查於本報告期間結束後有關來自貿易應收賬款之現金收款的證明文件，對貿易應收款項的後續結算進行抽樣測試。

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 annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

其他信息

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

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及管理層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按照香港公司條例的披露規定編製真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

管理層須負責監督 貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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，並按照我們協定之聘用條款僅向全體成員出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。我們並不就本報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

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.

核數師就審計綜合財務報表承擔的責任 (續)

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Lee Wing Cheong, Wilfred.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

25 March 2020

核數師就審計綜合財務報表承擔的責任 (續)

我們與管理層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。

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

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

出具本獨立核數師報告的審計項目合夥人是李永鏘。

德勤•關黃陳方會計師行

執業會計師

香港

二零二零年三月二十五日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

| | | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-----------------------|-------------|----------------------------------|----------------------------------|
| Revenue | 收入 | 5 | 3,637,762 | 3,212,625 |
| Cost of sales | 銷售成本 | | (2,764,953) | (2,420,664) |
| Gross profit | 毛利 | | 872,809 | 791,961 |
| Other income | 其他收入 | 7 | 32,138 | 40,835 |
| Other gains and losses | 其他收益及虧損 | 8 | 9,450 | 4,998 |
| Selling and distribution expenses | 銷售及分銷開支 | | (170,294) | (153,420) |
| Administrative expenses | 行政開支 | | (221,665) | (199,118) |
| Research and development costs | 研發費用 | | (97,783) | (91,450) |
| Share of result of a joint venture | 分佔合營企業業績 | | 2,806 | 3,346 |
| Finance costs | 融資成本 | 9 | (90,815) | (66,350) |
| Profit before taxation | 除稅前溢利 | 12 | 336,646 | 330,802 |
| Income tax expense | 所得稅開支 | 13 | (37,567) | (50,570) |
| Profit for the year | 年度溢利 | | 299,079 | 280,232 |
| Other comprehensive (expense) income: | 其他全面(開支)收益: | | | |
| Items that may be reclassified subsequently to profit or loss: | 其後可能重新分類至損益的項目: | | | |
| Exchange differences arising on translation of foreign operations | 換算海外業務產生的匯兌差額 | | (73,573) | (141,249) |
| Share of translation reserve of a joint venture | 分佔合營企業的換算儲備 | | (390) | (612) |
| Items that will not be reclassified to profit or loss: | 其後不會重新分類至損益的項目: | | | |
| Fair value gain on investment in a partnership | 投資合夥公司的公平值收益 | | 1,981 | 900 |
| Remeasurement of retirement benefit obligations, net of tax | 退休福利責任的重新計量(經扣除稅項) | | 137 | 1,808 |
| Other comprehensive expense for the year | 年內其他全面開支 | | (71,845) | (139,153) |
| Total comprehensive income for the year | 年內全面收益總額 | | 227,234 | 141,079 |
| Profit (loss) for the year attributable to | 年內應佔溢利(虧損) | | | |
| – Owners of the Company | – 本公司擁有人 | | 300,724 | 283,553 |
| – Non-controlling interests | – 非控股權益 | | (1,645) | (3,321) |
| | | | 299,079 | 280,232 |
| Total comprehensive income (expense) for the year attributable to | 年內應佔全面收益(開支)總額 | | | |
| – Owners of the Company | – 本公司擁有人 | | 228,814 | 143,654 |
| – Non-controlling interests | – 非控股權益 | | (1,580) | (2,575) |
| | | | 227,234 | 141,079 |
| Earnings per share | 每股盈利 | 15 | | |
| – Basic (HK cents) | – 基本(港仙) | | 28.92 | 27.34 |
| – Diluted (HK cents) | – 攤薄(港仙) | | 28.92 | 27.29 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

| | | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-----------------|-------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 16 | 2,893,902 | 2,703,094 |
| Right-of-use assets | 使用權資產 | 17 | 246,804 | – |
| Prepaid lease payments | 預付租賃付款 | 18 | – | 118,331 |
| Interest in a joint venture | 於合營企業的權益 | 19 | 31,408 | 35,147 |
| Deposits | 按金 | 23 | 87,881 | 80,928 |
| Investment in a partnership | 投資合夥公司 | 20 | – | 18,642 |
| Deferred tax assets | 遞延稅項資產 | 32 | 8,824 | 4,371 |
| | | | 3,268,819 | 2,960,513 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 21 | 1,065,160 | 865,105 |
| Prepaid lease payments | 預付租賃付款 | 18 | – | 2,987 |
| Trade and bills receivables | 貿易應收款項及應收票據 | 22 | 754,490 | 730,661 |
| Other receivables, deposits and prepayments | 其他應收款項、按金及預付款項 | 23 | 86,777 | 74,806 |
| Tax recoverables | 可收回稅項 | | 17,375 | – |
| Pledged bank deposits | 已抵押銀行存款 | 24 | 76,823 | 82,220 |
| Short term bank deposits | 短期銀行存款 | 24 | 19,010 | 12,249 |
| Bank balances and cash | 銀行結餘及現金 | 24 | 576,773 | 459,894 |
| | | | 2,596,408 | 2,227,922 |
| Current liabilities | 流動負債 | | | |
| Trade payables | 貿易應付款項 | 25 | 246,337 | 208,961 |
| Bills payables | 應付票據 | 26 | 386,546 | 396,142 |
| Other payables and accrued charges | 其他應付款項及應計費用 | 27 | 237,261 | 222,676 |
| Contract liabilities | 合約負債 | 28 | 40,964 | 56,493 |
| Bank borrowings | 銀行借款 | 29 | 1,612,894 | 789,696 |
| Lease liabilities | 租賃負債 | 30 | 10,474 | – |
| Tax payables | 應繳稅項 | | 22,713 | 21,438 |
| Bank overdrafts | 銀行透支 | 29 | 32,225 | 12,385 |
| | | | 2,589,414 | 1,707,791 |
| Net current assets | 流動資產淨值 | | 6,994 | 520,131 |
| Total assets less current liabilities | 總資產減流動負債 | | 3,275,813 | 3,480,644 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

| | | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------|-------------|----------------------------------|----------------------------------|
| | | Notes 附註 | | |
| Non-current liabilities | 非流動負債 | | | |
| Bank and other borrowings | 銀行及其他借款 | 29 | 574,201 | 1,004,462 |
| Lease liabilities | 租賃負債 | 30 | 62,926 | – |
| Derivative financial instrument | 衍生金融工具 | 31 | 1,403 | 3,195 |
| Deferred income | 遞延收入 | | 3,860 | 5,282 |
| Deferred tax liabilities | 遞延稅項負債 | 32 | 11,423 | 4,825 |
| Retirement benefit obligations | 退休福利責任 | 34 | 6,922 | 5,460 |
| | | | 660,735 | 1,023,224 |
| Net assets | 資產淨值 | | 2,615,078 | 2,457,420 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 33 | 10,398 | 10,397 |
| Reserves | 儲備 | | 2,521,497 | 2,362,260 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 2,531,895 | 2,372,657 |
| Non-controlling interests | 非控股權益 | | 83,183 | 84,763 |
| Total equity | 權益總額 | | 2,615,078 | 2,457,420 |

The consolidated financial statements on pages 101 to 262 were approved by the Board of Directors on 25 March 2020 and are signed on its behalf by:

第101頁至262頁的綜合財務報表獲董事會於二零二零年三月二十五日批准及獲以下代表簽署：

Lu Yuguang
盧煜光
Chairman
主席

Zhang Haitao
張海濤
Executive Director
執行董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | | | | | | |
|--|--------------------|---|---------------|--------------------------------|--------------------|----------------------------|--------------------|-----------------------|---------------------|-----------------------|------------------|-----------|---------------------------|--------------|
| | | Share Capital | Share premium | Investment revaluation reserve | Other reserve | Retirement benefit reserve | Special reserve | PRC statutory reserve | Translation reserve | Share options reserve | Retained profits | Total | Non-controlling interests | Total equity |
| | | 股本 | 股份溢價 | 投資重估儲備 | 其他儲備 | 退休福利儲備 | 特別儲備 | 中國法定儲備 | 換算儲備 | 購股權儲備 | 保留溢利 | 總計 | 非控股權益 | 權益總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | | | | (Note a) (附註 a) | | (Note b) (附註 b) | (Note c) (附註 c) | | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 10,365 | 585,302 | (915) | 106,715 | - | (13,070) | 131,807 | (6,604) | 4,434 | 1,468,674 | 2,286,708 | (584) | 2,286,124 |
| Profit (loss) for the year | 年度溢利(虧損) | - | - | - | - | - | - | - | - | - | 283,553 | 283,553 | (3,321) | 280,232 |
| Exchange differences arising on translation of foreign operations | 換算海外業務產生的匯兌差額 | - | - | - | - | - | - | - | (141,249) | - | - | (141,249) | - | (141,249) |
| Share of translation reserve of a joint venture | 分佔合營企業換算儲備 | - | - | - | - | - | - | - | (612) | - | - | (612) | - | (612) |
| Fair value gain on investment in a partnership | 投資合夥公司的公平值收益 | - | - | 900 | - | - | - | - | - | - | - | 900 | - | 900 |
| Remeasurement of retirement benefit obligations, net of tax | 退休福利責任的重新計量(經扣除稅項) | - | - | - | - | 1,062 | - | - | - | - | - | 1,062 | 746 | 1,808 |
| Other comprehensive income (expense) for the year | 年內其他全面收益(開支) | - | - | 900 | - | 1,062 | - | - | (141,861) | - | - | (139,899) | 746 | (139,153) |
| Total comprehensive income (expense) for the year | 年內全面收益(開支)總額 | - | - | 900 | - | 1,062 | - | - | (141,861) | - | 283,553 | 143,654 | (2,575) | 141,079 |
| Issue of new ordinary shares of the Company (Note 33) | 發行本公司新普通股(附註33) | 32 | 6,916 | - | - | - | - | - | - | (3,492) | - | 3,456 | - | 3,456 |
| Capital injection from non-controlling shareholder of a subsidiary | 一間附屬公司非控股股東注資 | - | - | - | - | - | - | - | - | - | - | - | 57,526 | 57,526 |
| Acquisition of a subsidiary (Note 36) | 收購一間附屬公司(附註36) | - | - | - | - | - | - | - | - | - | - | - | 30,396 | 30,396 |
| Transfer from retained profits to the PRC statutory reserve | 自保留溢利轉至中國法定儲備 | - | - | - | - | - | - | 20,951 | - | - | (20,951) | - | - | - |
| Dividends recognised as distribution (Note 14) | 確認分派的股息(附註14) | - | - | - | - | - | - | - | - | - | (61,161) | (61,161) | - | (61,161) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 10,397 | 592,218 | (15) | 106,715 | 1,062 | (13,070) | 152,758 | (148,465) | 942 | 1,670,115 | 2,372,657 | 84,763 | 2,457,420 |
| Profit (loss) for the year | 年度溢利(虧損) | - | - | - | - | - | - | - | - | - | 300,724 | 300,724 | (1,645) | 299,079 |
| Exchange differences arising on translation of foreign operations | 換算海外業務產生的匯兌差額 | - | - | - | - | - | - | - | (73,573) | - | - | (73,573) | - | (73,573) |
| Share of translation reserve of a joint venture | 分佔合營企業換算儲備 | - | - | - | - | - | - | - | (390) | - | - | (390) | - | (390) |
| Fair value gain on investment in a partnership | 投資合夥公司的公平值收益 | - | - | 1,981 | - | - | - | - | - | - | - | 1,981 | - | 1,981 |
| Remeasurement of retirement benefit obligations, net of tax | 退休福利責任的重新計量(經扣除稅項) | - | - | - | - | 72 | - | - | - | - | - | 72 | 65 | 137 |
| Other comprehensive income (expense) for the year | 年內其他全面收益(開支) | - | - | 1,981 | - | 72 | - | - | (73,963) | - | - | (71,910) | 65 | (71,845) |
| Total comprehensive income (expense) for the year | 年內全面收益(開支)總額 | - | - | 1,981 | - | 72 | - | - | (73,963) | - | 300,724 | 228,814 | (1,580) | 227,234 |
| Issue of new ordinary shares of the Company (Note 33) | 發行本公司新普通股(附註33) | 1 | 1,032 | - | - | - | - | - | - | (942) | - | 91 | - | 91 |
| Disposal of investment in a partnership | 出售投資合夥公司 | - | - | (1,966) | - | - | - | - | - | - | 1,966 | - | - | - |
| Transfer from retained profits to the PRC statutory reserve | 自保留溢利轉至中國法定儲備 | - | - | - | - | - | - | 29,635 | - | - | (29,635) | - | - | - |
| Dividends recognised as distribution (Note 14) | 確認分派的股息(附註14) | - | - | - | - | - | - | - | - | - | (69,667) | (69,667) | - | (69,667) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 10,398 | 593,250 | - | 106,715 | 1,134 | (13,070) | 182,393 | (222,428) | - | 1,873,503 | 2,531,895 | 83,183 | 2,615,078 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

Notes:

- (a) Other reserve of the Group amounting to approximately HK\$106,715,000 represents the difference between the nominal value of the shares issued by the Company and the carrying value of the non-controlling interests held by Sunbrilliant Capital Investment Limited and Lakefront Capital Investment Limited and the share capital of Best Pacific Textile Holdings Limited (“**BPT Holding**”) prior to the completion of a group reorganisation on 16 January 2014.
- (b) Several subsidiaries of the Company provided financial guarantees to its related companies and the fair value of the financial guarantees was recognised as deemed distribution to the shareholders at initial recognition. These financial guarantees were released in previous years.
- (c) The People’s Republic of China (the “**PRC**”) statutory reserve is non-distributable and the transfer to this reserve is determined according to the relevant law in the PRC and by the board of directors of the PRC subsidiaries in accordance with the Articles of Association of the subsidiaries. It can be used to make up for previous year’s losses or convert into additional capital of the PRC subsidiaries of the Company.

附註：

- (a) 本集團的其他儲備約106,715,000港元，指本公司發行之股份面值與Sunbrilliant Capital Investment Limited及Lakefront Capital Investment Limited持有的非控股權益賬面值及超盈紡織控股有限公司（「**超盈控股**」）於完成二零一四年一月十六日的集團重組前的股本之差額。
- (b) 本公司若干附屬公司為其關聯公司提供財務擔保，財務擔保的公平值於首次確認時確認為視作向股東分派。該等財務擔保已於過往年度解除。
- (c) 中華人民共和國（「**中國**」）法定儲備為不可分派，對該儲備的轉撥由中國附屬公司的董事會根據附屬公司的組織章程細則按中國有關法律釐定。該儲備可用作彌補本公司中國附屬公司的去年虧損或轉換為額外資本。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------------------|----------------------------------|----------------------------------|
| Operating activities | 經營活動 | | |
| Profit before taxation | 除稅前溢利 | 336,646 | 330,802 |
| Adjustments for: | 為下列各項作出調整： | | |
| Interest income | 利息收入 | (6,996) | (9,179) |
| Finance costs | 融資成本 | 90,815 | 66,350 |
| Share of result of a joint venture | 分佔合營企業業績 | (2,806) | (3,346) |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 262,150 | 234,818 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 18,909 | - |
| Change in fair value of derivative financial instrument | 衍生金融工具的 公平值變動 | (1,792) | (1,231) |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及 設備收益 | (42) | (560) |
| Net remeasurement of credit loss allowance for trade receivables | 貿易應收款項信貸虧損撥備 重新計量淨額 | 2,344 | 8,086 |
| Amortisation of prepaid lease payments | 攤銷預付租賃付款 | - | 2,893 |
| Amortisation of deferred income | 攤銷遞延收入 | (1,262) | (1,311) |
| Unrealised exchange gain arising on translation of current accounts within group entities | 換算集團實體間往來 賬戶產生的未變現 匯兌收益 | (11,683) | (9,998) |
| Operating cash flows before movements in working capital | 營運資金變動前的 經營現金流量 | 686,283 | 617,324 |
| Increase in inventories | 存貨增加 | (214,785) | (128,130) |
| Increase in trade and bills receivables | 貿易應收款項及應收票據 增加 | (30,902) | (110,609) |
| (Increase) decrease in other receivables, deposits and prepayments | 其他應收款項、按金及 預付款項(增加)減少 | (18,555) | 28,172 |
| Increase in trade payables | 貿易應付款項增加 | 39,467 | 14,137 |
| (Decrease) increase in bills payables | 應付票據(減少)增加 | (2,430) | 124,423 |
| Increase in other payables and accrued charges | 其他應付款項及應計費用 增加 | 13,533 | 19,106 |
| (Decrease) increase in contract liabilities | 合約負債(減少)增加 | (15,367) | 37,082 |
| Increase in retirement benefit obligations | 退休福利責任增加 | 1,599 | 88 |
| Cash generated from operations | 經營業務所得現金 | 458,843 | 601,593 |
| Income tax paid | 已付所得稅 | (51,093) | (38,613) |
| Net cash from operating activities | 經營活動所得現金淨額 | 407,750 | 562,980 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

| | Note 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|---------------------------------|----------------------------------|----------------------------------|
| Investing activities | 投資活動 | | |
| Placement of pledged bank deposits | | (172,940) | (180,801) |
| Withdrawal of pledged bank deposits | | 176,501 | 149,671 |
| Interests received | | 6,962 | 9,211 |
| Payment for right-of-use assets/ prepaid lease payments | | (60,812) | (20,130) |
| Addition of property, plant and equipment | | (514,899) | (607,910) |
| Net cash outflow from acquisition of a subsidiary | 36 | - | (30,496) |
| Proceeds from disposal of property, plant and equipment | | 28,583 | 18,912 |
| Distribution from a partnership | | 20,066 | 8,240 |
| Placement of short term bank deposits with original maturity over 3 months | | (145,766) | (1,115,863) |
| Withdrawal of short term bank deposits with original maturity over 3 months | | 138,731 | 1,114,729 |
| Repayment from (advance to) a related company | | 3,937 | (494) |
| Proceed from capital reduction of interest in a joint venture | | 6,945 | - |
| Net cash used in investing activities | 投資活動所用現金淨額 | (512,692) | (654,931) |
| Financing activities | 融資活動 | | |
| Interests paid | | (99,616) | (62,887) |
| Dividends paid | | (69,667) | (61,161) |
| Proceeds from issue of new shares | | 91 | 3,456 |
| Capital injection from a non-controlling shareholder of a subsidiary | | - | 57,526 |
| New bank borrowings raised | | 1,829,548 | 611,493 |
| New syndicated loan raised | | 674,188 | 302,000 |
| Loan from a non-controlling shareholder | | 13,650 | 5,850 |
| Repayment of lease liabilities | | (12,730) | - |
| Repayment of bank borrowings | | (1,206,170) | (397,023) |
| Repayment of syndicated loan | | (919,052) | (86,000) |
| Repayment of obligations under finance leases | | - | (629) |
| Net cash from financing activities | 融資活動所得現金淨額 | 210,242 | 372,625 |
| Net increase in cash and cash equivalents | 現金及現金等價物增加淨額 | 105,300 | 280,674 |
| Cash and cash equivalents at beginning of the year | 年初的現金及現金等價物 | 447,509 | 176,715 |
| Effect of foreign exchange rate changes | 匯率變動的影響 | (8,261) | (9,880) |
| Cash and cash equivalents at end of the year, represented by | 年終的現金及現金等價物， 以下列項目代表 | 544,548 | 447,509 |
| Bank balances and cash | 銀行結餘及現金 | 576,773 | 459,894 |
| Bank overdrafts | 銀行透支 | (32,225) | (12,385) |
| | | 544,548 | 447,509 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 14 June 2013. Its immediate and ultimate holding company is Grandview Capital Investment Limited, which is incorporated in the British Virgin Islands (“**BVI**”) and is wholly owned by Mr. Lu Yuguang (“**Mr. Lu**”), who is also the Chairman and executive director of the Company. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 23 May 2014. The address of the Company’s registered office and principal place of business are disclosed in the corporate information section to the annual report.

The functional currency of the Company is Hong Kong dollar (“**HK\$**”), which is the same as the presentation currency of the consolidated financial statements.

1. 一般資料

本公司於二零一三年六月十四日根據開曼群島法例第22章公司法（一九六一年第三號法案，經綜合及修訂）在開曼群島註冊成立為獲豁免有限公司。其直接及最終控股公司Grandview Capital Investment Limited為於英屬處女群島（「**英屬處女群島**」）註冊成立並由本公司主席兼執行董事盧煜光先生（「**盧先生**」）全資擁有的公司。本公司股份已自二零一四年五月二十三日起在香港聯合交易所有限公司（「**聯交所**」）主板上市。本公司註冊辦事處及主要營業地點的地址披露於本年報公司資料一節。

本公司的功能貨幣為港元（「**港元**」），亦為綜合財務報表的呈列貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

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

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

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

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本

2.1 本年度已強制生效的新訂香港財務報告準則及其修訂本

於本年度，本集團已首次應用以下由香港會計師公會（「香港會計師公會」）頒佈的新訂香港財務報告準則及其修訂本：

| | |
|-------------------------|----------------------------|
| 香港財務報告準則第16號 | 租賃 |
| 香港（國際財務報告詮釋委員會）— 詮釋第23號 | 所得稅處理的不確定性 |
| 香港財務報告準則第9號（修訂本） | 具有負補償之提前還款特點 |
| 香港會計準則第19號（修訂本） | 計劃修訂、縮減或結清 |
| 香港會計準則第28號（修訂本） | 於聯營公司及合營企業之長期權益 |
| 香港財務報告準則（修訂本） | 二零一五年至二零一七年週期香港財務報告準則之年度改進 |

除下文所述者外，本年度應用新訂香港財務報告準則及其修訂本及詮釋並未對本集團本年度及過往年度的財務表現及狀況及／或該等綜合財務報表所載之披露有重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

2.1.1 HKFRS 16 “Leases”

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

Definition of a lease

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

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

2.1 本年度已強制生效的新訂香港財務報告準則及其修訂本（續）

2.1.1 香港財務報告準則第16號「租賃」

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

租賃之定義

本集團已選擇採用可行權宜方法，就先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）— 詮釋第4號「釐定安排是否包括租賃」識別為租賃的合約應用香港財務報告準則第16號，而並無就先前未識別為包含租賃的合約應用該準則。因此，本集團並未重新評估於首次應用日期前已存在的合約。

就於二零一九年一月一日或之後訂立或修訂的合約，本集團在評估合約是否包含租賃時根據香港財務報告準則第16號所載的規定應用租賃之定義。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

2.1.1 HKFRS 16 “Leases” (Continued)

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

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

- i. relied on the assessment of whether leases are onerous by applying HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” as an alternative of impairment review;
- ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

2.1 本年度已強制生效的新訂香港財務報告準則及其修訂本（續）

2.1.1 香港財務報告準則第16號「租賃」（續）

作為承租人

本集團已追溯應用香港財務報告準則第16號，並於首次應用日期（即二零一九年一月一日）確認累計影響。於首次應用日期的任何差額於期初保留溢利中確認，而並無重列比較資料。

於過渡期應用香港財務報告準則第16號項下之經修訂追溯法時，本集團就先前根據香港會計準則第17號分類於經營租賃項下的租賃按個別租賃基準在與各租賃合約相關的範圍內應用以下可行權宜方法：

- i. 應用香港會計準則第37號「撥備、或然負債及或然資產」作為減值審閱的替代方法，評估租賃是否為虧損性；
- ii. 選擇不就租期於首次應用日期起十二個月內屆滿的租賃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

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

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

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

2.1.1 HKFRS 16 “Leases” (Continued)

As a lessee (Continued)

- iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- iv. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of buildings in the PRC, the Socialist Republic of Vietnam (“**Vietnam**”) and the Democratic Socialist Republic of Sri Lanka (“**Sri Lanka**”) was determined on a portfolio basis; and
- v. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension and termination options.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

2.1 本年度已強制生效的新訂香港財務報告準則及其修訂本（續）

2.1.1 香港財務報告準則第16號「租賃」（續）

作為承租人（續）

- iii. 於首次應用日期計量使用權資產時排除初始直接成本；
- iv. 就類似經濟環境內相似類別相關資產的類似剩餘租期的租賃組合應用單一貼現率。特別是，若干中國、越南社會主義共和國（「**越南**」）及斯里蘭卡民主社會主義共和國（「**斯里蘭卡**」）樓宇租賃的貼現率乃按組合基準釐定；及
- v. 根據於首次應用日期的事實及情況使用事後分析，就本集團具有續租及終止選擇權的租賃釐定期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

2.1.1 HKFRS 16 “Leases” (Continued)

As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee’s incremental borrowing rate applied is 5.33% per annum.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

2.1 本年度已強制生效的新訂香港財務報告準則及其修訂本（續）

2.1.1 香港財務報告準則第16號「租賃」（續）

作為承租人（續）

就過往分類為經營租賃之租賃確認租賃負債時，本集團於首次應用日期應用相關集團實體之增量借款利率。所應用的承租人加權平均增量借款年利率為5.33%。

| | | At 1 January 2019 於二零一九年 一月一日 HK\$'000 千港元 |
|---|---|---|
| Operating lease commitments disclosed as at 31 December 2018 | 於二零一八年十二月三十一日披露之經營租賃承擔 | 137,764 |
| Lease liabilities discounted at relevant incremental borrowing rates | 按相關增量借款利率貼現之租賃負債 | 78,393 |
| Less: Recognition exemption – short-term leases | 減：確認豁免 – 短期租賃 | (1,736) |
| Lease liabilities relating to operating leases recognised upon application of HKFRS 16 as at 1 January 2019 | 於二零一九年一月一日應用香港財務報告準則第16號時確認與經營租賃相關之租賃負債 | 76,657 |
| Analysed as | 分析為 | |
| Current | 流動 | 10,878 |
| Non-current | 非流動 | 65,779 |
| | | 76,657 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

2.1.1 HKFRS 16 “Leases” (Continued)

As a lessee (Continued)

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

| | Note 附註 | Right-of-use assets 使用權資產 HK\$'000 千港元 |
|--|--------------------------------|--|
| Right-of-use assets relating to operating leases recognised upon application of HKFRS 16 | 應用香港財務報告準則第16號時確認與經營租賃有關之使用權資產 | 76,657 |
| Reclassified from prepaid lease payments | 自預付租賃付款重新分類 | 121,318 |
| | | 197,975 |
| By class: | 按類別： | |
| Leasehold lands | 租賃土地 | 175,809 |
| Buildings | 樓宇 | 22,166 |
| | | 197,975 |

(a) Upfront payments for leasehold lands in the PRC, Vietnam and Sri Lanka were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to HK\$2,987,000 and HK\$118,331,000 respectively were reclassified to right-of-use assets.

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

2.1 本年度已強制生效的新訂香港財務報告準則及其修訂本（續）

2.1.1 香港財務報告準則第16號「租賃」（續）

作為承租人（續）

於二零一九年一月一日，使用權資產的賬面值包含以下各項：

| | Note 附註 | Right-of-use assets 使用權資產 HK\$'000 千港元 |
|--|--------------------------------|--|
| Right-of-use assets relating to operating leases recognised upon application of HKFRS 16 | 應用香港財務報告準則第16號時確認與經營租賃有關之使用權資產 | 76,657 |
| Reclassified from prepaid lease payments | 自預付租賃付款重新分類 | 121,318 |
| | | 197,975 |
| By class: | 按類別： | |
| Leasehold lands | 租賃土地 | 175,809 |
| Buildings | 樓宇 | 22,166 |
| | | 197,975 |

(a) 於中國、越南及斯里蘭卡的租賃土地預付款於二零一八年十二月三十一日分類為預付租賃付款。於採用香港財務報告準則第16號後，預付租賃付款的流動及非流動部分（金額分別為2,987,000港元及118,331,000港元）已重新分類至使用權資產。

以下為對於二零一九年一月一日之綜合財務狀況表中確認的金額作出的調整。未受變動影響的項目並不包括在內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

2.1.1 HKFRS 16 “Leases” (Continued)

As a lessee (Continued)

| | | | Carrying amounts previously reported at 31 December 2018 | Adjustments | Carrying amounts under HKFRS 16 at 1 January 2019 |
|--------------------------------|--------------|-----------------|--|-----------------|---|
| | | | 已於二零一八年 十二月三十一日 呈報的賬面值 | 調整 | 根據香港財務 報告準則第16號 於二零一九年 一月一日的賬面值 |
| | Notes 附註 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | |
| Non-current assets | 非流動資產 | | | | |
| Prepaid lease payments | (a) | 118,331 | (118,331) | - | |
| Right-of-use assets | | - | 197,975 | 197,975 | |
| Current assets | 流動資產 | | | | |
| Prepaid lease payments | (a) | 2,987 | (2,987) | - | |
| Current liabilities | 流動負債 | | | | |
| Lease liabilities | | - | 10,878 | 10,878 | |
| Non-current liabilities | 非流動負債 | | | | |
| Lease liabilities | | - | 65,779 | 65,779 | |

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

就呈報截至二零一九年十二月三十一日止年度按間接法計算之經營活動所得現金流量而言，營運資金變動已根據二零一九年一月一日的期初綜合財務狀況表計算（如上文所披露）。

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

2.1 本年度已強制生效的新訂香港財務報告準則及其修訂本（續）

2.1.1 香港財務報告準則第16號「租賃」（續）

作為承租人（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

2.2 New and amendments to HKFRSs in issue but not yet effective

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

| | |
|--|--|
| HKFRS 17 | Insurance Contracts ¹ |
| Amendments to HKFRS 3 | Definition of a Business ² |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³ |
| Amendments to HKAS 1 and HKAS 8 | Definition of Material ⁴ |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7 | Interest Rate Benchmark Reform ⁴ |

¹ Effective for annual periods beginning on or after 1 January 2021.

