



中國稀土控股有限公司  
China Rare Earth Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock code 股份代號 : 00769

*Annual Report*  
**2019**  
年報







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# 公司資料

## CORPORATE INFORMATION

### 董事

#### 執行董事

錢元英女士(主席)  
蔣泉龍先生  
蔣大偉先生  
蔣才南先生

#### 獨立非執行董事

黃春華先生  
金重先生  
王國珍先生

#### 審核委員會

王國珍先生(主席)  
黃春華先生  
金重先生

#### 薪酬委員會

黃春華先生(主席)  
金重先生  
王國珍先生

#### 提名委員會

金重先生(主席)  
黃春華先生  
王國珍先生

#### 公司秘書

羅納德先生

#### 註冊辦事處

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

#### 總辦事處及主要營業地點

中國江蘇省  
宜興市丁蜀鎮

#### 香港營業地點

香港  
灣仔告士打道39號  
夏慤大廈2509室

### DIRECTORS

#### Executive Directors

Ms. Qian Yuanying (*Chairman*)  
Mr. Jiang Quanlong  
Mr. Jiang Dawei  
Mr. Jiang Cainan

#### Independent Non-executive Directors

Mr. Huang Chunhua  
Mr. Jin Zhong  
Mr. Wang Guozhen

#### AUDIT COMMITTEE

Mr. Wang Guozhen (*Chairman*)  
Mr. Huang Chunhua  
Mr. Jin Zhong

#### REMUNERATION COMMITTEE

Mr. Huang Chunhua (*Chairman*)  
Mr. Jin Zhong  
Mr. Wang Guozhen

#### NOMINATION COMMITTEE

Mr. Jin Zhong (*Chairman*)  
Mr. Huang Chunhua  
Mr. Wang Guozhen

#### COMPANY SECRETARY

Mr. Law Lap Tak

#### REGISTERED OFFICE

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

#### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Dingshu Town, Yixing City  
Jiangsu Province, the PRC

#### PLACE OF BUSINESS IN HONG KONG

Room 2509, Harcourt House  
39 Gloucester Road, Wanchai  
Hong Kong



**香港法律顧問**

趙不渝 馬國強律師事務所

**HONG KONG LEGAL ADVISERS**

Chiu & Partners

**核數師**

天健德揚會計師事務所有限公司

**AUDITOR**

Ascenda Cachet CPA Limited

**主要往來銀行**

**中國**

中國建設銀行股份有限公司

招商銀行股份有限公司

中國交通銀行股份有限公司

中國農業銀行股份有限公司

中國銀行股份有限公司

**PRINCIPAL BANKERS**

**PRC**

China Construction Bank Corporation

China Merchants Bank Company Limited

China Bank of Communications Company Limited

Agricultural Bank of China Limited

Bank of China Limited

**香港**

渣打銀行(香港)有限公司

法國巴黎銀行

中信銀行(國際)有限公司

中國銀行(香港)有限公司

南洋商業銀行有限公司

**Hong Kong**

Standard Chartered Bank (Hong Kong) Limited

BNP Paribas

China CITIC Bank International Limited

Bank of China (Hong Kong) Limited

Nanyang Commercial Bank, Limited

**主要股份過戶登記處**

SMP Partners (Cayman) Limited

Royal Bank House – 3rd Floor

24 Shedden Road

P.O. Box 1586

Grand Cayman KY1-1110

Cayman Islands

**PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

SMP Partners (Cayman) Limited

Royal Bank House – 3rd Floor

24 Shedden Road

P.O. Box 1586

Grand Cayman KY1-1110

Cayman Islands

**香港股份過戶登記分處**

香港中央證券登記有限公司

香港

皇后大道東183號

合和中心17樓

**HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Computershare Hong Kong Investor Services Limited

17th Floor, Hopewell Centre

183 Queen's Road East

Hong Kong

**互聯網址**

www.creh.com.hk

**INTERNET WEBSITE**

www.creh.com.hk

**香港聯合交易所有限公司股份代號**

769

**STOCK CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

769

**公關顧問**

偉達公共關係顧問

**PUBLIC RELATIONS CONSULTANT**

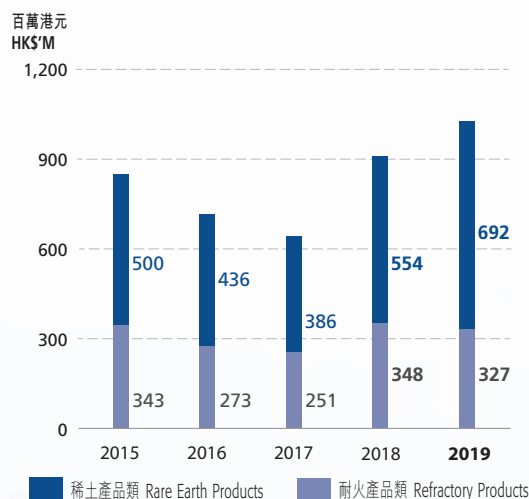
Hill+Knowlton Strategies

# 財務摘要

## FINANCIAL HIGHLIGHTS

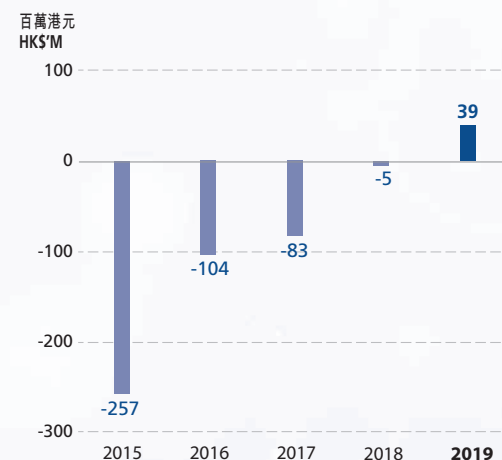
### 收入 REVENUE

截至十二月三十一日止年度 For the year ended 31 December	百萬港元 HK\$'M
2015	843
2016	709
2017	637
2018	902
<b>2019</b>	<b>1,019</b>



### 本公司擁有人應佔溢利／(虧損)淨額 NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

截至十二月三十一日止年度 For the year ended 31 December	百萬港元 HK\$'M
2015	-257
2016	-104
2017	-83
2018	-5
<b>2019</b>	<b>39</b>



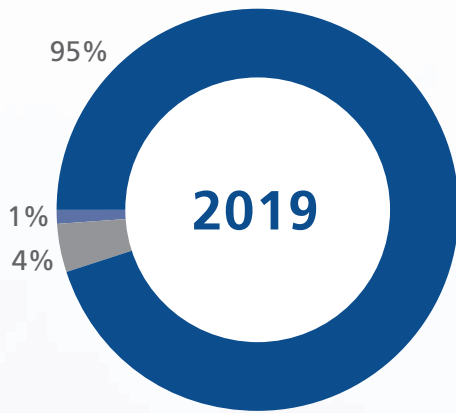
### 資產淨值 NET ASSETS

於十二月三十一日 As at 31 December	百萬港元 HK\$'M
2015	2,937
2016	2,655
2017	2,754
2018	2,619
<b>2019</b>	<b>2,602</b>

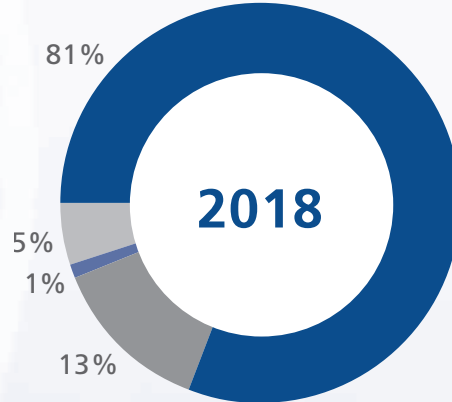
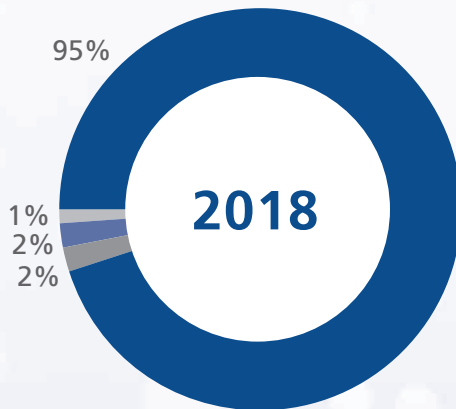
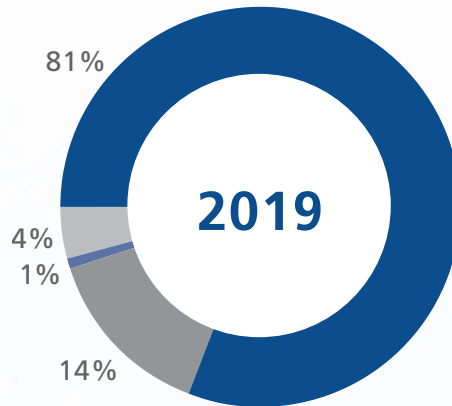


收入 REVENUE

稀土產品類  
Rare Earth Products



耐火產品類  
Refractory Products



- 中華人民共和國 The People's Republic of China
- 日本 Japan
- 歐洲 Europe
- 其他 Others

# 主席報告書

## CHAIRMAN'S STATEMENT

致各位股東：

本人謹代表董事會（「董事會」）向各位股東提呈中國稀土控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止全年業績報告。

中國政府向來重視稀土行業的改革和發展，有關部門和地方政府近年按照《國務院關於促進稀土行業持續健康發展的若干意見》要求，持續打擊稀土行業違法違規行為，行業秩序持續改善，但個別環節仍存在監管不足之處。二零一八年末，國家發展和改革委員會、工業和信息化部及自然資源部等十二個部委聯合印發了《關於持續加強稀土行業秩序整頓的通知》，明確了加強稀土行業秩序整頓的任務分工、主要目標和落實舉措，進一步加強了對行業違法違規行為的懲治力度。回顧二零一九年，中國稀土行業在政府多項支持政策和改革措施的推動下持續回暖。中美貿易談判更引發全球對稀土行業的高度關注。中國國家主席習近平於二零一九年五月考察調研稀土企業，強調稀土是不可再生的重要戰略資源，顯示了稀土元素在現今高新科技領域中難以撼動的戰略價值。

二零一八年末，作為中國最大離子型稀土礦進口國的緬甸開始醞釀限制稀土礦材出口中國。直至二零一九年上半年，中國雲南省騰冲市的關口正式封閉，全面禁止稀土由緬甸進口。同時亦限制了開採稀土礦材必需的原材料如硫氨、草酸等化學品出口緬甸。相關禁令頒布後，國內稀土礦材的供應更趨緊張。雖然下半年情況有所好轉，但通關貨量仍錄得大幅下降；加上國內稀土資源控制權掌握在大型國企，國產離子型稀土礦產量減少，帶動了國內稀土產品價格上升。

To Shareholders,

On behalf of the Board of Directors (the "Board"), I am pleased to present to you the annual results of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2019.

The Chinese government has always valued the development and reform of the rare earth industry. Relevant authorities and local governments have continued to follow the requirements of the "Several Opinions of the State Council on Promoting the Sustainable and Healthy Development of the Rare Earth Industry" (國務院關於促進稀土行業持續健康發展的若干意見) in order to crack down on illegal acts within the rare earth industry. Even though industry order has continued to improve, there are still loopholes. In late 2018, 12 government authorities, including the National Development and Reform Commission, Ministry of Industry and Information Technology and Ministry of Natural Resources, jointly published the "Notice on Continuous Strengthening the Rectification of Rare Earth Industry Discipline" (關於持續加強稀土行業秩序整頓的通知), which explicitly states the division of labor, key objectives and measures in rebuilding order within the rare earth industry, and it strengthens the punishment for violations. In 2019, China's rare earth industry gradually improved with the support of government measures and reform initiatives. The Sino-US trade negotiations helped to increase awareness of rare earth industry around the world. The visit to rare earth enterprises by the PRC President Xi Jinping in May 2019 highlighted the significance of rare earth being the country's nonrenewable strategic resource, showing the vital value of rare earth elements in the high-tech industry nowadays.

In late 2018, being the largest importer of ionic rare earth minerals in China, Myanmar entered discussions about restricting export of rare earth minerals to China. In the first half of 2019, the customs at Tengchong City, Yunnan Province, China was closed officially, which effectively banned imports of rare earth minerals from Myanmar. It also restricted the exports of chemical products such as thiamine and oxalic acid, which are necessary raw materials for excavating rare earth minerals, to Myanmar. Since the import ban came into effect, domestic rare earth supplies have become tighter. In the second half of 2019, customs clearance still recorded a significant decrease, and as domestic rare earth resources were controlled by a few large state-owned enterprises, the production volume of ionic rare earth minerals decreased, thus contributing to the rise in prices of domestic rare earth products.



本集團的另一重要業務分部為耐火產品，耐火材料是鋼鐵、玻璃、水泥等行業高溫熔窯的主要組件。二零一九年，耐火材料下游行業市況低迷，除水泥價格上漲外，鋼材及其他產品價格與去年比較均有所下降，影響市場氣氛，對耐火材料行情構成壓力。

### 財務業績

截至二零一九年十二月三十一日止年度，本集團錄得收入共約1,018,535,000港元，與二零一八年的約902,095,000港元相比增加約13%。稀土產品收入較二零一八年的約554,515,000港元上升約25%至約691,918,000港元，佔總收入的約68%。耐火產品收入較二零一八年的約347,580,000港元降低約6%至約326,617,000港元，佔總收入的約32%。整體毛利率約8%，和二零一八年相若。

年內，本集團積極提升成本效益，應對市場變化採取靈活的經營策略，加上稀土行業持續回暖，二零一九年錄得淨溢利約39,587,000港元，而二零一八年同期則錄得淨虧損約7,376,000港元，成功扭虧為盈，業績持續改善。每股盈利約1.66港仙（二零一八年每股虧損約0.23港仙）。本集團近年致力優化客戶組合，應收賬款周轉亦顯著改善。

Another important business segment of the Group is refractory products. Refractory materials are major components of high temperature furnaces of industries including steel, glass and cement. In 2019, the downstream market of refractory materials underperformed, despite the price of cement increasing, the price of steel and other products fell compared to last year. This affected the market sentiment and added pressure to the performance of refractory materials.

### FINANCIAL RESULTS

For the year ended 31 December 2019, the Group recorded revenue of approximately HK\$1,018,535,000, up by about 13% when compared to approximately HK\$902,095,000 in 2018. Revenue from the Group's rare earth products rose to approximately HK\$691,918,000, representing an increase of about 25% when compared to approximately HK\$554,515,000 in 2018, and accounted for about 68% of total revenue of the Group. As for refractory products, revenue was approximately HK\$326,617,000, representing a decrease of about 6% when compared to approximately HK\$347,580,000 in 2018, and accounted for about 32% of the Group's total revenue. The Group's overall gross profit margin was about 8%, a similar level to 2018.