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2020.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

2.2 已頒佈但尚未生效的新訂香港財務報告準則及其修訂本

本集團並無提早應用以下已頒佈但尚未生效的新訂香港財務報告準則及其修訂本：

| | |
|---|------------------------------------|
| 香港財務報告準則第17號 | 保險合約 ¹ |
| 香港財務報告準則第3號（修訂本） | 業務的定義 ² |
| 香港財務報告準則第10號及香港會計準則第28號（修訂本） | 投資者及其聯營公司或合營企業出售或注入資產 ³ |
| 香港會計準則第1號及香港會計準則第8號（修訂本） | 重大的定義 ⁴ |
| 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號（修訂本） | 利率基準改革 ⁴ |

¹ 於始於二零二一年一月一日或之後的年度期間生效。

² 對收購日期為二零二零年一月一日或之後開始的首個年度期間初或之後的業務合併及資產收購生效。

³ 於始於特定日期或之後的年度期間生效。

⁴ 於始於二零二零年一月一日或之後的年度期間生效。

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綜合財務報表附註

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

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

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

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

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

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

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

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

2.2 已頒佈但尚未生效的新訂香港財務報告準則及其修訂本（續）

除上述新訂香港財務報告準則及其修訂本外，經修訂財務報告概念框架已於二零一八年頒佈。其後續修訂香港財務報告準則中對概念框架的提述的修訂將於始於二零二零年一月一日或之後的年度期間生效。

除下述香港財務報告準則修訂本外，本公司董事預期，應用所有其他新訂香港財務報告準則及其修訂本於可見將來不會對綜合財務報表產生重大影響。

香港會計準則第1號及香港會計準則第8號（修訂本）「重大的定義」

該等修訂本通過在作出重要判斷時納入額外的指導及解釋，對重大性的定義進行了改進。特別是，該等修訂本：

- 包括「掩蓋」重要資料的概念，其與遺漏或誤報資料有類似效果；
- 就影響使用者重要性的範圍以「可合理預期影響」取代「可影響」；及
- 包括使用詞組「主要使用者」，而非僅指「使用者」，於決定於財務報表披露何等資料時，該用語被視為過於廣義。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

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

Amendments to HKAS 1 and HKAS 8 “Definition of Material” (Continued)

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

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

The New Framework:

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

2.2 已頒佈但尚未生效的新訂香港財務報告準則及其修訂本（續）

香港會計準則第1號及香港會計準則第8號（修訂本）「重大的定義」（續）

該等修訂與各香港財務報告準則的定義一致，並將在本集團於二零二零年一月一日開始的年度期間強制生效。預期應用該等修訂不會對本集團的財務狀況及表現造成重大影響，惟可能影響於綜合財務報表中的呈列及披露。

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

新框架：

- 重新引入管理及審慎此等術語；
- 引入著重權利的新資產定義以及範圍可能比所取代定義更廣的新負債定義，惟不會改變負債與股本工具之間的區別；
- 討論歷史成本及現值計量，並就如何為某一資產或負債選擇計量基準提供額外指引；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

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

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

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

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

2.2 已頒佈但尚未生效的新訂香港財務報告準則及其修訂本（續）

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

- 指出財務表現主要計量標準為損益，且於特殊情況下方會使用其他全面收益，且僅用於資產或負債現值產生變動的收入或開支；及
- 討論不確定因素、終止確認、會計單位、報告實體及合併財務報表。

相應修訂已作出，致使有關若干香港財務報告準則中的提述已更新至符合新框架，惟部分香港財務報告準則仍參考該框架的先前版本。該等修訂於二零二零年一月一日或之後開始的年度期間生效，並可提早應用。除仍參考該框架先前版本的特定準則外，本集團將於其生效日期按新框架決定會計政策，尤其是會計準則未有處理的交易、事件或條件。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

3. 主要會計政策

該等綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則編製。此外，該等綜合財務報表包括聯交所證券上市規則及香港公司條例所規定的適用披露。

誠如下文會計政策所述，除按各報告期間結束時的公平值計量的若干金融工具外，綜合財務報表已根據歷史成本基準編製。

歷史成本一般以為交換貨品及服務所作代價的公平值為準。公平值乃於計量日市場參與者於有序交易中出售資產所收取或轉讓負債所支付價格，而不論可否使用其他估值方法直接可觀察或估計該價格。於估計資產或負債的公平值時，本集團會考慮市場參與者於計量日對資產或負債定價時所考慮資產或負債特性。綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟香港財務報告準則第2號「以股份為基礎的付款」範圍內的以股份為基礎的付款交易、根據香港財務報告準則第16號（自二零一九年一月一日起）或香港會計準則第17號（於應用香港財務報告準則第16號前）入賬的租賃交易及與公平值類似但並非公平值的計量（如香港會計準則第2號「存貨」的可變現淨值或香港會計準則第36號「資產減值」的使用價值）除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

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

The principal accounting policies adopted are set out below.

Basis of consolidation

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

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

3. 主要會計政策 (續)

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及輸入數據對公平值計量之整體重要性分類為第一級、第二級或第三級，載述如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據（第一級內的報價除外）；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

所採納的主要會計政策載列於下文。

綜合基準

綜合財務報表併入本公司及本公司控制的實體（其附屬公司）的財務報表。倘屬以下情況，則本公司取得控制權：

- 對被投資公司擁有權力；
- 因藉參與被投資公司的業務而可或有權獲得可變回報；及
- 有能力行使其權力而影響其回報。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation *(Continued)*

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

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

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

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

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

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

3. 主要會計政策 (續)

綜合基準 (續)

倘有事實及情況顯示上述三項控制因素中有一項或多項出現變化，本集團將重新評估其是否對被投資公司擁有控制權。

合併一間附屬公司於本集團取得該附屬公司的控制權時開始，並於本集團失去該附屬公司的控制權時終止。具體而言，於年內收購或出售之附屬公司的收入及開支會於本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團對該附屬公司之控制權終止當日為止。

損益及其他全面收益之各項目乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

如有需要，將對附屬公司的財務報表作出調整，致使彼等的會計政策與本集團的會計政策一致。

與本集團成員公司交易有關的所有集團內公司間資產及負債、權益、收入、開支及現金流量，將於綜合賬目時悉數撇銷。

於附屬公司的非控股權益與本報告內之本集團權益分開呈列，指賦予持有人權利於清盤時按比例分佔相關附屬公司之資產淨值的現有所有權權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income Taxes” and HKAS 19 “Employee Benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 “Share-based Payment” at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard.
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

3. 主要會計政策 (續)

業務合併

收購業務以收購法入賬。於業務合併中轉讓之代價以公平值計量，即計算本集團所轉讓資產、本集團所產生對被收購方前擁有人之負債以及本集團為換取被收購方之控制權而發行之股權於收購日期之公平值的總和。收購相關成本一般於產生時於損益確認。

於收購日期，所收購之可識別資產及所承擔之負債以其公平值確認，除外者為：

- 遞延稅項資產或負債，及僱員福利安排相關的資產或負債分別按香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 涉及被收購方以股份為基礎的付款安排或為取代被收購方以股份為基礎的付款安排而訂立之本集團以股份為基礎的付款安排的負債或股本工具，於收購日期按香港財務報告準則第2號「以股份為基礎的付款」計量（見下文會計政策）；及
- 按香港財務報告準則第5號「持作出售非流動資產及已終止經營業務」分類為持作出售資產（或出售組別）根據該準則計量。
- 租賃負債按剩餘租賃付款（定義見香港財務報告準則第16號）的現值確認及計量，猶如收購的租賃於收購日期為新租賃。使用權資產按與相關租賃負債相同的金額確認及計量，並經調整以反映與市場條款相比時租賃的有利或不利條款。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations *(Continued)*

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

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

3. 主要會計政策 (續)

業務合併 (續)

商譽乃按已轉讓代價、於被收購方之任何非控股權益金額及收購方先前於被收購方持有之股權之公平值(如有)之總和超逾於收購日期所收購可識別資產及所承擔負債之淨額的差額計量。倘經重新評估後，所收購可識別資產及所承擔負債之淨額超逾已轉讓代價、於被收購方之任何非控股權益金額及收購方先前於被收購方持有之權益之公平值(如有)之總和，則超出部分隨即於損益確認為議價收購收益。

屬現有所有權權益且賦予持有人權利於清盤時按比例分佔相關附屬公司之資產淨值之非控股權益，可初步按非控股權益應佔被收購方可識別之資產淨值之已確認金額之比例或公平值計量。計量基準視乎每項交易而作出選擇。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

3. 主要會計政策 (續)

於合營企業的投資

合營企業為聯合安排，據此對安排有聯合控制權的各方擁有對聯合安排淨資產的權利。聯合控制為透過合同約定共享安排的控制權，僅當與相關活動有關的決定需要共享控制權的各方一致同意時存在。

合營企業的業績以及資產及負債乃採用權益會計法併入該等綜合財務報表。用於權益會計用途的合營企業的財務報表乃採用本集團在類似情況下用於類似交易及事件的統一會計政策編製。根據權益法，於合營企業的投資初步按成本確認於綜合財務狀況表，其後進行調整以確認本集團分佔合營企業的損益及其他全面收益。合營企業於損益及其他全面收益以外的淨資產變動並未列賬，除非該等變動導致本集團所持所有權權益有所變動。倘本集團分佔合營企業的虧損超過本集團於合營企業的權益（包括實質上構成本集團於合營企業的淨投資的一部分的任何長期權益），則本集團會停止確認其分佔的進一步虧損。額外虧損的確認僅限於以下情況：本集團已代表合營企業產生法定或推定義務或作出付款。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in joint ventures (Continued)

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

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

When a group entity transacts with a joint venture of the Group (such as a sale or purchase), profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3. 主要會計政策 (續)

於合營企業的投資 (續)

於合營企業的投資自被投資公司成為合營企業之日起採用權益法列賬。收購於合營企業的投資或收購於一間合營企業之額外權益後，投資成本超出本集團分佔被投資公司可識別資產及負債淨公平值的任何部分確認為商譽，而商譽計入投資的賬面值。重新評估後，本集團分佔可識別資產及負債淨公平值超出投資成本的任何部分立即確認於收購投資期間的損益中。

本集團評估是否有客觀證據顯示於合營企業的權益可能出現減值。倘存在任何客觀證據，則透過對其可收回金額（以使用價值及公平值減出售成本中之較高者為準）與其賬面值進行比較，作為單一資產根據香港會計準則第36號「資產減值」對投資的全部賬面值（包括商譽）進行減值測試。已確認的任何減值虧損並不會分配至構成投資賬面值一部分的任何資產（包括商譽）。減值虧損的任何撥回乃根據香港會計準則第36號予以確認，惟限於投資的可收回金額隨後有所增加的情況。

當集團實體與本集團的合營企業進行交易（比如買賣）時，與合營企業的交易所產生的損益確認於本集團的綜合財務報表，惟僅限於與本集團並無關連的於合營企業的權益。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue from contracts with customers

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

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

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

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

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

The Group’s revenue from sales of goods is recognised at a point in time when goods are delivered and control has been passed to customers.

3. 主要會計政策 (續)

來自客戶合約之收入

本集團於完成履約責任時確認收入，即於與特定履約責任相關之貨品或服務之「控制權」轉讓予客戶時。

履約責任指一項明確的貨品及服務（或一批貨品或服務）或一系列大致相同且明確的貨品或服務。

控制權隨時間轉移，而倘符合其中一項以下標準，則收入乃參照完成相關履約責任的進度按時間確認：

- 客戶於本集團履約時同時取得並耗用本集團履約所提供的利益；
- 本集團的履約創建或增強客戶於本集團履約時控制的資產；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團有強制執行權以收取迄今已履約部分的款項。

否則，收入於客戶獲得明確的貨品或服務的控制權時確認。

本集團來自銷售貨品的收入於交付貨品且控制權轉讓予客戶的時點確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue from contracts with customers

(Continued)

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 主要會計政策 (續)

來自客戶合約之收入 (續)

合約負債指本集團因已自客戶收取代價 (或代價金額到期) 而須向客戶轉讓貨品或服務的責任。

政府補助金

政府補助金於可合理確定本集團將符合有關附帶條件及將會收取有關補助金時方予確認。

政府補助金乃就本集團確認的有關開支 (預期補助金可用作補償) 期間按系統化的基準於損益中確認。具體而言，對於首要條件為本集團須採購、建造或以其他方式獲取非流動性資產的政府補助金，將會按系統化的基準於綜合財務狀況表確認為遞延收入，並按相關資產的可使用年期轉撥至損益。

倘應收政府補助金乃用作補償支出或已發生的虧損或為向本集團提供並無日後相關成本的即時財務支援，則在應收期間於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

3. 主要會計政策 (續)

研發開支

研究活動的開支於產生期間確認為開支。

開發活動或內部計劃發展階段產生的內部產生無形資產，僅在顯示以下所有條件時方予確認：

- 完成無形資產的技術可行性，從而可以使用或銷售；
- 有意去完成該無形資產從而使之可以使用或銷售；
- 使用或銷售無形資產的能力；
- 無形資產將如何產生可能的日後經濟效益；
- 使用適當技術、財務和其他資源來完成其發展，並使用或銷售此無形資產；及
- 能夠準確衡量用於開發無形資產的支出。

就內部產生無形資產首次確認的款額為該等無形資產首次符合上述確認標準當日起產生的開支總額。倘並無內部產生無形資產可予確認，則開發支出將於產生期間在損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment

Property, plant and equipment, other than properties in the course of construction for production, supply or administrative purposes, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than the construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 主要會計政策 (續)

物業、廠房及設備

除用作生產、供應或行政用途的在建物業以外，物業、廠房及設備按成本減後期累計折舊及後期累計減值虧損（如有）於綜合財務狀況表列賬。

用作生產、供應或行政用途的在建物業按成本減已確認減值虧損列賬。成本包括使資產達到能夠按照管理層擬定的方式開展經營所必要的位置及條件而直接產生的任何成本及（就合資格資產而言）根據本集團會計政策資本化的借款成本。該等物業於完工後並達至擬定用途時劃分為物業、廠房及設備的合適類別。與其他物業資產的基準相同，該等資產於達至擬定用途時開始折舊。

資產（在建工程除外）之折舊乃以直線法按估計可使用年期撇銷其成本減剩餘價值計算。估計可使用年期、剩餘價值及折舊方法於各報告期間結束時進行審閱，而任何估計變動的影響按預先基準入賬。

物業、廠房及設備項目乃於出售或預期持續使用該資產不會產生未來經濟利益時取消確認。出售或棄用一項物業、廠房及設備項目產生的任何收益或虧損釐定為資產銷售所得款項與賬面值的差額，並於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment *(Continued)*

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “right-of-use assets” (upon application of HKFRS 16) or “prepaid lease payments” (before application of HKFRS 16) in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

3. 主要會計政策 (續)

物業、廠房及設備 (續)

於租賃土地及樓宇的擁有權權益

當本集團就物業擁有權權益進行付款 (包括租賃土地及樓宇分部)，全部代價於租賃土地及樓宇成分之間按首次確認時的相對公平值的比例分配。

倘相關付款能夠可靠分配，則以經營租賃入賬的租賃土地權益於綜合財務狀況表中呈列為「使用權資產」(於應用香港財務報告準則第16號後)或「預付租賃付款」(於應用香港財務報告準則第16號前)。倘代價無法於相關租賃土地的非租賃樓宇成分及未分割權益間可靠分配，則整項物業會歸類為物業、廠房及設備。

日後自用的發展中樓宇

倘在建樓宇作生產或行政用途，建設期間計提的預付租賃付款的攤銷列入在建樓宇的部分成本。在建樓宇乃按成本減任何可識別減值虧損列賬。樓宇於可供使用時(即彼等達致管理層擬訂的營運方式所需的地點及狀況)開始計算折舊。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment on property, plant and equipment, right-of-use assets and other non-financial assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and other non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and other non-financial assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策 (續)

物業、廠房及設備、使用權資產及其他非金融資產減值

於報告期間結束時，本集團會審閱其物業、廠房及設備、使用權資產及其他非金融資產的賬面值以釐定有否跡象顯示有關資產出現減值虧損。倘出現此情況，本集團將估計相關資產的可收回金額，以釐定減值虧損數額（如有）。

本集團個別估計物業、廠房及設備、使用權資產以及其他非金融資產的可回收金額。倘若不可能個別估計可回收金額，則本集團估計資產所屬現金產生單位的可收回金額。

此外，本集團評估是否有跡象顯示公司資產可能出現減值。倘出現此情況，則於合理及貫徹的分配基準可識別時，公司資產亦被分配至個別現金產生單位，或於其他情況下彼等被分配至現金產生單位的最小組別，而該現金產生單位的合理及貫徹分配基準可識別。

可收回金額為公平值減去出售成本及使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至現值，該貼現率能反映當前市場所評估的貨幣時間值及資產特定風險，就此而言，未來現金流量估計尚未作出調整。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment on property, plant and equipment, right-of-use assets and other non-financial assets (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策 (續)

物業、廠房及設備、使用權資產及其他非金融資產減值 (續)

倘資產(或一個現金產生單位)的可收回金額估計將少於其賬面值,該資產(或一個現金產生單位)的賬面值乃調低至其可收回金額。對於未能按合理一致的基準分配至現金產生單位的公司資產或部分公司資產,本集團會比較一個組別的現金產生單位賬面值(包括已分配至該組現金產生單位的公司資產或部分公司資產的賬面值)與該組別現金產生單位的可收回金額。於分配減值虧損時,將首先以撇減任何商譽的賬面值(如適用),接著按該單位或一組現金產生單位各項資產的賬面值所佔比例分配至資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零之中的最高值。已另行分配至資產的減值虧損金額按比例分配至該單位或一組現金產生單位的其他資產。減值虧損乃即時於損益確認。

倘減值虧損其後撥回,資產(或現金產生單位或現金產生單位組別)的賬面值乃調高至經修訂的估計可收回金額,惟調高後的賬面值不得高於倘過往年度並無確認資產(或現金產生單位或現金產生單位組別)減值虧損的賬面值。減值虧損撥回乃即時於損益確認。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases

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

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

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

3. 主要會計政策 (續)

租賃

租賃之定義 (根據附註2的過渡應用香港財務報告準則第16號後)

倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則合約為或包含租賃。

對於在首次應用日期或之後訂立或修訂的合約，本集團於開始或修訂日期根據香港財務報告準則第16號的定義評估合約是否包含租賃。除非合約的條款及條件其後發生變更，否則有關合約將不予重新評估。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

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

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人(根據附註2的過渡應用香港財務報告準則第16號後)

短期租賃及低值資產租賃

本集團將短期租賃確認豁免應用於租期為自開始日期起計12個月或更短且不包含購買選擇權的樓宇租賃。其亦就低值資產租賃應用確認豁免。短期租賃及低值資產租賃的租賃付款於租期內按直線法確認為開支。

使用權資產

使用權資產的成本包括：

- 租賃負債的初始計量金額；
- 於開始日期或之前作出的任何租賃付款減任何已收租賃優惠；
- 本集團產生的任何初始直接費用；及
- 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產生的估計成本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases *(Continued)*

The Group as lessee (upon application of HKFRS 16 in accordance with the transitional in note 2) *(Continued)*

Right-of-use assets (Continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

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

Lease liabilities

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

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人(根據附註2的過渡應用香港財務報告準則第16號後)(續)

使用權資產 (續)

使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。對於本集團合理確定將於租期結束時獲得相關租賃資產所有權的使用權資產，自開始日期起至可使用年期結束期間折舊。在其他情況下，使用權資產按估計可使用年期及租期的較短者以直線法折舊。

本集團於綜合財務狀況表中將使用權資產作為單獨項目呈列。

可退回租金按金

已付可退回租金按金按香港財務報告準則第9號「金融工具」(「香港財務報告準則第9號」)入賬，並初步按公平值計量。於首次確認時對公平值作出的調整被視為額外租賃付款並計入使用權資產成本。

租賃負債

於租賃開始日期，本集團按當日未付之租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃中隱含的利率不易確定，則本集團使用於租賃開始日期的增量借款利率。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

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

Lease liabilities (Continued)

The lease payments include:

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

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

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人(根據附註2的過渡應用香港財務報告準則第16號後)
(續)

租賃負債 (續)

租賃付款包括：

- 固定付款(包括實質固定付款)減任何應收租賃優惠；
- 取決於指數或利率的可變租賃付款，使用於開始日期的指數或利率初步計量；
- 預期將根據剩餘價值擔保由本集團支付的金額；
- 購買選擇權的行使價(倘合理確定本集團將行使選擇權)；及
- 支付終止租賃的罰款(倘租期反映本集團行使終止租賃的選擇權)。

於開始日期後，租賃負債按利息增值及租賃付款進行調整。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases *(Continued)*

The Group as lessee (upon application of HKFRS 16 in accordance with the transitional in note 2) *(Continued)*

Lease liabilities (Continued)

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

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

Lease modifications

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

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

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人(根據附註2的過渡應用香港財務報告準則第16號後)(續)

租賃負債 (續)

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

- 租期發生變動或對行使購買選擇權的評估發生變動，在此情況下，相關租賃負債於重新評估之日通過使用修訂後的貼現率貼現修訂後的租賃付款的方式來重新計量。
- 租賃付款發生變動，原因為市場租金率於進行市場租金檢討後出現變動，在此情況下，相關租賃負債通過使用初始貼現率貼現修訂後的租賃付款的方式來重新計量。

租賃修訂

倘有以下情況，本集團將租賃修訂作為單獨租賃入賬：

- 該修訂通過增加一項或多項相關資產的使用權擴大了租賃範圍；及
- 租賃代價增加的金額相當於範圍擴大對應的單獨價格，加上按照特定合約情況對單獨價格進行的任何適當調整。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases *(Continued)*

The Group as lessee (upon application of HKFRS 16 in accordance with the transitional in note 2) *(Continued)*

Lease modifications *(Continued)*

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessee (prior to 1 January 2019)

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人(根據附註2的過渡應用香港財務報告準則第16號後)
(續)

租賃修訂 (續)

對於並未作為單獨租賃入賬的租賃修訂，本集團根據經修訂租賃的租期，在修訂生效之日通過使用修訂後的貼現率貼現修訂後的租賃付款的方式來重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整，以將租賃負債的重新計量入賬。當經修訂合約包含租賃部分以及一個或多個額外租賃或非租賃部分時，本集團根據租賃部分的相對單獨價格及非租賃部分的合計單獨價格，將經修訂合約中的代價分配至各租賃成分。

本集團作為承租人(二零一九年一月一日前)

倘若租賃條款在實質上將與擁有權有關的所有風險及回報轉讓予承租人，該租賃則歸類為融資租賃。所有其他租賃則歸類為經營租賃。

經營租賃付款於租期內按直線法確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

3. 主要會計政策 (續)

外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣（外幣）進行的交易均按交易日期的當期匯率確認。於報告期間結束時，以外幣計值的貨幣項目均按該日的當期匯率重新換算。以外幣歷史成本計量的非貨幣項目毋須重新換算。

於結算及重新換算貨幣項目時產生的匯兌差額均於彼等產生期間內於損益中確認。

就呈列綜合財務報表而言，本集團海外業務的資產及負債乃按於報告期間結束時的當期匯率換算為本集團的列賬貨幣（即港元），而其收入及支出乃按該年度的平均匯率進行換算，除非匯率於該期間內大幅波動則作別論，於此情況下，則採用交易當日的當期匯率。所產生的匯兌差額（如有）乃於其他全面收益內確認，並於權益中在匯兌儲備項下累計（於適當時撥作非控股權益）。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans (such as state-managed retirement benefit schemes, the Mandatory Provident Fund Scheme and the State Social Insurance Fund) are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained profits and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

3. 主要會計政策 (續)

退休福利成本及辭退福利

向界定供款退休福利計劃(例如國家管理退休福利計劃、強制性公積金計劃及國家社會保險基金)支付的款項,均於僱員已提供服務以有權獲取供款時確認為開支。

就界定福利退休福利計劃而言,提供福利的成本乃採用預計單位給付成本法於各年度報告期間結束時進行精算評估予以釐定。包括精算收益及虧損、資產上限變動之影響(如適用)及計劃資產(不包括利息)之回報的重新計量於其產生期間立即於綜合財務狀況表反映,並於其他全面收益內確認扣除或計入。於其他全面收益內確認之重新計量即時反映於保留溢利,且將不會重新分類至損益。

過往服務成本於計劃修訂或縮減期間在損益確認;而結算之收益或虧損乃於結算發生時確認。於釐定過往服務成本,或結算之收益或虧損時,實體須使用計劃資產當前的公平值及精算假設重新計量界定福利負債或資產淨額,反映於計劃修訂、縮減或結清前後根據計劃及計劃資產所提供的福利,且不考慮資產上限之影響(即可以自計劃退款或計劃的未來供款減額形式取得的任何經濟利益的現值)。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Retirement benefit costs and termination benefits (Continued)

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3. 主要會計政策 (續)

退休福利成本及辭退福利 (續)

利息淨額透過對界定福利負債或資產淨額採用期初貼現率計算。然而，倘本集團於計劃修訂、縮減或結清前重新計量界定福利負債或資產淨額，本集團使用於計劃修訂、縮減或結清後根據計劃及計劃資產所提供的福利以及用於重新計量該等界定福利負債或資產淨額的貼現率，釐定計劃修訂、縮減或結清後年度報告期間餘下時間的淨利息，並計入於因供款或福利付款於期內產生的界定福利負債或資產淨額之任何變動。

界定福利成本分類如下：

- 服務成本（包括現時服務成本、過往服務成本以及削減及結算之收益及虧損）；
- 利息開支或收入淨額；及
- 重新計量。

於綜合財務狀況表確認的退休福利責任指本集團界定福利計劃的實際虧絀或盈餘。該計算方法導致的任何盈餘不超過任何以計劃退款或削減未來計劃供款的形式出現的經濟利益的現值。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Retirement benefit costs and termination benefits (Continued)

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (for example contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability or asset.
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the entity reduces service cost by attributing the contributions to periods of service using the attribution method required by HKAS 19 paragraph 70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the entity reduces service cost in the period in which the related service is rendered.

3. 主要會計政策 (續)

退休福利成本及辭退福利 (續)

辭退福利產生的負債於本集團實體不能撤回所提供的辭退福利及其確認任何相關重組成本(以較早者為準)時確認。

僱員或第三方作出的酌情供款於向計劃支付供款時減少服務成本。

倘計劃的正式條款訂明僱員或第三方將作出供款，則會計處理取決於供款是否與服務有關，如下所示：

- 倘供款與服務無關(例如供款被要求減少源自計劃資產虧損或實際虧損的虧絀)，則供款於界定福利負債或資產的重新計量中反映。
- 倘供款與服務有關，則供款減少服務成本。就與服務年期有關的供款而言，實體可根據香港會計準則第19號第70段規定的歸屬法就總福利將供款歸屬於服務期間，從而減少服務成本。倘供款與服務年期無關，則實體於提供相關服務的期間減少服務成本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Effective 1 January 2019, any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. 主要會計政策 (續)

短期僱員福利

短期僱員福利於僱員提供服務時就預期將支付福利的未貼現金額確認。所有短期僱員福利確認為開支，除非香港財務報告準則另有要求或允許將福利計入資產成本。

給予僱員的福利(如工資及薪金、年假及病假)扣除任何已支付金額後確認為負債。

借款成本

購買、興建或製造合資格資產(即需較長時間預備以用於擬定用途或銷售的資產)直接應佔的借款成本乃計入該等資產的成本內，直至當資產可大致上用作擬定用途或出售。自二零一九年一月一日起，在相關資產可用於擬定用途或銷售後，任何尚未償還之特定借貸將計入一般借款組合，以計算一般借貸的資本化比率。暫時投資特定借款以待用於合資格資產所賺取的投資收入自符合資本化資格的借款成本中扣除。

所有其他借款成本於產生期間於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before taxation” as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interest in joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策 (續)

稅項

所得稅開支乃指本期應付稅項加上遞延稅項的總額。

本期應付稅項乃按本年度應課稅溢利計算。應課稅溢利因其他年度的應課稅或可扣稅收支及毋須課稅或不獲扣稅項，故有別於綜合損益及其他全面收益表所列示的「除稅前溢利」。本集團本期稅項負債乃按報告期間結束時已頒佈或實質頒佈的稅率計算。

遞延稅項乃按綜合財務報表所載資產及負債賬面值與計算應課稅溢利所採用的相應稅基的臨時差額確認。所有應課稅臨時差額一般確認為遞延稅項負債。倘應課稅溢利可能足以抵銷該等可扣稅的臨時差額，則一般就所有可扣稅的臨時差額確認為遞延稅項資產。

遞延稅項負債按與於附屬公司的投資及於合營企業的權益相關之應課稅臨時差額確認，惟本集團能夠控制臨時差額之撥回及臨時差額有可能於可見將來不會撥回除外。與該等投資及權益相關之可扣稅臨時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用臨時差額之利益且預計於可見將來可以撥回時確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產的賬面值會於報告期間結束時審核，並調低至應課稅溢利並未足以收回全部或部分資產。

遞延稅項資產及負債是根據報告期間結束前已制定或實際制定的稅率（及稅法）按預期於償還負債或變現資產期間使用的稅率計算。

遞延稅項負債及資產的計量反映了符合本集團預期在報告期間結束時收回或結算資產及負債的賬面值的稅項結果。

為就本集團確認使用權資產及相關租賃負債的租賃交易計量遞延稅項，本集團首先確定稅項減免是否源自使用權資產或租賃負債。

就稅項減免源自租賃負債的租賃交易而言，本集團分別就使用權資產及租賃負債應用香港會計準則第12號「所得稅」規定。由於應用首次確認豁免，與使用權資產及租賃負債相關的暫時性差額不會於首次確認時及於租期內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Inventories

Inventories mainly consist of textile products and are stated at the lower of cost and net realisable value. Cost of inventories is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 主要會計政策 (續)

稅項 (續)

當有法定可執行權利將當期稅項資產抵銷當期稅項負債時，以及當它們與同一稅務機關對同一應課稅實體徵收的所得稅有關時，遞延所得稅資產和負債均予以抵銷。

即期及遞延稅項於損益內確認，除非當與於其他全面收益或直接在權益中確認的項目相關，在此情況下，即期及遞延稅項亦分別在其他全面收益或直接在權益中確認。

存貨

存貨主要包括紡織產品，並以成本及可變現淨值的較低者列賬。存貨成本乃採用先入先出方法計算。可變現淨值指估計存貨售價減所有估計完成成本及作出銷售的所需成本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3. 主要會計政策 (續)

撥備

倘本集團須因過往事件承擔現時法定或推定責任，而本集團可能需要履行該責任且可對責任金額作出可靠估計時，即確認撥備。

確認為撥備的金額乃按報告期間結束時履行現時責任所需代價作出的最佳估計計算，並計及有關責任的風險及不確定性。倘撥備按履行現時責任估計所需的現金流量計量，則其賬面值為有關現金流量的現值（倘貨幣的時間價值影響重大）。

金融工具

當集團實體成為工具合約條文的訂約方時，金融資產及金融負債於綜合財務狀況表確認。所有以正常方式購買或出售的金融資產乃按交易日基準確認及取消確認。以正常方式購買或出售乃購買或出售要求於市場上按規則或慣例設定的時間框架內付運的金融資產。

除根據香港財務報告準則第15號初步計量的來自客戶合約之貿易應收款項外，金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債（透過損益按公平值（「**透過損益按公平值**」）計量的金融資產及金融負債除外）而直接應佔的交易成本乃於首次確認時加入金融資產或金融負債的公平值或自金融資產或金融負債的公平值扣除（如適用）。收購透過損益按公平值計量的金融資產或金融負債而直接應佔的交易成本即時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. 主要會計政策 (續)

金融工具 (續)

實際利息法為計算金融資產或金融負債攤銷成本及相關期間利息收入及利息開支分配的方法。實際利率乃實際貼現按金融資產或金融負債預計年期或(如適當)較短期間的估計日後現金收款及付款(包括構成整體實際利率不可或缺部分之一切已付或已收利率差價費用、交易成本及其他溢價或折讓)至其首次確認時的賬面淨值的利率。

金融資產

金融資產的分類及後續計量

符合以下條件的金融資產其後按攤銷成本計量：

- 金融資產於目的為收取合約現金流量之業務模式下持有；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“**FVTOCI**”):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及後續計量 (續)

符合以下條件的金融資產其後透過其他全面收益按公平值列賬(「**透過其他全面收益按公平值列賬**」)計量：

- 金融資產於透過同時出售及收取合約現金流量而達目的之業務模式下持有；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

所有其他金融資產其後透過損益按公平值計量，惟在首次應用香港財務報告準則第9號／首次確認金融資產之日，倘股本投資並非持作買賣，亦非收購方在香港財務報告準則第3號「業務合併」所適用的業務合併中確認的或然代價，本集團可不可撤銷地選擇於其他全面收益呈列股本投資的其後公平值變動。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及後續計量 (續)

(i) 攤銷成本及利息收入

對其後按攤銷成本及債務工具計量的金融資產而言，利息收入乃使用實際利息法確認。利息收入乃對金融資產之賬面總額應用實際利率計算，惟其後出現信貸減值的金融資產除外（見下文）。對於其後出現信貸減值的金融資產，利息收入乃自下一個報告期間對金融資產之攤銷成本應用實際利率確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再信貸減值，利息收入則自釐定該資產不再出現信貸減值後的報告期間開始後對金融資產賬面總額應用實際利率確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及後續計量 (續)

(ii) 指定為透過其他全面收益按公平值列賬的股本工具

透過其他全面收益按公平值列賬的股本工具的投資其後按公平值計量，其公平值變動產生的收益及虧損於其他全面收益確認並於投資重估儲備中累計；而毋須進行減值評估。累計收益或虧損將不會重新分類至損益，並將轉撥至保留溢利。

當本集團確立收取股息的權利時，該等股本工具投資的股息於損益中確認，除非股息明確指收回部分投資成本。股息計入損益內「其他收入」項目中。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets (including trade and bills receivables, other receivables and deposits, pledged bank deposits, short term bank deposits, bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component. Trade receivables that are credit impaired are assessed for ECL individually. The ECL on the remaining trade receivables are assessed collectively using a provision matrix with appropriate groupings.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值

本集團根據預期信貸虧損(「**預期信貸虧損**」)模式就根據香港財務報告準則第9號須予減值的金融資產(包括貿易應收款項及應收票據、其他應收款項及按金、已抵押銀行存款、短期銀行存款、銀行結餘)進行減值評估。預期信貸虧損金額於各報告日期更新，以反映自首次確認以來信貸風險的變化。

全期預期信貸虧損指相關工具的預計年期內所有可能的違約事件將產生的預期信貸虧損。相反地，12個月預期信貸虧損(「**12個月預期信貸虧損**」)指預期於報告日期後12個月內可能發生的違約事件導致的部分全期預期信貸虧損。

評估乃根據本集團過往信貸虧損經驗進行，並就債務人特有的因素、一般經濟狀況以及對報告日期的當前狀況及未來狀況預測的評估作出調整。

本集團始終就無重大融資成分的貿易應收款項確認全期預期信貸虧損。發生信貸減值之貿易應收款項就預期信貸虧損進行個別評估。餘下貿易應收款項的預期信貸虧損乃採用具合適組別的撥備矩陣進行整體評估。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For all other financial assets at amortised cost, the Group measures the credit loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

對於所有其他按攤銷成本列賬的金融資產，本集團計量等於12個月預期信貸虧損的信貸虧損撥備，除非自首次確認以來信貸風險大幅增加，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃基於自首次確認以來發生違約的可能性或風險是否大幅增加。

(i) 信貸風險大幅增加

於評估自首次確認以來信貸風險是否大幅增加時，本集團將金融工具於報告日期發生違約的風險與該金融工具於首次確認日期發生違約的風險進行比較。進行此評估時，本集團會考慮合理有據的定量及定性資料，包括過往經驗及無需付出不必要的成本或努力而可獲得的前瞻性資料。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 信貸風險大幅增加 (續)

特別是，在評估信貸風險是否大幅增加時會考慮以下資料：

- 金融工具的外部 (如有) 或內部信貸評級的實際或預期顯著惡化；
- 外部市場信貸風險指標顯著惡化，例如信貸息差及債務人的信貸違約掉期價格大幅增加；
- 預計將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；或
- 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期的重大不利變化。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on pledged bank deposits, short term bank deposits, bank balances and cash, bills receivables, amounts due from related companies and other receivables has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower 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 borrower to fulfil its contractual cash flow obligations. The Group considers bank balances and cash and other receivables to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 信貸風險大幅增加 (續)

不論上述評估的結果如何，本集團認為，倘合約付款逾期超過30日，則信貸風險自首次確認以來已大幅增加，除非本集團有合理有據的資料另作說明，則作別論。

儘管存在上述情況，倘債務工具於報告日期釐定為具有低信貸風險，本集團假設已抵押銀行存款、短期銀行存款、銀行結餘及現金、應收票據、應收關聯公司款項及其他應收款項的信貸風險自首次確認起並無顯著增加。倘(i)其違約風險偏低，(ii)借方有強大能力於短期履行其合約現金流量責任，及(iii)較長期的經濟及業務狀況存在不利變動，可能但未必將削弱借方履行其合約現金流量責任的能力，則債務工具的信貸風險會被釐定為偏低。根據全球理解的定義，當債務工具的內部或外部信貸評級為「投資級別」，則本集團會視銀行結餘及現金以及其他應收款項的信貸風險為偏低。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit impaired financial assets

A financial asset is credit impaired when one or more events of default 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;

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 信貸風險大幅增加 (續)

本集團定期監察用以識別信貸風險是否顯著增加的標準的有效性，並於適當時候做出修訂以確保該標準能夠在款項逾期前識別信貸風險的顯著增加。

(ii) 違約之定義

就內部信貸風險管理而言，本集團認為，倘內部生成或自外部來源獲得之資料顯示債務人不太可能向其債權人（包括本集團）全額還款（不考慮本集團持有之任何抵押品），則發生違約事件。

無論上述情形如何，本集團認為，倘金融資產逾期超過90日，則發生違約事件，除非本集團有合理有據資料能說明更寬鬆的違約標準更為合適，則作別論。

(iii) 信貸減值金融資產

當發生一項或多項對金融資產估計未來現金流量有不利影響之違約事件時，金融資產出現信貸減值。金融資產信貸減值之證據包括以下可觀察事件：

- (a) 發行人或借方陷入重大財務困難；
- (b) 違反合約，如違約或逾期事件；

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- (iii) Credit impaired financial assets (Continued)
- (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; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (iv) Write-off policy
- The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

- (iii) 信貸減值金融資產 (續)
- (c) 借方之貸方因與借方出現財務困難有關之經濟或合約理由而給予借方在一般情況下貸方不予考慮之優惠條件；或
- (d) 借方有可能破產或進行其他財務重組。
- (iv) 撇銷政策
- 倘有資料顯示對手方陷入嚴重財務困難且無實際收回可能，例如對手方遭清盤或已進入破產程序時，或就貿易應收款項而言，有關金額已逾期超過兩年（以較早發生者為準），則本集團會撇銷金融資產。在考慮法律意見（如適當）後，已撇銷金融資產仍可根據本集團之收回程序實施強制執行。撇銷構成取消確認事件。任何其後收回於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade receivables are each assessed as a separate group. Other receivables and amounts due from related companies are assessed for expected credit losses on an individual basis);

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約損失率（即倘發生違約的損失程度）及違約風險之函數。違約概率及違約損失率之評估乃基於經前瞻性資料調整之歷史數據作出。預期信貸虧損的估計反映以發生相關違約的風險作為加權數值而釐定的無偏概率加權平均金額。

一般而言，預期信貸虧損乃根據合約應付本集團之所有合約現金流量與本集團預期收取之現金流量之間的差額，並按首次確認時釐定之實際利率貼現。

倘預期信貸虧損按集體基準計量或迎合個別工具水平證據未必存在的情況，則金融工具按以下基準分組：

- 金融工具性質（即本集團貿易應收款項各作為單獨組別評估。其他應收款項及應收關聯公司款項按個別基準進行預期信貸虧損評估）；

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- (v) Measurement and recognition of ECL (Continued)
- Past-due status;
 - Nature, size and industry of debtors; and
 - External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in partnership that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a credit loss allowance account.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

- (v) 預期信貸虧損之計量及確認 (續)
- 逾期狀況；
 - 債務人的性質、規模及行業；及
 - 外部信貸評級 (倘可獲得)。

管理層定期檢討分組，以確保各組的組成部分繼續擁有類似信貸風險特徵。

利息收入乃根據金融資產之賬面總額計算，除非金融資產發生信貸減值，在此情況下，利息收入則根據金融資產之攤銷成本計算。

除按透過其他全面收益按公平值列賬計量的合夥公司投資外，本集團通過調整所有金融工具之賬面值於損益中確認該等金融工具之減值收益或虧損，惟貿易應收款項透過信貸虧損撥備賬確認相應調整。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments *(Continued)*

Financial assets *(Continued)*

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but transferred to retained profits.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a liability and on equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

取消確認金融資產

本集團僅於從資產收取現金流量的合約權利屆滿，或本集團將金融資產及有關資產所有權的絕大部分風險及回報轉讓予另一實體時取消確認金融資產。

當一項按攤銷成本計量的金融資產被取消確認，資產賬面值與已收取及應收代價總和的差額於損益中確認。當一項本集團選擇於首次確認時透過其他全面收益按公平值列賬計量的股本工具投資被取消確認，先前於投資重估儲備累計的累計收益或虧損不會重新分類至損益，而轉撥至保留溢利。

金融負債及股本

分類為債務或股本

債務及股本工具乃根據合約安排內容及就負債及股本工具之定義分類為金融負債或股本。

所有金融負債其後採用實際利息法按攤銷成本或透過損益按公平值計量。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which HKFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本 (續)

透過損益按公平值計量的金融負債

當金融負債為(i)收購方可能支付的或然代價(作為香港財務報告準則第3號適用之業務合併的一部分)，(ii)持作買賣，或(iii)其獲指定為透過損益按公平值處理時，金融負債分類為透過損益按公平值計量。

倘出現下列情況，金融負債持作買賣：

- 收購主要為於短期內將其購回；或
- 於首次確認時，其構成本集團共同管理之已識別金融工具組合之一部分及具有最近實際短期獲利模式；或
- 其為未被指定及可有效作為對沖工具之衍生工具。

就透過損益按公平值計量的金融負債而言，因金融負債的信貸風險變動所導致之該負債公平值變動金額，乃於其他全面收益中確認，除非於其他全面收益中確認該負債之信貸風險變動的影響會導致或擴大於損益的會計錯配，則作別論。於其他全面收益中確認之因金融負債的信貸風險變動所導致之公平值變動其後不會重新分類至損益；相反地，當一項金融負債被取消確認時，其將被轉撥至保留溢利。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at amortised cost

Financial liabilities, including trade payables, bills payables, other payables and accrued charges, bank overdrafts and bank and other borrowings, are subsequently measured at amortised cost using the effective interest method.

Equity instruments

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair values at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本 (續)

按攤銷成本計量的金融負債

金融負債(包括貿易應付款項、應付票據、其他應付款項及應計費用、銀行透支以及銀行及其他借款)其後以實際利息法按攤銷成本計量。

股本工具

股本工具是證明任何在扣除本集團的所有負債後其資產剩餘權益的合約。本公司發行的股本工具乃按已收所得款項扣除直接發行成本入賬。

取消確認金融負債

金融負債則於及僅於本集團的責任被履行、取消或屆滿時被本集團取消確認。取消確認的金融負債賬面值與已付及應付代價的差額於損益確認。

衍生金融工具

衍生工具首次以訂立衍生工具合約當日的公平值計量，其後則以其於報告期間結束時的公平值重新計量。因此而導致的收益或虧損即時於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Equity-settled share-based payment transactions

Share options granted to directors and employees

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant without taking into consideration all non-market vesting conditions and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to share options reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

When share options are cancelled, the amount that would otherwise have been recognised for services received over the remainder of the vesting period is recognised immediately in profit or loss.

3. 主要會計政策 (續)

股權結算股份為基礎付款交易

授予董事及僱員之購股權

對於授出須滿足特定歸屬條件後方可作實的購股權，所獲服務的公平值參照所授購股權於授出日之公平值釐定而不考慮所有非市場歸屬條件，並以直線法在歸屬期間支銷，而股權（購股權儲備）會相應增加。

本集團於報告期間結束時根據所有相關非市場歸屬條件的評估修訂對預期歸屬購股權之估計數字。修訂原有估計數字之影響（如有）於損益確認，以累計開支反映經修訂估計，並於購股權儲備作相應調整。

購股權獲行使時，先前於以股份為基礎的付款儲備確認之數額將轉撥至股份溢價。當購股權於歸屬日後被沒收或於到期日仍未獲行使，先前於購股權儲備確認之數額將轉撥至保留盈利。

當購股權註銷時，本應就餘下歸屬期間獲得的服務確認的金額即時於損益確認。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key sources of estimation uncertainty at the end of the reporting period, that has a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

4. 主要不確定估計來源

於應用本集團的會計政策（其於附註3內闡述）時，本集團管理層須作出未能從其他來源輕易獲得的有關資產及負債賬面值的判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為相關的其他因素。實際業績可能與該等估計有所差異。

估計及相關假設乃按持續經營基準予以檢討。倘會計估計的修訂僅影響估計獲修訂的期間，則會計估計的修訂於該期間予以確認，或倘修訂影響現時及未來期間，則會計估計的修訂於修訂及未來期間內予以確認。

下文為於報告期間結束時估計不確定因素的主要來源，而該等估計不確定因素或會造成須對下一個財政年度的資產賬面值作出重大調整的重大風險。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment of trade receivables

The management of the Group identifies trade receivables that are credit impaired and assesses their ECL individually. The management of the Group estimates the amount of lifetime ECL of the remaining trade receivables based on provision matrix through grouping of various debtors that have similar loss pattern, after considering internal credit ratings of trade debtors and/or past due status of respective trade receivables. The credit loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses. The assessment of credit risk of trade receivables involves high degree of estimation uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise accordingly in future periods.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Notes 22 and 42.

The carrying amount of trade receivables is HK\$720,048,000 (2018: HK\$728,911,000) as at 31 December 2019.

4. 主要不確定估計來源 (續)

貿易應收款項減值

本集團管理層識別發生信貸減值之貿易應收款項並個別評估其預期信貸虧損。本集團管理層經考慮貿易應收賬款之內部信貸評級及／或個別貿易應收款項的逾期狀態後，根據具有類似虧損模式的多個賬款組別的撥備矩陣估計餘下貿易應收款項之全期預期信貸虧損金額。信貸虧損撥備金額按資產賬面值及估計現金流量現值之間的差額計量，並考慮預期未來信貸虧損。評估貿易應收款項的信貸風險涉及高度估計不確定性。若實際未來現金流量低於預期或高於預期，可能會因此於未來期間產生重大減值虧損或重大減值虧損撥回。

預期信貸虧損之撥備對估計變動尤為敏感。有關預期信貸虧損及本集團貿易應收款項的資料於附註22及42披露。

於二零一九年十二月三十一日，貿易應收款項的賬面值為720,048,000港元（二零一八年：728,911,000港元）。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Allowance for inventories

Management of the Group reviews the inventory ageing analysis at the end of the reporting period and identifies the slow-moving or obsolete inventory items that are no longer suitable for use in production or sales. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices, estimated costs of completion and current market conditions. In addition, the Group carries out regular inventory review with reference to inventory ageing analysis, management experience and judgement on the expected future saleability of goods and provides necessary allowance if the net realisable value is estimated to be below the cost.

There is no further allowance nor any reversal of allowance for obsolete inventories during the year ended 31 December 2019 and 2018. The carrying amount of inventories is HK\$1,065,160,000 (2018: HK\$865,105,000) as at 31 December 2019.

Useful life of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the relevant assets, after taking into account their estimated residual values, if any. The Group reviews the estimated useful lives of the assets annually in order to determine the amount of depreciation expenses to be recorded during the year. The useful lives are based on the Group's historical experience with similar assets taking into account anticipated technological changes.

The depreciation expense for future periods is adjusted if there are significant changes from previous estimates. During the year ended 31 December 2019, the Group determined that there is no change to the estimated useful lives of the property, plant and equipment. The carrying amount of property, plant and equipment is HK\$2,893,902,000 as at 31 December 2019 (2018: HK\$2,703,094,000).

4. 主要不確定估計來源 (續)

存貨撥備

本集團管理層於報告期間結束時審閱存貨賬齡分析，識別不再適合用作生產或銷售的滯銷或陳舊存貨項目。管理層主要根據最近發票價格、估計完成成本及當前市場狀況估計該等存貨的可變現淨值。此外，本集團會參考存貨賬齡分析、管理層經驗及對貨品預期未來適銷性的判斷定期審閱存貨，並於估計可變現淨值將低於成本值時計提必要撥備。

截至二零一九年及二零一八年十二月三十一日止年度，概無其他陳舊存貨撥備或任何撥備撥回。於二零一九年十二月三十一日，存貨賬面值為1,065,160,000港元（二零一八年：865,105,000港元）。

物業、廠房及設備的可使用年期

物業、廠房及設備的折舊乃經考慮有關資產的估計餘值（如有）後，按有關資產的估計可使用年期以直線法計算。本集團每年審核資產的估計可使用年期，以釐定於年內記錄的折舊支出金額。可使用年期乃本集團根據對類似資產的過往經驗計算，並考慮預計技術轉變。

倘過往的估計出現重大變動，則會對日後期間的折舊支出作出調整。截至二零一九年十二月三十一日止年度，本集團釐定物業、廠房及設備的估計可使用年期並無變動。於二零一九年十二月三十一日，物業、廠房及設備的賬面值為2,893,902,000港元（二零一八年：2,703,094,000港元）。

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5. REVENUE

The Group's revenue is derived from manufacturing and trading of elastic fabric, lace and elastic webbing in Hong Kong, the PRC, Vietnam and Sri Lanka, net of discounts and sales related taxes.

(i) Disaggregation of revenue from contracts with customers

Revenue from manufacturing and trading of elastic fabric, lace and elastic webbing are recognised at a point in time.

For the year ended 31 December 2019

5. 收入

本集團收入來自於香港、中國、越南及斯里蘭卡製造及買賣彈性織物面料、蕾絲及彈性織帶，扣除折扣及銷售相關稅項。

(i) 來自客戶合約之收入細分

來自製造及買賣彈性織物面料、蕾絲及彈性織帶的收入於某一時點確認。

截至二零一九年十二月三十一日止年度

| | | Manufacturing and trading of elastic fabric and lace 製造及買賣 彈性織物面料 及蕾絲 HK\$' 000 千港元 | Manufacturing and trading of elastic webbing 製造及買賣 彈性織帶 HK\$' 000 千港元 | Total 總計 HK\$' 000 千港元 |
|--------------------------|-------------|--|---|---------------------------------|
| Types of goods | 貨品類別 | | | |
| Sales of products | 產品銷售 | | | |
| Elastic Fabric | 彈性織物面料 | | | |
| – Lingerie | – 女性內衣 | 1,393,996 | – | 1,393,996 |
| – Sportswear and apparel | – 運動服裝及服裝 | 1,247,079 | – | 1,247,079 |
| | | 2,641,075 | – | 2,641,075 |
| Lace | 蕾絲 | 86,522 | – | 86,522 |
| Elastic webbing | 彈性織帶 | – | 910,165 | 910,165 |
| | | 2,727,597 | 910,165 | 3,637,762 |

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綜合財務報表附註

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

5. REVENUE (Continued)

(i) Disaggregation of revenue from contracts with customers (Continued)

For the year ended 31 December 2018

5. 收入 (續)

(i) 來自客戶合約之收入細分 (續)

截至二零一八年十二月三十一日止年度

| | | Manufacturing and trading of elastic fabric and lace 製造及買賣 彈性織物面料 及蕾絲 HK\$' 000 千港元 | Manufacturing and trading of elastic webbing 製造及買賣 彈性織帶 HK\$' 000 千港元 | Total 總計 HK\$' 000 千港元 |
|--------------------------|-------------|---|--|---------------------------------|
| Types of goods | 貨品類別 | | | |
| Sales of products | 產品銷售 | | | |
| Elastic Fabric | 彈性織物面料 | | | |
| – Lingerie | – 女性內衣 | 1,208,905 | – | 1,208,905 |
| – Sportswear and apparel | – 運動服裝及服裝 | 939,909 | – | 939,909 |
| | | 2,148,814 | – | 2,148,814 |
| Lace | 蕾絲 | 116,865 | – | 116,865 |
| Elastic webbing | 彈性織帶 | – | 946,946 | 946,946 |
| | | 2,265,679 | 946,946 | 3,212,625 |

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綜合財務報表附註

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

5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers

The Group manufactures and trades the elastic fabric, lace and elastic webbing to the wholesale market.

For manufacturing and trading of elastic fabric, lace and elastic webbing, revenue is recognised when control of the goods has been transferred, being the point in time when the goods have been shipped to the customer's specific location (delivery).

Following the delivery, the customer has full discretion over further processing, the manner of distribution and sales price of the goods and has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 90 days from the date of issuance of a monthly statement for sale delivered in that month.

The Group applies the practical expedient of HKFRS 15 which allows the Group not to disclose the information of the transaction price allocated to the remaining performance obligation for contract with customers, as the original expected duration of the performance obligation arising from the manufacturing and trading of elastic fabric, lace and elastic webbing are all within one year.

5. 收入 (續)

(ii) 客戶合約之履約責任

本集團製造及於批發市場買賣彈性織物面料、蕾絲及彈性織帶。

就製造及買賣彈性織物面料、蕾絲及彈性織帶而言，收入於貨品控制權轉移，即貨品送達客戶指定地點（交付）的時點確認。

於交付完成後，客戶可全權酌情決定進一步的處理、分銷方式及貨品售價，並承擔銷售貨品之主要責任及貨品報廢及損失之風險。正常信貸期為自出具銷售月份的月結單發出日期起計30日至90日。

本集團應用香港財務報告準則第15號的可行權宜方法，其容許本集團不披露與分配至客戶合約餘下履約責任的交易價有關的資料，原因為源自製造及買賣彈性織物面料、蕾絲及彈性織帶之履約責任的原預期持續期間均在一年內。

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綜合財務報表附註

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

6. SEGMENT INFORMATION

The financial information reported to executive directors of the Company, being the chief operating decision makers (“**CODM**”), for the purpose of assessment of segment performance and resources allocation focuses on types of goods delivered.

The Group’s operating and reportable segments under HKFRS 8 are as follows:

- Manufacturing and trading of elastic fabric and lace

This segment derives its revenue from manufacturing and trading of elastic fabric and lace made from synthetic fibres that are commonly used in high-end knitted lingerie, sportswear and apparel products.

- Manufacturing and trading of elastic webbing

This segment derives its revenue from manufacturing and trading of elastic webbing made from synthetic fibres that are commonly used as shoulder straps, lingerie trims and waistbands.

6. 分部資料

向本公司執行董事（即主要經營決策者（「**主要經營決策者**」））呈報以評估分部表現及資源分配的財務資料專注於交付貨品的類別。

本集團根據香港財務報告準則第8號的經營及可報告分部如下：

- 製造及買賣彈性織物面料及蕾絲

此分部收入來自製造及買賣合成纖維製造的彈性織物面料及蕾絲，一般用於高級針織女性內衣、運動服裝及服裝產品。

- 製造及買賣彈性織帶

此分部收入來自製造及買賣合成纖維製造的彈性織帶，一般用於肩帶、女性內衣襯邊及腰帶。

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綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 December 2019

6. 分部資料 (續)

分部收入及業績

以下為本集團按經營及可報告分部劃分的收入及業績分析：

截至二零一九年十二月三十一日止年度

| | | Manufacturing and trading of elastic fabric and lace 製造及買賣 彈性織物 面料及蕾絲 HK\$'000 千港元 | Manufacturing and trading of elastic webbing 製造及買賣 彈性織帶 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-------------|--|--|--------------------------------|
| Segment revenue from external customers | 來自外界客戶的分部收入 | 2,727,597 | 910,165 | 3,637,762 |
| Segment profits | 分部溢利 | 229,489 | 182,803 | 412,292 |
| Unallocated other income | 未分配其他收入 | | | 14,453 |
| Unallocated other gains and losses | 未分配其他收益及虧損 | | | 17,142 |
| Unallocated corporate expenses | 未分配企業開支 | | | (19,232) |
| Share of result of a joint venture | 分佔合營企業業績 | | | 2,806 |
| Finance costs | 融資成本 | | | (90,815) |
| Profit before taxation | 除稅前溢利 | | | 336,646 |

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綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 31 December 2018

6. 分部資料 (續)

分部收入及業績 (續)

截至二零一八年十二月三十一日止年度

| | | Manufacturing and trading of elastic fabric and lace 製造及買賣 彈性織物 面料及蕾絲 HK\$' 000 千港元 | Manufacturing and trading of elastic webbing 製造及買賣 彈性織帶 HK\$' 000 千港元 | Total 總計 HK\$' 000 千港元 |
|--|-----------------|---|---|---------------------------------|
| Segment revenue from external customers | 來自外界客戶的 分部收入 | 2,265,679 | 946,946 | 3,212,625 |
| Segment profits | 分部溢利 | 218,109 | 185,646 | 403,755 |
| Unallocated other income | 未分配其他收入 | | | 14,414 |
| Unallocated other gains and losses | 未分配其他收益及虧損 | | | 12,667 |
| Unallocated corporate expenses | 未分配企業開支 | | | (37,030) |
| Share of result of a joint venture | 分佔合營企業業績 | | | 3,346 |
| Finance costs | 融資成本 | | | (66,350) |
| Profit before taxation | 除稅前溢利 | | | 330,802 |

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment profit represents the results of each segment without allocation of corporate items including mainly bank interest income, change in fair value of derivative financial instrument, net foreign exchange gain, share of result of a joint venture, corporate expenses and finance costs. Corporate expenses include directors' remuneration paid or payable by the Group and certain administrative expenses for corporate function. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

經營及可報告分部的會計政策與本集團會計政策相同。分部溢利指各分部的業績，當中並未分配企業項目，其主要包括銀行利息收入、衍生金融工具公平值變動、外匯收益淨額、分佔合營企業業績、企業開支及融資成本。企業開支包括本集團已付或應付董事酬金及用作企業用途的若干行政開支。此乃向主要經營決策者匯報分配資源及評估表現的計量方法。

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綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

As at 31 December 2019

6. 分部資料 (續)

分部資產及負債

以下為本集團按經營及可報告分部劃分的資產及負債分析：

於二零一九年十二月三十一日

| | | Manufacturing and trading of elastic fabric and lace 製造及買賣 彈性織物 面料及蕾絲 HK\$'000 千港元 | Manufacturing and trading of elastic webbing 製造及買賣 彈性織帶 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|----------------|--|--|--------------------------------|
| ASSETS | 資產 | | | |
| Segment assets | 分部資產 | 4,348,295 | 718,831 | 5,067,126 |
| Property, plant and equipment | 物業、廠房及設備 | | | 318 |
| Interest in a joint venture | 於合營企業的權益 | | | 31,408 |
| Deferred tax assets | 遞延稅項資產 | | | 8,824 |
| Other receivables, deposits and prepayments | 其他應收款項、按金及預付款項 | | | 67,570 |
| Tax recoverables | 可收回稅項 | | | 17,375 |
| Pledged bank deposits | 已抵押銀行存款 | | | 76,823 |
| Short term bank deposits | 短期銀行存款 | | | 19,010 |
| Bank balances and cash | 銀行結餘及現金 | | | 576,773 |
| Total assets | 資產總值 | | | 5,865,227 |
| LIABILITIES | 負債 | | | |
| Segment liabilities | 分部負債 | 802,530 | 182,435 | 984,965 |
| Other payables and accrued charges | 其他應付款項及應計費用 | | | 10,325 |
| Bank and other borrowings | 銀行及其他借款 | | | 2,187,095 |
| Tax payables | 應繳稅項 | | | 22,713 |
| Deferred tax liabilities | 遞延稅項負債 | | | 11,423 |
| Derivative financial instrument | 衍生金融工具 | | | 1,403 |
| Bank overdrafts | 銀行透支 | | | 32,225 |
| Total liabilities | 負債總額 | | | 3,250,149 |

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綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

As at 31 December 2018

6. 分部資料 (續)

分部資產及負債 (續)

於二零一八年十二月三十一日

| | | Manufacturing and trading of elastic fabric and lace 製造及買賣 彈性織物 面料及蕾絲 HK\$' 000 千港元 | Manufacturing and trading of elastic webbing 製造及買賣 彈性織帶 HK\$' 000 千港元 | Total 總計 HK\$' 000 千港元 |
|---|----------------|---|---|---------------------------------|
| ASSETS | 資產 | | | |
| Segment assets | 分部資產 | 3,569,484 | 706,495 | 4,275,979 |
| Property, plant and equipment | 物業、廠房及設備 | | | 201,838 |
| Prepaid lease payments | 預付租賃付款 | | | 19,252 |
| Interest in a joint venture | 於合營企業的權益 | | | 35,147 |
| Investment in a partnership | 投資合夥公司 | | | 18,642 |
| Deferred tax assets | 遞延稅項資產 | | | 4,371 |
| Other receivables, deposits and prepayments | 其他應收款項、按金及預付款項 | | | 78,843 |
| Pledged bank deposits | 已抵押銀行存款 | | | 82,220 |
| Short term bank deposits | 短期銀行存款 | | | 12,249 |
| Bank balances and cash | 銀行結餘及現金 | | | 459,894 |
| Total assets | 資產總值 | | | 5,188,435 |
| LIABILITIES | 負債 | | | |
| Segment liabilities | 分部負債 | 671,626 | 207,220 | 878,846 |
| Other payables and accrued charges | 其他應付款項及應計費用 | | | 16,168 |
| Bank and other borrowings | 銀行及其他借款 | | | 1,794,158 |
| Tax payables | 應繳稅項 | | | 21,438 |
| Deferred tax liabilities | 遞延稅項負債 | | | 4,825 |
| Derivative financial instrument | 衍生金融工具 | | | 3,195 |
| Bank overdrafts | 銀行透支 | | | 12,385 |
| Total liabilities | 負債總額 | | | 2,731,015 |

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綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments, other than property, plant and equipment for corporate use (including the prepaid lease payments and property and plant under construction in Sri Lanka as at 31 December 2018), deferred tax assets, interest in a joint venture, investment in a partnership, tax recoverables, pledged bank deposits, short term bank deposits and bank balances and cash and certain corporate assets.
- all liabilities are allocated to operating and reportable segments, other than bank and other borrowings, tax payables, deferred tax liabilities, derivative financial instrument, bank overdrafts and certain corporate liabilities.