During the year, the Group actively enhanced cost efficiency and adopted flexible operation strategies to deal with market changes. As the rare earth industry continued to improve, net profit was recorded at approximately HK\$39,587,000 for 2019, a turnaround from a net loss of approximately HK\$7,376,000 in 2018, and gradually improved results. Earnings per share was approximately HK 1.66 cents (loss per share was approximately HK 0.23 cents for 2018). The Group strived to optimise its client portfolio in recent years and has significantly improved turnover of trade receivables.

# 主席報告書

## CHAIRMAN'S STATEMENT

### 業務回顧

#### 稀土業務

二零一九年，中國稀土市場繼續向好。受到行業日趨規範和礦材供應減少影響，疊加限制緬甸稀土礦材進口的因素，國內稀土市場價格走勢呈現分化，重稀土市場價格大幅上漲，輕稀土市場價格略微走低。大致上，重稀土市場價格於年初受緬甸關口關停影響而大幅上漲，直至第三季度又因關口開放而相應回落。第四季度，又因緬甸再次封關，市場價格有所反彈。輕稀土市場價格於年初仍於低位徘徊，第二季度在環保嚴查下，部份稀土分離企業減產或停產，市場價格突然抽升，至下半年再逐漸回落。

### BUSINESS REVIEW

#### Rare Earth Business

In 2019, China's rare earth market continued to improve. Influenced by the increasingly regulated industry and the reduced supply of mineral resources, together with the restriction in the import of Myanmar's rare earth resources, the price trend of the domestic rare earth market experienced differentiation. The market price of heavy rare earth increased sharply, while the market price of light rare earth fell slightly. In general, the market price of heavy rare earth greatly increased at the beginning of the year due to the closure of customs in Myanmar. Till the third quarter, the price decreased accordingly due to the re-opening of the customs. In the fourth quarter, however, due to the closure of the customs again, the market price rebounded. The market price of light rare earth hovered at a low level at the beginning of the year. In the second quarter, under strict environmental supervision and inspections, some rare earth separation enterprises reduced production or halted production, causing the sudden increase in the market price, however, the price gradually decreased in the second half of the year.

年內，本集團銷售了稀土產品約1,100噸，與去年相比減少約三成。但由於本集團調整稀土產品銷售組合，提升高價值產品的銷售比例，與去年相比，本集團於年內增加銷售價格較高的產品如鉕和鎳，而減少銷售價格較低的產品如鐳、鈾和釷等，使得年內稀土產品平均售價上升。現時本集團銷售的稀土產品主要以能應用在磁性材料的鐳、鈾、鉕和鎳為主。

During the year, the Group sold around 1,100 tonnes of rare earth products, down by about 30% compared with last year. However, as the Group adjusted the sales combination of rare earth products mix and increased the sales portion of high-value products, the Group sold more high-priced products, such as terbium and dysprosium, and less low-priced products, such as lanthanum, cerium and yttrium as compared to last year. Hence, the average selling price of rare earth products increased. Currently, the rare earth products sold by the Group are mainly praseodymium, neodymium, terbium and dysprosium, which can be used in magnetic materials.

二零一九年本集團來自稀土分部的收入約691,918,000港元，較去年增加約25%。其中本集團銷售的重稀土元素如氧化鉕和氧化鎳的平均價格較去年分別上升了約兩成和五成，而其他如氧化鐳、氧化鐳釷和氧化釷則與去年基本持平，價格波幅在半成之內。

In 2019, the Group's revenue from rare earth segment was approximately HK\$691,918,000, an increase of about 25% over last year. Compared with last year, the average price of heavy rare earth such as terbium oxide and dysprosium oxide sold by the Group increased by about 20% and 50%, respectively while the prices of other products, such as lanthanum oxide, praseodymium neodymium oxide and yttrium oxide, were similar to those of last year, with variation within 5%.

二零一九年初，中國江蘇省宜興市人民政府開始實施《江蘇省太湖水污染防治條例》相關修訂的要求，全市重新安排污水排放管道的鋪設。本集團的宜興廠房位於太湖邊上，生產稀土氧化物時本集團採用的濕法治煉工藝存在廢水處理的需要，故有關安排影響了本集團稀土氧化物的正常生產。加上年內中國進口稀土礦材大減，全國稀土生產指令性計劃嚴格執行，本集團適時調整策略規劃，增加外購產品來補充自家產量的減少以滿足客戶對大眾化產品的需求。與此同時，本集團積極控制成本，處理了部份表現不濟的設備，成功將稀土分部扭虧為盈。由於產量減少導致平均成本上升，拖低了毛利率的升幅，二零一九年，本集團稀土分部的毛利率約為2%。年內本集團集中於如納米級氧化物等高端產品的生產，有助推動稀土分部向高增值產業發展。

市場分佈方面，銷售增長主要來自國內客戶，中國內地市場佔本集團稀土業務收入約95%，日本和歐洲市場分別佔約4%和1%，其他市場所佔份額微小。

At the beginning of 2019, the government of Yixing City, Jiangsu Province in China began to enforce the requirement as stipulated in the revision of "Regulations on the Prevention and Control of Water Pollution in Taihu Lake in Jiangsu Province" (江蘇省太湖水污染防治條例). The sewage and drainage pipes in the whole city were rearranged and laid. The Yixing plant of the Group is situated on the bank of Taihu Lake. Since the wet smelting process adopted by the Group in the production of rare earth oxides requires wastewater treatment, the relevant arrangements affected the Group's normal production of rare earth oxides. In addition, the import of rare earth resources in China was greatly reduced in the year, the national rare earth production directives was also strictly implemented. The Group adjusted its strategic planning in a timely manner and increased outsourced products to supplement the reduction of its production to meet the demand of customers for common products. Meanwhile, the Group actively implemented cost control and disposed certain poorly performed equipment. The rare earth segment was successfully turned from deficit into profit. The reduction of production caused the increase in average cost and lowered the increment of the gross profit margin of rare earth products. The gross profit margin of the Group's rare earth segment was about 2% in 2019. During the year, the Group focused on the production of high-end products, such as oxides in nanoscales, which helped to promote high-value-added industry development of rare earth.

By market, sales growth mainly came from domestic customers. The Mainland China market accounted for about 95% of the Group's rare earth revenue. Japan and Europe markets accounted for about 4% and 1%, respectively. Other markets accounted for a small share.



# 主席報告書

## CHAIRMAN'S STATEMENT

### 耐火材料業務

二零一九年，本集團來自耐火材料業務的分部收入約326,617,000港元，和二零一八年相比下降約6%。分部毛利率約為18%。

回顧年內，中國的鋼鐵、玻璃和有色金屬等行業因經濟放緩和環保要求等因素表現有所下滑，突顯耐火材料行業產能過剩問題。雖然耐火材料行情受壓，本集團有賴於一直堅持的產品質素和卓越的服務成功贏得客戶信任。本集團不盲目跟風壓價，著重質量提升。雖然會失去了部份偏好較低價格的客戶，但亦鞏固了一批優質夥伴，和本集團共同成長。年內，亦有部份客戶因重新重視產品質素而再次成為本集團的目標客戶。憑借本集團的品牌優勢，年內本集團共銷售了約28,300噸耐火材料和高溫陶瓷產品，比去年略有增加，不足半成。其中主要產品如電熔鎂鉻磚及鋁碳磚的平均售價較去年上升約一成，而澆注料和高溫陶瓷的平均售價則上升了約兩成。相關的銷售額約278,248,000港元，比二零一八年增加約8%。毛利率維持於約21%。

鎂砂業務方面，因應耐火材料行情偏軟，加上中國遼寧省鞍山和海城一帶的環保督察整改持續，關停了部分不合規格的菱鎂礦場，年內鎂砂業務的經營環境欠佳。二零一九年，本集團只銷售了約17,100噸鎂砂產品，比二零一八年減少了約兩成。產品平均售價比去年下降逾兩成半。全年度來自銷售鎂砂的收入約48,369,000港元，較二零一八年的約90,052,000港元減少約46%。毛利率跌至約9%。

### Refractory Materials Business

The Group's refractory materials segment posted revenue of approximately HK\$326,617,000 for 2019, decreased by about 6% compared with 2018. The segmental gross profit margin was 18%.

During the year under review, steel, glass and non-ferrous metal industries in China declined due to the economic slowdown and environmental protection requirements, which underscored the surplus problem in the refractory industry. Although the refractory materials market was under pressure, the Group won the trust of customers by ensuring product quality and excellent service. The Group did not engage in irrational price competition and focused on quality improvement. Although the Group might lost some customers with a preference for low-price products, it consolidated a group of high-quality partners who grow together with the Group. During the year, some customers who refocused on product quality were once again becoming the target customers of the Group. With the brand advantages, the Group sold approximately 28,300 tonnes of refractory materials and high-temperature ceramics products, slightly increase with less than 5% when compared to last year. Average selling price of major products like fused magnesia-chrome bricks and alumina-graphite bricks increased by about 10% against last year's price. As for casting materials and high-temperature ceramics, their average selling price increased by approximately 20%. The related sales revenue was about HK\$278,248,000, increased by about 8% compared to that in 2018. The gross profit margin maintained at approximately 21%.

Regarding magnesium grains business, due to the soft market of refractory materials and the continuous implementation of environmental protection supervision in the region of Anshan and Haicheng in Liaoning Province of China, some substandard magnesium mines were shut down. The operating environment of magnesium grains business was poor during the year. In 2019, the Group only sold approximately 17,100 tonnes of magnesium grains products, decreased by approximately 20% compared with last year. Average product price was decreased by over 25% year-on-year. Revenue from the sale of magnesium grains for the whole year was approximately HK\$48,369,000, a decrease of about 46% compared with approximately HK\$90,052,000 in 2018. Gross profit margin declined to approximately 9%.

市場分佈方面，本集團的耐火產品繼續以中國內地市場為主，佔分部收入約81%；日本市場約佔14%，其他亞洲、南美及歐洲等市場約佔餘下的5%。

### 展望

稀土元素獨特的物理化學性質，使其被廣泛應用於現代高新科技和傳統產品等各種工業。電子產品、醫療設備、電動汽車、飛機渦輪引擎和導彈制導系統等的發展均離不開稀土，社會對稀土需求有增無減。稀土對高科技產業至關重要，對推進科技創新起著決定性作用。但稀土的開採、提取、冶煉成本高昂，影響自然生態環境。中國是世界最大的稀土出產國，美國國防部也無法避免成為中國稀土企業的間接客戶。美國軍工產業曾警告，對中國稀土供應的依賴是其薄弱環節。美國經濟支柱之一的高科技產業離不開稀土原料。稀土對美國至關重要，歷次中美貿易談判，市場均留意稀土是否牽涉其中。本集團預期中國政府將繼續推出政策以整頓稀土行業運作，維持中國稀土在全世界的戰略地位，支持中國稀土行業長遠發展。

Regarding market distribution, Mainland China remained the major market for the Group's refractory materials business and accounted for about 81% of the segmental revenue. Japan market accounted for about 14%. Other markets in Asia, South America and Europe contributed to the remaining 5%.

### PROSPECTS

Rare earth elements have unique physical and chemical properties, resulting in wide range application in various industries including modern high-tech products and traditional products. The development of electronic products, medical equipment, electric vehicles, aircraft turbine engines, and missile guidance systems is inseparable from rare earth which cause social demand for rare earth continues to increase. Rare earth is vital to the high-tech industry and plays a critical role in technological innovation. However, mining, extraction, and smelting of rare earth are costly and affect the natural ecological environment. China is the largest producer of rare earth in the world. Department of Defense in the United States ("US") is unavoidably to be an indirect customer of Chinese rare earth enterprises. The US military industry warned that dependence on China's rare earth supply is its weakness. High-tech industries, one of the pillars of the US economy, cannot sustain without rare earth materials. Due to the importance of rare earth to the US, the market has paid attention to whether rare earth was involved in each round of the Sino-US trade negotiations. The Group expects the Chinese government will continue to launch policies to rectify the operation of the rare earth industry, maintain the strategic position of rare earth in the world and support the long-term development of the rare earth industry in China.

## 主席報告書

### CHAIRMAN'S STATEMENT

依據中國工業和信息化部和自然資源部關於二零一九年度稀土開採、冶煉分離總量控制指標及鎢礦開採總量控制指標的通知，有關指標應集中配置給技術裝備先進、環保水準高的重點骨幹企業，並進一步提高集中度。為響應國家號召，本集團將繼續致力於向高增值產業發展，在二零一九年末二零二零年初本集團已計劃就稀土車間進行技術改造，以優化現有生產工藝，降低消耗，節省成本。另一方面本集團為配合市政府重鋪排污系統所作調整已大致完成，待與地方政府驗收銜接後方能投入使用。屆時本集團的稀土生產技術冀能有所提升，配合國家推動稀土產業向高品質發展的政策。

According to the notice on mining, smelting and separation quota of rare earth as well the mining quota of tungsten issued by the Ministry of Industry and Information Technology and the Ministry of Natural Resources of China in 2019, the relevant quota should be allocated to key enterprises with advanced technology and equipment and high standard of environmental protection, and be further concentrated. In response to the national call, the Group will continue to be committed to developing into high value-added. At the end of 2019 and the beginning of 2020, the Group planned to revamp its rare earth workshop technology to optimise the existing production process, reduce consumption and save costs. On the other hand, the adjustments made by the Group to support the municipal government's sewage discharge pipeline layout have been basically completed and will put into use after acceptance by the local government. By then, the Group's rare earth production technology will be improved, aligning with the state's policy of promoting the development of high-quality rare earth industry.

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為令稀土業務流程更加暢順，本集團將在加強和現有供應商合作的同時，積極找尋潛在業務夥伴，務求能保障有足夠貨源供應以滿足客戶需要。

In order to facilitate the rare earth business process, the Group will actively seek potential business partners while strengthening cooperation with existing suppliers, so as to ensure the sufficiency of supplies to meet customers' needs.

耐火材料方面，雖然年內經營環境仍然不太理想，但相信耐火產品作為一眾重工業建設所必需的材料，隨著中國國內基建項目增多，再加上國家「一帶一路」倡議的引導下，市場對耐火材料有一定需求。本集團憑藉卓越的產品質素和優質的客戶服務，對業務前景仍然充滿信心。

In terms of refractory materials, the operating environment during the year is not ideal. However, refractory products are necessary materials for the construction of many heavy industries. It is believed that the market has a solid demand for refractory materials due to the increasing domestic infrastructure projects in China and the guidance of the national "Belt and Road" initiative. With outstanding product quality and excellent customer service, the Group remains confident in its business prospects.