6. 分部資料 (續)

分部資產及負債 (續)

為監察分部間的分部表現及資源分配：

- 所有資產均分配至經營及可報告分部，惟用作企業用途的物業、廠房及設備（包括於二零一八年十二月三十一日的預付租賃付款以及於斯里蘭卡的在建物業及廠房）、遞延稅項資產、於合營企業的權益、投資合夥公司、可收回稅項、已抵押銀行存款、短期銀行存款及銀行結餘及現金以及若干公司資產除外。
- 所有負債均分配至經營及可報告分部，惟銀行及其他借款、應繳稅項、遞延稅項負債、衍生金融工具、銀行透支及若干企業負債除外。

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

6. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 December 2019

6. 分部資料 (續)

其他分部資料

截至二零一九年十二月三十一日止年度

| | | Manufacturing and trading of elastic fabric and lace 製造及買賣 彈性織物 面料及蕾絲 HK\$'000 千港元 | Manufacturing and trading of elastic webbing 製造及買賣 彈性織帶 HK\$'000 千港元 | Unallocated 未分配 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--------------------|--|--|---------------------------------------|--------------------------------|
| Amounts included in the measure of segment profit or segment assets: | 計量分部溢利或分部資產時計入的金額： | | | | |
| Additions of property, plant and equipment | 添置物業、廠房及設備 | 432,684 | 89,631 | 101 | 522,416 |
| Additions of right-of-use assets | 添置使用權資產 | 68,093 | 2,192 | - | 70,285 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 205,496 | 56,164 | 490 | 262,150 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 12,574 | 6,335 | - | 18,909 |
| Net remeasurement of credit loss allowance for trade receivables | 貿易應收款項信貸虧損撥備重新計量淨額 | (23) | 2,367 | - | 2,344 |

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

6. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2018

6. 分部資料 (續)

其他分部資料 (續)

截至二零一八年十二月三十一日止年度

| | | Manufacturing and trading of elastic fabric and lace 製造及買賣 彈性織物 面料及蕾絲 HK\$' 000 千港元 | Manufacturing and trading of elastic webbing 製造及買賣 彈性織帶 HK\$' 000 千港元 | Unallocated 未分配 HK\$' 000 千港元 | Total 總計 HK\$' 000 千港元 |
|--|--------------------|---|---|--|---------------------------------|
| Amounts included in the measure of segment profit or segment assets: | 計量分部溢利或分部資產時計入的金額： | | | | |
| Additions of property, plant and equipment | 添置物業、廠房及設備 | 314,349 | 135,064 | 199,083 | 648,496 |
| Additions of property, plant and equipment through acquisition of a subsidiary | 通過收購附屬公司添置物業、廠房及設備 | 128,189 | - | - | 128,189 |
| Additions of prepaid leased payments | 預付租賃付款增加 | - | - | 20,130 | 20,130 |
| Additions of prepaid lease payments through acquisition of a subsidiary | 通過收購附屬公司增加預付租賃付款 | 2,000 | - | - | 2,000 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 180,698 | 53,558 | 562 | 234,818 |
| Amortisation of prepaid lease payments | 攤銷預付租賃付款 | 2,102 | 537 | 254 | 2,893 |
| Net remeasurement of credit loss allowance for trade receivables | 貿易應收款項信貸虧損撥備重新計量淨額 | 1,284 | 6,802 | - | 8,086 |

Other than the segment information disclosed above, there was no other information reviewed by the CODM for both years.

除上文披露的分部資料外，主要經營決策者概無審閱兩個年度的其他資料。

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綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in the PRC, Hong Kong, Vietnam, Sri Lanka and America. The Group's revenue from external customers based on the location of the customers are detailed below:

| | | Year ended 31 December 截至十二月三十一日止年度 | |
|---|-----------|--|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Hong Kong | 香港 | 1,138,472 | 1,075,111 |
| The PRC | 中國 | 750,122 | 738,156 |
| Sri Lanka | 斯里蘭卡 | 652,090 | 539,982 |
| Vietnam | 越南 | 205,313 | 201,035 |
| South Korea | 南韓 | 124,767 | 54,277 |
| Indonesia | 印尼 | 118,079 | 116,957 |
| Europe and the United States of America | 歐洲及美利堅合眾國 | 111,190 | 89,217 |
| Thailand | 泰國 | 99,778 | 101,812 |
| India | 印度 | 61,443 | 66,746 |
| Others | 其他 | 376,508 | 229,332 |
| | | 3,637,762 | 3,212,625 |

Non-current assets (excluding financial assets and deferred tax assets) by geographical location of assets are detailed below:

| | | As at 31 December 於十二月三十一日 | |
|-----------|------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| The PRC | 中國 | 1,769,704 | 1,846,926 |
| Vietnam | 越南 | 925,959 | 743,001 |
| Sri Lanka | 斯里蘭卡 | 544,460 | 337,346 |
| Hong Kong | 香港 | 19,872 | 10,227 |
| | | 3,259,995 | 2,937,500 |

6. 分部資料 (續)

地區資料

本集團業務位於中國、香港、越南、斯里蘭卡及美國。本集團來自外界客戶的收入乃根據客戶所在地區劃分，詳情如下：

| | | Year ended 31 December 截至十二月三十一日止年度 | |
|---|-----------|--|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Hong Kong | 香港 | 1,138,472 | 1,075,111 |
| The PRC | 中國 | 750,122 | 738,156 |
| Sri Lanka | 斯里蘭卡 | 652,090 | 539,982 |
| Vietnam | 越南 | 205,313 | 201,035 |
| South Korea | 南韓 | 124,767 | 54,277 |
| Indonesia | 印尼 | 118,079 | 116,957 |
| Europe and the United States of America | 歐洲及美利堅合眾國 | 111,190 | 89,217 |
| Thailand | 泰國 | 99,778 | 101,812 |
| India | 印度 | 61,443 | 66,746 |
| Others | 其他 | 376,508 | 229,332 |
| | | 3,637,762 | 3,212,625 |

按資產所在地區劃分的非流動資產 (不包括金融資產及遞延稅項資產) 詳情如下：

| | | As at 31 December 於十二月三十一日 | |
|-----------|------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| The PRC | 中國 | 1,769,704 | 1,846,926 |
| Vietnam | 越南 | 925,959 | 743,001 |
| Sri Lanka | 斯里蘭卡 | 544,460 | 337,346 |
| Hong Kong | 香港 | 19,872 | 10,227 |
| | | 3,259,995 | 2,937,500 |

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

6. SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group for the years ended 31 December 2019 and 2018 are as follows:

6. 分部資料 (續)

有關主要客戶的資料

於截至二零一九年及二零一八年十二月三十一日止年度，貢獻本集團總收入逾10%的客戶收入如下：

| | | Year ended 31 December 截至十二月三十一日止年度 | |
|---|---------------------|--|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Revenue from manufacturing and trading of elastic fabric and lace | 來自製造及買賣彈性織物面料及蕾絲的收入 | | |
| – customer A | – 客戶甲 | 450,106 | 411,252 |
| – customer B | – 客戶乙 | 439,136 | 361,094 |
| Revenue from manufacturing and trading of elastic webbing | 來自製造及買賣彈性織帶的收入 | | |
| – customer A | – 客戶甲 | 79,887 | 91,486 |
| – customer B | – 客戶乙 | 63,192 | 72,003 |

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7. OTHER INCOME

7. 其他收入

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------|----------------------------------|----------------------------------|
| Government grants (Note) | 政府補助金 (附註) | 6,052 | 16,508 |
| Bank interest income | 銀行利息收入 | 6,996 | 9,179 |
| Net proceeds from sales of scrap materials | 銷售廢料所得款項淨額 | 10,435 | 7,134 |
| Others | 其他 | 8,655 | 8,014 |
| | | 32,138 | 40,835 |

Note:

The amount includes HK\$4,790,000 (2018: HK\$15,197,000) unconditional government grants received during the year ended 31 December 2019.

Government grants in relation to purchase of equipments received in prior years of similar nature are deferred and are released to other income over the useful lives of the related equipment. Amounts of HK\$1,262,000 (2018: HK\$1,311,000) were recognised in profit or loss during the year ended 31 December 2019. As at 31 December 2019, amounts of HK\$3,860,000 (2018: HK\$5,282,000) remained to be released and are included in deferred income in the consolidated statement of financial position.

附註：

有關金額包括截至二零一九年十二月三十一日止年度的已收無條件政府補助金4,790,000港元(二零一八年：15,197,000港元)。

於過往年度收到的有關設備採購之具有類似性質的政府補助金均屬遞延，按有關設備的可使用年期轉撥至其他收入。截至二零一九年十二月三十一日止年度，已於損益確認金額1,262,000港元(二零一八年：1,311,000港元)。於二零一九年十二月三十一日，3,860,000港元(二零一八年：5,282,000港元)仍有待解除，並於綜合財務狀況表計入遞延收入。

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

8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備收益 | 42 | 560 |
| Change in fair value of derivative financial instrument (Note 31) | 衍生金融工具公平值變動(附註31) | 1,792 | 1,231 |
| Net foreign exchange gain | 外匯收益淨額 | 13,803 | 11,436 |
| Net remeasurement of credit loss allowance for trade receivables (Note 42) | 貿易應收款項信貸虧損撥備重新計量淨額(附註42) | (2,344) | (8,086) |
| Others | 其他 | (3,843) | (143) |
| | | 9,450 | 4,998 |

9. FINANCE COSTS

9. 融資成本

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| Interests on: | 下列各項的利息： | | |
| Bank borrowings and bank overdrafts | 銀行借款及銀行透支 | 96,914 | 75,824 |
| Other borrowing | 其他借款 | 884 | 13 |
| Finance leases | 融資租賃 | - | 3 |
| Lease liabilities | 租賃負債 | 1,701 | - |
| | | 99,499 | 75,840 |
| Less: amounts capitalised in the cost of qualifying assets | 減：合資格資產成本之資本化金額 | (8,684) | (9,490) |
| | | 90,815 | 66,350 |

Borrowing costs capitalised during the year ended 31 December 2019 arose on the general borrowing pool and are calculated by applying a capitalisation rate of 4.08% (2018: 4.31%) per annum to expenditure on qualifying assets.

截至二零一九年十二月三十一日止年度，來自一般借款組合的資本化借款成本乃就合資格資產的支出按資本化年率4.08%（二零一八年：4.31%）計算。

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

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration paid or payable to the directors and chief executive of the Company was as follows:

10. 董事及主要行政人員酬金

已付或應付本公司董事及主要行政人員的酬金如下：

| | | Executive Directors 執行董事 | | | | Independent non-executive Directors 獨立非執行董事 | | | Total 總計 |
|---|-------------------------------|---|--|---|--|---|--|-----------------|---------------|
| | | Mr. Zhang Haitao ("Mr. Zhang") 張海濤先生 盧先生 HK\$'000 千港元 | Mr. Wu Shaolun ("Mr. Wu") 吳少倫先生 ([吳先生]) HK\$'000 千港元 | Ms. Zheng Tingting ("Ms. Zheng") 鄭婷婷女士 ([鄭女士]) HK\$'000 千港元 | Mr. Cheung Yat Ming 張一鳴先生 HK\$'000 千港元 | Mr. Ding Baoshan 丁寶山先生 HK\$'000 千港元 | Mr. Sai Chun Yu 余振宇先生 HK\$'000 千港元 | HK\$'000 千港元 | |
| For the year ended 31 December 2019 | 截至二零一九年 十二月三十一日止年度 | | | | | | | | |
| Fee | 袍金 | - | - | - | - | 300 | 200 | 200 | 700 |
| Salaries and allowances | 薪金及津貼 | 3,122 | 3,872 | 2,701 | 1,924 | - | - | - | 11,619 |
| Contributions to retirement benefits schemes | 退休福利計劃供款 | 70 | 18 | 70 | 18 | - | - | - | 176 |
| | | 3,192 | 3,890 | 2,771 | 1,942 | 300 | 200 | 200 | 12,495 |
| For the year ended 31 December 2018 | 截至二零一八年 十二月三十一日止年度 | | | | | | | | |
| Fee | 袍金 | - | - | - | - | 300 | 200 | 200 | 700 |
| Salaries and allowances | 薪金及津貼 | 3,163 | 3,926 | 2,741 | 2,006 | - | - | - | 11,836 |
| Contributions to retirement benefits schemes | 退休福利計劃供款 | 68 | 18 | 68 | 21 | - | - | - | 175 |
| | | 3,231 | 3,944 | 2,809 | 2,027 | 300 | 200 | 200 | 12,711 |

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

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(Continued)

The executive directors' remuneration shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' remuneration shown above were mainly for their services as directors of the Company.

Share options were granted to executive directors of the Company in respect of their services to the Group under the Pre-IPO Share Option Scheme of the Company (as defined in Note 35). Details of the Group's share option scheme and the amount of the benefits in relation to directors are set out in Note 35.

During the years ended 31 December 2019 and 2018, no remuneration was paid by the Group to the directors or chief executive of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors or chief executive of the Company has waived any remuneration during both years.

10. 董事及主要行政人員酬金 (續)

上表所示執行董事酬金主要涉及彼等有關本公司及本集團事務管理的服務。

上表所示獨立非執行董事酬金主要涉及彼等擔任本公司董事所提供的服務。

購股權乃根據本公司首次公開發售前購股權計劃(定義見附註35)就本公司執行董事對本集團提供之服務而授予彼等。有關本集團購股權計劃及有關董事的福利金額詳情載於附註35。

於截至二零一九年及二零一八年十二月三十一日止年度，本集團概無向本公司董事或主要行政人員支付任何酬金，作為招攬加盟或於加盟本集團時的獎勵或作為離職補償。於兩個年度期間，概無本公司董事或主要行政人員放棄任何酬金。

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11. EMPLOYEES' REMUNERATION

During the years ended 31 December 2019 and 2018, the five individuals with the highest remuneration in the Group include four (2018: four) directors of the Company. The remuneration of the remaining one (2018: one) individual, which was individually within the range of HK\$1,500,001 to HK\$2,000,000 per annum (2018: HK\$1,500,001 to HK\$2,000,000 per annum), was as follows:

| | | | |
|---|----------|--------------|-------|
| Salaries and allowances | 薪金及津貼 | 1,903 | 1,836 |
| Contributions to retirement benefits scheme | 退休福利計劃供款 | 18 | 18 |
| | | 1,921 | 1,854 |

During the years ended 31 December 2019 and 2018, no remuneration was paid by the Group to the five highest paid individual as an inducement to join or upon joining the Group or as compensation for loss of office.

11. 僱員薪酬

於截至二零一九年及二零一八年十二月三十一日止年度，本集團五名最高薪酬人士包括本公司四名（二零一八年：四名）董事。餘下一名（二零一八年：一名）人士的薪酬個別介乎每年1,500,001港元至2,000,000港元（二零一八年：每年1,500,001港元至2,000,000港元），載列如下：

| 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 1,903 | 1,836 |
| 18 | 18 |
| 1,921 | 1,854 |

於截至二零一九年及二零一八年十二月三十一日止年度，本集團概無向五名最高薪酬人士支付任何薪酬，作為招攬加盟或於加盟本集團時的獎勵或作為離職補償。

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12. PROFIT BEFORE TAXATION

12. 除稅前溢利

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Profit before taxation has been arrived at after charging (crediting): | 除稅前溢利已扣除(計入)下列各項: | | |
| Auditors' remuneration | 核數師酬金 | 2,350 | 2,218 |
| Staff costs | 員工成本 | | |
| Directors' remuneration* | 董事酬金* | 12,495 | 12,711 |
| Other staff costs | 其他員工成本 | | |
| – salaries and other benefits | – 薪金及其他福利 | 618,722 | 520,490 |
| – contributions to retirement benefits schemes | – 退休福利計劃供款 | 44,861 | 40,029 |
| | | 676,078 | 573,230 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 262,150 | 234,818 |
| Depreciation capitalised in inventories | 於存貨的資本化折舊 | (198,633) | (176,986) |
| Depreciation of right-of-use assets | 使用權資產折舊 | 18,909 | N/A不適用 |
| | | 82,426 | 57,832 |
| Release of prepaid lease payments | 預付租賃付款撥回 | N/A不適用 | 2,893 |
| Minimum lease payments in respect of rented premises | 租賃物業的最低租賃付款 | N/A不適用 | 23,674 |
| Cost of inventories recognised as an expense | 確認為開支的存貨成本 | 2,764,953 | 2,420,664 |

* Including the directors' remuneration as disclosed in Note 10 and benefits to directors in relation to the Group's share option scheme as disclosed in Note 35.

* 包括如附註10所披露的董事薪酬及如附註35所披露的有關本集團購股權計劃之董事福利。

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

13. INCOME TAX EXPENSE

13. 所得稅開支

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Current tax: | 即期稅項： | | |
| Hong Kong Profits Tax | 香港利得稅 | 5,417 | 18,733 |
| The PRC Enterprise Income Tax ("EIT") | 中國企業所得稅 (「企業所得稅」) | 35,686 | 37,077 |
| Withholding tax on dividends from subsidiaries | 附屬公司股息之 預扣稅 | 4,016 | - |
| Under(over)provision in prior years: | 過往年度撥備不足 (超額撥備)： | | |
| Hong Kong Profits Tax | 香港利得稅 | 49 | 137 |
| The PRC EIT | 中國企業所得稅 | (9,633) | (6,234) |
| | | 35,535 | 49,713 |
| Deferred taxation (Note 32) | 遞延稅項 (附註32) | 2,032 | 857 |
| | | 37,567 | 50,570 |

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime will be applicable to any year of assessment commencing on or after 1 April 2018.

Accordingly, starting from the year ended 31 December 2018, the Hong Kong Profits Tax for the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)條例草案(「條例草案」)，其引入利得稅兩級制。條例草案於二零一八年三月二十八日經簽署成為法律並於翌日刊登憲報。根據該利得稅兩級制，合資格集團實體的首2百萬港元溢利將按8.25%的稅率徵稅，而超過2百萬港元的溢利將按16.5%的稅率徵稅。不符合該利得稅兩級制資格的集團實體之溢利將繼續按16.5%之劃一稅率徵稅。利得稅兩級制將適用於自二零一八年四月一日或之後起計的任何評估年度。

因此，自截至二零一八年十二月三十一日止年度起，合資格集團實體之香港利得稅按首2百萬港元之估計應課稅溢利的8.25%及超過2百萬港元之估計應課稅溢利的16.5%計算。

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13. INCOME TAX EXPENSE (Continued)

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC companies is 25% for both years ended 31 December 2019 and 2018, unless there is any preferential tax treatment applicable.

The Company’s subsidiaries, Dongguan Best Pacific Textile Company Limited (“**Dongguan BPT**”) and Dongguan New Horizon Elastic Fabric Company Limited (“**Dongguan NHE**”), obtained the qualification as high and new technology enterprises since 2010 and 2016, respectively, which are now renewing for an additional three years from financial year 2019, and they also completed the relevant filing requirements with the competent tax authorities. Hence, Dongguan BPT and Dongguan NHE are subject to the preferential tax treatment and the applicable tax rate for the years ended 31 December 2019 and 2018 has been 15%.

Withholding tax on dividends is calculated at 5% of the dividend received from the subsidiaries established in the PRC during the year.

Pursuant to the relevant Vietnam Enterprises Income Tax rules and regulations, the applicable tax rate for the subsidiary operating in Vietnam is 20%. The subsidiary in Vietnam is eligible for tax holiday for two financial years since the first financial year of taxable profit and tax concession at a tax rate of 10% for the following four financial years. With the additional incentive in place during the year ended 31 December 2018 and by the fulfillment of certain stated requirements by the Vietnam tax authority, the subsidiary in Vietnam is eligible for tax holiday for four financial years since 2018, tax concession at a tax rate of 5% for the following nine financial years and tax concession at a tax rate of 10% for the next following two financial years.

13. 所得稅開支 (續)

根據中國企業所得稅法(「**企業所得稅法**」)及企業所得稅法的實施細則，除非有任何其他適用優惠稅率待遇，否則中國公司於截至二零一九年及二零一八年十二月三十一日止兩個年度的稅率為25%。

本公司的附屬公司東莞超盈紡織有限公司(「**東莞超盈**」)及東莞潤信彈性織物有限公司(「**東莞潤信**」)分別自二零一零年及二零一六年起獲得高新技術企業資格，現正申請自二零一九年財政年度起有效期額外延長三年，且其亦已向主管稅務機關完成辦理相關備案手續。因此，東莞超盈及東莞潤信享有優惠稅率待遇，於截至二零一九年及二零一八年十二月三十一日止年度的適用稅率為15%。

股息的預扣稅乃按年內自於中國設立的附屬公司收取之股息的5%計算。

根據相關越南企業所得稅規則及規例，於越南營運之附屬公司的適用稅率為20%。越南附屬公司於首個錄得應課稅溢利的財政年度起合資格享有兩個財政年度的稅項豁免，及於其後四個財政年度享有稅率10%的稅務優惠。憑藉於截至二零一八年十二月三十一日止年度獲授的額外激勵及透過滿足越南稅務機關的若干規定要求，於越南的附屬公司自二零一八年起合資格享有四個財政年度的稅項豁免，及於其後九個財政年度享有稅率5%的稅務優惠，以及於接下來的兩個財政年度享有稅率10%的稅務優惠。

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13. INCOME TAX EXPENSE (Continued)

Pursuant to the Inland Revenue Act, No. 24 of 2017 in Sri Lanka, the applicable tax rate for the subsidiaries operating in Sri Lanka is 28%. By fulfilling certain export requirements set by the Board of Investment of Sri Lanka, the subsidiaries of the Group in Sri Lanka have enjoyed preferential tax rate of 14% for the years ended 31 December 2019 and 2018. In addition, one of these subsidiaries is currently eligible for tax holiday till the year ending 31 December 2024.

Taxation arising in any other jurisdiction is calculated at the rate prevailing in the relevant jurisdiction.

Income tax expense for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

| | | Hong Kong 香港 | | The PRC 中國 | | Others 其他 | | Total 總計 | |
|--|---------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| (Loss) profit before taxation | 除稅前 (虧損) 溢利 | (26,698) | 84,379 | 299,837 | 243,402 | 63,507 | 3,021 | 336,646 | 330,802 |
| Taxation at the domestic income tax rate | 按國內所得稅率計算的稅項 | (4,405) | 13,923 | 74,959 | 60,851 | 13,231 | 1,153 | 83,785 | 75,927 |
| Tax effect of expenses not deductible for tax purpose | 不可扣稅開支的稅務影響 | 1,350 | 1,770 | 3,742 | 1,133 | 7,022 | 193 | 12,114 | 3,096 |
| Tax effect of income not taxable for tax purpose | 毋須課稅收入的稅務影響 | (1,195) | (364) | - | (60) | - | (2,318) | (1,195) | (2,742) |
| Tax effect of share of result of a joint venture | 分佔合營企業業績的稅務影響 | (463) | (552) | - | - | - | - | (463) | (552) |
| Tax effect of estimated tax losses not recognised | 未確認估計稅項虧損的稅務影響 | 4,883 | 3,927 | - | - | 4,452 | 1,874 | 9,335 | 5,801 |
| Tax effect of utilisation of tax losses previously not recognised | 動用先前未確認稅項虧損的稅務影響 | - | (944) | - | - | - | (1,492) | - | (2,436) |
| Tax effect on deferred tax liabilities resulting from withholding tax on undistributed profits of subsidiaries | 附屬公司未分派溢利之預扣稅對遞延稅項負債的稅務影響 | - | - | 4,009 | 2,726 | 527 | - | 4,536 | 2,726 |
| Withholding tax on dividends from subsidiaries | 附屬公司股息之預扣稅 | - | - | 4,016 | - | - | - | 4,016 | - |
| Under(over)provision in prior years | 過往年度撥備不足(超額撥備) | 49 | 137 | (9,633) | (6,234) | - | - | (9,584) | (6,097) |
| Effect of tax concession | 稅務優惠的影響 | (165) | (165) | (43,111) | (24,988) | (21,701) | - | (64,977) | (25,153) |
| Income tax expense for the year | 本年度所得稅開支 | 54 | 17,732 | 33,982 | 33,428 | 3,531 | (590) | 37,567 | 50,570 |

13. 所得稅開支 (續)

根據斯里蘭卡國內稅收法(二零一七年第24號)，於斯里蘭卡營運之附屬公司的適用稅率為28%。本集團於斯里蘭卡的附屬公司藉由滿足斯里蘭卡投資局制定的若干出口要求而於截至二零一九年及二零一八年十二月三十一日止年度享有14%的優惠稅率。此外，其中一家附屬公司現享有稅項豁免直至截至二零二四年十二月三十一日止年度為止。

其他司法權區之稅項乃按有關司法權區當時之稅率計算。

本年度所得稅開支可與綜合損益及其他全面收益表的除稅前溢利對賬，載列如下：

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14. DIVIDENDS

14. 股息

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--|----------------------------------|----------------------------------|
| Dividends for ordinary shareholders of the Company recognised as distribution during the year: | 年內確認分派的本公司普通股股東之股息： | | |
| 2018 Final dividend – HK6.7 cents (2018: 2017 Final dividend HK5.9 cents) per share | 二零一八年末期股息 – 每股6.7港仙 (二零一八年：二零一七年末期股息每股5.9港仙) | 69,667 | 61,161 |

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2019 of HK5.8 cents per ordinary share (approximately HK\$60.3 million in aggregate) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

於報告期間結束後，本公司董事已建議截至二零一九年十二月三十一日止年度之末期股息為每股普通股5.8港仙（合共約60.3百萬港元），惟須於應屆股東大會上取得股東批准。

15. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

15. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

| | | 2019 二零一九年 | 2018 二零一八年 |
|--|--------------------------------------|----------------------|---------------|
| Earnings | 盈利 | | |
| Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company) (HK\$'000) | 就每股基本及攤薄盈利而言的盈利 (本公司擁有人應佔年度溢利) (千港元) | 300,724 | 283,553 |
| Number of shares | 股份數目 | | |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 就每股基本盈利而言的普通股加權平均數 | 1,039,784,712 | 1,037,062,767 |
| Effect of dilutive potential ordinary shares: Share options issued by the Company | 潛在普通股的攤薄影響：本公司已發行購股權 | 12,746 | 1,824,717 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 就每股攤薄盈利而言的普通股加權平均數 | 1,039,797,458 | 1,038,887,484 |

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

| | | Buildings | Computer and office equipment | Motor vehicles | Machinery | Construction in progress | Total |
|---------------------------------------|-----------------|-----------|-------------------------------|----------------|-----------|--------------------------|-----------|
| | | 樓宇 | 電腦及辦公室設備 | 汽車 | 機器 | 在建工程 | 總計 |
| | | 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 |
| COST | 成本 | | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 672,098 | 41,645 | 70,547 | 2,006,849 | 357,496 | 3,148,635 |
| Exchange adjustments | 匯兌調整 | (32,258) | (2,130) | (2,845) | (83,105) | (21,758) | (142,096) |
| Additions | 添置 | 12,472 | 20,075 | 4,693 | 264,370 | 346,886 | 648,496 |
| Acquisition of a subsidiary (Note 36) | 收購一間附屬公司 (附註36) | 32,073 | 10,457 | - | 75,596 | 10,063 | 128,189 |
| Transfer upon completion | 完成時轉撥 | 172,210 | - | - | - | (172,210) | - |
| Disposals | 出售 | - | (1,038) | (1,797) | (39,186) | - | (42,021) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 856,595 | 69,009 | 70,598 | 2,224,524 | 520,477 | 3,741,203 |
| Exchange adjustments | 匯兌調整 | (18,914) | (1,186) | (1,369) | (37,517) | (6,253) | (65,239) |
| Additions | 添置 | 3,967 | 39,365 | 4,619 | 400,316 | 74,149 | 522,416 |
| Transfer upon completion | 完成時轉撥 | 280,726 | - | - | - | (280,726) | - |
| Disposals | 出售 | - | (1,135) | (1,634) | (53,991) | - | (56,760) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 1,122,374 | 106,053 | 72,214 | 2,533,332 | 307,647 | 4,141,620 |
| ACCUMULATED DEPRECIATION | 累計折舊 | | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 122,281 | 23,051 | 29,415 | 696,885 | - | 871,632 |
| Exchange adjustments | 匯兌調整 | (6,516) | (1,177) | (1,254) | (35,725) | - | (44,672) |
| Provided for the year | 年度撥備 | 36,074 | 8,630 | 7,769 | 182,345 | - | 234,818 |
| Eliminated on disposals | 出售時對銷 | - | (992) | (553) | (22,124) | - | (23,669) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 151,839 | 29,512 | 35,377 | 821,381 | - | 1,038,109 |
| Exchange adjustments | 匯兌調整 | (3,776) | (658) | (691) | (19,197) | - | (24,322) |
| Provided for the year | 年度撥備 | 43,643 | 12,945 | 6,379 | 199,183 | - | 262,150 |
| Eliminated on disposals | 出售時對銷 | - | (1,051) | (1,301) | (25,867) | - | (28,219) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 191,706 | 40,748 | 39,764 | 975,500 | - | 1,247,718 |
| CARRYING AMOUNTS | 賬面值 | | | | | | |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 704,756 | 39,497 | 35,221 | 1,403,143 | 520,477 | 2,703,094 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 930,668 | 65,305 | 32,450 | 1,557,832 | 307,647 | 2,893,902 |

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16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, except for construction in progress, are depreciated on its cost less their residual values on a straight-line basis at the following useful life or rates per annum:

| | |
|-------------------------------|---|
| Buildings | Over the shorter of the term of the lease or 20 to 25 years |
| Computer and office equipment | 20%-50% |
| Motor vehicles | 10%-20% |
| Machinery | 6%-20% |

17. RIGHT-OF-USE ASSETS

| | | Leasehold land 租賃土地 HK\$'000 千港元 | Leased properties 租賃物業 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-------------------------------|---|--|--------------------------------|
| As at 1 January 2019 Carrying amount | 於二零一九年一月一日 賬面值 | 121,318 | 76,657 | 197,975 |
| As at 31 December 2019 Carrying amount | 於二零一九年十二月三十一日 賬面值 | 174,748 | 72,056 | 246,804 |
| For the year ended 31 December 2019 Depreciation charge | 截至二零一九年十二月 三十一日止年度 折舊費用 | 4,835 | 14,074 | 18,909 |
| Expenses relating to short-term leases | 與短期租賃有關的開支 | | | 12,247 |
| Total cash flow for lease | 租賃現金流量總額 | | | 24,977 |

For both years, the Group leases various offices premises, staff quarters, warehouses and leasehold land for its operations. The lease terms of leasehold land used for factories ranged from 40 to 99 years. A lease for a piece of land used for warehouse was negotiated for a term of 40 years. The lease terms of factory premises were negotiated for terms of 3 years. Lease for office premises warehouse and staff quarters are entered into for fixed term of 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and condition. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

16. 物業、廠房及設備 (續)

上述物業、廠房及設備項目(在建工程除外)乃按其成本減餘值採用直線法按以下可使用年期或年率折舊:

| | |
|--------------|-----------------------|
| 樓宇 | 租期或20至25年 (以較短者為準) |
| 電腦及 辦公室設備 | 20%-50% |
| 汽車 | 10%-20% |
| 機器 | 6%-20% |

17. 使用權資產

於該兩個年度，本集團為其營運租賃多項辦公室物業、員工宿舍、倉庫及租賃土地。作廠房用途之租賃土地的租賃期介乎40至99年。一塊作倉庫用途之土地的租約租期協定為40年。廠房物業的租約租期協定為3年。辦公室物業、倉庫及員工宿舍的租約訂立固定租期2至5年。租賃期乃按個別基準協定，且包含多種不同條款及條件。於釐定租期及評估不可撤回期間的長度時，本集團應用合約的定義並釐定合約可強制執行的期間。

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18. PREPAID LEASE PAYMENTS

18. 預付租賃付款

| | | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------|----------------------------------|
| The Group's prepaid lease payments comprise: | 本集團的預付租賃付款包括： | |
| Leasehold land in the PRC | 中國的租賃土地 | 36,422 |
| Leasehold land in Sri Lanka | 斯里蘭卡的租賃土地 | 21,855 |
| Leasehold land in Vietnam | 越南的租賃土地 | 63,041 |
| | | 121,318 |
| Analysed for reporting purposes as: | 就申報分析： | |
| Current asset | 流動資產 | 2,987 |
| Non-current asset | 非流動資產 | 118,331 |
| | | 121,318 |

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19. INTEREST IN A JOINT VENTURE

Details of the Group's interest in a joint venture are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------|----------------------------------|----------------------------------|
| Cost of interest in a joint venture | 於合營企業的權益之成本 | | |
| Unlisted | 非上市 | 15,434 | 22,369 |
| Share of post-acquisition profits and other comprehensive income | 分佔收購後溢利及其他全面收益 | 15,974 | 12,778 |
| | | 31,408 | 35,147 |

During the year ended 31 December 2019, pursuant to a written resolution of the shareholders' meeting, the shareholders of the joint venture agreed to a capital reduction of HK\$13,598,000 in the joint venture. As a result, the Group's interest in the joint venture reduced by HK\$6,935,000.

Details of the Group's joint venture at the end of the reporting period are as follows:

19. 於合營企業的權益

本集團於合營企業的權益詳情如下：

於截至二零一九年十二月三十一日止年度，根據股東大會一項書面決議案，合營企業股東同意削減於合營企業的股本13,598,000港元。因此，本集團於合營企業的權益減少6,935,000港元。

於報告期間結束時，本集團合營企業之詳情如下：

| Name of entity 實體名稱 | Form of entity 實體類型 | Place of incorporation/ registration 註冊成立/ 註冊地點 | Principal place of operation 主要營業地點 | Proportion of ownership class of shares held 所持股份類別 所有權比例 | Proportion of interest held by the Group (Note) 本集團持有之權益比例 (附註) | | Voting rights held by the Group (Note) 本集團持有之投票權 (附註) | | Principal activity 主要業務 |
|---|-----------------------------------|--|--|--|---|---------------|---|---------------|--|
| | | | | | 2019 二零一九年 | 2018 二零一八年 | 2019 二零一九年 | 2018 二零一八年 | |
| Charming Elastic Fabric Company Limited ("Charming Elastic") 綉麗橡根帶織品有限公司 (「綉麗橡根帶」) | Limited Liability Company 有限公司 | Hong Kong 香港 | Hong Kong 香港 | Ordinary 普通股 | 51% | 51% | 60% | 60% | Trading of elastic webbing and investment holding 買賣彈性織帶及投資控股 |

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19. INTEREST IN A JOINT VENTURE

(Continued)

Note: On 4 November 2015, the Group acquired 40% equity interest in Charming Elastic from an independent third party at a cash consideration of HK\$10,000,000. Charming Elastic also owns 100% equity interest in Jiangxi Charming Elastic Mfg. Co. Ltd, which is engaged in manufacturing of elastic webbing in the PRC.

Pursuant to the shareholders' agreement entered into among a wholly owned subsidiary of the Company, the other shareholder of Charming Elastic who by then held 60% equity interest in Charming Elastic and Charming Elastic on the same date (the "**Charming Elastic Shareholders' Agreement**"), the shareholder who holds more than 50% equity interest in Charming Elastic (the "**Majority Shareholder**") and the Group were entitled to appoint or remove three and two directors out of the five directors at the board of directors of Charming Elastic respectively.

The shareholders of Charming Elastic (the Majority Shareholder and the Group) had also contractually agreed sharing control over Charming Elastic, as certain decisions about the relevant activities, including but not limited to business, financial and operational matters of Charming Elastic, require unanimous consents from at least two directors appointed by the Majority Shareholder and one director appointed by the Group. Accordingly, the Group has joint control over Charming Elastic and the investment in equity interest in Charming Elastic is accounted for as an interest in a joint venture.

The Charming Elastic Shareholders' Agreement also involves terms that granted rights to the Group to purchase additional equity interest in Charming Elastic and rights to the other shareholder of Charming Elastic to exercise to sell equity interest of Charming Elastic to the Group, accordingly, the Group recognised derivative financial assets and liabilities since the date of acquisition of Charming Elastic at the consolidated statement of financial position (details as set out in Note 31).

19. 於合營企業的權益 (續)

附註：於二零一五年十一月四日，本集團以現金代價10,000,000港元自獨立第三方收購綉麗橡根帶的40%股權。綉麗橡根帶亦擁有Jiangxi Charming Elastic Mfg. Co. Ltd (其於中國從事製造彈性織帶) 100%的股權。

根據本公司之全資附屬公司、綉麗橡根帶的另一位股東(彼當時持有綉麗橡根帶60%的股權)以及綉麗橡根帶於同日訂立的股東協議(「**綉麗橡根帶股東協議**」)，持有綉麗橡根帶股權50%以上的股東(「**主要股東**」)及本集團分別有權委任或罷免綉麗橡根帶董事會五位董事中的三位及兩位董事。

綉麗橡根帶的股東(主要股東及本集團)亦已訂約同意共享綉麗橡根帶的控制權，因為有關活動(包括但不限於綉麗橡根帶的業務、財務或營運事宜)的若干決定須經由主要股東委任的至少兩位董事及由本集團委任的一位董事全體同意。因此，本集團對綉麗橡根帶擁有共同控制權及於綉麗橡根帶股權的投資入賬列為於合營企業的權益。

綉麗橡根帶股東協議亦涉及授予本集團權利增購綉麗橡根帶股權及授予綉麗橡根帶另一位股東權利以向本集團出售綉麗橡根帶股權的條款，因此，本集團自收購綉麗橡根帶日期起於綜合財務狀況表確認衍生金融資產及負債(詳情載於附註31)。

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20. INVESTMENT IN A PARTNERSHIP

20. 投資合夥公司

| | | 2019 | 2018 |
|---------------------------------------|-------------|-----------------|----------|
| | | 二零一九年 | 二零一八年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Investment in an unlisted partnership | 投資一間非上市合夥公司 | - | 18,642 |

21. INVENTORIES

21. 存貨

| | | 2019 | 2018 |
|------------------|-----|------------------|----------|
| | | 二零一九年 | 二零一八年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Raw materials | 原材料 | 365,183 | 263,659 |
| Work in progress | 在製品 | 410,437 | 329,515 |
| Finished goods | 製成品 | 289,540 | 271,931 |
| | | 1,065,160 | 865,105 |

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22. TRADE AND BILLS RECEIVABLES

22. 貿易應收款項及應收票據

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------------------------------|-------------------|----------------------------------|----------------------------------|
| Trade receivables | 貿易應收款項 | 746,950 | 753,559 |
| Less: Allowance for credit losses | 減：信貸虧損撥備 | (26,902) | (24,648) |
| Total trade receivables | 貿易應收款項總額 | 720,048 | 728,911 |
| Bills receivables | 應收票據 | 34,442 | 1,750 |
| Total trade and bills receivables | 貿易應收款項及 應收票據總額 | 754,490 | 730,661 |

As at 1 January 2018, trade receivables from contracts with customers amounted to HK\$622,858,000.

Trade receivables from third parties mainly represent receivables from customers in relation to the sales of elastic fabric, lace and elastic webbing. The credit period granted to the customers ranges from 30 to 90 days from the date of issuance of a monthly statement for sales delivered in that month.

於二零一八年一月一日，來自客戶合約的貿易應收款項為622,858,000港元。

應收第三方貿易款項主要是與出售彈性織物面料、蕾絲及彈性織帶有關的應收客戶款項。授予客戶的信貸期為自出具銷售月份的月結單發出日期起計30至90日。

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22. TRADE AND BILLS RECEIVABLES

(Continued)

The following is an ageing analysis of trade receivables net of credit loss allowance presented based on the date of issuance of monthly statements at the end of each reporting period and ageing analysis of bills receivables presented based on the date of issuance of the bills at the end of each reporting period.

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------------|---------------|----------------------------------|----------------------------------|
| Trade receivables | 貿易應收款項 | | |
| 0 – 90 days | 0 – 90 日 | 644,579 | 681,459 |
| 91 – 180 days | 91 – 180 日 | 49,948 | 29,581 |
| Over 180 days | 超過180 日 | 25,521 | 17,871 |
| | | 720,048 | 728,911 |
| Bills receivables | 應收票據 | | |
| 0 – 90 days | 0 – 90 日 | 34,442 | 1,750 |
| | | 754,490 | 730,661 |

Trade receivables balances with related parties included in the Group's trade receivables balance are listed below:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------------------------|---------------------|----------------------------------|----------------------------------|
| Related parties | 關聯方 | | |
| A related company* | 一間關聯公司* | 18,745 | 5,191 |
| Other related companies [#] | 其他關聯公司 [#] | 43,113 | 82,479 |
| | | 61,858 | 87,670 |

* A related company controlled by close family members of directors of the Company (these directors are key management personnel of the Company).

[#] The related companies are fellow subsidiaries of the non-controlling shareholders who have significant influence over certain subsidiaries of the Group.

22. 貿易應收款項及應收票據 (續)

以下為於各報告期結束時貿易應收款項扣除信貸虧損撥備按月結單發出日期呈列的賬齡分析及於各報告期結束時應收票據按發單日期呈列的賬齡分析。

計入本集團貿易應收款項結餘的與關聯公司的貿易應收款項結餘載列如下：

* 由本公司董事的近親家族成員控制的關聯公司(該等董事為本公司的主要管理人員)。

[#] 該等關聯公司為對本集團若干附屬公司具有重大影響之非控股股東的同系附屬公司。

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22. TRADE AND BILLS RECEIVABLES

(Continued)

The above trade receivables balances with related parties are unsecured, interest-free and with a credit term of 30 to 90 days from the date of issuance of a monthly statement for sales delivered in that month. The following is an ageing analysis of trade receivables balances with related parties presented based on the date of issuance of monthly statements at the end of each reporting period.

0 – 90 days 0 – 90日

All bills received are held by the Group for future settlement of trade receivables and are with a maturity period of less than one year. The Group continues to recognise their full carrying amounts at the end of the reporting period.

22. 貿易應收款項及應收票據 (續)

以上與關聯方的貿易應收款項結餘為無抵押、免息，信貸期為自出具銷售月份的月結單發出日期起計30日至90日。以下為與關聯方的貿易應收款項結餘於各報告期間結束時按月結單發出日期呈列的賬齡分析。

| 2019 | 2018 |
|----------|----------|
| 二零一九年 | 二零一八年 |
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |

61,858

87,670

本集團為未來結算貿易應收款項所持有的所有已收票據的到期期限均少於一年。本集團於報告期間結束時持續確認其全額賬面值。

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22. TRADE AND BILLS RECEIVABLES

(Continued)

The Group's trade receivables that are denominated in currencies which are not the functional currencies of the relevant group entities are set out below:

| | | United States Dollar ("USD") 美元 (「美元」) | Vietnam Dong ("VND") 越南盾 (「越南盾」) | HKD 港元 |
|------------------------|---------------|--|--|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 278,269 | 4,434 | 330 |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 295,874 | 2,904 | 1,396 |

As at 31 December 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$96,540,000 (2018: HK\$111,456,000) which are past due as at the reporting date. Out of the past due balances, HK\$25,011,000 (2018: HK\$21,536,000) has been past due 90 days or more and is not considered as in default as these balances are either from debtors with long term business relationship or are individually insignificant. Other than bills received amounting to HK\$34,442,000 (2018: HK\$1,750,000), the Group does not hold any collateral over these balances.

Details of impairment assessment of trade receivables are set out in Note 42.

22. 貿易應收款項及應收票據 (續)

以非相關集團實體功能貨幣的貨幣計值的本集團貿易應收款項載列如下：

於二零一九年十二月三十一日，本集團貿易應收款項結餘包括賬面總值96,540,000港元（二零一八年：111,456,000港元）的賬款，該等款項於報告日期已逾期。逾期結餘中，25,011,000港元（二零一八年：21,536,000港元）的款項已逾期90日或超過90日且未被視作違約，因該等結餘來自具長期業務關係的債務人或單項金額並不重大。除34,442,000港元（二零一八年：1,750,000港元）的已收票據外，本集團概無就該等結餘持有任何抵押物。

有關貿易應收款項減值評估的詳情載於附註42。

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23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

23. 其他應收款項、按金及預付款項

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Deposit paid | 已付按金 | 6,219 | 4,504 |
| Deposit paid for acquisition of property plant and equipment | 收購物業、廠房及設備的 已付按金 | 84,842 | 78,581 |
| Prepayments | 預付款項 | 22,992 | 15,345 |
| Interest receivables | 應收利息 | 66 | 32 |
| Other tax recoverables | 其他可收回稅項 | 39,834 | 41,452 |
| Other receivables | 其他應收款項 | 20,705 | 15,820 |
| | | 174,658 | 155,734 |
| Analysed as: | 分析為： | | |
| Current | 流動 | 86,777 | 74,806 |
| Non-current | 非流動 | 87,881 | 80,928 |
| | | 174,658 | 155,734 |

Non-current deposits stated on the consolidated statement of financial position include certain rental deposits and deposits paid for acquisition of property, plant and equipment.

綜合財務狀況表所載的非流動按金包括若干租金按金及收購物業、廠房及設備的已付按金。

Details of impairment assessment of other receivables and deposits are set out in Note 42.

有關其他應收款項及按金之減值評估的詳情載於附註42。

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23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Other receivables balance with related parties included in the Group's other receivables are listed below:

Amounts due from related companies

Related parties

A related company*

Other related company#

關聯方

一間關聯公司*

其他關聯公司#

| 2019 | 2018 |
|----------|----------|
| 二零一九年 | 二零一八年 |
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |

896

860

3,484

3,077

4,380

3,937

* A related company controlled by close family members of directors of the Company (these directors are key management personnel of the Company). The amount is non trade nature, unsecured, interest-free and repayable on demand. The maximum outstanding amount such other receivables with the related company during the year ended 31 December 2019 is HK\$1,490,000 (2018: HK\$895,000).

The related company is a fellow subsidiary of the non-controlling shareholders who have significant influence over subsidiary of the Group. The amount in non trade nature, unsecured, interest-free and repayable on demand. The maximum outstanding amount such other receivables with the related company during the year ended 31 December 2019 is HK\$3,484,000 (2018: HK\$3,077,000).

23. 其他應收款項、按金及預付款項 (續)

計入本集團其他應收款項的與關聯方的其他應收款項結餘載列如下：

應收關聯公司款項

| 2019 | 2018 |
|----------|----------|
| 二零一九年 | 二零一八年 |
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |

896

860

3,484

3,077

4,380

3,937

* 由本公司董事的近親家族成員控制的關聯公司(該等董事為本公司的主要管理人員)。該金額屬非貿易性質，為無抵押、免息及須按要求償還。於截至二零一九年十二月三十一日止年度，與關聯公司的其他應收款項之最大尚未收回金額為1,490,000港元(二零一八年：895,000港元)。

該關聯公司為對本集團一間附屬公司具有重大影響之非控股股東的同系附屬公司。該金額屬非貿易性質，為無抵押、免息及須按要求償還。於截至二零一九年十二月三十一日止年度，與關聯公司的其他應收款項之最大尚未收回金額為3,484,000港元(二零一八年：3,077,000港元)。

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24. PLEDGED BANK DEPOSITS, SHORT TERM BANK DEPOSITS AND BANK BALANCES AND CASH

As at 31 December 2019, pledged bank deposits represent deposits pledged to banks to secure the bills payables issued by the Group, carried at fixed interest rate ranged from 1.30% to 1.65% (2018: 0.30% to 1.30%) per annum.

As at 31 December 2019, short term bank deposits comprise bank deposits of fixed interest rates ranging from 1.30% to 6.50% (2018: 1.40% to 1.65%) per annum with an original maturity between three months and twelve months.

Bank balances and cash comprise cash held by the Group and bank deposits carry at variable interest rates with an original maturity of three months or less. As at 31 December 2019, the variable interest rates ranged from 0.001% to 2.78% (2018: 0.001% to 0.30%) per annum.

The Group's pledged bank deposits, short term deposits and bank balances and cash that are denominated in currencies which are not the functional currencies of the relevant group entities are set out below:

| | | HK\$ | USD | Euro ("EUR") 歐元 | Renminbi ("RMB") 人民幣 | VND |
|-------------------------------|-------------------|-----------------------|-----------------------|---------------------------|----------------------------|------------------------|
| | | 港元 HK\$'000 千港元 | 美元 HK\$'000 千港元 | (「歐元」) HK\$'000 千港元 | (「人民幣」) HK\$'000 千港元 | 越南盾 HK\$'000 千港元 |
| As at 31 December 2019 | 於二零一九年 十二月三十一日 | 181,343 | 100,614 | 7 | 481 | 2,333 |
| As at 31 December 2018 | 於二零一八年 十二月三十一日 | 1,114 | 110,084 | 12 | 259 | 1,737 |

Details of impairment assessment of pledged bank deposits, short term bank deposits and bank balances are set out in Note 42.

24. 已抵押銀行存款、短期銀行存款及銀行結餘及現金

於二零一九年十二月三十一日，已抵押銀行存款指抵押予銀行作為本集團發出的應付票據擔保的存款，固定年利率介乎1.30%至1.65%（二零一八年：0.30%至1.30%）。

於二零一九年十二月三十一日，短期銀行存款包括原定到期日為三個月至十二個月的固定年利率介乎1.30%至6.50%（二零一八年：1.40%至1.65%）的銀行存款。

銀行結餘及現金包括本集團持有的現金及原定到期日為三個月或以下的浮息銀行存款。於二零一九年十二月三十一日，浮息年利率介乎0.001%至2.78%（二零一八年：0.001%至0.30%）。

以非相關集團實體功能貨幣的貨幣計值的本集團已抵押銀行存款、短期存款及銀行結餘及現金載列如下：

有關已抵押銀行存款、短期銀行存款及銀行結餘之減值評估的詳情載於附註42。

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25. TRADE PAYABLES

The credit period granted by the Group's creditors ranges from approximately 1 month to 3 months. The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------|----------|----------------------------------|----------------------------------|
| 0 – 90 days | 0 – 90 日 | 230,488 | 192,771 |
| Over 90 days | 超過90 日 | 15,849 | 16,190 |
| | | 246,337 | 208,961 |

As at 31 December 2019, included in the Group's trade payables balance is an amount due to a joint venture of HK\$13,480,000 (2018: HK\$16,243,000). Such balance due to a joint venture is unsecured, interest-free and with a credit term of 30 days from the date of issuance of a monthly statement for purchases delivered in that month. These balances are aged within 90 days at the end of the reporting period.

The Group's trade payables that are denominated in currencies which are not the functional currencies of the relevant group entities are set out below:

25. 貿易應付款項

本集團債權人給予的信貸期介乎約一個月至三個月。以下為貿易應付款項於各報告期結束時按發票日期呈列的賬齡分析：

於二零一九年十二月三十一日，計入本集團貿易應付款項結餘的13,480,000港元(二零一八年：16,234,000港元)乃應付合營企業款項。該等應付合營企業結餘為無抵押及免息，信貸期為自出具購買月份的月結單發出日期起計30日。於報告期間結束時，該等結餘的賬齡在90日內。

以非相關集團實體功能貨幣的貨幣計值的本集團貿易應付款項載列如下：

| | | USD 美元 HK\$'000 千港元 | EUR 歐元 HK\$'000 千港元 | VND 越南盾 HK\$'000 千港元 | HKD 港元 HK\$'000 千港元 |
|-------------------------------|-------------------|------------------------------|------------------------------|-------------------------------|------------------------------|
| As at 31 December 2019 | 於二零一九年 十二月三十一日 | 18,902 | 198 | 25,310 | - |
| As at 31 December 2018 | 於二零一八年 十二月三十一日 | 27,175 | - | 9,057 | 3 |

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26. BILLS PAYABLES

The bills payables are secured by pledged bank deposits as set out in Note 39. The following is an ageing analysis of bills payables presented based on the date of issuance of the bills at the end of each reporting period:

| | | 2019 | 2018 |
|---------------|-----------|-----------------|----------|
| | | 二零一九年 | 二零一八年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| 0 – 90 days | 0 – 90日 | 266,328 | 261,009 |
| 91 – 180 days | 91 – 180日 | 120,218 | 135,133 |
| | | 386,546 | 396,142 |

The Group's bills payables that are denominated in currencies which are not functional currencies of the relevant group entities are set out below:

以非相關集團實體功能貨幣的貨幣計值的本集團應付票據載列如下：

| | | USD | EUR |
|-------------------------------|-------------------|---------------|--------------|
| | | 美元 | 歐元 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| As at 31 December 2019 | 於二零一九年 十二月三十一日 | 51,809 | 7,090 |
| As at 31 December 2018 | 於二零一八年 十二月三十一日 | 62,014 | 9,402 |

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27. OTHER PAYABLES AND ACCRUED CHARGES

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| Accrued staff costs | 應付職工薪酬 | 68,011 | 70,144 |
| Other accruals | 其他應計費用 | 38,908 | 44,330 |
| Payables on acquisition of property, plant and equipment | 收購物業、廠房及設備的應付款項 | 54,886 | 49,792 |
| Other payables | 其他應付款項 | 75,456 | 58,410 |
| Total | 總計 | 237,261 | 222,676 |

As at 31 December 2019, included in the Group's other payables balance is an aggregate amount due to related companies of HK\$6,136,000 (2018: HK\$2,750,000).

These related companies are fellow subsidiaries of the non-controlling shareholders who have significant influence over certain subsidiaries of the Group. Such balances due to these related companies are unsecured, interest-free and repayable on demand.

27. 其他應付款項及應計費用

於二零一九年十二月三十一日，計入本集團其他應付款項結餘的6,136,000港元（二零一八年：2,750,000港元）乃應付關聯公司總額。

該等關聯公司為對本集團若干附屬公司具有重大影響之非控股股東的同系附屬公司。該等應付關聯公司結餘為無抵押、免息及須按要求償還。

28. CONTRACT LIABILITIES

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------|----------------------------------|----------------------------------|
| Deposits received in advance for: | 就下列項目預收按金： | | |
| Manufacturing and trading of elastic fabric and lace | 製造及買賣彈性織物面料及蕾絲 | 36,736 | 51,702 |
| Manufacturing and trading of elastic webbing | 製造及買賣彈性織帶 | 4,228 | 4,791 |
| | | 40,964 | 56,493 |

As at 1 January 2018, contract liabilities amounted to HK\$19,411,000.

於二零一八年一月一日，合約負債為19,411,000港元。

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28. CONTRACT LIABILITIES (Continued)

As at 31 December 2019, included in the Group's contract liabilities balance is an aggregate amount of HK\$1,090,000 received from related companies. These related companies are fellow subsidiaries of non-controlling shareholders who have significant influence over certain subsidiaries of the Group.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities.

28. 合約負債 (續)

於二零一九年十二月三十一日，計入本集團合約負債結餘的1,090,000港元乃自其他關聯公司收取的總額。該等關聯公司為對本集團若干附屬公司具有重大影響之非控股股東的同系附屬公司。

下表列示已確認收入與結轉合約負債的關聯程度。

| | | Manufacturing and trading of elastic fabric and lace 製造及買賣彈性 織物面料及蕾絲 HK\$'000 千港元 | Manufacturing and trading of elastic webbing 製造及 買賣彈性織帶 HK\$'000 千港元 |
|--|---|--|---|
| Revenue recognised during the year ended 31 December 2019 that was included in the contract liabilities balance at the beginning of the year on 1 January 2019 | 於二零一九年一月一日年初計入合約負債結餘的截至二零一九年十二月三十一日止年度已確認收入 | 51,702 | 4,791 |
| Revenue recognised during the year ended 31 December 2018 that was included in the contract liabilities balance at the beginning of the year on 1 January 2018 | 於二零一八年一月一日年初計入合約負債結餘的截至二零一八年十二月三十一日止年度已確認收入 | 13,961 | 5,450 |

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

When the Group receives a deposit from customer before the production activity commences, this will give rise to contract liabilities at the start of a contract (i.e. upon receipt of manufacturing order from customer), until the revenue recognised on the relevant contract. Other than customers with long term business relationship with the Group and/or satisfying historical settlement record, the Group typically receives 30% to 100% deposit on acceptance of manufacturing orders from customers.

影響已確認合約負債金額的典型付款條款如下：

倘本集團於生產活動開始前向客戶收取按金，這將於合約開始時（即接到來自客戶的製造訂單時）產生合約負債，直至就相關合約確認收入為止。除與本集團有長期的業務關係及／或有良好歷史結算紀錄的客戶以外，本集團通常於接受製造訂單時向客戶收取30%至100%按金。

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29. BANK AND OTHER BORROWINGS/ BANK OVERDRAFTS

29. 銀行及其他借款／銀行透支

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------------------|----------------------------------|----------------------------------|
| Bank overdrafts | 銀行透支 | 32,225 | 12,385 |
| Unsecured syndicated loan | 無抵押銀團貸款 | 949,401 | 1,194,265 |
| Unsecured bank borrowings | 無抵押銀行借款 | 1,218,194 | 594,043 |
| Unsecured other borrowing (Note) | 無抵押其他借款(附註) | 19,500 | 5,850 |
| | | 2,219,320 | 1,806,543 |
| Carrying amount repayable*: | 應償還款項賬面值*： | | |
| Within one year | 一年內 | 1,435,920 | 727,981 |
| More than one year, but not exceeding two years | 超過一年但不超過兩年 | 441,047 | 660,931 |
| More than two years, but not exceeding five years | 超過兩年但不超過五年 | 342,353 | 417,631 |
| | | 2,219,320 | 1,806,543 |
| Less: Amounts due within one year or contain a repayment on demand clause shown under current liabilities | 減：流動負債所示須於一年內償還或包含按要求償還條款的款項 | (1,645,119) | (802,081) |
| Amounts shown under non-current liabilities | 非流動負債所示款項 | 574,201 | 1,004,462 |
| Carrying amount of bank borrowings that are repayable within one year and contain a repayment on demand clause | 須於一年內償還及包含按要求償還條款的銀行借款的賬面值 | 1,036,928 | 532,328 |
| Carrying amount of bank borrowings that are repayable more than one year but contain a repayment on demand clause | 超過一年後償還但包含按要求償還條款的銀行借款的賬面值 | 209,199 | 74,100 |
| | | 1,246,127 | 606,428 |

* The amounts due are based on scheduled repayment dates set out in the loan agreements and included the unamortised portion of the prepaid transaction cost in relation to the unsecured syndicated loan.

* 到期款項乃根據貸款協議所載的計劃償還日期釐定，並包括有關無抵押銀團貸款預付交易成本之未攤銷部分。

Note: Other borrowing represents loan from a non-controlling shareholder of a subsidiary which is unsecured, carries interest at London Interbank Offered Rate ("LIBOR") plus 2.4% per annum and repayable in December 2021. Such other borrowing is denominated in USD.

附註：其他借款指來自一間附屬公司非控股股東的貸款，為無抵押、按倫敦銀行同業拆息（「倫敦銀行同業拆息」）加年利率2.4%計息及須於二零二一年十二月償還。該等其他借款以美元計值。

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29. BANK AND OTHER BORROWINGS/ BANK OVERDRAFTS (Continued)

During the year ended 31 December 2017, the Group entered into a new facility agreement for an unsecured syndicated loan, which is to be repayable by installments, from 13 May 2019 to 13 May 2021 and with an interest rate at Hong Kong Interbank Offered Rate (“HIBOR”) plus 2.2% for HK\$ loan tranche and LIBOR plus 2.2% for USD loan tranche. The unsecured syndicated loan is guaranteed by the Company.

The unsecured bank borrowings and bank overdrafts were guaranteed by the Company and/or certain of its subsidiaries as at 31 December 2019 and 2018.

The Group has floating-rate borrowings which carry interest at HIBOR plus 1.40% to 2.50% or LIBOR plus 1.40% to 2.75% (2018: HIBOR plus 1.50% to 2.50% or LIBOR plus 1.40% to 2.40%) per annum.

29. 銀行及其他借款／銀行透支（續）

截至二零一七年十二月三十一日止年度，本集團就無抵押銀團貸款訂立新融資協議，貸款將自二零一九年五月十三日至二零二一年五月十三日分批償還，港元貸款年利率為香港銀行同業拆息（「香港銀行同業拆息」）加上2.2%，而美元貸款年利率為倫敦銀行同業拆息加上2.2%。無抵押銀團貸款乃由本公司提供擔保。

於二零一九年及二零一八年十二月三十一日，無抵押銀行借款及銀行透支乃由本公司及／或其若干附屬公司提供擔保。

本集團有浮息借款，按香港銀行同業拆息加年利率1.40%至2.50%或倫敦銀行同業拆息加年利率1.40%至2.75%（二零一八年：香港銀行同業拆息加1.50%至2.50%或倫敦銀行同業拆息加1.40%至2.40%）計息。

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29. BANK AND OTHER BORROWINGS/ BANK OVERDRAFTS (Continued)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank and other borrowings are as follows:

29. 銀行及其他借款／銀行透支 (續)

本集團銀行及其他借款的實際利率 (亦相當於訂約利率) 範圍如下：

| | | 2019 二零一九年 | 2018 二零一八年 |
|--------------------------------------|----------|---------------|---------------|
| Effective interest rate (per annum): | 實際(年)利率： | | |
| Floating-rate borrowings | 浮息借款 | 2.43%-4.88% | 2.28%-4.75% |

The Group's bank and other borrowings that are denominated in currencies which are not the functional currencies of the relevant group entities are set out below:

以相關集團實體功能貨幣以外貨幣計值的本集團銀行及其他借款載列如下：

| | | HKD 港元 HK\$'000 千港元 | USD 美元 HK\$'000 千港元 |
|-------------------------------|-------------------|------------------------------|------------------------------|
| As at 31 December 2019 | 於二零一九年 十二月三十一日 | 393,600 | 148,200 |
| As at 31 December 2018 | 於二零一八年 十二月三十一日 | 479,611 | 376,350 |

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30. LEASE LIABILITIES

30. 租賃負債

| | | As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 |
|---|---------------------------|--|
| Lease liabilities payable: | 應付租賃負債： | |
| Within one year | 一年內 | 10,474 |
| More than one year but not exceeding two years | 超過一年但不超過兩年 | 7,134 |
| More than two years but not exceeding five years | 超過兩年但不超過五年 | 2,152 |
| More than five years | 超過五年 | 53,640 |
| | | 73,400 |
| Less: Amount due for settlement with 12 months shown under current liabilities | 減：流動負債所示於12個月內 到期償還之款項 | 10,474 |
| Amount due for settlement after 12 months shown under non-current liabilities | 非流動負債所示於12個月內 到期償還之款項 | 62,926 |

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31. DERIVATIVE FINANCIAL INSTRUMENT

31. 衍生金融工具

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------------|-------------|----------------------------------|----------------------------------|
| Financial liabilities | 金融負債 | | |
| Put option | 認沽期權 | 1,403 | 3,195 |

Put option of Charming Elastic

Pursuant to the Charming Elastic Shareholders' Agreement, subject to and conditional upon the Group becoming the Majority Shareholder of Charming Elastic, the other shareholder of Charming Elastic is entitled the right to exercise its option to require the Group to buy out all or part of the issued shares of Charming Elastic held by the other shareholder at any time during the period of two years from 1 July 2020 to 30 June 2022 at a price set out in the Charming Elastic Shareholders' Agreement. The put option is recognised as a derivative financial instrument at FVTPL by the Group. The gain on fair value change of such put option of HK\$1,792,000 (2018: gain on fair value change of put option of HK\$1,231,000) for the year ended 31 December 2018 was recognised in profit or loss as other gains and losses as set out in Note 8.