另外，為求增加產品種類和提升質素以滿足更多客戶的要求，本集團於二零一九年第三季度再與日本客戶建立深度技術合作，引入技術和生產流程管理，協助本集團耐火材料生產工藝自動化發展。預期該合作於二零二零年開始能為本集團業績提供貢獻。此外，本集團一直重視資源配套，計劃作產業垂直整合。本集團已於中國東北地區篤定收購菱鎂礦項目，待調研工作完成後希望能短期內落實，以發揮協同效應，降低成本，提升效益。

於二零二零年第一季度，新型冠狀病毒在中國內地爆發並蔓延至世界各地，嚴重地影響了商業和經濟活動，地方政府採取的預防措施限制了廠房運作和交通物流。目前無法估計其對本集團業務之影響。本集團將繼續關注情況並作出及時反應。

#### 流動資金及財務資源

本集團繼續奉行審慎的財務安排，並保留充裕的流動資金作業務發展用途。於二零一九年十二月三十一日，本集團共持有現金及銀行存款金額共約1,478,953,000港元，比二零一八年末減少了約187,339,000港元。本集團的流動資產淨值約為2,337,672,000港元，比二零一八年末增加了約16,931,000港元。總負債對總資產的比率約5%，與去年末相若。

In addition, in order to increase product variety and quality to meet customers' demands, the Group stepped up its technical cooperation with a Japanese customer in the third quarter of 2019. The new technologies and production flow management brought by the partnership improves the Group's development in automated refractory materials production process. It is expected that the cooperation will contribute to the Group's business from 2020. Besides, the Group stress the importance on resources allocations and plans to undergo vertical integration. It has decided an acquisition of a magnesite mine in Northeast China and the plan is expected to be implemented shortly after the completion of due diligence process, which could bring synergistic effects, reduce costs and improve efficiency of the Group.

During the first quarter of 2020, coronavirus disease was broken out in the Mainland China and has spread across the rest of the world. Business and economic activities have seriously been affected. Preventive measures taken by the local government limited the plant operation and transportation logistics. Currently it is unable to estimate the impact on the Group's business. The Group will keep monitoring the situation and react promptly.

#### LIQUIDITY AND FINANCIAL RESOURCES

The Group continues to be prudent in making financial arrangements to ensure it has adequate liquidity for business development. As at 31 December 2019, the Group had cash and bank deposits of approximately HK\$1,478,953,000, a decrease of about HK\$187,339,000 compared with the end of 2018. Net current assets of the Group amounted to approximately HK\$2,337,672,000, an increase of approximately HK\$16,931,000 from the end of 2018. Total liabilities to total assets ratio was about 5%, a similar level to end of last year.

## 主席報告書

### CHAIRMAN'S STATEMENT

預付材料款方面，本集團為求保障貨源供應充足，與有關供應商加強合作，進一步加大了資金投入。於二零一九年十二月三十一日，本集團投放在稀土及耐火材料的預付材料款分別約292,728,000港元及99,526,000港元，較去年合共增加了約240,610,000港元。存貨方面，由於本集團於年內銷售較多重稀土元素，故於第四季度增加存儲了一些價值較高的產品如氧化鐳和氧化鑷。於二零一九年末，本集團持有存貨約值256,243,000港元，比二零一八年末增加了約102,713,000港元。

於二零一九年，本集團並無向任何銀行或財務機構借款。自二零一八年起，本集團向一家國內銀行抵押若干租賃土地和樓宇（於二零一九年十二月三十一日賬面值合共約45,147,000港元），以獲取了融資額度人民幣150,000,000元（折合約167,448,000港元），該融資額度尚未被使用。此外，截至年末，本集團並無其他資產被抵押，亦未持有任何金融衍生工具產品。本集團並無重大的息率風險。匯率方面，本集團大部份的資產、負債及交易均以人民幣結算，另有部份以美元及港元列值。回顧年內，人民幣匯率輕微回落，未有對業績造成重大波動或影響。

Regarding prepayments for materials, the Group has strengthened cooperation with suppliers by increasing capital investment so as to ensure sufficient supply. As at 31 December 2019, total prepayments made for rare earth and refractory materials were approximately HK\$292,728,000 and HK\$99,526,000 respectively, an increase of approximately HK\$240,610,000 in total compared to the previous year. Regarding inventories, as the Group focus on sales of heavy rare earth elements during the year, hence more relatively valuable inventories such as dysprosium oxide and lutetium oxide were stored in the fourth quarter. At the end of 2019, the Group's inventories amounted to approximately HK\$256,243,000, an increase of HK\$102,713,000 compared to that at the end of 2018.

In 2019, the Group did not borrow any money from banks or financial institutions. Since 2018, the Group has pledged certain leasehold lands and buildings (with carrying amount at approximately HK\$45,147,000 in total as at 31 December 2019) with a Chinese bank, obtaining a financing facility at RMB150,000,000 (equivalent to approximately HK\$167,448,000) which has not been utilised yet. Apart from that, at year end, the Group had no charge on its assets nor holding of any financial derivative products. It was not exposed to any material interest rate risk. As for foreign exchange exposure, most of the Group's assets, liabilities and transactions are denominated in Renminbi, and the rest are in US dollars or Hong Kong dollars. During the year under review, Renminbi depreciated slightly, which did not cause significant fluctuation of or impact on the Group's results.

### 僱員及薪酬

本集團一直根據業務發展需要調整員工架構。於二零一九年十二月三十一日，本集團僱用的各級員工合共約400人，較二零一八年減少。年內，本集團的僱員成本包括董事酬金合計約為34,058,000港元，同比減少約兩成。為了提升營運效率及改善成本控制，本集團繼續精簡人力資源。本集團重視員工福祉，年內員工平均薪酬有所增加。本集團亦會繼續定期為員工提供在職培訓及進修機會，以維持其專業水平。

### 末期股息

董事會建議不派發二零一九年度之末期股息（二零一八年：無）。

### 總結

本集團一直跟隨國家政策發展，一方面為提高技術而努力，另一方面又向上游資源領域尋求機遇，希望拓展產業鏈，為客戶提供優質的產品和服務。展望將來，本集團將繼續努力不懈，保持競爭優勢，提升企業價值，以回饋各持份者的支持！

最後，本人謹向本集團董事會成員、管理團隊、業務夥伴及全體員工所做出的貢獻表示感謝！

錢元英

主席

香港，二零二零年三月三十日

### STAFF AND REMUNERATION

The Group continued to adjust its manpower structure according to the business development needs. As at 31 December 2019, the Group had approximately 400 employees of different levels, which had decreased as compared to 2018. During the year, the Group's staff costs including directors' emoluments amounted to approximately HK\$34,058,000, decreased by about 20% year-on-year. In order to raise operational efficiency and improve cost control, the Group continued to streamline human resources. The Group values the well-being of staff, and the average remuneration of staff increased during the year. The Group continued to provide regular on-the-job training and study opportunities to employees to assist them in maintaining professional competence.

### FINAL DIVIDEND

The Board does not recommend payment of a final dividend for 2019 (2018: nil).

### CONCLUSION

The Group has been following national policies for its development, raising its technological level on one hand, while seeking upstream opportunities on the other, in hope of expanding the industry chain and providing high-quality products and services to customers. Looking ahead, the Group will continue to spare no effort in maintaining competitive advantages and raising corporate value in order to response to the support from the stakeholders.

Last but not least, I would like to express my sincere gratitude to fellow board members, the management team, business partners and staff for their contribution.

Qian Yuanying

Chairman

Hong Kong, 30 March 2020



## 董事及高級管理人員簡介

### DIRECTORS AND SENIOR MANAGEMENT PROFILE

#### 執行董事

**錢元英女士**，61歲，為本集團創辦者及主席。錢女士負責制訂本集團整體業務發展政策。錢女士獲江蘇省人事廳評定具高級經濟師資格，另外亦獲得中國職業經理人資格。錢女士在稀土及耐火材料行業方面擁有逾三十年經驗。於創辦本集團之前，錢女士曾任職學校教師。錢女士亦為本公司主要股東YY Holdings Limited之董事。錢女士為本集團執行董事蔣泉龍先生之妻子及本集團總經理蔣鑫先生之母。

**蔣泉龍先生**，67歲，為本集團創辦者，曾擔任本集團主席直至二零一七年九月。蔣先生負責本集團對內及對外的協調及業務關係發展。蔣先生獲江蘇省人事廳評定具高級經濟師資格。蔣先生在稀土及耐火材料行業擁有逾三十年經驗。於創辦本集團之前，蔣先生曾擔任某耐火材料製造廠的經理及某玻璃陶瓷製造公司的營業經理。蔣先生亦為本公司主要股東YY Holdings Limited之董事。蔣先生為本集團主席錢元英女士之丈夫及本集團總經理蔣鑫先生之父。蔣先生自二零零六年八月十六日至二零一七年九月十五日為泛亞環保集團有限公司（其股份於香港聯合交易所有限公司上市）之主席兼執行董事。

**蔣大偉先生**，36歲，於二零零六年加入本集團，於二零一七年獲委任為本集團行政總裁兼執行董事。蔣先生負責本集團整體管理及本集團業務的市場推廣。此前，蔣先生為宜興新威利成稀土有限公司銷售部主管。蔣先生擁有揚州大學工商管理學士學位。

#### EXECUTIVE DIRECTORS

**Ms. Qian Yuanying**, aged 61, is a founding member and the chairman of the Group. Ms. Qian is responsible for the formulation of the Group's overall business development policies. Ms. Qian is recognised as a senior economist by Jiangsu Provincial Personnel Department, and she is also qualified as a Chinese Career Manager. Ms. Qian has over 30 years of experience in the rare earth and refractory materials industries. Prior to the founding of the Group, Ms. Qian was a high school teacher. Ms. Qian is also a director of YY Holdings Limited, a substantial shareholder of the Company. Ms. Qian is the wife of Mr. Jiang Quanlong, an executive director of the Group, and the mother of Mr. Jiang Xin, the general manager of the Group.

**Mr. Jiang Quanlong**, aged 67, is a founding member and was previously the chairman of the Group until September 2017. Mr. Jiang is responsible for internal and external coordination and development of business relationship of the Group. Mr. Jiang is recognised as a senior economist by Jiangsu Provincial Personnel Department. Mr. Jiang has over 30 years of experience in the rare earth and refractory materials industries. Prior to the founding of the Group, Mr. Jiang had been a factory manager of a refractory materials production plant and a sales manager of a glass and ceramics manufacturing company. Mr. Jiang is also a director of YY Holdings Limited, a substantial shareholder of the Company. Mr. Jiang is the husband of Ms. Qian Yuanying, the chairman of the Group, and the father of Mr. Jiang Xin, the general manager of the Group. From 16 August 2006 to 15 September 2017, Mr. Jiang served as the chairman and an executive director of Pan Asia Environmental Protection Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited.

**Mr. Jiang Dawei**, aged 36, joined the Group in 2006 and was appointed as the chief executive officer and an executive director of the Group in 2017. Mr. Jiang is responsible for the overall management of the Group and the marketing aspect of the Group's business. Previously, Mr. Jiang was the head of the sales department of Yixing Xinwei Leeshing Rare Earth Company Limited. Mr. Jiang obtained a Bachelor degree of Business Administration from Yangzhou University.

## 董事及高級管理人員簡介

### DIRECTORS AND SENIOR MANAGEMENT PROFILE

**蔣才南先生**，61歲，於一九八六年加入本集團，於二零零五年獲委任為本集團執行董事。蔣先生兼為宜興新威利成耐火材料有限公司總經理，負責耐火材料業務之營運及銷售。蔣先生在耐火材料行業擁有逾三十年的經驗。

#### 獨立非執行董事

**黃春華先生**，56歲，於二零零一年加入本集團，為本集團獨立非執行董事。黃先生擁有英國斯特克萊大學工商管理學碩士和市場學博士學位及武漢大學經濟學學士學位。現時黃先生為正道集團有限公司(其股份於香港聯合交易所有限公司上市)之副主席兼執行董事。黃先生於二零零七年五月至二零零九年四月期間為法國巴黎證券(亞洲)有限公司證券董事和中國資本市場策略師。在此之前，黃先生於二零零二年十一月至二零零七年十月擔任正道集團有限公司副主席，並曾在多所證券公司任職分析師。黃先生在金融市場上擁有豐富的知識和經驗。

**金重先生**，68歲，於二零零四年加入本集團，為本集團獨立非執行董事。金先生在武漢鋼鐵學院材料工程學系耐火專業專科畢業，曾在貴陽市耐火材料廠總廠出任副總工程師。

**Mr. Jiang Cainan**, aged 61, joined the Group in 1986 and was appointed as an executive director of the Group in 2005. Mr. Jiang is also the general manager of Yixing Xinwei Leeshing Refractory Materials Company Limited and is responsible for the operation and sales of refractory materials business. Mr. Jiang has over 30 years of experience in the refractory materials industry.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Huang Chunhua**, aged 56, joined the Group in 2001 as an independent non-executive director of the Group. Mr. Huang obtained a Ph. D degree in Marketing and a Master degree in Business Administration from University of Strathclyde and a Bachelor degree in Economics from Wuhan University. Currently Mr. Huang is the deputy chairman and an executive director of Hybrid Kinetic Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited. For the period from May 2007 to April 2009, Mr. Huang was a director and China equity market strategist of BNP Paribas Securities (Asia) Limited. Prior to that he had been the deputy chairman of Hybrid Kinetic Group Limited between November 2002 and October 2007 and an analyst of various securities companies. Mr. Huang has extensive knowledge and experience in financial market.

**Mr. Jin Zhong**, aged 68, joined the Group in 2004 as an independent non-executive director of the Group. Mr. Jin graduated from the Faculty of Material Engineering of Wuhan Steel College, specialising in refractory studies. Mr. Jin was previously the deputy chief engineer of the head factory of Guiyang City Refractory Materials Factory.

## 董事及高級管理人員簡介

### DIRECTORS AND SENIOR MANAGEMENT PROFILE

王國珍先生，84歲，於二零一二年加入本集團，為本集團獨立非執行董事。王先生畢業於天津大學，主修金屬物理化學。王先生於一九八七年至一九九四年為中國國務院稀土領導小組專家組成員及產業組組長及於一九九四年至二零零六年為國家發展和改革委員會稀土專家組成員及產業組組長。王先生於一九八零年至二零零九年曾連續擔任中國稀土學會理事、常務理事、稀土專家組專家以及稀土環保與勞動衛生專業委員會主任委員。王先生於二零零九年獲委任為中國稀土學會榮譽理事。此外，王先生自二零零七年十二月一日起亦為泛亞環保集團有限公司（其股份於香港聯合交易所有限公司上市）之獨立非執行董事。

**Mr. Wang Guozhen**, aged 84 joined the Group in 2012 as an independent non-executive director of the Group. Mr. Wang graduated from Tianjin University, majoring in Physical chemistry of metals. For the period from 1987 to 1994, Mr. Wang was a member of the Experts Group of the Rare Earth Leading Group of the State Council, the People's Republic of China and the head of its industry group. From 1994 to 2006, Mr. Wang was a member of the Group of Rare Earth Experts of the National Development and Reform Commission and the head of its industry group. Mr. Wang also worked at the Chinese Society of Rare Earths (the "CSRE") consecutively as a director, a standing director, an expert in its rare earth experts group and a senior member of its Rare Earth Related Environmental Protection and Labor Hygiene Professional Committee from 1980 to 2009. In 2009, Mr. Wang was appointed as honorary executive of the CSRE. Besides, Mr. Wang is also an independent non-executive director of Pan Asia Environmental Protection Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited, since 1 December 2007.