綉麗橡根帶的認沽期權

根據綉麗橡根帶股東協議，受限於及有待本集團成為綉麗橡根帶的主要股東後，綉麗橡根帶的另一位股東有權行使其權利要求本集團按綉麗橡根帶股東協議所載價格收購自二零二零年七月一日起至二零二二年六月三十日兩年期內任何時間由另一位股東持有的綉麗橡根帶的全部或部分已發行股份。認沽期權由本集團確認為透過損益按公平值計量的衍生金融工具。於截至二零一八年十二月三十一日止年度，有關認沽期權公平值變動的收益1,792,000港元（二零一八年：認沽期權公平值變動的收益1,231,000港元）於損益確認為其他收益及虧損，如附註8所載。

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32. DEFERRED TAXATION

The following is the major deferred tax assets (liabilities) recognised and movements during the current and prior years.

32. 遞延稅項

以下為於本年度及過往年度的主要已確認遞延稅項資產（負債）及變動。

| | | Deferred government grants | Capitalised finance costs | Allowance for inventories | Allowance for doubtful debts/ECL provision | Accelerated depreciation | Retirement benefit obligations | Undistributed profits of subsidiaries | Tax losses | Right-of-use assets | Lease liabilities | Total |
|--|--------------------|----------------------------|---------------------------|---------------------------|--|--------------------------|--------------------------------|---------------------------------------|------------|---------------------|-------------------|----------|
| | | 遞延政府補助金 | 已資本化融資成本 | 存貨撥備 | 呆壞賬撥備／預期信貸虧損撥備 | 加速稅項折舊 | 退休福利責任 | 附屬公司未分派溢利 | 稅項虧損 | 使用權資產 | 租賃負債 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2018 | 於二零一八年一月一日 | 1,638 | (2,728) | 1,561 | 2,911 | - | - | - | - | - | - | 3,382 |
| Acquisition of a subsidiary (Note 36) | 收購一間附屬公司 (附註36) | - | - | - | - | (3,075) | 574 | - | - | - | - | (2,501) |
| (Charged) credited to profit or loss (Note 13) | 從損益 (扣除) 計入 (附註13) | (197) | 175 | - | 1,244 | 647 | - | (2,726) | - | - | - | (857) |
| Charged to other comprehensive income | 從其他全面收益扣除 | - | - | - | - | - | (245) | - | - | - | - | (245) |
| Exchange adjustments | 匯兌調整 | (64) | 120 | (71) | (218) | - | - | - | - | - | - | (233) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 1,377 | (2,433) | 1,490 | 3,937 | (2,428) | 329 | (2,726) | - | - | - | (454) |
| (Charged) credited to profit or loss (Note 13) | 從損益 (扣除) 計入 (附註13) | (314) | 169 | - | 107 | (5,869) | 618 | (4,536) | 8,106 | (2,011) | 1,698 | (2,032) |
| Charged to other comprehensive income | 從其他全面收益扣除 | - | - | - | - | - | 37 | - | - | - | - | 37 |
| Exchange adjustments | 匯兌調整 | (127) | 52 | (32) | (42) | (1) | - | - | - | - | - | (150) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 936 | (2,212) | 1,458 | 4,002 | (8,298) | 984 | (7,262) | 8,106 | (2,011) | 1,698 | (2,599) |

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32. DEFERRED TAXATION (Continued)

The above deferred tax assets and liabilities within the same tax jurisdiction have been offset for presentation purpose in the consolidated statement of financial position. The following is the analysis of the deferred taxation:

| | | As at 31 December 於十二月三十一日 | |
|--------------------------|--------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Deferred tax assets | 遞延稅項資產 | 8,824 | 4,371 |
| Deferred tax liabilities | 遞延稅項負債 | (11,423) | (4,825) |
| | | (2,599) | (454) |

Withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Under the EIT Law, deferred tax liabilities have not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$1,368,891,000 as at 31 December 2019 (2018: HK\$1,118,388,000), as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The Group had unused tax losses of HK\$102,046,000 as at 31 December 2019 (2018: HK\$40,489,000). A deferred tax asset had been recognised in respect of HK\$51,622,000 (2018: nil) of such losses. No deferred tax assets have been recognised in respect of the remaining HK\$50,424,000 (2018: HK\$40,489,000) due to the unpredictability of future profit streams of respective group entities. Unused tax losses of HK\$45,169,000 (2018: HK\$13,384,000) will be expired within six years, other tax losses may be carried forward indefinitely.

32. 遞延稅項 (續)

就呈報而言，上述屬於同一稅務司法權區的遞延稅項資產及負債已於綜合財務狀況表抵銷。以下為遞延稅項的分析：

| | | As at 31 December 於十二月三十一日 | |
|--------------------------|--------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Deferred tax assets | 遞延稅項資產 | 8,824 | 4,371 |
| Deferred tax liabilities | 遞延稅項負債 | (11,423) | (4,825) |
| | | (2,599) | (454) |

自二零零八年一月一日起，中國附屬公司就所賺取溢利宣派股息時須繳納預扣稅。根據企業所得稅法，由於本集團可控制撥回臨時差額的時間，而有關臨時差額於可見將來可能不會撥回，故並無於綜合財務報表就中國附屬公司於二零一九年十二月三十一日的累計溢利應佔的臨時差額1,368,891,000港元（二零一八年：1,118,388,000港元）作出遞延稅項負債撥備。

於二零一九年十二月三十一日，本集團的未動用稅項虧損為102,046,000港元（二零一八年：40,489,000港元）。有關該等虧損51,622,000港元（二零一八年：無）的遞延稅項資產已獲確認。由於各集團實體的未來溢利流的不可預測性，故並無確認有關餘下50,424,000港元（二零一八年：40,489,000港元）的遞延稅項資產。未動用稅項虧損45,169,000港元（二零一八年：13,384,000港元）將於六年內到期，其他稅項虧損或可無限期結轉。

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33. SHARE CAPITAL

The detailed movements of the Company's share capital are set out below.

33. 股本

本公司股本的變動詳情載列如下。

| | | Number of shares 股份數目 | Amount 金額 | |
|---|-------------------------------|-----------------------------|-------------------|-----------------|
| | | | HK\$ 港元 | HK\$'000 千港元 |
| Ordinary shares of HK\$0.01 each | 每股面值0.01 港元之普通股 | | | |
| Authorised: | 法定： | | | |
| At 1 January 2018 and 31 December 2018 and 2019 | 於二零一八年一月一日及二零一八年及二零一九年十二月三十一日 | 50,000,000,000 | 500,000,000 | 500,000 |
| Issued and fully paid: | 已發行及繳足： | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 1,036,508,000 | 10,365,080 | 10,365 |
| Issue of shares upon exercise of share options (Note a) | 於行使購股權後發行股份 (附註a) | 3,215,000 | 32,150 | 32 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 1,039,723,000 | 10,397,230 | 10,397 |
| Issue of shares upon exercise of share options (Note b) | 於行使購股權後發行股份 (附註b) | 85,000 | 850 | 1 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 1,039,808,000 | 10,398,080 | 10,398 |

All shares issued rank pari passu with other existing shares in all aspects.

所有已發行股份在所有方面與其他現有股份享有同等權益。

Notes:

附註：

- (a) On 17 January 2018, 18 September 2018, 2, 13 and 16 November 2018 and 14 December 2018, the Company issued 120,000, 100,000, 1,000,000, 1,500,000, 275,000 and 220,000 shares respectively upon the exercise of share options by two directors and certain employees.
- (b) On 11 April 2019, the Company issued 85,000 shares upon the exercise of share options by certain employees.

- (a) 於二零一八年一月十七日、二零一八年九月十八日、二零一八年十一月二日、十一月十三日及十一月十六日以及二零一八年十二月十四日，本公司於兩位董事及若干僱員行使購股權後分別發行120,000股、100,000股、1,000,000股、1,500,000股、275,000股及220,000股股份。
- (b) 於二零一九年四月十一日，本公司於若干僱員行使購股權後發行85,000股股份。

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34. RETIREMENT BENEFITS PLANS

Defined contribution plans

The Group operates a Mandatory Provident Fund Scheme (“**MPF Scheme**”) under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. Contributions are made based on a percentage of the employees’ salaries with a cap of HK\$1,500 per month per employee and are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. No forfeited contribution is available to reduce the contribution payable in the future years as at 31 December 2019 and 2018.

The Company’s PRC subsidiaries are required to make contributions to the state-managed retirement schemes operated by the local governments based on certain percentage of the monthly salaries of their current employees to fund the benefits.

Eligible employees in Vietnam currently participate in State Social Insurance Fund, which is a defined contribution pension scheme operated by the local municipal government. The calculation of contributions is based on certain percentage of employee’s payroll.

The only obligations of the Group with respect to the above defined contribution retirement benefits schemes are to make the required contributions under the respective schemes.

During the year ended 31 December 2019, the total costs charged to profit or loss are HK\$44,377,000 (2018: HK\$39,439,000), representing contributions paid/payable to the above defined contribution retirement benefits schemes.

34. 退休福利計劃

界定供款計劃

本集團根據強制性公積金計劃條例的規則及規例，為其所有香港合資格僱員參與強制性公積金計劃（「**強積金計劃**」）。供款乃按僱員薪酬的若干百分比釐定，上限為每名僱員每月1,500港元。當有關供款根據強積金計劃規則成為應付款項時，將自綜合損益及其他全面收益表扣除。強積金計劃資產與本集團資產分開持有，由獨立受託人管理基金保管。於二零一九年及二零一八年十二月三十一日，並無被沒收供款可用以減少未來年度的應付供款。

本公司的中國附屬公司須按其現有僱員月薪的若干百分比向地方政府管理的國家管理退休計劃作出供款，作為福利資金。

越南合資格僱員目前參與國家社會保險基金，此乃一項由地方政府管理的界定供款退休計劃。供款乃根據僱員薪酬的若干百分比計算。

本集團就上述界定供款退休福利計劃的唯一責任為根據各計劃作出所須供款。

截至二零一九年十二月三十一日止年度，從損益扣除的成本總額為44,377,000港元（二零一八年：39,439,000港元），即上述界定供款退休福利計劃的已付／應付供款。

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

34. RETIREMENT BENEFITS PLANS

(Continued)

Defined benefits plans

Under the Payment of Gratuity Act, the Company's Sri Lanka subsidiaries are required to operate defined benefits plans by paying gratuity to eligible employees who have served continuously for five years and more under one employer. The calculation of gratuity is based on certain percentage of employee's salaries and their number of years of service. The details of the defined benefits plans operated by the subsidiaries in Sri Lanka are as follows:

Retirement benefit obligations

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------------|----------------|----------------------------------|----------------------------------|
| At the beginning of the year | 於年初 | 5,460 | - |
| Acquisition of a subsidiary (Note 36) | 收購一間附屬公司(附註36) | - | 4,103 |
| Current service cost | 現時服務成本 | 660 | 765 |
| Interest cost | 利息成本 | 618 | 113 |
| Actuarial loss (gain) | 精算虧損(收益) | 274 | (2,008) |
| Contributions paid | 付予計劃的供款 | (626) | (154) |
| Exchange gain | 匯兌收益 | (26) | (436) |
| Others | 其他 | 562 | 3,077 |
| At the end of the year | 於年末 | 6,922 | 5,460 |

34. 退休福利計劃 (續)

界定福利計劃

根據恩恤金支付法，本公司的斯里蘭卡附屬公司須設立界定福利計劃，向為一名僱主連續服務五年及以上的合資格僱員支付恩恤金。恩恤金乃根據僱員薪金的若干百分比及彼等之服務年期計算。由斯里蘭卡附屬公司設立的界定福利計劃詳情如下：

退休福利責任

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34. RETIREMENT BENEFITS PLANS

(Continued)

Defined benefits plans (Continued)

Retirement benefit obligations (Continued)

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:

34. 退休福利計劃 (續)

界定福利計劃 (續)

退休福利責任 (續)

於綜合損益及其他全面收益表確認的金額如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$' 000 千港元 |
|---|-----------------------|----------------------------------|-----------------------------------|
| Current service cost | 現時服務成本 | 660 | 765 |
| Interest cost | 利息成本 | 618 | 113 |
| Recognised in profit or loss | 於損益確認 | 1,278 | 878 |
| Actuarial gain breakup is as follows: | 精算收益明細如下： | | |
| Loss (gain) from change in financial assumptions | 財務假設變動的虧損(收益) | 215 | (308) |
| Experience adjustments | 經驗調整 | 59 | (1,700) |
| Recognised in other comprehensive expense (income) | 於其他全面開支(收入) 確認 | 274 | (2,008) |

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34. RETIREMENT BENEFITS PLANS

(Continued)

Defined benefits plans (Continued)

Retirement benefit obligations (Continued)

This obligation, which is not externally funded, is based on an actuarial valuation of the defined benefit plan based on the projected unit credit method, which is the benchmark method specified in HKAS 19 "Employee Benefits" carried out by a professional actuaries as of 31 December 2019. The gratuity liability of the subsidiaries in Sri Lanka is based on an actuarial valuation carried out by Messrs' Towers Watson Actuaries, whose principal place of business is located at 2nd Floor, Tower B, Unitech Business Park, South City-1, Gurgaon-122001, Haryana, India. The principal assumptions used for this purpose are as follows:

| | | 2019 二零一九年 | 2018 二零一八年 |
|------------------------------|--------|---------------|---------------|
| Discount rate per annum | 年貼現率 | 10.0% | 11.6% |
| Annual salary increment rate | 年薪金增長率 | 9% | 9% |
| Retirement age | 退休年齡 | 55 | 55 |
| Withdrawal rate | 僱員流失率 | 15% | 15% |

As the amount of retirement benefit obligations is insignificant, no sensitivity analysis on assumptions used in the actuarial valuation is presented.

34. 退休福利計劃 (續)

界定福利計劃 (續)

退休福利責任 (續)

此項由內部資金撥款的責任乃以專業精算師截至二零一九年十二月三十一日按預計單位給付成本法(此為香港會計準則第19號「僱員福利」指定的基準法)對界定福利計劃進行的精算評估為基礎。斯里蘭卡附屬公司的恩恤金負債乃以由Messrs' Towers Watson Actuaries(其主要營業地點位於2nd Floor, Tower B, Unitech Business Park, South City-1, Gurgaon-122001, Haryana, India)進行的精算評估為基礎。用於此一目的的主要假設如下：

由於退休福利責任之金額並不重大，概無就用於精算評估之假設進行敏感性分析。

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35. SHARE-BASED PAYMENTS

The Company's Pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") and share option scheme (the "Share Option Scheme") were adopted pursuant to a resolution passed on 8 May 2014 for the primary purpose of providing incentives to directors and eligible employees, and will expire at the end of five years and ten years from the date of grant of respective share options for Pre-IPO Share Options Scheme and the Share Option Scheme, respectively.

For the Share Option Scheme, no share option was granted since its adoption.

At 31 December 2019, there is no granted share options remained outstanding under the Pre-IPO Share Options Scheme (31 December 2018: 85,000 granted share options remained outstanding).

The table below discloses movement of the Company's share options granted under the Pre-IPO Share Option Scheme during each of the years ended 31 December 2018 and 2019:

| | | 1 January 2018 二零一八年 一月一日 | Exercised during the year 年內已行使 | 31 December 2018 二零一八年 十二月三十一日 | Exercised during the year 年內已行使 | 31 December 2019 二零一九年 十二月三十一日 |
|--------------------------------------|------------|------------------------------------|--|---|--|---|
| Number of share options outstanding: | 未獲行使購股權數目： | | | | | |
| - Directors of the Company | - 本公司董事 | 2,500,000 | (2,500,000) | - | - | - |
| - Employees | - 僱員 | 800,000 | (715,000) | 85,000 | (85,000) | - |
| | | 3,300,000 | (3,215,000) | 85,000 | (85,000) | - |
| Number of share options exercisable | 可行使購股權數目 | 3,300,000 | | 85,000 | | N/A不適用 |

35. 以股份為基礎的付款

本公司根據於二零一四年五月八日通過的決議案採納首次公開發售前購股權計劃（「首次公開發售前購股權計劃」）及購股權計劃（「購股權計劃」），主要為董事及合資格僱員提供激勵，並分別將於首次公開發售前購股權計劃及購股權計劃授出各購股權日期起五年及十年末到期。

就購股權計劃而言，自其採納起並無授出購股權。

於二零一九年十二月三十一日，概無根據首次公開發售前購股權計劃已授出尚未行使的購股權（二零一八年十二月三十一日：85,000份已授出尚未行使的購股權）。

下表披露截至二零一八年及二零一九年十二月三十一日止年度各年內根據首次公開發售前購股權計劃授出的本公司購股權之變動：

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35. SHARE-BASED PAYMENTS (Continued)

During the year ended 31 December 2019, the weighted average closing price of the Company's shares at the dates on which the share options were exercised by employees of the Group was HK\$3.05 (2018: HK\$2.59) per share.

During the year ended 31 December 2018, the weighted average closing price of the Company's shares at the date on which the share options were exercised by two directors was HK\$1.91 per share.

The share options granted under the Pre-IPO Share Option Scheme are subject to the vesting period as to 20%, 30% and 50% of the aggregate number of shares underlying the option on the date of the first, second and third anniversary of the date of grant of such options respectively. The exercise period of these share of options is from 19 May 2015 to 19 May 2019.

Share options were granted on 19 May 2014 with exercise price of HK\$1.075 per share. The fair value of the options determined at the date of grant using the Binomial option pricing model was HK\$33,640,000.

The Binomial option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to the share options reserve.

35. 以股份為基礎的付款 (續)

截至二零一九年十二月三十一日止年度，本公司股份於購股權獲本集團僱員行使當日之加權平均收市價為每股3.05港元（二零一八年：2.59港元）。

截至二零一八年十二月三十一日止年度，本公司股份於購股權獲兩名董事行使當日的加權平均收市價為每股1.91港元。

根據首次公開發售前購股權計劃授出之購股權須分別於授出該等購股權日期第一、第二及第三週年日期按有關股份總數的20%、30%及50%歸屬。該等購股權的行使期為二零一五年五月十九日至二零一九年五月十九日。

購股權於二零一四年五月十九日授出，行使價為每股1.075港元。使用二項式期權定價模型於授出日期釐定的購股權之公平值為33,640,000港元。

二項式期權定價模型已用於估計購股權之公平值。計算購股權公平值所使用的變量及假設乃基於董事之最佳估計。變量及假設之變動可能導致購股權公平值出現變動。

於各報告期間結束時，本集團修訂其預期將最終歸屬的估計購股權數目。該估計修訂的影響（如有）於損益確認，並於購股權儲備作相應調整。

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36. ACQUISITION OF A SUBSIDIARY

On 1 August 2018, the Group acquired 51% of the issued share capital of Trischel Fabric (Private) Limited (“**Trischel**”) for a consideration of USD4,056,000 (equivalent to approximately HK\$31,637,000). This acquisition has been accounted for using the purchase method. Trischel engages in manufacturing and trading of elastic fabric. Trischel was acquired so as to continue the expansion of the Group’s fabric supply.

Consideration transferred

| | | HK\$'000 千港元 |
|------|----|-----------------|
| Cash | 現金 | 31,637 |

Assets acquired and liabilities recognised at the date of acquisition are as follows:

| | | HK\$'000 千港元 |
|--------------------------------|-----------|-----------------|
| Property, plant and equipment | 物業、廠房及設備 | 128,189 |
| Prepaid lease payments | 預付租賃付款 | 2,000 |
| Inventories | 存貨 | 72,005 |
| Trade and other receivables | 貿易及其他應收款項 | 21,740 |
| Bank balances and cash | 銀行結餘及現金 | 1,141 |
| Trade and other payables | 貿易及其他應付款項 | (51,413) |
| Bank borrowings | 銀行借款 | (105,025) |
| Retirement benefit obligations | 退休福利責任 | (4,103) |
| Deferred tax liabilities | 遞延稅項負債 | (2,501) |
| Net assets | 資產淨值 | 62,033 |

36. 收購一間附屬公司

於二零一八年八月一日，本集團以代價4,056,000美元（相當於約31,637,000港元）收購Trischel Fabric (Private) Limited（「**Trischel**」）已發行股本的51%。本次收購已採用購買法列賬。Trischel從事製造及買賣彈性織物面料。本集團收購Trischel乃為持續擴大其織物面料供應。

已轉讓代價

於收購日期，已收購資產及已確認負債如下：

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36. ACQUISITION OF A SUBSIDIARY

(Continued)

Assets acquired and liabilities recognised at the date of acquisition are as follows:

(Continued)

The fair value of trade and other receivables at the date of acquisition amounted to USD2,787,000 (equivalent to approximately HK\$21,740,000). The gross contractual amounts of those trade and other receivables acquired amounted to USD2,787,000 (equivalent to approximately HK\$21,740,000), at the date of acquisition.

Goodwill arising on acquisition:

| |
|---|
| Consideration transferred |
| Add: non-controlling interests (49% in Trischel) |
| Less: net assets acquired |
| Goodwill arising on acquisition |

| |
|------------------------------|
| 已轉讓代價 |
| 加：非控股權益（於Trischel 的49%權益） |
| 減：已收購資產淨值 |
| 收購產生的商譽 |

HK\$'000
千港元

| |
|----------|
| 31,637 |
| 30,396 |
| (62,033) |
| - |

The non-controlling interests (49%) in Trischel recognised at the acquisition date was measured by reference to the net asset value of Trischel as at the date of acquisition and amounted to USD3,897,000 (equivalent to approximately HK\$30,396,000).

於收購日期已確認之於Trischel的非控股權益(49%)為3,897,000美元（相當於約30,396,000港元），乃經參考Trischel於收購日期的資產淨值計量。

36. 收購一間附屬公司 (續)

於收購日期，已收購資產及已確認負債如下：(續)

於收購日期，貿易及其他應收款項的公平值為2,787,000美元（相當於約21,740,000港元）。於收購日期，已收購的該等貿易及其他應收款項的總合約金額為2,787,000美元（相當於約21,740,000港元）。

收購產生的商譽：

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36. ACQUISITION OF A SUBSIDIARY

(Continued)

Net cash outflow on acquisition of Trischel

| | | HK\$'000 千港元 |
|--|---------------------|-----------------|
| Cash consideration paid | 已付現金代價 | (31,637) |
| Less: cash and cash equivalents balances acquired | 減：已收購現金及現金等 價物結餘 | 1,141 |
| Net cash outflow | 現金流出淨額 | (30,496) |

Included in the profit for the year of the Group is a loss of HK\$2,406,000 attributable to the additional business generated by Trischel. Revenue for the year of the Group includes HK\$109,377,000 generated from Trischel.

Had the acquisition of subsidiary been completed on 1 January 2018, total revenue of the Group for the year ended 31 December 2018 would have been HK\$3,344,343,000 and profit for the year would have been HK\$272,548,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2018, nor is it intended to be a projection of future results.

36. 收購一間附屬公司 (續)

收購Trischel的現金流出淨額

| | HK\$'000 千港元 |
|---|-----------------|
| 因Trischel額外業務所產生的虧損 2,406,000港元乃計入本集團年度溢 利。自Trischel產生的109,377,000港 元乃計入本集團年度收入。 | |

倘收購附屬公司於二零一八年一月一日已告完成，本集團截至二零一八年十二月三十一日止年度的總收入將為3,344,343,000港元，而年度溢利將為272,548,000港元。此等備考資料僅供說明，未必代表假設收購於二零一八年一月一日完成時本集團將實際取得的收入及經營業績，亦無意作為未來業績的預測。

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37. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments in respect of office and factory premises, warehouse and staff quarters rented under non-cancellable operating leases which fall due as follows:

| | | 2018 二零一八年 HK\$'000 千港元 |
|---|------------|----------------------------------|
| Within one year | 一年內 | 13,091 |
| More than one year but not exceeding five years | 超過一年但不超過五年 | 20,280 |
| More than five years | 超過五年 | 104,393 |
| | | 137,764 |

Leases for office premises, warehouse and staff quarters are negotiated for an average term of three years and rentals are fixed for an average term of three years. A lease for factory premises was negotiated for a term of three years. A lease for a piece of land used for warehouse was negotiated for a term of forty years.

37. 經營租賃承擔

本集團作為承租人

於報告期間結束時，本集團已就不可撤銷經營租賃項下辦公室及廠房物業、倉庫及員工宿舍承擔未來最低租賃付款，到期日如下：

經協定的辦公室物業、倉庫及員工宿舍的租約平均期限為三年，租金於平均租期三年內為固定。廠房物業的租約期限協定為三年。一塊作倉庫用途之土地的租約期限協定為四十年。

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38. CAPITAL AND OTHER COMMITMENTS

38. 資本及其他承擔

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------------------|----------------------------------|----------------------------------|
| Capital expenditure in respect of the addition of property, plant and equipment contracted but not provided for | 有關添置物業、廠房及設備的已訂約但未撥備的資本開支 | 289,014 | 306,355 |

Note: As disclosed in the Company's announcement dated 22 December 2016, Dongguan BPT and seven independent third parties entered into an agreement in relation to the formation of a company to be established in the PRC ("the Investee") to engage in insurance business and related financial activities in the PRC. Pursuant to such agreement, Dongguan BPT has agreed to make a capital contribution of RMB140,500,000 (equivalent to approximately HK\$ HK\$158,765,000) in return for approximately 7.022% equity interest in the Investee. As at the date of these consolidated financial statements are authorised for issue, formation of the Investee is subject to the approval from China Insurance Regulatory Commission and no contribution was made by the Group to the Investee.

附註：誠如本公司日期為二零一六年十二月二十二日的公告所披露，東莞超盈與七名獨立第三方訂立一份協議，內容有關在中國組建公司（「被投資公司」），以在中國從事保險業務及相關財務活動。根據該協議，東莞超盈已同意注資人民幣140,500,000元（相當於約158,765,000港元），以持有被投資公司約7.022%的股權。於該等綜合財務報表獲授權發佈日期，成立被投資公司須經中國保險監督管理委員會批准，且本集團並無向被投資公司作出供款。

39. PLEDGE OF ASSETS

At the end of the reporting period, the Group has pledged bank deposits amounted to HK\$76,823,000 (2018: HK\$82,220,000) to secure the bills payables issued by the Group.

39. 抵押資產

於報告期間結束時，本集團已抵押銀行存款76,823,000港元（二零一八年：82,220,000港元）作為本集團發出的應付票據的抵押。

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40. CONTINGENT LIABILITIES

The Group does not have any contingent liability so far as the management is aware that is pending or threatened by or against the Group.

41. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which mainly include bank and other borrowings and bank overdrafts as disclosed in Note 29 and equity attributable to owners of the Company, comprising share capital disclosed in Note 33 and reserves.

The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends, new shares issue as well as the issue of new debt or the redemption of existing debts.

40. 或然負債

本集團概無據管理層所知悉本集團待決或對其構成威脅的任何或然負債。

41. 資本風險管理

本集團管理其資本以確保其將能夠繼續持續經營，同時透過優化債務與股權結餘為股東帶來最大回報。本集團的整體策略與上一年度相比維持不變。

本集團資本架構包括債務（包括於附註29所披露的銀行及其他借款以及銀行透支）以及本公司擁有人應佔權益（包括附註33所披露的股本及儲備）。

管理層經考慮資金成本及與各類資本相關的風險檢討資本架構。有鑒於此，本集團將透過派付股息、發行新股以及發行新債務或贖回現有債務以平衡其整體資本架構。

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42. FINANCIAL INSTRUMENTS

Categories of financial instruments

| | |
|--|-----------------------|
| Financial assets | 金融資產 |
| Financial assets measured at amortised cost | 按攤銷成本計量的金融資產 |
| Investment in a partnership at FVTOCI | 透過其他全面收益按公平值列賬的投資合夥公司 |
| Financial liabilities | 金融負債 |
| Financial liabilities measured at amortised cost | 按攤銷成本計量的金融負債 |
| Financial liabilities at FVTPL | 透過損益按公平值計量的金融負債 |
| - derivative financial instrument | - 衍生金融工具 |

42. 金融工具

金融工具種類

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Financial assets | | |
| Financial assets measured at amortised cost | 1,454,086 | 1,302,109 |
| Investment in a partnership at FVTOCI | - | 18,642 |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | 3,089,464 | 2,634,322 |
| Financial liabilities at FVTPL | | |
| - derivative financial instrument | 1,403 | 3,195 |

Financial risk management objectives and policies

The Group's major financial instruments include investment in a partnership, derivative financial instrument, trade and bills receivables, other receivables and deposits, pledged bank deposits, short term bank deposits, bank balances and cash, trade payables, bills payables, other payables and accrued charges, bank overdrafts and bank and other borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

財務風險管理目標及政策

本集團的主要金融工具包括投資合夥公司、衍生金融工具、貿易應收款項及應收票據、其他應收款項及按金、已抵押銀行存款、短期銀行存款、銀行結餘及現金、貿易應付款項、應付票據、其他應付款項及應計費用、銀行透支以及銀行及其他借款。該等金融工具的詳情於相關附註披露。下文載列與該等金融工具有關的風險及如何降低該等風險的政策。管理層管理及監控該等風險，以確保及時有效地採取適當措施。

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk

Interest rate risk

The Group is mainly exposed to cash flow interest rate risk in relation to variable-rate bank and other borrowings, bank overdrafts and bank balances, and fair value interest rate risk in relation to fixed-rate pledged bank deposits, short term bank deposits and lease liabilities (2018: obligations under finance leases).

The Group currently does not have interest rate hedging policy. However, management closely monitors its exposure to future cash flow risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR or LIBOR arising from the Group's variable-rate bank and other borrowings and bank overdrafts.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk on bank borrowings. The sensitivity analysis is prepared assuming the bank and other borrowings and bank overdrafts outstanding at the end of the reporting period were outstanding for the whole year. No sensitivity analysis is presented on bank balances as the management of the Group considers that the interest rate fluctuation on bank balances is minimal.

A 50 basis point increase or decrease is used in the sensitivity analysis, which represents management's assessment of the reasonably possible change in interest rates. If the interest rate had been 50 basis point higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2019 would decrease/increase by HK\$9,271,000 (2018: HK\$7,542,000).

42. 金融工具 (續)

財務風險管理目標及政策 (續)

市場風險

利率風險

本集團主要面對與浮息銀行及其他借款、銀行透支以及銀行結餘有關的現金流量利率風險，以及與定息已抵押銀行存款、短期銀行存款及租賃負債（二零一八年：融資租賃承擔）有關的公平值利率風險。

本集團目前並無利率對沖政策。然而，管理層密切監控其因市場利率變動而面對的未來現金流量風險，並將於需要時考慮對沖市場利率的變動。

本集團就金融負債承擔利率風險的詳情載於本附註流動資金風險一節。本集團的現金流量利率風險主要集中於來自本集團浮息銀行及其他借款以及銀行透支之香港銀行同業拆息或倫敦銀行同業拆息的波幅。

敏感性分析

以下敏感性分析乃根據就銀行借款面對的利率風險而釐定。敏感性分析乃假設於報告期間結束時尚未償還的銀行及其他借款以及銀行透支於整個年度未獲償還而編製。由於本集團管理層認為銀行結餘的利率波動極微，故概無就銀行結餘呈列敏感性分析。

敏感性分析中選用上升或下降50個基點，代表管理層評估為合理可能的利率變動。倘利率上升／下降50個基點而所有其他變數維持不變，本集團於截至二零一九年十二月三十一日止年度的除稅後溢利將減少／增加9,271,000港元（二零一八年：7,542,000港元）。

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk

Certain trade and bills receivables, trade payables, bills payables, bank balances and cash, and bank borrowings are denominated in foreign currencies other than the functional currency of the relevant group entities, which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting periods are as follows:

42. 金融工具 (續)

財務風險管理目標及政策 (續)

市場風險 (續)

貨幣風險

若干貿易應收款項及應收票據、貿易應付款項、應付票據、銀行結餘及現金以及銀行借款均以相關集團實體的功能貨幣以外的外幣計值，導致本集團面對外幣風險。本集團並無外幣對沖政策。然而，管理層監控外匯風險，並將於需要時考慮對沖重大外幣風險。

本集團以外幣計值的貨幣資產及負債於報告期間結束時的賬面值如下：

| | | Assets | |
|------------------|--------|--------------------|----------|
| | | 資產 | |
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| EUR against HK\$ | 歐元兌港元 | 36 | 8 |
| RMB against HK\$ | 人民幣兌港元 | 629 | 390 |
| USD against HK\$ | 美元兌港元 | 419,587 | 409,007 |
| VND against USD | 越南盾兌美元 | 8,312 | 4,946 |
| HK\$ against USD | 港元兌美元 | 112 | 2,510 |
| | | Liabilities | |
| | | 負債 | |
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| EUR against HK\$ | 歐元兌港元 | 7,090 | 8,476 |
| USD against HK\$ | 美元兌港元 | 273,162 | 465,539 |
| VND against USD | 越南盾兌美元 | 31,205 | 12,461 |
| HK\$ against USD | 港元兌美元 | - | 479,614 |
| EUR against USD | 歐元兌美元 | 973 | - |

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

The carrying amounts of foreign currency denominated intra-group balances which have been eliminated in the consolidated financial statements of certain subsidiaries of which the functional currency are RMB, HK\$ and USD at the end of the reporting period are as follows:

| | | Amount due (to) from group entities (應付) 應收集團實體款項 | |
|------------------|--------|--|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| HK\$ against RMB | 港元兌人民幣 | (605,429) | (369,896) |
| USD against RMB | 美元兌人民幣 | (17,855) | 194,206 |
| HK\$ against USD | 港元兌美元 | 279 | 3,334 |
| EUR against USD | 歐元兌美元 | 1,202 | 7,539 |
| EUR against HK\$ | 歐元兌港元 | (1,202) | (7,539) |

Sensitivity analysis

Since the exchange rate of HK\$ is pegged with USD, the Group does not expect any significant movements in the USD/HK\$ exchange rates. Therefore, the following sensitivity analysis does not include the effect between USD and HK\$.

42. 金融工具 (續)

財務風險管理目標及政策 (續)

市場風險 (續)

貨幣風險 (續)

於報告期間結束時，以外幣計值的集團內公司間結餘的賬面值載列如下，有關結餘已於功能貨幣為人民幣、港元及美元的若干附屬公司的綜合財務報表內撇銷：

敏感性分析

由於港元與美元掛鈎，本集團預期美元／港元匯率並無任何重大變動。因此，下列敏感性分析並無包括美元與港元間的影響。

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis (Continued)

The following table details the Group's sensitivity to a 10% increase and decrease in the functional currency of the respective group entity against relevant foreign currencies and all other variables were held constant. 10% is the sensitivity rate used by management in the assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currencies denominated monetary items and intragroup foreign currency balances and adjusts its translation at the period end for a 10% change in foreign currencies rates. A positive number below indicates an increase in post-tax profit for the year where foreign currencies strengthen 10% against functional currency (HK\$ or RMB or USD) of the respective group entity. For a 10% weakening of foreign currencies against functional currency (HK\$ or RMB or USD) of the respective group entity there would be an equal and opposite impact on the result for the year.

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| (Decrease) increase in post-tax profit for the year | 本年度除稅後溢利(減少)增加 | | |
| Foreign currency against HK\$ | 外幣兌港元 | (637) | (1,304) |
| Foreign currency against RMB | 外幣兌人民幣 | (52,979) | (14,934) |
| Foreign currency against USD | 外幣兌美元 | (1,735) | 2 |

In management's opinion, the sensitivity analysis is unrepresentative of the inherent currency risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

42. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

敏感性分析(續)

下表詳述本集團對各集團實體功能貨幣兌相關外幣升跌10%的敏感性，而所有其他變數維持不變。10%為管理層評估匯率可能合理變動的敏感性比率。敏感性分析僅包括尚未到期之以外幣列值的貨幣項目及集團內公司間外幣結餘，並於期末按10%的匯率變動調整其換算。下列正數顯示外幣兌各集團實體功能貨幣(港元或人民幣或美元)升值10%時本年度除稅後溢利的增加。外幣兌各集團實體功能貨幣(港元或人民幣或美元)貶值10%會對本年度業績產生相同及相反的影響。

管理層認為，由於報告期間結束時的風險並不反映年內的風險，故敏感性分析並不能代表內在貨幣風險。

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Other price risk

The Group is exposed to equity price risk through its derivative financial instrument and financial asset at FVTOCI. The management manages this exposure by reviewing the investments performance regularly.

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period. For sensitivity analysis purpose, the sensitivity rate is 10% for the year ended 31 December 2018.

If the prices of the financial assets at FVTOCI had been 10% higher/lower and all other variables were held constant, the Group's investment revaluation reserve would increase/decrease by HK\$1,864,000 as at 31 December 2018 as a result of the changes in fair value of financial asset at FVTOCI.

The sensitivity analysis of the derivative financial instrument is disclosed in the section "fair value measurements of financial instruments" below.

42. 金融工具 (續)

財務風險管理目標及政策 (續)

市場風險 (續)

其他價格風險

本集團因衍生金融工具及透過其他全面收益按公平值列賬的金融資產而面臨股本價格風險。管理層透過定期審閱投資表現管理有關風險。

敏感性分析

以下敏感性分析乃根據報告期間結束時的股本價格風險釐定。就敏感性分析而言，於截至二零一八年十二月三十一日止年度的敏感性比率為10%。

倘透過其他全面收益按公平值列賬的金融資產的價格上升／下降10%，而所有其他變數維持不變，則本集團於二零一八年十二月三十一日的投資重估儲備將因透過其他全面收益按公平值列賬的金融資產的公平值變動而增加／減少1,864,000港元。

衍生金融工具的敏感性分析於下文「金融工具之公平值計量」一節披露。

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

As at 31 December 2019 and 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge obligations by the counterparties as at the end of reporting period are arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group identifies trade receivables that are credit impaired and assesses their ECL individually, and performs impairment assessment under ECL model on the remaining trade balances based on provision matrix. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information (for example, the current and forecasted economic growth rates in Hong Kong, PRC and the U.S., which reflect the general economic conditions of the industry in which the major debtors operate) that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The grouping is regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

42. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估

於二零一九年及二零一八年十二月三十一日，本集團就對手方未能於報告期間結束時履行責任導致財務虧損所承擔的最高信貸風險，乃來自綜合財務狀況表所呈列各已確認金融資產的賬面值。

來自客戶合約之貿易應收款項

為盡量降低信貸風險，本集團管理層已委派團隊負責釐定信用額度、進行信用審批，並執行其他監控程序以確保採取跟進措施收回逾期債項。此外，本集團識別發生信貸減值之貿易應收款項並個別評估其預期信貸虧損，及根據撥備矩陣按預期信貸虧損模式對餘下貿易結餘進行減值評估。預期虧損率乃按賬款預期年期的歷史觀察所得違約率估計，並根據無需付出不必要的成本或努力而可獲得的前瞻性資料（例如反映主要債務人經營所在行業整體經濟狀況的香港、中國及美國的當前及預測經濟增長率）作出調整。本集團管理層使用該等前瞻性資料評估報告日期的現狀及預測變動。管理層定期檢討有關分組，以確保特定賬款的相關資料已獲更新。就此而言，本集團管理層認為本集團的信貸風險已大幅減少。

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group had concentration of credit risk on trade receivables as 16.4% (2018: 20.6%) of the total trade receivables were due from the Group's largest customer based in Hong Kong and 39.0% (2018: 42.0%) of the total trade receivables were due from the Group's largest five customers, which were mainly based in the PRC, Sri Lanka and Hong Kong, as at 31 December 2019.

Bills receivables, pledged bank deposits, short term bank deposits and bank balances

The credit risks for bills receivables, pledged bank deposits, short term bank deposits and bank balances are limited because such amounts are placed in banks with high credit ratings assigned by international credit-rating agencies or state-owned banks.

The Group has concentration of credit risk on liquid funds which are deposited with several reputable banks.

42. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

本集團就貿易應收款項有集中信貸風險，乃因於二零一九年十二月三十一日，貿易應收款項總額的16.4%（二零一八年：20.6%）來自應收本集團最大客戶（位於香港）的款項，而貿易應收款項總額的39.0%（二零一八年：42.0%）來自應收本集團五大客戶（主要位於中國、斯里蘭卡及香港）的款項。

應收票據、已抵押銀行存款、短期銀行存款及銀行結餘

由於應收票據、已抵押銀行存款、短期銀行存款及銀行結餘乃存放於獲國際信貸評級機構給予高信貸評級的銀行或國有銀行，故有關款項的信貸風險有限。

本集團就存放於若干信譽良好銀行的流動資金有集中信貸風險。

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

| Internal credit rating 內部信貸評級 | Description 描述 | Trade receivables 貿易應收款項 | Other financial assets 其他金融資產 |
|----------------------------------|--|--|--|
| Low risk 低風險 | The counterparty has a low risk of default and does not have any past-due amounts or the past-due amounts are insignificant 對手方的違約風險偏低，且並無任何逾期款項或逾期款項並不重大 | Lifetime ECL – not credit impaired 全期預期信貸虧損 – 未發生信貸減值 | 12m ECL 12個月預期信貸虧損 |
| Watch list 觀察名單 | Debtor frequently repays after due dates but usually settle after due date 債務人經常於到期日後償還但通常於到期日後償還 | Lifetime ECL – not credit impaired 全期預期信貸虧損 – 未發生信貸減值 | 12m ECL 12個月預期信貸虧損 |
| Doubtful 存疑 | There have been significant increases in credit risk since initial recognition through information developed internally or external resources 透過內部或外部資源形成的資料可知信貸風險自首次確認以來顯著增加 | Lifetime ECL – not credit impaired 全期預期信貸虧損 – 未發生信貸減值 | Lifetime ECL – not credit impaired 全期預期信貸虧損 – 未發生信貸減值 |
| Loss 虧損 | There is evidence indicating the asset is credit impaired 有證據顯示該資產發生信貸減值 | Lifetime ECL – credit impaired 全期預期信貸虧損 – 發生信貸減值 | Lifetime ECL – credit impaired 全期預期信貸虧損 – 發生信貸減值 |
| Write-off 撇銷 | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重財務困難且本集團認為無實際收回可能 | Amount is written off 撇銷該金額 | Amount is written off 撇銷該金額 |

42. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

本集團的內部信貸風險分級評估包括下列類別：

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets at amortised cost which are subject to ECL assessment:

42. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

下表詳述須進行預期信貸虧損評估的本集團按攤銷成本列賬的金融資產承擔的信貸風險：

| | Notes | External credit rating | Internal credit rating | 12-month or lifetime ECL 12個月或全期預期信貸虧損 | 2019 Gross carrying amount 二零一九年 賬面總額 HK\$'000 千港元 | 2018 Gross carrying amount 二零一八年 賬面總額 HK\$'000 千港元 |
|---|-------|------------------------|------------------------|--|---|---|
| Financial assets at amortised cost | | | | | | |
| 按攤銷成本列賬的金融資產 | | | | | | |
| Trade receivables | | | | | | |
| 貿易應收款項 | 22 | N/A 不適用 | Note (a) 附註(a) | Lifetime ECL (provision matrix) 全期預期信貸虧損 (撥備矩陣) | 725,898 | 732,507 |
| | 22 | N/A 不適用 | Note (a) 附註(a) | Credit impaired 發生信貸減值 | 21,052 | 21,052 |
| | | | | | 746,950 | 753,559 |
| Bills receivables 應收票據 | 22 | N/A 不適用 | N/A 不適用 | 12m ECL 12個月預期信貸虧損 | 34,442 | 1,750 |
| Other receivables and deposits 其他應收款項及按金 | 23 | N/A 不適用 | Note (b) 附註(b) | 12m ECL 12個月預期信貸虧損 | 26,995 | 17,085 |
| Pledged bank deposits 已抵押銀行存款 | 24 | Note (c) 附註(c) | N/A 不適用 | 12m ECL 12個月預期信貸虧損 | 76,823 | 82,220 |
| Short term bank deposits 短期銀行存款 | 24 | Note (c) 附註(c) | N/A 不適用 | 12m ECL 12個月預期信貸虧損 | 19,010 | 12,249 |
| Bank balances 銀行結餘 | 24 | Note (c) 附註(c) | N/A 不適用 | 12m ECL 12個月預期信貸虧損 | 574,424 | 459,549 |

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綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes:

- (a) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the credit loss allowance at lifetime ECL. Except for debtors with significant outstanding balances that are credit impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by internal credit rating.
- (b) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. All of these balances are either not past due or have no fixed repayment term at 31 December 2019.
- (c) The Group's exposure to credit risk arising from pledged bank deposits, short term bank deposits and bank balances is limited because most of such balances are placed in banks with high credit ratings assigned by international credit-rating agencies or state-owned banks, for which the Group considers to have low credit risk.

Provision matrix – internal credit rating

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its manufacturing and trading of elastic fabric, lace and webbing operation. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2019 and 2018 within lifetime ECL.

42. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

附註：

- (a) 就貿易應收款項而言，本集團已應用香港財務報告準則第9號的簡化法計量全期預期信貸虧損的信貸虧損撥備。除具有重大未償還結餘或發生信貸減值的賬款外，本集團使用撥備矩陣釐定該等項目的預期信貸虧損，並按內部信貸評級分組。
- (b) 就內部信貸風險管理而言，本集團使用逾期資料評估信貸風險自首次確認以來是否顯著增加。所有該等結餘於二零一九年十二月三十一日未逾期或無固定償還期限。
- (c) 本集團所承擔之來自自己抵押銀行存款、短期銀行存款及銀行結餘的信貸風險有限，因該等結餘大多存放於獲國際信貸評級機構給予高信貸評級的銀行或國有銀行，其被本集團視為信貸風險較低。

撥備矩陣 – 內部信貸評級

作為本集團信貸風險管理的一部份，本集團就製造及買賣彈性織物面料、蕾絲及織帶業務對其客戶進行內部信貸評級。下表提供於全期預期信貸虧損內面對的貿易應收款項信貸風險（根據於二零一九年及二零一八年十二月三十一日的撥備矩陣評估）之資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Gross carrying amount

| Internal credit rating | 內部信貸評級 |
|------------------------|----------|
| Grades 1-2: Low risk | 1-2級：低風險 |
| Grade 3: Watch list | 3級：觀察名單 |
| Grade 4: Doubtful | 4級：存疑 |

During the year ended 31 December 2019, lifetime ECL (not credit impaired) on trade receivables was provided based on the provision matrix and lifetime ECL (credit impaired) on trade receivables was provided individually.

As at 31 December 2019, the weighted average loss rate applied in determining the lifetime ECL (not credit impaired) was 1.1% (2018: 1.2%).

42. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

賬面總額

| 2019 Trade receivables 二零一九年 貿易應收款項 HK\$'000 千港元 | 2018 Trade receivables 二零一八年 貿易應收款項 HK\$'000 千港元 |
|--|--|
| 596,138 | 599,977 |
| 118,646 | 122,853 |
| 11,114 | 9,677 |
| 725,898 | 732,507 |

截至二零一九年十二月三十一日止年度，貿易應收款項之全期預期信貸虧損（未發生信貸減值）乃根據撥備矩陣計提，而貿易應收款項之預期信貸虧損（發生信貸減值）則單獨計提。

於二零一九年十二月三十一日，應用於釐定全期預期信貸虧損（未發生信貸減值）的加權平均虧損率為1.1%（二零一八年：1.2%）。

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綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Gross carrying amount (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

42. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

賬面總額 (續)

下表顯示已按簡化法就貿易應收款項確認的全期預期信貸虧損變動。

| | | Lifetime ECL (not credit impaired) 全期預期 信貸虧損 (未發生 信貸減值) HK\$'000 千港元 | Lifetime ECL (credit impaired) 全期預期 信貸虧損 (發生 信貸減值) HK\$'000 千港元 (Note) (附註) | Total 總計 HK\$'000 千港元 |
|--|----------------|--|---|--------------------------------|
| As at 1 January 2018 | 於二零一八年一月一日 | 17,444 | - | 17,444 |
| Changes due to trade receivables recognised: | 已確認貿易應收款項所致變動： | | | |
| - impairment losses recognised | - 已確認減值虧損 | 14,808 | 10,722 | 25,530 |
| - impairment losses reversed | - 已撥回減值虧損 | (17,444) | - | (17,444) |
| Transfer to credit impaired | 轉撥至發生信貸減值 | (5,067) | 5,067 | - |
| Exchange adjustments | 匯兌調整 | (882) | - | (882) |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 8,859 | 15,789 | 24,648 |
| Changes due to trade receivables recognised: | 已確認貿易應收款項所致變動： | | | |
| - impairment losses recognised | - 已確認減值虧損 | 8,076 | 3,127 | 11,203 |
| - impairment losses reversed | - 已撥回減值虧損 | (8,859) | - | (8,859) |
| Exchange adjustments | 匯兌調整 | (107) | 17 | (90) |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 7,969 | 18,933 | 26,902 |

Note: The relevant lifetime ECL previously provided for a trade debtor with a gross carrying amount of HK\$21,052,000 was transferred to credit impaired as at 31 December 2018.

附註：過往就賬面總額21,052,000港元之貿易應收賬款計提之相關全期預期信貸虧損於二零一八年十二月三十一日轉撥至發生信貸減值。

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

42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Gross carrying amount (Continued)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations and mitigate the effects of fluctuations in cash flows. The Group relies on bank and other borrowings and bank overdrafts as a significant source of liquidity. As at 31 December 2019, the Group has unutilised banking facilities of HK\$2,866,000,000. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks or financial institutions choosing to exercise their rights. The table includes both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate at the end of the reporting period.

42. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

賬面總額 (續)

倘有資料顯示債務人陷入嚴重財務困難且無實際收回可能，例如債務人遭清盤或已進入破產程序，或貿易應收款項已逾期超過兩年（以較早者為準），則本集團會撇銷貿易應收款項。

流動資金風險

就管理流動資金風險而言，本集團監控及維持管理層視為足夠的現金及現金等價物水平，以撥付營運所需資金及緩和現金流量波動的影響。本集團依賴銀行及其他借款以及銀行透支作為流動資金主要來源。於二零一九年十二月三十一日，本集團有未動用銀行融資2,866,000,000港元。管理層監控借款的使用情況，並確保其遵守貸款契約。

下表詳列本集團就其非衍生金融負債及租賃負債的剩餘合約到期情況。下表乃根據本集團須付款的最早日期，按金融負債及租賃負債的未貼現現金流量編製。特別是，包含按要求償還條款的銀行借款包括於最早組別，不論銀行或金融機構可能選擇行使其權利的可能性。該表包括利息及主要現金流量。

因利息流量為浮動利率，未貼現金額以報告期間結束時的利率計算。

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綜合財務報表附註

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables

42. 金融工具 (續)

財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表

| | | Weighted average effective interest rate | Repayable on demand or within 3 months 按要求或 三個月內 償還 | Between 3 months to 1 year 三個月至 一年 | Between 1 to 5 years 一年至五年 | More than 5 years 超過五年 | Total undiscounted cash flows 未貼現現金 流量總額 | Carrying amount at the end of the reporting date 於報告日期 結束時的 賬面值 |
|---|----------------------|---|---|--|-------------------------------------|---------------------------------|--|--|
| | | 加權平均 實際利率 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | | | | | | | |
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | | | |
| Trade payables | 貿易應付款項 | - | 246,337 | - | - | - | 246,337 | 246,337 |
| Bills payables | 應付票據 | - | 234,682 | 151,864 | - | - | 386,546 | 386,546 |
| Other payables and accrued charges | 其他應付款項及應計費用 | - | 237,261 | - | - | - | 237,261 | 237,261 |
| Bank borrowings – variable rate | 銀行借款 – 浮動利率 | 4.02% | 841,702 | 618,527 | 824,221 | - | 2,284,450 | 2,167,595 |
| Other borrowing – variable rate | 其他借款 – 浮動利率 | 4.75% | - | - | 19,500 | - | 19,500 | 19,500 |
| Bank overdrafts | 銀行透支 | 3.75% | 32,225 | - | - | - | 32,225 | 32,225 |
| | | | 1,592,207 | 770,391 | 843,721 | - | 3,206,319 | 3,089,464 |
| Lease liabilities | 租賃負債 | 5.35% | 4,684 | 9,650 | 21,039 | 128,610 | 163,983 | 73,400 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | | | | | | | |
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | | | |
| Trade payables | 貿易應付款項 | - | 208,961 | - | - | - | 208,961 | 208,961 |
| Bills payables | 應付票據 | - | 264,576 | 131,566 | - | - | 396,142 | 396,142 |
| Other payables and accrued charges | 其他應付款項及應計費用 | - | 222,676 | - | - | - | 222,676 | 222,676 |
| Bank borrowings – variable rate | 銀行借款 – 浮動利率 | 4.32% | 507,371 | 266,015 | 1,133,609 | - | 1,906,995 | 1,788,308 |
| Other borrowing – variable rate | 其他借款 – 浮動利率 | 4.75% | - | - | 6,684 | - | 6,684 | 5,850 |
| Bank overdrafts | 銀行透支 | 3.75% | 12,424 | - | - | - | 12,424 | 12,385 |
| | | | 1,216,008 | 397,581 | 1,140,293 | - | 2,753,882 | 2,634,322 |

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

As at 31 December 2019, the aggregate undiscounted principal amount of bank borrowings with repayment on demand clause amounting to HK\$1,246,127,000 (2018: HK\$606,428,000) are included in “Repayment on demand or within 3 months” time band in the above maturity analysis. Taking into account the Group’s financial position, the management of the Group does not believe that it is probable that the banks or financial institutions will exercise their discretionary rights to demand immediate repayment. The management of the Group believes that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

42. 金融工具 (續)

財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表 (續)

倘浮動利率的變動有別於報告期間結束時的估計利率，上文所載列非衍生金融負債的浮動利率工具的金額亦會變動。

於二零一九年十二月三十一日，包含按要求償還條款的銀行借款的未貼現本金總額1,246,127,000港元（二零一八年：606,428,000港元）乃計入上文到期日分析「按要求或三個月內償還」的時間組別。計及本集團的財務狀況，本集團管理層相信，銀行或金融機構不大可能行使彼等的酌情權要求即時償還。本集團管理層相信，該等銀行借款將依照貸款協議所載計劃償還日期償還。

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

For the purpose of managing liquidity risk, the management reviews the expected cash flow information of the Group's bank borrowings based on the scheduled repayment dates set out in the agreement as set out in the table below:

42. 金融工具 (續)

財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表 (續)

就管理流動資金風險而言，管理層根據協議所載計劃償還日期（如下表所載）審閱本集團銀行借款的估計現金流量資料：

| | | Weighted average interest rate | Within 3 months | Between 3 months to 1 year | Between 1 year to 5 years | Total undiscounted cash flows | Carrying amount at the end of the reporting period |
|------------------------|---------------|--------------------------------------|--------------------|----------------------------------|---------------------------------|-------------------------------------|--|
| | | 加權平均 利率 | 三個月內 | 三個月至 一年 | 一年至五年 | 未貼現 現金流量 總額 | 於報告期間 結束時的 賬面值 |
| | | % | 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 |
| Bank borrowings | 銀行借款 | | | | | | |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 3.55% | 867,848 | 178,210 | 211,264 | 1,257,322 | 1,246,127 |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 3.69% | 506,164 | 31,857 | 79,749 | 617,770 | 606,428 |

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

42. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

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

42. 金融工具 (續)

金融工具之公平值計量

以經常性基準按公平值計量的金融資產及金融負債的公平值

本集團部分金融資產及金融負債乃於各報告期間結束時按公平值計量。下表載列有關該等金融資產及金融負債之公平值釐定方法的資料(尤其是所使用的估值技術及輸入數據),以及基於公平值計量輸入數據的可觀察程度而劃分的公平值計量層級(第一至三級)。

- 第一級輸入數據為實體可於計量日期評估的完全相同的資產於活躍市場的報價(未調整);
- 第二級輸入數據為不包括第一級報價的資產的可直接或間接觀察的輸入數據;及
- 第三級輸入數據為資產的不可觀察輸入數據。

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42. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

42. 金融工具 (續)

金融工具之公平值計量 (續)

以經常性基準按公平值計量的金融資產及金融負債的公平值 (續)

| | Fair value as at 31 December | | Fair value hierarchy | Valuation techniques and key inputs | Sensitivity |
|---|------------------------------|----------|----------------------|--|-------------|
| | 2019 | 2018 | | | |
| | 二零一九年 | 二零一八年 | 公平值層級 | 估值技術及主要輸入數據 | 敏感度 |
| | HK\$'000 | HK\$'000 | | | |
| | 千港元 | 千港元 | | | |
| (1) Investment in a partnership (see Note 20) | - | 18,642 | Level 3 | Fair value established by making reference to the redemption value quoted by fund manager. The redemption value of the investment in a partnership is determined based on the fair value of the underlying assets and liabilities of the partnership by reference to the terms set out in the partnership agreement. | N/A |
| (1) 投資合夥公司 (見附註20) | - | 18,642 | 第三級 | 經參照基金經理所報贖回價值釐定的公平值。投資合夥公司的贖回價值乃經參照合夥協議所載的條款，基於合夥公司相關資產及負債的公平值釐定。 | 不適用 |

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42. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

| | Fair value as at 31 December 於十二月三十一日的公平值 | | Fair value hierarchy 公平值層級 | Valuation techniques and key inputs 估值技術及主要輸入數據 | Sensitivity 敏感度 |
|--|--|----------------------------------|-------------------------------|---|--|
| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | | | |
| (2) Derivative financial liability (see Note 31) | Put option – 1,403 | Put option – 3,195 | Level 3 | Fair value derived by valuation model, Monte Carlo Simulation Model. The key unobservable inputs used by the Group mainly included expected volatility of comparable companies, Weighted Average Cost of Capital ("WACC") and discount for lack of marketability. | The fair value of the derivative financial liability as a whole is negatively correlated with the WACC and positively correlated with the discount for lack of marketability and the expected volatility of comparable companies. As at 31 December 2019, it is estimated that with all other variables held constant, an increase/decrease in: – WACC by 3% would have decreased/increased the fair value of the derivative financial liability by HK\$344,000/HK\$526,000 (2018: HK\$734,000/HK\$469,000); – Discount for lack of marketability by 5% would have increased/decreased the fair value of the derivative financial liability by HK\$144,000/HK\$136,000 (2018: HK\$928,000/HK\$695,000); – Expected volatility of comparable companies by 10% would have increased/decreased the fair value of the derivative financial liability by HK\$301,000/HK\$275,000 (2018: HK\$838,000/HK\$757,000). |
| (2) 衍生金融負債 (見附註31) | 認沽期權 – 1,403 | 認沽期權 – 3,195 | 第三級 | 按估值模型蒙特卡羅模擬模型得出的公平值。本集團所用的主要不可觀察輸入數據主要包括可資比較公司的預期波幅、加權平均資本成本(「加權平均資本成本」)及缺少適銷性的折讓。 | 衍生金融負債的公平值整體與加權平均資本成本成反比，與缺少適銷性的折讓及可資比較公司的預期波幅成正比。 於二零一九年十二月三十一日，估計在所有其他變數維持不變的情況下，倘： – 加權平均資本成本增加/減少3%，將導致衍生金融負債的公平值減少/增加344,000港元/526,000港元(二零一八年：734,000港元/469,000港元)； – 缺乏適銷性的折讓增加/減少5%，將導致衍生金融負債的公平值增加/減少144,000港元/136,000港元(二零一八年：928,000港元/695,000港元)； – 可資比較公司的預期波幅增加/減少10%，將導致衍生金融負債的公平值增加/減少301,000港元/275,000港元(二零一八年：838,000港元/757,000港元)。 |

There is no transfers among Level 1, Level 2 and Level 3 during both years.

於兩個年度內，第一級、第二級及第三級間概無任何轉移。

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42. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Valuation process

The senior finance manager of the Group is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data or information provided by counterparty financial institutions to the extent it is available. Where Level 1 inputs are not available or counterparty (investee or fund manager) cannot provide sufficient information in relation to fair value, the management of the Group engages third party qualified valuers to perform the valuation. The senior finance manager reports to management of the Group semi-annually to explain the cause of fluctuations in the fair value of the assets.

Information about the valuation techniques and inputs used in determining the fair value of various financial instruments are disclosed above.

42. 金融工具 (續)

金融工具之公平值計量 (續)

並非按經常性基準以公平值計量的金融資產及金融負債的公平值

本集團管理層使用貼現現金流量分析估計按攤銷成本計量的金融資產及金融負債的公平值。

本集團管理層認為綜合財務報表中按攤銷成本入賬的金融資產及金融負債賬面值與彼等的公平值相若。

估值程序

本集團高級財務經理負責釐定合適的公平值計量估值技術及輸入數據。

於估計資產或負債的公平值時，本集團在可得情況下均採用市場可觀察數據或對手方金融機構提供的資料。倘並無第一級輸入數據或對手方（被投資公司或基金經理）未能提供有關公平值的足夠資料，本集團管理層委聘第三方合資格估值師進行估值。高級財務經理每半年向本集團管理層匯報，以解釋資產公平值波動的原因。

有關釐定多項金融工具公平值時所採用的估值技術及輸入數據的資料於上文披露。

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綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (Continued)

Reconciliation of Level 3 Fair value measurement

| | | Investment in a partnership 投資合夥公司 HK\$'000 千港元 | Derivative financial liability 衍生金融負債 HK\$'000 千港元 |
|--|---------------|---|---|
| At 1 January 2018 | 於二零一八年一月一日 | 26,597 | (4,426) |
| Total gains: | 總收益： | | |
| – in profit or loss (Note) | – 計入損益 (附註) | – | 1,231 |
| – in other comprehensive income | – 計入其他全面收益 | 900 | – |
| Distribution from the partnership | 來自合夥公司的分派 | (8,240) | – |
| Exchange adjustments | 匯兌調整 | (615) | – |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 18,642 | (3,195) |
| Total gains: | 總收益： | | |
| – in profit or loss (Note) | – 計入損益 (附註) | – | 1,792 |
| – in other comprehensive income | – 計入其他全面收益 | 1,981 | – |
| Disposal of the investment in partnership | 出售投資合夥公司 | (20,066) | – |
| Exchange adjustments | 匯兌調整 | (557) | – |
| At 31 December 2019 | 於二零一九年十二月三十一日 | – | (1,403) |

Note:

Of the total gains for the year ended 31 December 2019 included in profit or loss, HK\$1,792,000 (2018: HK\$1,231,000) relates to derivative financial liability held at the end of the reporting period. Fair value gains or losses on derivative financial liability are included in 'other gains and losses'.