#### 高級管理層

蔣鑫先生，35歲，於二零零八年加入本集團，並於二零一二年獲委任為本集團總經理。蔣先生負責本集團業務的市場推廣工作。蔣先生擁有英國曼徹斯特大學主修國際商業、金融及經濟之文學士學位及威爾斯大學主修商業研究之文學士學位。蔣先生亦為泛亞環保集團有限公司（其股份於香港聯合交易所有限公司上市）之主席兼執行董事。蔣先生為本集團執行董事蔣泉龍先生及本集團主席錢元英女士之子。

#### SENIOR MANAGEMENT

**Mr. Jiang Xin**, aged 35, joined the Group in 2008 and was appointed as the general manager of the Group in 2012. Mr. Jiang is responsible for the marketing aspect of the Group's business. Mr. Jiang obtained a Bachelor degree in Arts majoring in International Business, Finance and Economics from University of Manchester and a Bachelor degree in Arts majoring in Business Studies from University of Wales. Mr. Jiang has also been the chairman and an executive director of Pan Asia Environmental Protection Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited. Mr. Jiang is a son of Mr. Jiang Quanlong, an executive director of the Group and Ms. Qian Yuanying, the chairman of the Group.

蔣洪君先生，61歲，於二零零零年加入本集團，現任本集團副總經理，負責本集團日常行政事務。蔣先生在行政管理方面擁有逾三十年的經驗。

**Mr. Jiang Hongjun**, aged 61, joined the Group in 2000. Mr. Jiang is the deputy general manager of the Group and is responsible for the daily administrative affairs of the Group. Mr. Jiang has over 30 years of experience in administrative management.

## 董事及高級管理人員簡介

### DIRECTORS AND SENIOR MANAGEMENT PROFILE

**黃望先生**，51歲，於二零一九年十一月加入本集團，為宜興新威利成稀土有限公司的總工程師。黃先生畢業於東北大學有色金屬冶金系。加入本集團前，黃先生曾在多家稀土公司出任總工程師或技術主管，在稀土及有色金屬行業的生產工藝上擁有豐富的經驗。

**周彥文先生**，49歲，於二零零三年加入本集團，現任無錫新威高溫陶瓷有限公司總經理，負責高溫陶瓷業務之營運。周先生在行政管理及營銷方面擁有逾十年的經驗。

**張惠林先生**，67歲，於一九八八年加入本集團，現任海城市蘇海鎂礦有限公司總經理，負責鎂砂業務之營運。張先生在耐火材料原材料供應及銷售上擁有豐富的管理經驗。

**羅納德先生**，49歲，於一九九九年加入本集團，為本集團財務總監及公司秘書。羅先生畢業於香港並取得工商管理學士學位，為香港會計師公會及英國特許公認會計師公會會員。加入本集團前，羅先生曾在香港一家國際會計師行任職核數經理。

**Mr. Huang Wang**, aged 51, joined the Group in November 2019 as the chief engineer of Yixing Xinwei Leeshing Rare Earth Company Limited. Mr. Huang graduated from the Faculty of Nonferrous Metallurgy of Northeastern University. Prior to joining the Group, Mr. Huang was the chief engineer or technical director of various rare earth companies. Mr. Huang has extensive experience in production process of rare earth and non-ferrous metal industry.

**Mr. Zhou Yanwen**, aged 49, joined the Group in 2003. Mr. Zhou is the general manager of Wuxi Xinwei High Temperature Ceramics Company Limited and is responsible for the operation of the high temperature ceramics business. Mr. Zhou has over 10 years of experience in administrative management and sales.

**Mr. Zhang Huilin**, aged 67, joined the Group in 1988. Mr. Zhang is the general manager of Haicheng City Suhai Magnesium Ore Company Limited and is responsible for the operation of magnesium grains business. Mr. Zhang has extensive management experience in raw material supply and sales of refractory materials.

**Mr. Law Lap Tak**, aged 49, joined the Group in 1999 as the financial controller and company secretary of the Group. Mr. Law graduated in Hong Kong and obtained a Bachelor degree in Business Administration. Mr. Law is a member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. Prior to joining the Group, Mr. Law was an audit manager in an international accounting firm in Hong Kong.



# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### 企業管治常規

中國稀土控股有限公司（「本公司」）致力於維持良好之企業管治常規及程序。本公司已根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載的企業管治守則（「企業管治守則」）內的所有政策及原則而採納其本身之企業管治常規守則。董事會（「董事會」）認為，本公司於截至二零一九年十二月三十一日止年度內一直遵守企業管治守則。

### 董事進行證券交易

本公司已採納不低於上市規則附錄10所載之上市發行人董事進行證券交易的標準守則（「標準守則」）的守則（「公司守則」）。在本公司提出特定查詢後，所有董事均已確認於截至二零一九年十二月三十一日止年度內一直遵守標準守則及公司守則。

### CORPORATE GOVERNANCE PRACTICES

China Rare Earth Holdings Limited (the “Company”) is committed to attending good corporate governance practices and procedures. The Company has adopted its own code of corporate governance based on the principles and code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). In the opinion of the Board of Directors (the “Board”), the Company has complied with the CG Code throughout the year ended 31 December 2019.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the “Company’s Code”) regarding securities transactions by directors on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. Having made specific enquiry, the Company confirms that all directors have complied with the required standards as stated in the Model Code and the Company’s Code throughout the year ended 31 December 2019.

## 董事會

董事會目前有七名成員，包括四名執行董事及三名獨立非執行董事。

董事會之組成及本年度董事會會議及股東大會之出席情況如下：

## BOARD OF DIRECTORS

The Board currently comprises seven members, consisting four executive directors and three independent non-executive directors.

The composition of the Board and the attendance of the Board meetings and general meeting during the year are as follows:

董事 Director	會議出席／舉行數目 No. of meeting(s) attended/held	
	董事會 Board meeting	股東大會 General meeting
<b>執行董事</b> Executive director		
錢元英女士(主席) Ms. Qian Yuanying (Chairman)	5/5	1/1
蔣泉龍先生 Mr. Jiang Quanlong	5/5	0/1
蔣大偉先生(行政總裁) Mr. Jiang Dawei (Chief Executive Officer)	5/5	0/1
蔣才南先生 Mr. Jiang Cainan	5/5	0/1
<b>獨立非執行董事</b> Independent non-executive director		
黃春華先生 Mr. Huang Chunhua	5/5	1/1
金重先生 Mr. Jin Zhong	5/5	0/1
王國珍先生 Mr. Wang Guozhen	5/5	1/1

除董事會會議外，主席於年內亦與獨立非執行董事在執行董事並不在場的情況下舉行了一次會議。

董事履歷資料載於本年報第16頁至19頁的「董事及高級管理人員簡介」內。

蔣泉龍先生乃錢元英女士之丈夫。除已披露者外，董事會成員間並無家庭或其他重要關係。

Apart from Board meetings, the Chairman also held a meeting with the independent non-executive directors without the presence of executive directors during the year.

The biographical information of the directors are set out in "Directors and Senior Management Profile" on pages 16 to 19 of this annual report.

Mr. Jiang Quanlong is the husband of Ms. Qian Yuanying. Save as disclosed, there are no family or other material relationship among the Board members.

### 董事培訓及持續專業發展

每名新獲委任董事於其任期開始時將會接受綜合、正規及特定之開導，以確保其適當地瞭解本公司之業務及營運，並完全知悉根據上市規則及有關法規所規定其須履行之責任及義務。

倘有需要，本公司亦有適當的安排向董事提供持續指導及專業發展。

於本年度，本公司董事已按照企業管治守則之守則條文第A.6.5段參與持續專業發展，深造知識和技能，與時並進。本公司亦不時為董事提供有關法規修訂的資料，包括若干份香港聯合交易所有限公司（「聯交所」）發出的指引信，讓董事自行研習以加深其對上市規則的理解。

### 會議常規及操守

董事會定期會議之通告至少於會議舉行日期前十四天送呈全體董事。就其他董事會及委員會會議而言，一般亦發出合理之通告。

董事會文件連同所有合適、完整及可靠之資料均至少於每次董事會會議或委員會會議舉行日期前三天送呈全體董事，以讓董事評估本公司最近之發展及財務狀況，並讓彼等能夠作出知情決定。董事會及各位董事亦於必要時，分別及獨立接觸高級管理人員。

公司秘書負責編撰及保管所有董事會會議及委員會會議記錄。草擬的記錄一般於每次會議後，在合理的時間內給董事傳閱以發表意見，而最後之版本公開供董事查閱。全體董事均可全面並及時獲得公司所有資料以及要求公司秘書及高級管理層提供服務及意見。

### TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Each newly appointed director will receive comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to directors whenever necessary.

During the year, the directors of the Company have participated in continuous professional development to develop and refresh their skills and knowledge in accordance with Paragraph A.6.5 of the CG Code. The Company has also provided information relating to the regulatory update, including certain Guidance Letters issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), to directors for their own study to strengthen their understanding on the Listing Rules from time to time.

### PRACTICES AND CONDUCT OF MEETINGS

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The Company Secretary is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection. All directors have full and timely access to all information of the Company as well as the services and advice from the Company Secretary and senior management.

根據現時之董事會常規，任何涉及主要股東或董事利益衝突之重大交易將由董事會於正式召開之董事會會議上考慮及處理。

### 主席及行政總裁

董事會主席及行政總裁有不同的角色及職責。主席負責制定本集團之整體業務發展政策，而行政總裁則負責本集團業務之整體管理。

### 獨立非執行董事

董事會於截至二零一九年十二月三十一日止年度內一直符合上市規則中有關委任至少三名獨立非執行董事，其中一名擁有適當專業資格或會計相關的財務管理經驗之規定。

本公司之獨立非執行董事乃才能超卓之專業人士，具有財務管理及本集團相關業務方面之專業技術及經驗。彼等就策略發展向本公司提供建議，並使董事會能夠於遵守財務及其他強制性申報規定方面維持高水準，並提供足夠之檢查及平衡，以保護股東及本公司之整體利益。每位獨立非執行董事均已接受本公司的委任書，為期兩年。每位獨立非執行董事已根據上市規則第3.13條進行年度獨立性確認。董事會認為，所有獨立非執行董事均符合上市規則第3.13條所載之獨立性指引，且屬獨立董事。

### 董事會及管理層職責、問責及貢獻

本公司由董事會規管，負責指導及監察本公司之事務，並監督本集團之業務、決策及表現。董事會委派管理人員執行其決策及日常運作。

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Board and the Chief Executive Officer have different roles and responsibilities. The Chairman is responsible for the formulation of the Group's overall business development policies while the Chief Executive Officer is responsible for the overall management of the Group's business.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with one of whom possessing appropriate professional qualifications or accounting related financial management expertise throughout the year ended 31 December 2019.

The independent non-executive directors of the Company are highly skilled professionals with expertise and experience in the field of financial management and businesses related to the Group. They advise the Company on strategy development and enable the Board to maintain high standards of compliance of financial and other mandatory reporting requirements and provide adequate checks and balances to safeguard the interests of shareholders and the Company as a whole. Each of the independent non-executive directors has accepted a letter of appointment with the Company for a term of two years. Each of the independent non-executive directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers that all independent non-executive directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent.

### RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Company is governed by the Board which is responsible for directing and supervising its affairs and oversight of the Group's businesses, strategic decision and performance. Execution of the Board's decisions and daily operations are delegated to the management.



## 企業管治報告

### CORPORATE GOVERNANCE REPORT

#### 企業管治功能

董事會負責執行企業管治守則的第D.3.1條守則條文所載之功能。

董事會已審閱本公司企業管治的政策及實施、董事及高級管理人員的培訓及持續專業發展、本公司就合法及合規要求、標準守則及企業管治守則的遵守而制定的政策及實施，及在本企業管治報告中披露。

#### 董事會多元化政策

董事會已採納了董事會成員多元化政策以載列董事會達至多元化的途徑。董事會認為董事會成員多元化能透過考慮不同方面，包括但不限於性別、年齡、文化及教育背景、專業資格、技術知識及行業及區域經驗而達至。本公司目標於維持一個適當平衡與本公司業務發展相關的多元化觀點的董事會。

#### 提名政策

董事會已採納了提名政策以載列相關甄選標準及提名程序以甄選或就甄選提名出任董事的人士提供推薦建議。甄選標準包括投入足夠時間及精神處理本公司事務的能力、誠信信譽、於相關行業的成就及經驗、可投入的時間及相關利益、於所有方面的多元化及有效履行董事會的職責。

於甄選董事時，提名委員會的秘書將召開提名委員會會議，並於會議前邀請董事會成員提名候選人(如有)以供提名委員會考慮。提名委員會亦可提名並非由董事會成員提名的候選人。

#### CORPORATE GOVERNANCE FUNCTIONS

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

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 with the Model Code, and the compliance with the CG Code and disclosure in this Corporate Governance Report.

#### BOARD DIVERSITY POLICY

The Board has adopted a Board Diversity Policy setting out the approach to achieve diversity on the Board. The Board has considered that diversity of the Board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualification, skills, knowledge and industry and regional experience. The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth.

#### NOMINATION POLICY

The Board has adopted a Nomination Policy setting out the relevant selection criteria and nomination procedures in order to select or make recommendations on the selection of individuals nominated for directorships. The selection criteria includes ability to devote sufficient time and attention to the affairs of the Company, reputation for integrity, accomplishment and experience in the relevant industries, commitment in respect of available time and relevant interest, diversity in all its respects and effectiveness in carrying out the responsibilities of the Board.

To nominate a director, the secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.

就填補臨時空缺而言，提名委員會將提供推薦建議以供董事會考慮及審批。就於股東大會上提名候選人選舉而言，提名委員會將向董事會作出提名以供其考慮及提供推薦建議。

為提供獲董事會提名於股東大會上選舉的候選人的資料及邀請股東提名，將向股東寄發一份通函。通函將載列股東作出提名的提交期限。提名候選人的姓名、簡歷（包括資格及相關經驗）、獨立性、建議薪酬及根據適用法例、規則及規例所規定的任何其他資料將載於致股東的通函內。

於刊發通函之前，獲提名人士不得認為彼等已獲董事會提呈於股東大會上進行選舉。

候選人可於股東大會之前任何時間通過向本公司的公司秘書提交書面通知撤回其候選人資格。

對推薦候選人於股東大會上參選的所有事宜，董事會擁有最終決定權。

#### 股息政策

董事會已採納了股息政策以載列本公司目標股息支付比率的方法，由董事會全權決定，惟須符合下列條件：

1. 本公司憲章文件的規定；
2. 開曼群島公司法的償付能力規定；
3. 本公司擁有足夠的保留溢利和股份溢價支付股息；
4. 本公司若干財務安排及本公司不時受其約束的其他協議所存在的任何財務契約及其他限制；

For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, and to invite nominations from the shareholders of the Company, a circular will be sent to the shareholders. The circular will set out the lodgment period for the shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to the shareholders.