附註：

截至二零一九年十二月三十一日止年度計入損益的總收益中，1,792,000港元（二零一八年：1,231,000港元）與於報告期間結束時所持衍生金融負債有關。衍生金融負債的公平值收益或虧損計入「其他收益及虧損」。

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43. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the consolidated financial statements, the Group had the following related party transactions during the year:

| (a) | | 2019 | 2018 |
|--|------------------------------|-----------------|-----------------|
| | | 二零一九年 | 二零一八年 |
| Nature of transaction | | HK\$'000 | HK\$'000 |
| 交易性質 | | 千港元 | 千港元 |
| Sales of raw materials to a joint venture | 向合營企業銷售原材料 | 1,655 | 1,223 |
| Purchase of goods from a joint venture | 自合營企業購買貨物 | 74,702 | 86,771 |
| Sales of goods to a related company* | 向一間關聯公司銷售貨物* | 28,088 | 16,374 |
| Sales of goods to other related companies [#] | 向其他關聯公司銷售貨物 [#] | 641,210 | 380,715 |
| Interest expense to an other related company [#] | 向一間其他關聯公司支付利息開支 [#] | 884 | 13 |
| Operating expenses to other related companies [#] | 向其他關聯公司支付經營開支 [#] | 35,970 | 11,743 |

* A related company controlled by close family members of directors of the Company.

[#] The other related companies are fellow subsidiaries of the non-controlling shareholders who have significant influence over subsidiaries of the Group. The related party sales transaction amount disclosed for the year ended 31 December 2018 represented the sales transactions, rental expenses, interest expense and operating expenses with these other related companies since the date when they become related parties to the Group on 1 August 2018.

(b) Compensation to key management personnel of the Group which represents directors of the Company is set out in Note 10.

43. 關聯方交易

除綜合財務報表其他部分所披露者外，本集團於年內有下列關聯方交易：

| (a) | | 2019 | 2018 |
|--|------------------------------|-----------------|-----------------|
| | | 二零一九年 | 二零一八年 |
| Nature of transaction | | HK\$'000 | HK\$'000 |
| 交易性質 | | 千港元 | 千港元 |
| Sales of raw materials to a joint venture | 向合營企業銷售原材料 | 1,655 | 1,223 |
| Purchase of goods from a joint venture | 自合營企業購買貨物 | 74,702 | 86,771 |
| Sales of goods to a related company* | 向一間關聯公司銷售貨物* | 28,088 | 16,374 |
| Sales of goods to other related companies [#] | 向其他關聯公司銷售貨物 [#] | 641,210 | 380,715 |
| Interest expense to an other related company [#] | 向一間其他關聯公司支付利息開支 [#] | 884 | 13 |
| Operating expenses to other related companies [#] | 向其他關聯公司支付經營開支 [#] | 35,970 | 11,743 |

* 由本公司董事的近親家族成員控制的關聯公司。

[#] 該等其他關聯公司為對本集團附屬公司具有重大影響之非控股股東的同系附屬公司。截至二零一八年十二月三十一日止年度披露的關聯方銷售交易額指自該等其他關聯公司於二零一八年八月一日成為本集團關聯方以來，與該等其他關聯公司的銷售交易、租金開支、利息開支及經營開支。

(b) 本集團主要管理人員（即本公司董事）的酬金載於附註10。

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43. RELATED PARTY TRANSACTIONS

(Continued)

- (c) The Group also has the following related party transactions and balances regarding to the lease agreements entered into by the Group as a lessee.

43. 關聯方交易 (續)

- (c) 本集團亦就本集團作為承租人訂立的該等租賃協議有下列關聯方交易及結餘。

| Nature of transaction/balances 交易 / 結餘性質 | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| Interest expense on lease liability to a related company* | 向一間關聯公司支付租賃負債利息開支* | 727 | N/A不適用 |
| Lease liability to a related company* | 向一間關聯公司償還租賃負債* | 8,353 | N/A不適用 |
| Interest expense in respect of rental premises to Mr. Lu | 向盧先生支付的租賃物業利息開支 | 425 | N/A不適用 |
| Lease liability in respect of rental premises to Mr. Lu | 向盧先生償還租賃物業租賃負債 | 1,420 | N/A不適用 |
| Interest expense to an other related company# | 向一間其他關聯公司支付利息開支# | 451 | N/A不適用 |
| Lease liability to an other related company# | 向一間其他關聯公司償還租賃負債# | 12,315 | N/A不適用 |
| Rental expense to a related company* (Note (i)) | 向一間關聯公司支付租金開支*(附註(i)) | N/A不適用 | 6,694 |
| Rental expense in respect of rented premises to Mr. Lu (Note (ii)) | 向盧先生支付的租賃物業租金開支(附註(ii)) | N/A不適用 | 4,941 |
| Rental expense to an other related company# | 向一間其他關聯公司支付租金開支# | N/A不適用 | 231 |

Notes:

- (i). As at 31 December 2018, the Group had commitments for future minimum payments under non-cancellable operating lease with a related company, which fall due as follows:

附註：

- (i). 於二零一八年十二月三十一日，本集團已根據與關聯公司簽訂的不可撤銷經營租賃承擔未來最低付款，到期日如下：

| | | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------------|---------------|----------------------------------|
| Within one year | 一年內 | 5,392 |
| In the second to fifth year inclusive | 第二至五年(包括首尾兩年) | 9,436 |
| | | 14,828 |

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43. RELATED PARTY TRANSACTIONS

(Continued)

(c) (Continued)

Notes: (Continued)

- (ii). As at 31 December 2018, the Group had commitments for future minimum payments under non-cancellable operating lease with Mr. Lu, which fall due as follows:

| | |
|---------------------------------------|---------------|
| Within one year | 一年內 |
| In the second to fifth year inclusive | 第二至五年(包括首尾兩年) |

* A related company controlled by close family members of directors of the Company.

The other related companies are fellow subsidiaries of the non-controlling shareholders who have significant influence over subsidiaries of the Group. The related party sales transaction amount disclosed for the year ended 31 December 2018 represented the sales transactions, rental expenses, interest expense and operating expenses with these other related companies since the date when they become related parties to the Group on 1 August 2018.

- (d) Details of the other balances with related parties at the end of reporting period are disclosed in the consolidated statement of financial position and Notes 22, 23, 25, 27 and 29.

43. 關聯方交易 (續)

(c) (續)

附註：(續)

- (ii). 於二零一八年十二月三十一日，本集團已根據與盧先生簽訂的不可撤銷經營租賃承擔未來最低付款，到期日如下：

2018
二零一八年
HK\$'000
千港元

| |
|-------|
| 2,384 |
| - |
| 2,384 |

* 由本公司董事的近親家族成員控制的關聯公司。

該等其他關聯公司為對本集團附屬公司具有重大影響之非控股股東的同系附屬公司。截至二零一八年十二月三十一日止年度披露的關聯方銷售交易額指自該等其他關聯公司於二零一八年八月一日成為本集團關聯方以來，與該等其他關聯公司的銷售交易、租金開支、利息開支及經營開支。

- (d) 有關於報告期間結束時於關聯方之其他結餘的詳情於綜合財務狀況表以及附註22、23、25、27及29中披露。

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44. DETAILS OF SUBSIDIARIES

As at 31 December 2019 and 2018, the Company has the following subsidiaries:

44. 附屬公司之詳情

於二零一九年及二零一八年十二月三十一日，本公司有以下附屬公司：

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Place of operation 經營地點 | Charter capital/ Paid up share capital/ registered capital 章程資本/ 繳足股本/註冊資本 | Proportion of ownership interest held by the Company as at 31 December 本公司 於十二月三十一日 所持擁有權權益比例 | | Principal activities 主要業務 |
|---|---|----------------------------|---|--|--------------------|--|
| | | | | 2019 二零一九年 % | 2018 二零一八年 % | |
| BPT Holdings 超盈紡織控股 | BVI 英屬處女群島 | Hong Kong 香港 | Ordinary US\$20,000 普通股20,000美元 | 100 | 100 | Investment holding 投資控股 |
| Best Pacific Textile International Limited 超盈紡織國際有限公司 | BVI 英屬處女群島 | Hong Kong 香港 | Ordinary US\$100 普通股100美元 | 100 | 100 | Investment holding 投資控股 |
| Best Pacific Textile Limited 超盈紡織有限公司 | Hong Kong 香港 | Hong Kong 香港 | Ordinary HK\$10,000 普通股 10,000 港元 | 100 | 100 | Investment holding and trading of elastic fabric and lace 投資控股及買賣彈性 織物面料及蕾絲 |
| Best Pacific Investment (Hong Kong) Limited 超盈投資(香港)有限公司 | Hong Kong 香港 | Hong Kong 香港 | Ordinary HK\$1 普通股 1 港元 | 100 | 100 | Investment holding and provision of agency services to group companies 投資控股及向集團 公司提供代理服務 |
| Best Pacific Management Services Limited (Formerly known as Best Pacific Textile (Hong Kong) Limited) 超盈管理服務有限公司 (前稱超盈紡織(香港) 有限公司) | Hong Kong 香港 | Hong Kong 香港 | Ordinary HK\$1 普通股 1 港元 | 100 | 100 | Trading of elastic fabric and provision of agency services to group companies 買賣彈性織物面料及 向集團公司提供 代理服務 |
| New Horizon Investment 潤達投資 | Hong Kong 香港 | Hong Kong 香港 | Ordinary HK\$10,000 普通股 10,000 港元 | 100 | 100 | Investment holding and trading of elastic webbing 投資控股及買賣彈性 織帶 |

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44. DETAILS OF SUBSIDIARIES (Continued)

44. 附屬公司之詳情 (續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Place of operation 經營地點 | Charter capital/ Paid up share capital/ registered capital 章程資本/ 繳足股本/註冊資本 | Proportion of ownership interest held by the Company as at 31 December 本公司 於十二月三十一日 所持擁有權權益比例 | | Principal activities 主要業務 |
|--|---|----------------------------|---|--|--------------------|--|
| | | | | 2019 二零一九年 % | 2018 二零一八年 % | |
| New Horizon Elastic Fabric (Hong Kong) Limited 潤達彈性織物 (香港)有限公司 | Hong Kong 香港 | Hong Kong 香港 | Ordinary HK\$1 普通股 1 港元 | 100 | 100 | Trading of elastic webbing 買賣彈性織帶 |
| Dongguan BPT 東莞超盈 (Note ii) (附註ii) | The PRC 中國 | The PRC 中國 | Paid-up registered capital HK\$1,330,347,568 繳足註冊資本 1,330,347,568 港元 | 100 | 100 | Manufacturing and trading of elastic fabric and lace 製造及買賣彈性織物 面料及蕾絲 |
| Dongguan NHE 東莞潤信 (Note ii) (附註ii) | The PRC 中國 | The PRC 中國 | Paid-up registered capital HK\$367,250,000 繳足註冊資本 367,250,000 港元 | 100 | 100 | Manufacturing and trading of elastic webbing 製造及買賣彈性織帶 |
| Dongguan Best Pacific International Trading Company Limited ("Dongguan BPI") 東莞超盈國際貿易有限公司 (「東莞超盈國際」) (Note ii) (附註ii) | The PRC 中國 | The PRC 中國 | Paid-up registered capital RMB1,000,000 繳足註冊資本 1,000,000 人民幣 | 100 | 100 | Purchase of machineries, parts and raw materials 採購機器、零件 及原材料 |
| New Horizon International Investments Limited 潤達國際投資有限公司 | BVI 英屬處女群島 | Hong Kong 香港 | Ordinary US\$100 普通股 100 美元 | 100 | 100 | Investment holding 投資控股 |
| Best Pacific International (Vietnam) Company Limited 超盈國際(越南)有限公司 | BVI 英屬處女群島 | Hong Kong 香港 | Ordinary US\$100 普通股 100 美元 | 100 | 100 | Investment holding 投資控股 |
| Best Pacific (Vietnam) Company Limited 超盈(越南)有限公司 | Hong Kong 香港 | Hong Kong 香港 | Ordinary HK\$1 普通股 1 港元 | 100 | 100 | Investment holding 投資控股 |

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44. DETAILS OF SUBSIDIARIES (Continued)

44. 附屬公司之詳情 (續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Place of operation 經營地點 | Charter capital/ Paid up share capital/ registered capital 章程資本/ 繳足股本/註冊資本 | Proportion of ownership interest held by the Company as at 31 December 本公司 於十二月三十一日 所持擁有權益比例 | | Principal activities 主要業務 |
|--|---|----------------------------|---|---|-----------------------------|---|
| | | | | 2019 二零一九年 % | 2018 二零一八年 % | |
| Best Pacific Vietnam Company Limited 超盈越南有限公司 | Vietnam 越南 | Vietnam 越南 | Charter capital VND1,881,200,000,000 章程資本 1,881,200,000,000 越南盾 | 100 | 100 | Manufacturing and trading of elastic fabric and elastic webbing 製造及買賣彈性織物面料及彈性織帶 |
| Best Pacific International Sri Lanka (Pannala) Limited | BVI 英屬處女群島 | Hong Kong 香港 | Ordinary US\$100 普通股 100 美元 | 100 | 100 | Investment holding 投資控股 |
| Best Pacific Textiles Lanka (Pvt) Limited ("BPTL") | Sri Lanka 斯里蘭卡 | Sri Lanka 斯里蘭卡 | Ordinary Sri Lankan rupee 4,715,125,600 普通股 4,715,125,600 斯里蘭卡盧比 | 75 | 75 | Manufacturing and trading of elastic fabric and elastic webbing 製造及買賣彈性織物面料及彈性織帶 |
| BPSL (Thulhiriya) | BVI 英屬處女群島 | Hong Kong 香港 | Ordinary US\$100 普通股 100 美元 | 100 | 100 | Investment holding 投資控股 |
| Trischel | Sri Lanka 斯里蘭卡 | Sri Lanka 斯里蘭卡 | Ordinary US\$66,195,779 普通股 66,195,779 美元 | 51 | 51 (Note iii) (附註iii) | Manufacturing and trading of elastic fabric 製造及買賣彈性織物面料 |
| NexTex Innovation International Company Limited | BVI 英屬處女群島 | Hong Kong 香港 | Ordinary US\$100 普通股 100 美元 | 100 (Note iv) (附註iv) | N/A 不適用 | Investment holding 投資控股 |

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44. DETAILS OF SUBSIDIARIES (Continued)

44. 附屬公司之詳情 (續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Place of operation 經營地點 | Charter capital/ Paid up share capital/ registered capital 章程資本/ 繳足股本/ 註冊資本 | Proportion of ownership interest held by the Company as at 31 December 本公司 於十二月三十一日 所持擁有權權益比例 | | Principal activities 主要業務 |
|--|---|---------------------------------------|---|--|--------------------|------------------------------|
| | | | | 2019 二零一九年 % | 2018 二零一八年 % | |
| NexTex Innovation Incorporation Limited | Hong Kong 香港 | Hong Kong 香港 | Ordinary HK\$1,000 普通股1,000港元 | 100 (Note iv) (附註iv) | N/A 不適用 | Investment holding 投資控股 |
| NexTex Innovations Inc. | The United States of America 美國 | The United States of America 美國 | Ordinary US\$0.02 普通股0.02美元 | 100 (Note iv) (附註iv) | N/A 不適用 | Marketing 營銷 |

Notes:

- (i) As at 31 December 2019 and 2018, other than BPT Holdings which is a directly wholly owned subsidiary of the Company, all of the above subsidiaries are indirectly held by the Company.
- (ii) Dongguan BPT, Dongguan NHE and Dongguan BPI were established in the PRC in form of wholly foreign-owned enterprise.
- (iii) 51% equity interest in this company was acquired by the Group during the year ended 31 December 2018 (see Note 36 for details).
- (iv) These companies were set up by the Group during the year ended 31 December 2019.

附註：

- (i) 於二零一九年及二零一八年十二月三十一日，除超盈紡織控股為本公司直接全資附屬公司外，所有以上附屬公司乃由本公司間接持有。
- (ii) 東莞超盈、東莞潤信及東莞超盈國際乃以外商獨資企業在中國成立。
- (iii) 該公司51%的股權於截至二零一八年十二月三十一日止年度由本集團收購（詳情見附註36）。
- (iv) 該等公司由本集團於截至二零一九年十二月三十一日止年度設立。

None of the Company's subsidiaries had issued any debt securities at the end of the reporting period.

本公司的附屬公司於報告期間結束時並無發行任何債務證券。

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44. DETAILS OF SUBSIDIARIES (Continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shares details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

| Name of subsidiary 附屬公司名稱 | Place of incorporation and principal place of business 註冊成立地點及 主要營業地點 | Proportion of ownership and voting rights held by non-controlling interests 非控股權益持有之 所有權比例及投票權 | | (Loss) profit allocated to non-controlling interests 分配至非控股權益(虧損)溢利 | | Accumulated non-controlling interests 累計非控股權益 | |
|------------------------------|---|--|---------------|--|-----------------|--|-----------------|
| | | As at 31 December 於十二月三十一日 | | Year ended 31 December 截至十二月三十一日止年度 | | As at 31 December 於十二月三十一日 | |
| | | 2019 二零一九年 | 2018 二零一八年 | 2019 二零一九年 | 2018 二零一八年 | 2019 二零一九年 | 2018 二零一八年 |
| | | | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| BPTL | Sri Lanka 斯里蘭卡 | 75% | 75% | (7,958) | (2,142) | 46,991 | 54,946 |
| Trischel | Sri Lanka 斯里蘭卡 | 51% | 51% | 6,313 | (1,179) | 36,192 | 29,817 |
| | | | | (1,645) | (3,321) | 83,183 | 84,763 |

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

有關擁有重大非控股權益的本集團各附屬公司的財務資料概述載列如下。以下財務資料概述指集團內部抵銷前的金額。

| | | As at 31 December 於十二月三十一日 | |
|---|------------|-------------------------------|-----------------|
| | | 2019 二零一九年 | 2018 二零一八年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| BPTL | | | |
| Current assets | 流動資產 | 74,496 | 25,532 |
| Non-current assets | 非流動資產 | 338,814 | 242,995 |
| Current liabilities | 流動負債 | (85,591) | (39,780) |
| Non-current liabilities | 非流動負債 | (139,756) | (8,963) |
| Equity attribute to owners of the Company | 本公司擁有人應佔權益 | 140,972 | 164,838 |
| Non-controlling interests of BPTL | BPTL非控股權益 | 46,991 | 54,946 |

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44. DETAILS OF SUBSIDIARIES (Continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

44. 附屬公司之詳情 (續)

擁有重大非控股權益之非全資附屬公司詳情 (續)

| | | Year ended 31 December | |
|--|-------------------|------------------------|----------|
| | | 截至十二月三十一日止年度 | |
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| BPTL (Continued) (續) | | | |
| Revenue | 收入 | 20,539 | - |
| Loss for the year | 年度虧損 | (31,831) | (8,570) |
| Loss attribute to owners of the Company | 本公司擁有人應佔虧損 | (23,873) | (6,428) |
| Loss attribute to the non-controlling interests of BPTL | BPTL非控股權益應佔虧損 | (7,958) | (2,142) |
| Loss for the year | 年度虧損 | (31,831) | (8,570) |
| Other comprehensive income attribute to owners of the Company | 本公司擁有人應佔其他全面收益 | 7 | 437 |
| Other comprehensive income attribute to non-controlling interests of BPTL | BPTL非控股權益應佔其他全面收益 | 3 | 146 |
| Other comprehensive income for the year | 年度其他全面收益 | 10 | 583 |
| Total comprehensive expense attribute to owners of the Company | 本公司擁有人應佔全面開支總額 | (23,866) | (5,991) |
| Total comprehensive expense attribute to non-controlling interests of BPTL | BPTL非控股權益應佔全面開支總額 | (7,955) | (1,996) |
| Total comprehensive expense for the year | 年度全面開支總額 | (31,821) | (7,987) |

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44. DETAILS OF SUBSIDIARIES (Continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

| Trischel | | As at 31 December | |
|---|---------------------------|------------------------|----------|
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Current assets | 流動資產 | 175,112 | 105,271 |
| Non-current assets | 非流動資產 | 178,117 | 132,778 |
| Current liabilities | 流動負債 | (158,963) | (98,650) |
| Non-current liabilities | 非流動負債 | (120,405) | (78,548) |
| Equity attribute to owners of the Company | 本公司擁有人應佔權益 | 37,669 | 31,034 |
| Non-controlling interests of Trischel | Trischel非控股權益 | 36,192 | 29,817 |
| | | Year ended 31 December | |
| | | 截至十二月三十一日止年度 | |
| | | 2019 | 2018* |
| | | 二零一九年 | 二零一八年* |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Revenue | 收入 | 314,407 | 109,337 |
| Profit (loss) for the year | 年度溢利(虧損) | 12,883 | (2,406) |
| Profit (loss) attribute to owners of the Company | 本公司擁有人應佔溢利(虧損) | 6,570 | (1,227) |
| Profit (loss) attribute to the non-controlling interests of Trischel | Trischel非控股權益應佔溢利(虧損) | 6,313 | (1,179) |
| Profit (loss) for the year | 年度溢利(虧損) | 12,883 | (2,406) |
| Other comprehensive income attribute to owners of the Company | 本公司擁有人應佔其他全面收益 | 65 | 625 |
| Other comprehensive income attribute to non-controlling interests of Trischel | Trischel非控股權益應佔其他全面收益 | 62 | 600 |
| Other comprehensive income for the year | 年度其他全面收益 | 127 | 1,225 |
| Total comprehensive income (expense) attribute to owners of the Company | 本公司擁有人應佔全面收益(開支)總額 | 6,635 | (602) |
| Total comprehensive income (expense) attribute to non-controlling interests of Trischel | Trischel非控股權益應佔全面收益(開支)總額 | 6,375 | (579) |
| Total comprehensive income (expense) for the year | 年度全面收益(開支)總額 | 13,010 | (1,181) |

* Financial information of Trischel for the year ended 31 December 2018 include the results of Trischel from 1 August 2018 (date of completion of acquisition) to 31 December 2018.

* Trischel截至二零一八年十二月三十一日止年度的財務資料包括其自二零一八年八月一日(收購完成日期)至二零一八年十二月三十一日的業績。

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45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

45. 融資活動產生之負債的對賬

下表為本集團融資活動產生之負債變動詳情，包括現金及非現金變動。融資活動產生之負債乃為現金流量已於或未來現金流量將於本集團綜合現金流量表分類為融資活動現金流量之負債。

| | | Dividends payable | Bank and other borrowings [#] | Obligations under finance leases | Lease liabilities | Total |
|---------------------------------------|----------------------|-------------------|--|----------------------------------|-------------------|-----------|
| | | 應付股息 | 銀行及其他借款 [#] | 融資租賃承擔 | 租賃負債 | 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 |
| At 1 January 2018 | 於二零一八年一月一日 | - | 1,240,262 | 629 | - | 1,240,891 |
| Financing cash flows | 融資現金流量 | (61,161) | 373,436 | (632) | - | 311,643 |
| Dividend declared (Note 14) | 已宣派股息 (附註14) | 61,161 | - | - | - | 61,161 |
| Finance costs (Note 9) | 融資成本 (附註9) | - | 75,837 | 3 | - | 75,840 |
| Decrease in accrued interest | 應計利息減少 | - | 54 | - | - | 54 |
| Acquisition of a subsidiary (Note 36) | 收購一間附屬公司 (附註36) | - | 105,025 | - | - | 105,025 |
| Exchange realignment | 匯兌調整 | - | (456) | - | - | (456) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | - | 1,794,158 | - | - | 1,794,158 |
| Application of HKFRS 16 (Note 2) | 應用香港財務報告準則第16號 (附註2) | - | - | - | 86,130 | 86,130 |
| At 1 January 2019 | 於二零一九年一月一日 | - | 1,794,158 | - | 86,130 | 1,880,288 |
| Financing cash flows | 融資現金流量 | (69,667) | 294,249 | - | (14,431) | 210,151 |
| Dividend declared (Note 14) | 已宣派股息 (附註14) | 69,667 | - | - | - | 69,667 |
| Finance costs (Note 9) | 融資成本 (附註9) | - | 97,798 | - | 1,701 | 99,499 |
| Decrease in accrued interest | 應計利息減少 | - | (120) | - | - | (120) |
| Exchange realignment | 匯兌調整 | - | 1,010 | - | - | 1,010 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | - | 2,187,095 | - | 73,400 | 2,260,495 |

[#] Changes in the Group's bank overdraft are excluded as they are not classified as financing activities in the Group's consolidated statement of cash flows.

[#] 本集團銀行透支之變動並未計入，因其並未於本集團綜合現金流量表分類為融資活動。

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46. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

46. 有關本公司財務狀況表資料

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | |
| Unlisted investments in subsidiaries | 於附屬公司非上市投資 | 94,765 | 79,233 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 521,833 | 549,020 |
| | | 616,598 | 628,253 |
| Current assets | 流動資產 | | |
| Other receivables, deposits and prepayments | 其他應收款項、按金及預付款項 | 260 | 83 |
| Bank balances and cash | 銀行結餘及現金 | 163 | 224 |
| | | 423 | 307 |
| Current liability | 流動負債 | | |
| Other payables | 其他應付款項 | 5 | 37 |
| Net current assets | 流動資產淨值 | 418 | 270 |
| Net assets | 資產淨值 | 617,016 | 628,523 |
| Capital and reserves | 資本及儲備 | | |
| Share capital (Note 33) | 股本(附註33) | 10,398 | 10,397 |
| Reserves | 儲備 | 606,618 | 618,126 |
| | | 617,016 | 628,523 |

Composition of reserves (Note)

儲備組成(附註)

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------------------|-------|----------------------------------|----------------------------------|
| Share premium | 股份溢價 | 593,250 | 592,218 |
| Share options reserve | 購股權儲備 | - | 942 |
| Retained profits | 保留溢利 | 13,368 | 24,966 |
| | | 606,618 | 618,126 |

Note: Movements of respective reserves, except for retained profits which is disclosed below, are set out in the consolidated statement of changes in equity.

附註：相關儲備變動(下文所披露保留溢利除外)乃載於綜合權益變動表。

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46. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(Continued)

Movement in retained profits of the Company

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|---------------|----------------------------------|----------------------------------|
| Balance at the beginning of year | 年初結餘 | 24,966 | 10,890 |
| Profit and total comprehensive income for the year | 本年度溢利及全面收益總額 | 58,069 | 75,237 |
| Dividends recognised as distribution (Note 14) | 確認分派的股息(附註14) | (69,667) | (61,161) |
| Balance at the end of year | 年末結餘 | 13,368 | 24,966 |

46. 有關本公司財務狀況表資料(續)

本公司保留溢利變動

47. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, global markets have continued experiencing significant turmoil due to the outbreak of COVID-19. Global restrictions of business operations, logistics, social and trading activities are causing economic slowdown in the first half of 2020. As the situation remains fluid as at the date these consolidated financial statements are authorised for issue, the Directors of the Company considered that the financial effects of the outbreak of COVID-19 on the Group's consolidated financial statements cannot be reasonably estimated. Nevertheless, if such economic slowdown continues throughout the year, the weak consumer demand may adversely impact short to medium-term financial performance of the Group.

47. 報告期後事項

於報告期間結束後，COVID-19疫情爆發造成全球市場持續劇烈動盪。各國對業務營運、物流、社交及貿易活動的限制正導致二零二零年上半年經濟放緩。於該等綜合財務報表獲授權發佈日期，情勢仍然充滿變數，故本公司董事認為，COVID-19疫情爆發對本集團綜合財務報表的財務影響無法合理估計。儘管如此，倘經濟於整個年度期間持續放緩，疲弱的消費者需求可能對本集團短期至中期財務表現造成不利影響。

FIVE-YEAR FINANCIAL INFORMATION SUMMARY

五年財務資料摘要

A summary of the published results, assets and liabilities of the Group for the last five financial years, prepared on the basis as set out herein, is set out below:

本集團過去五個財政年度按本報告所載基準編製的已刊發業績、資產及負債摘要如下：

| | | For the year ended 31 December 截至十二月三十一日止年度 | | | | |
|--|--------------|---|---|----------------------------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 (Note i) (附註i) | 2018 二零一八年 HK\$'000 千港元 (Note ii) (附註ii) | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
| Results | 業績 | | | | | |
| Revenue | 收入 | 3,637,762 | 3,212,625 | 2,794,811 | 2,469,106 | 2,048,138 |
| Profit for the year | 年度溢利 | 299,079 | 280,232 | 303,635 | 456,251 | 342,383 |
| Earnings per share | 每股盈利 | | | | | |
| – Basic (HK cents) | – 基本 (港仙) | 28.92 | 27.34 | 29.45 | 44.37 | 33.56 |
| – Diluted (HK cents) | – 攤薄 (港仙) | 28.92 | 27.29 | 29.29 | 44.00 | 33.21 |
| | | At 31 December 於十二月三十一日 | | | | |
| | | 2019 二零一九年 HK\$'000 千港元 (Note i) (附註i) | 2018 二零一八年 HK\$'000 千港元 (Note ii) (附註ii) | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
| Assets and liabilities | 資產及負債 | | | | | |
| Current assets | 流動資產 | 2,596,408 | 2,227,922 | 1,669,337 | 1,647,522 | 1,776,416 |
| Non-current assets | 非流動資產 | 3,268,819 | 2,960,513 | 2,545,561 | 1,540,349 | 1,124,343 |
| Total assets | 資產總值 | 5,865,227 | 5,188,435 | 4,214,898 | 3,187,871 | 2,900,759 |
| Current liabilities | 流動負債 | 2,589,414 | 1,707,791 | 924,990 | 800,253 | 1,148,583 |
| Non-current liabilities | 非流動負債 | 660,735 | 1,023,224 | 989,246 | 485,853 | 13,232 |
| Total liabilities | 負債總額 | 3,250,149 | 2,731,015 | 1,914,236 | 1,286,106 | 1,161,815 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 2,531,895 | 2,372,657 | 2,301,246 | 1,901,765 | 1,738,944 |
| Non-controlling interests | 非控股權益 | 83,183 | 84,763 | (584) | – | – |
| Total equity | 權益總額 | 2,615,078 | 2,457,420 | 2,300,662 | 1,901,765 | 1,738,944 |

FIVE-YEAR FINANCIAL INFORMATION SUMMARY

五年財務資料摘要

Notes:

- (i) During the year ended 31 December 2019, the Group has applied HKFRS 16 “Leases” (see note 2 to the consolidated financial statements). Accordingly, certain comparative financial information for the year ended 31 December 2015, 2016, 2017 and 2018 may not be comparable as such comparative information was prepared under HKAS 17 “Leases”.
- (ii) During the year ended 31 December 2018, the Group had applied HKFRS 9 “Financial Instruments”. Accordingly, certain comparative financial information for the years ended 31 December 2015, 2016 and 2017 may not be comparable to the year ended 31 December 2018 as such comparative information was prepared under HKAS 39 “Financial instruments – Recognition and Measurement”.

附註：

- (i) 截至二零一九年十二月三十一日止年度，本集團已應用香港財務報告準則第16號「租賃」（見綜合財務報表附註2）。因此，截至二零一五年、二零一六年、二零一七年及二零一八年十二月三十一日止年度之若干比較財務資料可能無法用作比較，該等比較資料乃根據香港會計準則第17號「租賃」編製。
- (ii) 截至二零一八年十二月三十一日止年度，本集團已應用香港財務報告準則第9號「金融工具」。因此，截至二零一五年、二零一六年及二零一七十二月三十一日止年度之若干比較財務資料可能無法用作與截至二零一八年十二月三十一日止年度比較，該等比較資料乃根據香港會計準則第39號「金融工具－確認及計量」編製。

Best Pacific International Holdings Limited
超盈國際控股有限公司