Until the publication of the circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.

A candidate is allowed to withdraw his or her candidature at any time before the general meeting by serving a notice in writing to the Company Secretary of the Company.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

#### DIVIDEND POLICY

The Board has adopted a Dividend Policy setting out the approach to target dividend payout ratio of the Company, which is determined by the Board at its sole and absolute discretion, subject to:

1. the requirements of the Company's constitutional documents;
2. the solvency requirements of the Companies Law of the Cayman Islands;
3. there being sufficient amount of retained profits and share premium of the Company for the dividend payment;
4. any financial covenants and other restrictions that exist with respect to certain of the Company's financing arrangements and other agreements by which the Company is bound from time to time;

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5. 本公司及其附屬公司的盈利、財務狀況、經營業績、擴張計劃、營運資金需求及預期現金需求；
6. 附屬公司向本公司支付的現金股息；和
7. 董事會可能視為適當的其他因素。

#### 董事會委員會

董事會已設立三個委員會，即審核委員會、薪酬委員會及提名委員會以處理本公司的特定事宜。本公司所有委員會均設立了明確的書面職權範圍。董事會委員會之職權範圍已在本公司及聯交所網頁上刊載，及按要求提供予股東。

#### 審核委員會

審核委員會之主要職能為協助董事會審閱與本公司核數師之關係、財務資料、財務申報系統、風險管理系統及內部監控程序。

審核委員會之組成及本年度委員會會議之出席情況如下：

#### 成員

#### Member

#### 獨立非執行董事

#### Independent non-executive director

王國珍先生 (主席)

Mr. Wang Guozhen (Chairman)

黃春華先生

Mr. Huang Chunhua

金重先生

Mr. Jin Zhong

在會議上，審核委員會審閱了本公司所採納之會計政策及慣例及討論審核、風險管理系統、內部監控及財務申報事宜，包括於執行董事缺席及核數師協助下，審閱了本公司之中期及全年業績。

5. the earnings, financial position, results of operation, expansion plans, working capital requirements, and anticipated cash needs of the Company and its subsidiaries;
6. the payment by subsidiaries of cash dividends to the Company; and
7. other factors which the Board may deem appropriate.

#### BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and 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 Board committees are posted on the websites of the Company and the Stock Exchange and are available to shareholders upon request.

#### AUDIT COMMITTEE

The principal functions of the Audit Committee are to assist the Board in reviewing the relationship with the auditor of the Company, the financial information, the financial reporting system, risk management system and internal control procedures.

The composition of the Audit Committee and the attendance of the Committee meetings during the year are as follows:

#### 會議出席／舉行數目

#### No. of meetings attended/held

During the meetings, the Audit Committee reviewed the accounting principles and practices adopted by the Company and discussed auditing, risk management system, internal control and financial reporting matters, including the review of the interim and annual results of the Company with the assistance of the auditor without the presence of the executive directors.

### 薪酬委員會

薪酬委員會之主要職能為向董事會提供本公司董事及高級管理人員薪酬政策及結構方面之意見，並檢討彼等之具體薪酬組合。

薪酬委員會之組成及本年度委員會會議之出席情況如下：

#### 成員

#### Member

#### 會議出席／舉行數目

#### No. of meetings attended/held

#### 獨立非執行董事

#### Independent non-executive director

黃春華先生(主席)	1/1
Mr. Huang Chunhua (Chairman)	1/1
金重先生	1/1
Mr. Jin Zhong	1/1
王國珍先生	1/1
Mr. Wang Guozhen	1/1

在會議上，薪酬委員會檢討了薪酬政策及對董事之薪酬組合向董事會作出了建議。

### REMUNERATION COMMITTEE

The principal functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management, and to review their specific remuneration packages.

The composition of the Remuneration Committee and the attendance of the Committee meetings during the year are as follows:

During the meetings, the Remuneration Committee reviewed the remuneration policy and recommended the remuneration packages of the directors to the Board.

### 提名委員會

提名委員會之主要職能為參考已採納的董事會成員多元化政策審閱董事會之組成、討論及協定以達至董事會成員多元化之可衡量目標、參考已採納的提名政策向董事會就董事委任及繼任提供意見、及評核獨立非執行董事之獨立性。

### NOMINATION COMMITTEE

The principal functions of the Nomination Committee are to review the Board composition with reference to the Board Diversity Policy adopted, discuss and agree on measurable objectives for achieving diversity on the Board, make recommendations to the Board on the appointment and succession planning of directors with reference to the Nomination Policy adopted, and assess the independence of independent non-executive directors.



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提名委員會之組成及本年度委員會會議之出席情況如下：

The composition of the Nomination Committee and the attendance of the Committee meetings during the year are as follows:

成員 Member	會議出席／舉行數目 No. of meetings attended/held
<b>獨立非執行董事</b> <b>Independent non-executive director</b>	
金重先生(主席) Mr. Jin Zhong (Chairman)	2/2
黃春華先生 Mr. Huang Chunhua	2/2
王國珍先生 Mr. Wang Guozhen	2/2

在會議上，提名委員會參考董事會成員多元化政策和提名政策檢討了本公司之董事會組成及獨立非執行董事的獨立性。提名委員會認為本公司之董事會組成適當。

During the meetings, the Nomination Committee with reference to the Board Diversity Policy and Nomination Policy reviewed the Board composition and the independence of the independent non-executive directors of the Company. The Nomination Committee considers that the Board composition is appropriate.

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### 董事之重選

本公司的組織章程細則訂明每位董事須至少每三年輪值退任一次，及董事獲委任以填補空缺者須留任至本公司下屆股東大會。

### RE-ELECTION OF DIRECTORS

The Company's Articles of Association specify that every director should be subject to retirement by rotation at least once every three years and the director appointed to fill a casual vacancy shall hold office only until the next following general meeting of the Company.

根據細則第108(A)及(B)條，錢元英女士、蔣大偉先生及金重先生將於即將舉行的股東週年大會上輪值退任，惟合資格並願意膺選連任。

In accordance with Articles 108(A) and (B), Ms. Qian Yaunying, Mr. Jiang Dawei and Mr. Jin Zhong will retire by rotation from the Board at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

### 董事對財務報表所負之責任

董事確認彼等負責編制截至二零一九年十二月三十一日止年度財務報表的責任。編製真實及公平地反映本集團財務狀況及各個財政期間之業績及現金流量之財務報表乃董事之責任。於編製財務報表時，董事須確保採納適當會計政策。財務報表乃按持續經營基準編製。

### DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31 December 2019. It is the directors' responsibility to prepare financial statements which give a true and fair view of the state of affairs of the Group, the results and cash flows for each financial period. In preparing the financial statements, the directors have to ensure that appropriate accounting policies are adopted. The financial statements are prepared on a going concern basis.

本公司核數師就其於財務報表之報告責任載於本年報第46頁至54頁的獨立核數師報告內。

#### 核數師之酬金

於本年度，本公司就核數師提供之審核服務（包括中期審閱）支付之酬金為3,185,000港元。核數師並無提供任何其他非審核服務。

#### 風險管理及內部監控

本集團已制定風險管理組織架構，由本集團董事會、審核委員會及高級管理層組成。

董事會釐定就達成本集團策略目標可接受的主要風險性質和程度，並確認其對維持合適及有效的風險管理及內部監控系統的全面責任。審核委員會協助董事會監察風險管理及內部監控系統的運作成效，而高級管理層則負責設計及執行有關程序。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

本集團已採納各式風險管理程序和指引以明確授權由主要營運單位或部門包括銷售與收款、採購與付款、生產與倉儲、財務與司庫及固定資產管理執行。各主要營運單位或部門均負責日常風險管理活動，包括鑒定可能對本集團表現造成影響的重大風險、根據可能受到的影響及出現的可能性評核及評估已識別的風險、制定及執行措施、監控及應對計劃，以管理及減輕該等風險。於每月例會上主要營運單位或部門主管討論業務並向本集團行政總裁匯報風險管理及內部監控事宜，行政總裁直接向董事會負責。

The statement of the auditor of the Company about the reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 46 to 54 of this annual report.

#### AUDITOR'S REMUNERATION

During the year, the remuneration in respect of audit services (including interim review) provided by the auditor of the Company was HK\$3,185,000. There was no other non-audit service provided by the auditor.

#### RISK MANAGEMENT AND INTERNAL CONTROL

The Group has established a risk management framework, which consists of the Board, the Audit Committee and senior management of the Group.

The Board evaluates and determines the nature and extent of principal risks that is acceptable in achieving the Group's strategic objectives, and acknowledges its overall responsibility for maintaining appropriate and effective risk management and internal control systems. The Audit Committee supports the Board in monitoring the operating effectiveness of the risk management and internal control systems, while the senior management is responsible for the design and implementation of relevant procedures. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has adopted various risk management procedures and guidelines with defined authority for implementation by major units or departments, including sales and collection, procurement and payment, production and warehousing, finance and treasury as well as fixed assets management. Each major unit or department is responsible for daily risk management activities, including identifying major risks that might impact on the Group's performance, accessing and evaluating the identified risks according to their likely impacts and the likelihood of occurrence, formulating and implementing measures, controls and response plans to manage and mitigate such risks. During monthly regular meetings heads of major operation units or departments discuss the business and report the risk management and internal control matters to the Group's Chief Executive Officer, who is directly responsible to the Board.

董事會已將持續監察風險管理及內部監控系統以及每年審閱該等系統成效的責任交託予審核委員會執行。為履行內部審核的職能，本集團於本年度內藉由獨立顧問的協助下進行了風險管理及內部監控系統的審閱，並將主要結果向審核委員會匯報。該審閱涵蓋有關財務、運作、合規及風險管理的主要及重要控制範疇。雖然仍有改進空間，惟於該審閱中並無確認重大內部監控失誤。

本集團維持內部指引以確保內幕消息根據適用法例及規則公平及適時地傳播予公眾人士。本集團投資關係、企業事務及財務管理職能的高級行政人員獲授權負責控制及監察內幕消息之披露。只限於相關高級管理層按情況需要方能獲取內幕消息，並提醒相關負責之員工及其他專業人士須將內幕消息保密直至已公開披露。

The Board has entrusted the Audit Committee with the responsibility to oversee the risk management and internal control systems on an on-going basis and to review the effectiveness of the systems annually. To perform the internal audit function, the Group has conducted a review of the effectiveness of the risk management and internal control systems with the assistance of an independent advisor during the year and reported the key findings to the Audit Committee. The review covers major and material controls in areas of financial, operational and compliance and risk management functions. Although there is room for improvement, no significant deficiency of the internal control has been identified in the review.

The Group has maintained internal guidelines for ensuring that inside information is disseminated to the public in an equal and timely manner in accordance with the applicable laws and regulations. Senior executives of the investor relations, corporate affairs and financial control functions of the Group are delegated with responsibilities to control and monitor the disclosure of inside information. Access to inside information is confined to relevant senior management on “need-to-know” basis. Relevant personnel and other professional parties involved are reminded to preserve confidentiality of the inside information until it is publicly disclosed.

#### 股東權利

##### 股東大會

本公司股東大會為股東及董事會提供溝通之機會。董事會主席以及審核委員會、薪酬委員會及提名委員會之主席（或於其缺席之情況下，其正式委任之代表）將於股東大會上回答提問，本公司核數師亦被邀請出席本公司的股東週年大會（「股東週年大會」）及協助董事回答股東有關審核處理及獨立核數師報告之編製與內容之疑問。股東大會上將就各重大事宜（包括選舉個別董事）提呈單獨決議案。

股東週年大會及股東特別大會（「股東特別大會」）通告連同相關文件最少於個別大會前二十營業日及十四日發送予股東，當中載列各提呈決議案的詳情、投票程序及其他有關資料。股東於股東大會上之所有投票按上市規則須以點票表決方式進行。主席將於股東大會上就所提呈之各項決議案要求以點票方式表決，並將於股東大會上就決議案進行投票前對有關權利及程序作出闡釋。會上將委任獨立監票員進行點票，而表決結果將刊載於本公司及聯交所網頁上。

#### SHAREHOLDERS' RIGHTS

##### General meeting

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board as well as chairmen of the Audit Committee, Remuneration Committee and Nomination Committee, or in their absence, their duly appointed delegates are available to answer questions at the shareholders' meetings. Auditor of the Company is also invited to attend the Company's annual general meeting (“AGM”) and is available to assist the directors in addressing queries from shareholders relating to the conduct of the audit and the preparation and contents of the Independent Auditor's Report. Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

Notice of AGM and extraordinary general meetings (“EGM”) together with related papers are sent to the shareholders at least 20 clear business days and 14 days before the respective meetings, setting out details of each proposed resolution, voting procedures and other relevant information. All votes of shareholders at the general meeting will be decided by poll pursuant to the Listing Rules. The Chairman will demand that all resolutions put to the vote at general meetings be taken by poll and will explain such rights and procedures during the general meetings before voting on the resolutions. An independent scrutineer will be appointed to count the votes and the poll results will be posted on the websites of the Company and the Stock Exchange after the general meetings.

本公司股東可按本公司的組織章程細則第64條要求召開股東特別大會。股東召開股東特別大會之程序如下：

1. 於投遞請求書之日持有本公司具有權利於股東大會投票之繳足股本不少於十分之一的一名或以上股東（「請求人」）有權以書面通知要求本公司董事召開股東特別大會，以處理該請求書中指明之任何事項。
2. 有關請求書須以書面方式按以下全部地址向本公司董事或公司秘書作出：

**本公司於香港之主要營業地點**

地址： 香港灣仔告士打道39號夏慤大廈2509室  
電郵： info@creh.com.hk  
聯絡人： 公司秘書

**本公司總辦事處**

地址： 中華人民共和國江蘇省宜興市丁蜀鎮  
聯絡人： 公司秘書

**本公司註冊辦事處**

地址： Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands  
聯絡人： 公司秘書

股東須提供彼等的全名、聯絡詳情及身分，以便本公司回覆。股東資料可能根據法律規定而予以披露。

Shareholders of the Company can make a requisition to convene an EGM pursuant to Article 64 of the Company's Articles of Association. The procedures for the shareholders to convene an EGM are as follows:

1. One or more shareholders ("Requisitionist") holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice, to require an EGM to be called by the directors for the transaction of any business specified in such requisition.
2. Such requisition shall be made in writing to the directors or the Company Secretary of the Company at all of the following addresses:

**Principal place of business of the Company in Hong Kong**

Address: Room 2509, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong  
Email: info@creh.com.hk  
Attention: Company Secretary

**Head office of the Company**

Address: Dingshu Town, Yixing City, Jiangsu Province, the People's Republic of China  
Attention: Company Secretary

**Registered office of the Company**

Address: Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands  
Attention: Company Secretary

Shareholders must provide their full name, contact details and identification in order to given effect thereto. Shareholders' information may be disclosed as required by law.



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3. 股東特別大會須於有關請求書投遞後兩個月內舉行。
4. 倘董事未能於該投遞起計二十一日內召開該大會，一名或以上請求人本身可以相同方式召開，而請求人因董事未能行事而產生之一切合理開支須由本公司發還予請求人。

#### 股東向本公司發表查詢之程序

對於董事會之事宜，股東可按以下方式與本公司聯絡：

地址：香港灣仔告士打道39號夏慤大廈2509室  
電郵：info@creh.com.hk  
電話：(852) 2869 6283  
傳真：(852) 2136 0030  
聯絡人：公司秘書

對於股份登記相關事宜（如股份過戶及登記、更改姓名或地址、遺失股票或股息單），登記股東可聯絡：

#### 本公司之香港股份過戶登記分處

香港中央證券登記有限公司  
地址：香港皇后大道東183號合和中心17樓

電話：(852) 2862 8555  
傳真：(852) 2865 0990

#### 股東於股東大會上提呈建議書之程序

為了於本公司股東大會上提呈建議，股東應以書面通知將建議書（「建議書」）連同其詳細之聯絡資料遞交本公司於香港之主要營業地點，地址為香港灣仔告士打道39號夏慤大廈2509室。

3. The EGM shall be held within two months after the deposit of such requisition.
4. If the directors fail to proceed to convene such meeting within 21 days of such deposit, the Requisitionist himself may do so in the same manner, and all reasonable expenses incurred by the Requisitionist as a result of the failure of the directors shall be reimbursed to the Requisitionist by the Company.

#### Procedures for shareholders to direct enquiries to the Company

For matters in relation to the Board, shareholders can contact the Company at the following:

Address: Room 2509, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong  
Email: info@creh.com.hk  
Telephone: (852) 2869 6283  
Fax: (852) 2136 0030  
Attention: Company Secretary

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the registered shareholders can contact:

#### Hong Kong branch share registrar and transfer office

Computershare Hong Kong Investor Services Limited  
Address: 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong  
Telephone: (852) 2862 8555  
Fax: (852) 2865 0990

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

To put forward proposals at a general meeting of the Company, a shareholder should lodge a written notice of his/her proposal ("Proposal") with his/her detailed contact information at the Company's principal place of business in Hong Kong at Room 2509, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

該要求將交予本公司之香港股份過戶登記分處進行核證，建議書一經確定為妥當及適當，本公司董事會將被要求於股東大會之議程中載入建議書。

給予全體股東以考慮有關股東於股東大會上提出之建議書之通知期因應建議書之性質有以下差異：

1. 倘建議書須以本公司普通決議案批准，則至少十四日書面通知。
2. 倘建議書須以本公司特別決議案於本公司股東特別大會上或以本公司普通決議案於本公司股東週年大會上批准，則至少二十一日書面通知。

#### 投資者關係

本公司繼續加強與其投資者之溝通及聯繫。獲指派之高級管理人員與機構投資者及分析師保持定期交談，以讓彼等瞭解本公司之最新發展情況。投資人之查詢以具資訊性及適時方式處理。

為促進有效溝通，本公司亦設有一個網頁，於 [www.creh.com.hk](http://www.creh.com.hk)，廣泛刊載本公司業務發展及營運之最新訊息、財務訊息及其他訊息。

於本年度內，本公司並無對其組織章程細則作出任何修訂。本公司組織章程細則的最新版本於本公司及聯交所網頁上可供查閱。

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to all the shareholders for consideration of the Proposal raised by the shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

1. At least 14 days' notice in writing if the Proposal requires approval by way of an ordinary resolution of the Company.
2. At least 21 days' notice in writing if the Proposal requires approval by way of a special resolution of the Company in an EGM or an ordinary resolution of the Company in an AGM.

#### INVESTOR RELATIONS

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at [www.creh.com.hk](http://www.creh.com.hk), where extensive information and updates on the Company's business developments and operations, financial information and other information are posted.

During the year, the Company has not made any changes to its Articles of Association. An up-to-date version of the Company's Articles of Association is available on the websites of the Company and the Stock Exchange.

# 董事會報告

## DIRECTORS' REPORT

董事會同寅欣然呈報中國稀土控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一九年十二月三十一日止年度的年報及經審核綜合財務報表。

### 主要業務

本公司的主要業務為投資控股。本集團的主要業務為稀土產品及耐火產品之製造及銷售。

附屬公司的主要業務載於財務報表附註20。

### 分部資料

本集團分部資料的詳情載於財務報表附註15。

### 業績及分派

本集團於截至二零一九年十二月三十一日止年度的業績載於本年報第55頁的綜合損益表內。

就本年度未有宣佈及派發中期及末期股息。

其他分派詳情載於財務報表附註29。

### 本公司可供分派之儲備

本公司可供派發之儲備包括股份溢價賬及保留溢利／累計虧損。於二零一九年十二月三十一日，本公司可供分派給股東的儲備為2,185,392,000港元。

### 財務概要

本集團於過去五個財政年度的業績概要載於本年報第168頁。

The directors have pleasure in presenting the annual report and the audited consolidated financial statements of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2019.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are manufacturing and sales of rare earth products and refractory products.

The principal activities of the subsidiaries are set out in note 20 to the financial statements.

### SEGMENTAL INFORMATION

Details of segmental information of the Group are set out in note 15 to the financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss on page 55 of this annual report.

No interim and final dividend was declared and paid to the shareholders for the year.

Details of other appropriations are set out in note 29 to the financial statements.

### DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution comprise the share premium account and retained profits/accumulated losses. As at 31 December 2019, the reserves of the Company available for distribution to shareholders amounted to HK\$2,185,392,000.

### FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years is set out on page 168 of this annual report.

### 物業、廠房及設備

本集團於年內的物業、廠房及設備的變動詳情載於財務報表附註17。

### 股本

本公司於年內的股本的變動詳情載於財務報表附註29。

### 退休計劃

本集團的退休計劃詳情載於財務報表附註12。

### 董事

年內及直至本報告刊行日期止本公司的董事為：

#### 執行董事

錢元英女士(主席)  
蔣泉龍先生  
蔣大偉先生(行政總裁)  
蔣才南先生

#### 獨立非執行董事

黃春華先生  
金重先生  
王國珍先生

根據本公司的組織章程細則第108(A)及(B)條，錢元英女士、蔣大偉先生及金重先生將於即將舉行的股東週年大會上輪值退任，惟合資格並願意膺選連任。

於二零一九年十二月三十一日，概無董事與本公司訂立不可由本公司於一年內終止而毋須支付法定賠償以外的賠償的服務合約。

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 17 to the financial statements.

### SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 29 to the financial statements.

### RETIREMENT SCHEMES

Details of the retirement schemes of the Group are set out in note 12 to the financial statements.

### DIRECTORS

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

#### Executive directors

Ms. Qian Yuanying (*Chairman*)  
Mr. Jiang Quanlong  
Mr. Jiang Dawei (*Chief Executive Officer*)  
Mr. Jiang Cainan

#### Independent non-executive directors

Mr. Huang Chunhua  
Mr. Jin Zhong  
Mr. Wang Guozhen

In accordance with Articles 108(A) and (B) of the Company's Articles of Association, Ms. Qian Yuanying, Mr. Jiang Dawei and Mr. Jin Zhong will retire by rotation from the Board at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

As at 31 December 2019, none of the directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

## 董事會報告

### DIRECTORS' REPORT

#### 董事及主要行政人員的權益及淡倉

於二零一九年十二月三十一日，本公司依據「證券及期貨條例」第352條而存置之登記冊內所載，或依據上市公司董事進行證券交易的標準守則而通知本公司及聯交所的本公司董事及主要行政人員及其緊密關聯人士於本公司及其相聯公司之股份、相關股份及債券的權益及淡倉如下：

#### 1. 於本公司股份權益

董事	權益性質／身份	股份數目	佔本公司已發行股本的百分比 % to the issued share capital of the Company
Director	Nature of interest/Capacity	Number of shares	
錢元英	信託之成立人	707,179,200 (附註1)	30.20%
Qian Yuanying	Founder of a trust	707,179,200 (Note 1)	30.20%
錢元英	受控公司之權益	21,000,000 (附註2)	0.90%
Qian Yuanying	Interest of controlled corporation	21,000,000 (Note 2)	0.90%
蔣泉龍	配偶之權益／受控公司之權益	728,179,200 (附註1及2)	31.10%
Jiang Quanlong	Interest of spouse/Interest of controlled corporation	728,179,200 (Notes 1 & 2)	31.10%
蔣大偉	實益擁有人	530,077 (附註3)	0.02%
Jiang Dawei	Beneficial owner	530,077 (Note 3)	0.02%

附註：

- 707,179,200股以好倉透過YY Holdings Limited持有，其全部已發行股本由YY Trust的受託人YYT (PTC) Limited所持有，而受益人為蔣泉龍先生的配偶錢元英女士及其子全資擁有的公司。按證券及期貨條例第XV部之定義錢元英女士為YY Trust的成立人。蔣泉龍先生及錢元英女士為YY Holdings Limited的董事。
- 21,000,000股以好倉透過Praise Fortune Limited持有，其39.93%的已發行股本由蔣泉龍先生的配偶錢元英女士持有。錢元英女士為Praise Fortune Limited的董事。
- 所有股份均以好倉持有。

#### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS

As at 31 December 2019, the interests and short positions of the directors and chief executives of the Company and their respective close associates in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

#### 1. Interests in shares of the Company

Notes:

- 707,179,200 shares are held in long position through YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong, and her sons. Ms. Qian Yuanying is a founder of YY Trust within the meaning under Part XV of the SFO. Mr. Jiang Quanlong and Ms. Qian Yuanying are the directors of YY Holdings Limited.
- 21,000,000 shares are held in long position through Praise Fortune Limited, 39.93% of its issued share capital is held by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong. Ms. Qian Yuanying is a director of Praise Fortune Limited.
- All the shares are held in long position.



2. 於相聯公司股份、相關股份或股本權益

(a) 微科資源有限公司

董事	權益性質／身份	已發行股份類別及數目	佔該公司已發行股本中 該股份類別的百分比 % in the class of shares in the issued share capital of the company
Director	Nature of interest/ Capacity	Number and class of issued shares	
錢元英	實益擁有人	無投票權遞延股份3,000,000股	30%
Qian Yuanying	Beneficial owner	3,000,000 non-voting deferred shares	30%
蔣泉龍	實益擁有人	無投票權遞延股份7,000,000股	70%
Jiang Quanlong	Beneficial owner	7,000,000 non-voting deferred shares	70%

(b) 宜興新威利成稀土有限公司

(b) Yixing Xinwei Leeshing Rare Earth Company Limited

董事	權益性質／身份	股本權益百分比
Director	Nature of interest/Capacity	% equity interest
蔣泉龍	受控公司之權益	5%
Jiang Quanlong	Interest of controlled corporation	5%

附註：

該等權益乃透過宜興新威集團有限公司持有。該中國企業由蔣泉龍先生擁有90%權益，餘下的10%權益由其子持有。蔣泉龍先生亦為該企業的法定代表人。

Note:

The equity interest is held by Yixing Xinwei Group Co., Ltd., a PRC domestic enterprise 90% owned by Mr. Jiang Quanlong, with the remaining 10% owned by his son. Mr. Jiang Quanlong is also the legal representative of the enterprise.

## 董事會報告

### DIRECTORS' REPORT

(c) YY Holdings Limited

(c) YY Holdings Limited

董事	權益性質／身份	已發行股份類別及數目	佔該公司已發行股本中 該股份類別的百分比 % in the class of shares in the issued share capital of the company
Director	Nature of interest/Capacity	Number and class of issued shares	
錢元英	信託之成立人	普通股份1股	100%
Qian Yuanying	Founder of a trust	1 ordinary share	100%
錢元英	信託之成立人	優先股份25,000股	100%
Qian Yuanying	Founder of a trust	25,000 preference shares	100%
蔣泉龍	受控公司之權益	普通股份1股	100%
Jiang Quanlong	Interest of controlled corporation	1 ordinary share	100%
蔣泉龍	受控公司之權益	優先股份25,000股	100%
Jiang Quanlong	Interest of controlled corporation	25,000 preference shares	100%

附註：

YY Holdings Limited的全部已發行股本由YY Trust的受託人YYT (PTC) Limited所持有，而其受益人為蔣泉龍先生的配偶錢元英女士及其子全資擁有的公司。按證券及期貨條例第XV部之定義錢元英女士為YY Trust的成立人。蔣泉龍先生及錢元英女士為YYT (PTC) Limited的董事。

Note:

The entire issued share capital of YY Holdings Limited is held by YYT (PTC) Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong, and her sons. Ms. Qian Yuanying is a founder of YY Trust within the meaning under Part XV of the SFO. Mr. Jiang Quanlong and Ms. Qian Yuanying are the directors of YYT (PTC) Limited.

除上述披露外，於二零一九年十二月三十一日，根據「證券及期貨條例」第352條所存置之登記冊內所載，概無本公司董事或主要行政人員或其緊密關聯人士於本公司及其相聯公司之股份、相關股份及債券持有或被視為持有任何權益或淡倉。

Save as disclosed above, as at 31 December 2019, none of the directors or chief executives of the Company and their respective close associates had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept under Section 352 of the SFO.

## 主要股東權益及淡倉

據董事會所知，於二零一九年十二月三十一日，本公司依據「證券及期貨條例」第336條而存置之登記冊內所載，除本公司董事及主要行政人員外，其他股東持有本公司的股份及相關股份的權益及淡倉如下：

1. 全部已發行股本由YYT (PTC) Limited所持有的公司YY Holdings Limited以實益擁有人身份持有本公司股份707,179,200股，約佔本公司已發行股份的30.20%。
2. YYT (PTC) Limited被視為持有其所擁有全部已發行股本的YY Holdings Limited所持有的本公司股份707,179,200股的權益。

除上述披露外，於二零一九年十二月三十一日，根據「證券及期貨條例」第336條所存置之登記冊內所載，除本公司董事或主要行政人員外，概無其他人士通知本公司於本公司之股份或相關股份持有任何權益或淡倉。

## 購股權計劃

由於先前於二零零四年六月四日採納的舊購股權計劃於二零一四年六月三日失效，本公司股東於二零一四年六月六日召開的股東週年大會批准採納現時生效的新購股權計劃（「新計劃」），旨在以提供獎勵鼓勵參與者向本集團作出貢獻。於截至二零一九年十二月三十一日止年度，無購股權按新計劃被授出、取消或失效。

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

So far as is known to the directors, as at 31 December 2019, the interests and short positions of shareholders, other than the directors or chief executives of the Company, in the shares and underlying shares of the Company as recorded in the register kept by the Company pursuant to Section 336 of the SFO were as follows:

1. YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited, was holding 707,179,200 shares of the Company in long position, representing approximately 30.20% of the issued share capital of the Company as beneficial owner.
2. YYT (PTC) Limited was deemed to be interested in long position in 707,179,200 shares of the Company held by YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited.

Save as disclosed above, no other party, other than the directors or chief executives of the Company, has notified the Company that he had any interest or short position in the shares or underlying shares of the Company as recorded in the register kept under Section 336 of the SFO as at 31 December 2019.

## SHARE OPTION SCHEME

At the Company's annual general meeting held on 6 June 2014, the shareholders of the Company approved the adoption of a new share option scheme currently in force (the "New Scheme") after the old share option scheme, which was previously adopted on 4 June 2004, lapsed on 3 June 2014 for the purpose of providing incentives to participants for their contribution to the Group. During the year ended 31 December 2019, there was no option granted, cancelled or lapsed under the New Scheme.

## 董事會報告

### DIRECTORS' REPORT

新計劃之主要條款如下：

1. 新計劃旨在使本集團能向曾對本集團作出貢獻的合資格參與者授出購股權作為獎勵或回報。
2. 合資格參與者包括本公司或其任何附屬公司或本集團任何成員公司持有任何股權之任何實體之任何僱員（不論全職或兼職，包括任何執行董事）、任何非執行董事、任何股東、任何供應商及任何客戶，以及對本集團的發展及成長作出貢獻的任何人士。
3. 按新計劃，可予發行的總股份數目為167,264,305股，約佔於新計劃採納日期時本公司已發行股本的10%。
4. 各參與者按新計劃在任何十二個月期間內可獲發行之股份數目不可超過本公司已發行股本之1%。
5. 授出購股權之可行使日期可由董事會釐定，但不可於要約日期十年後結束。
6. 任何授出購股權之要約可由參與者於要約日起二十一日內以付出代價1港元接納。
7. 行使價可由董事會釐定，但不可少於下列各項之最高者：
  - (i) 要約當日本公司股份於聯交所每日報價表所示之收市價；
  - (ii) 緊接要約當日前五個營業日本公司股份於聯交所每日報價表所示之平均收市價；及
  - (iii) 本公司股份面價。

The major terms of the New Scheme are as follows:

1. The purpose of the New Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group.
2. The eligible participants include any employee (whether full-time or part-time, including any executive director), any non-executive director, any shareholder, any supplier and any customer of the Company or any of its subsidiaries or any entity in which any member of the Group holds any equity interest, and any party having contributed to the development and growth of the Group.
3. Under the New Scheme, the total number of shares available for issue is 167,264,305 which represents approximately 10% of the issued share capital of the Company as at the date of adoption of the New Scheme.
4. The maximum entitlement of each participant under the Scheme in any 12-month period should not exceed 1% of the issued share capital of the Company.
5. The exercisable period of an option granted may be determined by the directors and should not end later than 10 years after the date of offer.
6. Any offer for the grant of an option may be accepted by the participant within 21 days from the date of offer with a consideration of HK\$1 paid.
7. The exercise price may be determined by the directors provided that it should not be less than the highest of:
  - (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of offer;
  - (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer; and
  - (iii) the nominal value of a share of the Company.

8. 新計劃自二零一四年六月六日，即新計劃被採納日起十年內有效。

除上述披露外，年內本公司或其附屬公司概無參與任何能夠使本公司之任何董事或主要行政人員或其配偶或未滿十八歲之子女藉購入本公司或任何其他法人團體之股份或債券而獲得利益之任何安排。

#### 董事於合約的權益

年內，本集團向蔣泉龍先生支付約813,000港元，作為使用其辦公室的租金費用。

除上述及於財務報表附註31披露外，於年結日或年內任何時間各董事概無於本公司或其任何附屬公司訂立與其業務有關的任何重大合約中擁有直接或間接的實際權益。

#### 董事於競爭業務的權益

年內，概無董事於與本集團之業務有直接或間接競爭或可能存在競爭之任何業務中擁有任何權益。

#### 獲准許彌償條文

年內，本公司按開曼群島公司法的允許，備有以本公司董事為受益人的彌償條文。獲准許彌償條文載於本公司組織章程細則以及為董事及高級行政人員購買的責任保險內，有關保險就董事可能面對任何訴訟而產生相關的潛在責任和費用而作出賠償。

8. The New Scheme is valid and effective for a period of 10 years from 6 June 2014, the date on which the Scheme was adopted.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement, which enables any of the directors or chief executives of the Company or their spouses or children under the age of 18 to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

#### DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Group paid approximately HK\$813,000 as rental expenses to Mr. Jiang Quanlong for the use of his office premises.

Save as disclosed above and in note 31 to the financial statements, no director had a beneficial interest, either direct or indirect, in any contract of significance to which the Company or any of its subsidiaries was a party at the year-end date or at any time during the year.

#### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the directors had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

#### PERMITTED INDEMNITY PROVISIONS

During the year, the Company has in force indemnity provisions as permitted under the Cayman Islands Companies Law for the benefit of the directors of the Company. The permitted indemnity provisions are provided for in the Company's Articles of Association and in the directors and officers liability insurance maintained in respect of potential liability and costs associated with any proceedings that may brought against the directors.



## 董事會報告

### DIRECTORS' REPORT

#### 管理合約

年內概無訂立或存在任何對本集團全部或重大部份之業務與管理及行政有關之合約。

#### 購買、出售或贖回本公司的上市證券

本集團於年內概無購買、出售或贖回任何本公司之上市證券。

#### 主要客戶及供應商

本集團主要客戶及供應商於年內所佔的銷售及採購百分比如下：

##### 銷售

– 最大客戶	13%
– 最大五名客戶合計	51%

##### 採購

– 最大供應商	42%
– 最大五名供應商合計	68%

據各董事所知，各董事、彼等的緊密聯繫人及擁有本公司5%以上已發行股本的任何股東概無於本集團最大五名客戶或供應商的股本中擁有任何權益。

#### 企業管治

本公司致力於發展及維持良好的企業管治常規以保障本公司股東利益，同時提高本公司價值、問責性及透明度。本公司採納的主要企業管治常規相關資料載於本年報第20頁至33頁的企業管治報告內。

#### MANAGEMENT CONTRACTS

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

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

There has been no purchase, sale or redemption of any of the Company's listed securities by the Group during the year.

#### MAJOR CUSTOMERS AND SUPPLIERS

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

##### Sales

– the largest customer	13%
– five largest customers combined	51%

##### Purchases

– the largest supplier	42%
– five largest suppliers combined	68%

None of the directors, their respective close associates or any shareholders who own more than 5% of the Company's issued share capital to the knowledge of the directors, have any interest in the share capital of any of the five largest customers or suppliers of the Group.

#### CORPORATE GOVERNANCE

The Company is committed to developing and maintaining robust corporate governance practices to safeguard the interests of its shareholders and to enhance corporate value, accountability and transparency of the Company. Information on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 20 to 33 of this annual report.

## 業務回顧

本集團業務的回顧及展望已於本年報第6頁至15頁的主席報告書中討論。

### 1. 主要風險及不明朗因素

業務環境持續改變而本集團面對的主要風險及不明朗因素亦與此相依。全球尤其是中國的經濟不穩，導致稀土產品及耐火材料產品市場供應及需求波動。此外，中國政府的態度及所推行的政策亦對市場有重大影響而致使價格、供應及需求變化不定。再者，高新技術的發展亦引發稀土的新應用及引伸對稀土的新需求。本集團將密切監察市場趨勢並制定適合的策略以應對方之轉變。

### 2. 關鍵財務表現指標

包括毛利率等的關鍵財務表現指標分析載於本年報第8頁至11頁的主席報告書中業務回顧一節內。

### 3. 環境政策及表現

本集團清楚理解環境保護對本集團持續及將來發展的重要性。本集團盡力在生產環境中減少污水、廢氣及噪音的排放。所有廢物的棄置及處理交由適當單位負責。本集團亦進行了一系列節能減排的改造以保持在同行中對環境保護的領導地位。年內，本集團並無知悉有不符環境保護法律法規的情況。

## BUSINESS REVIEW

A review and prospects of the business of the Group are discussed in the Chairman's Statement on pages 6 to 15 of this annual report.

### 1. Principal risks and uncertainties

Business environment changes continuously and the Group is facing significant risks and uncertainties associated to it. Instabilities in the global economy, especially in China, led to fluctuation in the market supply and demand of rare earth products and refractory materials products. In addition, the attitude and the policies implemented by the Chinese Government will have great impact on the markets and will fluctuate the prices, supply and demand. Moreover, the development of advanced technology will lead to new application of rare earth and it may also derive new demand for rare earth. The Group will closely monitor the market trends and derive appropriate strategies to cope with the changes ahead.

### 2. Key financial performance indicators

Analysis of key performance indicators including gross profit ratios are set out in the Business Review section of Chairman's Statement on pages 8 to 11 of this annual report.

### 3. Environmental policies and performance

The Group is fully aware of the importance of environment protection on the Group's sustainability and future development. The Group devotes to minimizing the release of water, air and sound pollutants to the production environments. All wastage are discharged and handled by appropriate entities. The Group had undergone a series of energy-savings and anti-pollution innovations to maintain its leadership status in environment protection among the peers in the industry. The Group did not aware of any non-compliance of the laws or regulations on environment protection during the year.

#### 4. 符合法律法規

本集團大部分的運作皆位於中國。故中國所有影響外商投資企業運作的法律法規，包括公司法、外資企業法及貨物進出口管理條例等均對本集團至為重要。此外，中國政府推行有關稀土行業的條例如「國務院關於促進稀土行業持續健康發展的若干意見」及「稀土行業准入條件」等亦對本集團運作構成重大影響。年內，本集團並無知悉有違反上述法律法規的情況。

#### 5. 與主要持份者的關係

本集團認為員工乃其成功之本。本集團為員工提供了完善的薪酬體系及福利待遇。為保持本集團的專業水準，本集團亦定期為在職員工提供培訓及進修機會。所有員工皆與本集團簽訂僱傭合約以受有關勞工法例所保障。

本集團於世界各地累積龐大的客戶群。本集團一直專注與客戶保持良好關係。每年，管理層及銷售團隊均會拜訪客戶，聆聽其需要，從而調整銷售策略。

本集團向不同的供應商採購不同的材料。本集團並不依賴單一供應商以避免集中風險。本集團維持了健康的採購制度，與供應商保持良好合作關係。

#### 4. Compliance with laws and regulations

Most of the Group's operations are situated in China and so all of those laws and regulations which can affect foreign invested enterprise's operation in China, including the Company Law, Law of Foreign-Capital Enterprises and Regulation on the Administration of the Import and Export of Goods are critical to the Group. In addition, those provisions implemented by the Chinese Government in relation to the rare earth industry such as "Several Opinions of the State Council on Promoting the Sustainable and Healthy Development of the Rare Earth Industry" and "Rare Earth Industry Access Conditions" also have significant influence on the Group's operation. The Group did not aware of any violations on the above laws and regulations during the year.

#### 5. Relationship with key stakeholders

The Group shares a view that its staff is critical to its success. The Group has provided a comprehensive staff remuneration and welfare system. It also provided regular training and study opportunities to employees to assist them in maintaining professional competence. All staff had entered into appropriate employment contract with the Group so as to be protected by relevant labour laws.

The Group accumulated a large number of customer bases all over the world. The Group has always focused on maintaining good customer relationship. Every year, the management and sales team visit customers and listen to their needs so as to adjust its sales strategy.

The Group sources different materials with different suppliers. The Group would not depend on a single supplier to avoid the concentration risk. The Group maintains a healthy procurement system and maintains good cooperation relationship with suppliers.

### 優先購股權

根據本公司之公司組織章程大綱及細則及開曼群島公司法，本公司並無對於發行新股設立任何優先購股權之規定。

### 足夠公眾持股量

根據本公司從公開途徑所得的資料及據董事會所知，本公司於年內一直維持聯交所證券上市規則所規定的足夠公眾持股量。

### 核數師

由二零一三年開始作為本公司核數師的國富浩華(香港)會計師事務所有限公司於二零一七年一月二十四日辭任，而天健德揚會計師事務所有限公司於同日獲委聘為本公司之核數師。

截至二零一九年十二月三十一日止年度的綜合財務表已經由天健德揚會計師事務所有限公司審核。

天健德揚會計師事務所有限公司將任滿告退，惟合資格並願意膺選連任。有關續聘天健德揚會計師事務所有限公司為本公司核數師的決議案將於本公司應屆股東週年大會上提呈。

承董事會命

錢元英

主席

香港，二零二零年三月三十日

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Memorandum and Articles of Association and the Cayman Islands Companies Law in relation to the issue of new shares by the Company.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained sufficient public float as required under the Rules Governing the Listing of Securities on the Stock Exchange during the year.

### AUDITOR

Crowe Horwath (HK) CPA Limited, who acted as the auditor of the Company since 2013, resigned on 24 January 2017 and Ascenda Cachet CPA Limited was appointed as auditor of the Company on the same day.

The consolidated financial statements for the year ended 31 December 2019 have been audited by Ascenda Cachet CPA Limited.

Ascenda Cachet CPA Limited will retire and, being eligible, offer itself for re-appointment. A resolution for the re-appointment of Ascenda Cachet CPA Limited will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Qian Yuanying

Chairman

Hong Kong, 30 March 2020

# 獨立核數師報告

## INDEPENDENT AUDITOR'S REPORT



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祥豐大廈13樓F室

### 獨立核數師報告

致中國稀土控股有限公司各股東

(於開曼群島註冊成立之有限公司)

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHINA RARE EARTH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

### 意見

吾等已審核第55至第167頁所載中國稀土控股有限公司(「貴公司」)及其附屬公司(下文統稱「貴集團」)之綜合財務報表，包括於二零一九年十二月三十一日之綜合財務狀況表及截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

### OPINION

We have audited the consolidated financial statements of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 55 to 167 which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

吾等認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實公平地反映 貴集團於二零一九年十二月三十一日之綜合財務狀況及截至該日止年度之綜合財務表現及綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

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



### 意見基礎

吾等根據香港會計師公會頒佈之香港審計準則（「香港審計準則」）進行審核。在該等準則下，吾等之責任在吾等之報告內「核數師就審計綜合財務報表承擔之責任」一節進一步闡述。根據香港會計師公會之「專業會計師道德守則」（「守則」），吾等獨立於貴集團，並已遵循守則履行其他道德責任。吾等相信，吾等所獲得之審核憑證能充足及適當地為吾等之審核意見提供基礎。

### 關鍵審計事項

根據吾等之專業判斷，關鍵審計事項為吾等審核於本期間之綜合財務報表中最重要之事項。吾等在審核綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。就下文各事項而言，有關吾等審核時處理此等事項的描述僅適用於此等情況。

吾等已履行本報告「核數師就審計綜合財務報表承擔之責任」一節闡述之責任，包括與該等關鍵審計事項相關之責任。相應地，吾等之審計工作包括執行為應對評估綜合財務報表重大錯誤陳述風險而設計之審計程序。吾等執行審計程序之結果，包括應對下述事項所執行之程序，為綜合財務報表發表審計意見提供基礎。

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

# 獨立核數師報告

## INDEPENDENT AUDITOR'S REPORT

### 貴集團存貨估值

#### Valuation of the Group's inventories

請參閱綜合財務報表附註2(h)及4(a)之董事披露有關會計政策、判斷及估計以及綜合財務報表附註22之進一步資料。

Refer to notes 2(h) and 4(a) to the consolidated financial statements for the directors' disclosures of the related accounting policies, judgements and estimates and note 22 to the consolidated financial statements for further information.

#### 關鍵審計事項

##### Key Audit Matter

於二零一九年十二月三十一日，貴集團存貨的賬面值約為256,243,000港元。

The carrying amount of the Group's inventories was approximately HK\$256,243,000 as at 31 December 2019.

管理層使用日常業務過程中之估計售價減估計完成之成本及進行銷售所需之估計成本釐定存貨之可變現淨值，當中涉及重大估計及假設。

Management determined the net realisable value of the inventories by using the estimated selling prices in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, which involved significant estimates and assumptions.

釐定撇減基準屬重大判斷，乃根據過往存貨虧損經驗及預期日後售價而作出。

The determination of the basis of write down is a significant judgement based on historical experience of stock losses and expected future sales prices.

貴集團於二零一九年十二月三十一日進行存貨審查，並於截至二零一九年十二月三十一日止年度撥備約19,375,000港元，以將存貨撇減至彼等的可變現淨值。貴集團亦於截至二零一九年十二月三十一日止年度就過往年度已撇減存貨撥回撥備約1,955,000港元。

The Group carried out the inventory review as at 31 December 2019 and provided allowances of approximately HK\$19,375,000 to write down inventories to their net realisable value during the year ended 31 December 2019. The Group also reversed allowances of approximately HK\$1,955,000 for previous years' write down of inventories during the year ended 31 December 2019.

根據管理層所釐定存貨之可變現淨值，管理層認為於二零一九年十二月三十一日貴集團之存貨估值屬恰當。

Based on the management's determination of the net realisable value of the inventories, the management concluded that the valuation of the Group's inventories was appropriate as at 31 December 2019.

#### 於審計中處理關鍵審計事項之方法

##### How our audit addressed the Key Audit Matter

吾等就管理層對貴集團存貨之賬面值評估進行之程序包括（其中包括）以下各項：

Our procedures in relation to management's assessment of the carrying amount of the Group's inventories included, among others, the followings:

- 了解管理層估計存貨可變現淨值的方法，及評估管理層過往對撥備估計的準確性；
- Obtaining an understanding of how management estimated the net realisable value of inventories and evaluating the historical accuracy of the allowance estimation by management;
- 與管理層討論及評估管理層估計其後售價、完成之成本及進行銷售所需之成本所採用的基準；
- Discussing with management and assessing the basis of the management's estimation of subsequent selling prices, costs of completion and costs necessary to make the sale;
- 評估計算存貨可變現淨值所使用的方法及假設；及重新計算存貨撇減或撇銷撥備及撥備撥回金額；
- Assessing the methodology and assumptions used in the calculation of the net realisable value of the inventories; and recalculating the allowance and reversal of allowances for write down or write off of inventories;
- 抽查存貨於年結後的售價、完成之成本及進行銷售所需之成本的準確性及相關性；及
- Checking, on a sample basis, the accuracy and relevance of the selling prices of the inventories subsequent to year-end, the costs of completion and the costs necessary to make the sale; and
- 評估倘若於二零一九年十二月三十一日的估計可變現淨值低於成本的撥備是否足夠。
- Assessing the sufficiency of allowances where the estimated net realisable value was lower than the cost as at 31 December 2019.

**貴集團應收賬款的減值**

**Impairment of the Group's trade receivables**

請參閱綜合財務報表附註2(g)(i)、2(j)及4(a)之董事披露有關會計政策、判斷及估計以及綜合財務報表附註23及35(a)之進一步資料。

Refer to notes 2(g)(i), 2(j) and 4(a) to the consolidated financial statements for the directors' disclosures of the related accounting policies, judgements and estimates and notes 23 and 35(a) to the consolidated financial statements for further information.

**關鍵審計事項**

**Key Audit Matter**

於二零一九年十二月三十一日，貴集團應收賬款的賬面值約為261,933,000港元，扣除減值虧損約30,260,000港元。The carrying amount of the Group's trade receivables was approximately HK\$261,933,000 as at 31 December 2019, net of impairment losses of approximately HK\$30,260,000.

根據預期信貸虧損（「預期信貸虧損」）模式評估應收賬款之減值需要管理層應用重大判斷及估計。應收賬款之預期信貸虧損乃對擁有信貸減值之債務人單獨進行評估，並使用撥備矩陣進行集體評估。

The assessment of impairment of trade receivables under the expected credit loss ("ECL") model requires the application of significant judgement and estimates by management. The ECL on trade receivables are assessed individually for debtors which are credit impaired and collectively using a provision matrix.

**於審計中處理關鍵審計事項之方法**

**How our audit addressed the Key Audit Matter**

吾等就管理層對貴集團應收賬款之減值評估進行之程序包括（其中包括）以下各項：

Our procedures in relation to management's impairment assessment on the Group's trade receivables included, among others, the followings:

- 了解及測試貴集團根據預期信貸虧損模式對信貸監控、收債及減值評估之關鍵控制之設計、實施及營運之成效；
- Understanding and testing the design, implementation and operating effectiveness of the Group's key controls over credit control, debt collection and impairment assessment under the ECL model;
- 測試管理層於制定撥備矩陣時所使用之資料，包括應收賬款之賬齡分析，方法為以抽查方式將分析中個別項目與相關銷售發票進行比較；
- Testing the information used by management to develop the provision matrix including ageing analysis of trade receivables, on a sample basis, by comparing individual items in the analysis with the relevant sales invoices;

### 貴集團應收賬款的減值 (續)

#### Impairment of the Group's trade receivables (Continued)

##### 關鍵審計事項

##### Key Audit Matter

貴集團根據預期信貸虧損模式對於二零一九年十二月三十一日之應收賬款進行減值評估。於截至二零一九年十二月三十一日止年度，貴集團撥回應收賬款之減值虧損淨額約2,601,000港元。

The Group performed the impairment assessment on trade receivables under the ECL model as at 31 December 2019. The Group reversed net impairment loss on trade receivables amounting to approximately HK\$2,601,000 during the year ended 31 December 2019.

根據管理層對預期信貸虧損模式下應收賬款之減值評估，管理層得出結論認為於二零一九年十二月三十一日之應收賬款減值虧損屬足夠。

Based on the management's assessment on the impairment of trade receivables under the ECL model, the management concluded that the impairment loss on trade receivables was adequate as at 31 December 2019.

##### 於審計中處理關鍵審計事項之方法

##### How our audit addressed the Key Audit Matter

- 通過檢查管理層所使用之資料，包括審閱管理層對信貸減值應收賬款之識別、測試過往違約數據之準確性、評估過往虧損率是否根據現行經濟狀況及前瞻性資料進行合適調整及檢查本年度所記錄之實際減值虧損，以評估管理層於釐定二零一九年十二月三十一日應收賬款之減值虧損時所作出判斷及估計之合理性；及
- Assessing the reasonableness of management's judgement and estimates in determining impairment loss on trade receivables as at 31 December 2019 by examining the information used by management, including review of management's identification of trade receivables with credit impaired, testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information, and examining the actual impairment losses recorded during the current year; and
- 就於二零一九年十二月三十一日的應收賬款結餘抽樣檢查於財政年度完結後來自客戶之現金收入。
- Checking cash receipts from customers after the financial year end relating to the trade receivables balance as at 31 December 2019, on a sample basis.

### 其他資料

貴公司董事為其他資料負責。其他資料包括年報所載資料，惟不包括綜合財務報表及吾等就此發出之核數師報告。

吾等對綜合財務報表表達之意見並不涵蓋其他資料，吾等亦不會就此表達任何形式之保證結論。

就吾等對綜合財務報表進行之審計工作而言，吾等負責審閱其他資料，並考慮其他資料是否與綜合財務報表或吾等從審計工作所獲得資料之間出現重大不相符情況，又或在其他方面出現重大錯誤陳述。倘吾等基於所進行工作而得出其他資料有重大錯誤陳述之結論，則吾等須匯報有關情況。就此，吾等並無須匯報之事宜。

### 董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露要求，編製真實公平地反映情況之綜合財務報表，及董事釐定對編製綜合財務報表屬必要之有關內部監控，以使該等綜合財務報表不會存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，貴公司董事負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事宜，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際替代方案。

貴公司董事於審核委員會的協助下，履行監管貴集團財務申報程序的責任。

### 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 THE DIRECTORS 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.



## 獨立核數師報告

### INDEPENDENT AUDITOR'S REPORT

#### 核數師就審計綜合財務報表須承擔之責任

吾等之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之重大錯誤陳述取得合理保證，並出具載有吾等意見之核數師報告。吾等乃根據委聘之協定條款僅向全體股東報告，不作其他用途。吾等並不就本報告之內容對任何其他人士負責或承擔責任。

合理核證屬高層次之核證，惟根據香港審計準則進行之審核工作不能保證總能察覺所存在之重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出之經濟決定時，則被視為重大錯誤陳述。

在根據香港審計準則進行審計之過程中，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及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之風險、設計及執行審計程序以應對該等風險，以及獲取充足和適當之審計憑證，作為吾等意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控之情況，因此未能發現因欺詐而導致之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審計相關之內部監控，以設計適當之審計程序，惟並非旨在對貴集團內部監控之有效性發表意見。
- 評估董事所採用會計政策之恰當性及作出會計估計和相關披露之合理性。

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism throughout the audit. We also:

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

- 對董事採用持續經營會計基礎之恰當性作出結論，並根據所獲取之審計憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對 貴集團之持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提醒使用者注意綜合財務報表中之相關披露。倘有關披露不足，則修訂吾等意見。吾等結論乃基於截至核數師報告日期止所取得之審計憑證。然而，未來事項或情況可能導致 貴集團無法持續經營。
- 評估綜合財務報表之整體呈報方式、結構及內容，包括披露資料，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之財務資料獲取充足及適當之審計憑證，以便對綜合財務報表發表意見。吾等負責集團審計之方向、監督和執行。吾等為審核意見承擔全部責任。
- 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.

吾等與審核委員會就(其中包括)審計之計劃範圍、時間安排及重大審計發現溝通，該等發現包括吾等在審計過程中識別之內部監控之任何重大缺失。

吾等亦向審核委員會作出聲明，指出吾等已符合有關獨立性之相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性之所有關係及其他事宜，以及相關防範措施(如適用)。

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

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

## 獨立核數師報告

### INDEPENDENT AUDITOR'S REPORT

從與審核委員會溝通之事項中，吾等釐定對本期間綜合財務報表之審計最為重要的事項，因而構成關鍵審計事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見之情況下，倘合理預期在吾等報告中溝通某事項造成之負面後果超出產生之公眾利益，則吾等決定不應在報告中傳達該事項。

出具獨立核數師報告之審計項目董事為黎永業。

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

The engagement director on the audit resulting in this independent auditor's report is Lai Wing Ip.

天健德揚會計師事務所有限公司

執業會計師

香港，二零二零年三月三十日

黎永業

執業證書編號 P07296

**Ascenda Cachet CPA Limited**

*Certified Public Accountants*

Hong Kong, 30 March 2020

**Lai Wing Ip**

Practising Certificate Number P07296

# 綜合損益表

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

			二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
		附註 Note		
收入	<b>Revenue</b>	5	<b>1,018,535</b>	902,095
銷售成本	Cost of sales		<b>(941,427)</b>	(841,667)
<b>毛利</b>	<b>Gross profit</b>		<b>77,108</b>	60,428
其他收入	Other income	6	<b>5,331</b>	16,398
銷售及分銷費用	Selling and distribution expenses		<b>(11,170)</b>	(13,214)
管理費用	Administrative expenses		<b>(42,621)</b>	(52,150)
出售附屬公司之收益	Gain on disposal of a subsidiary	32	–	1,925
其他經營費用	Other operating expenses	7(a)	–	(8,647)
其他收益／(虧損)淨值	Other net gain/(loss)	7(b)	<b>12,848</b>	(3,819)
<b>經營業務溢利</b>	<b>Profit from operations</b>		<b>41,496</b>	921
財務成本	Finance costs	8(a)	<b>(588)</b>	–
<b>除稅前溢利</b>	<b>Profit before taxation</b>	8	<b>40,908</b>	921
所得稅支出	Income tax charge	9	<b>(1,321)</b>	(8,297)
<b>本年度溢利／(虧損)</b>	<b>Profit/(loss) for the year</b>		<b>39,587</b>	(7,376)
下列人士應佔本年度 溢利／(虧損)：	<b>Profit/(loss) for the year attributable to:</b>			
本公司擁有人	Owners of the Company		<b>38,885</b>	(5,424)
非控股權益	Non-controlling interests		<b>702</b>	(1,952)
			<b>39,587</b>	(7,376)
<b>每股盈利／(虧損)</b>	<b>Earnings/(loss) per share</b>			
— 基本及攤薄	— Basic and diluted	14	<b>HK1.66 cents</b> 港仙	HK(0.23) cents港仙

第62頁至167頁之附註構成財務報表其中一部份。

The notes on pages 62 to 167 form part of these financial statements.

# 綜合損益及其他全面收益表

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

		二零一九年 <b>2019</b> 千港元 <b>HK\$'000</b>	二零一八年 <b>2018</b> 千港元 <b>HK\$'000</b>
	附註 Note		
本年度溢利／(虧損)	<b>Profit/(loss) for the year</b>	<b>39,587</b>	(7,376)
本年度其他全面虧損 (扣除零稅項及重分類調整)	<b>Other comprehensive loss for the year (net of nil tax and reclassification adjustments)</b>		
可於其後重分類至損益賬的項目：	<i>Items that may be reclassified subsequently to profit or loss:</i>		
– 換算海外業務財務報表之 匯兌差額	– Exchange differences on translation of financial statements of foreign operations	<b>(56,660)</b>	(120,903)
– 出售附屬公司權益時匯兌 儲備轉出	– Release of translation reserve upon disposal of interest in a subsidiary	32 –	(1,493)
		<b>(56,660)</b>	(122,396)
本年度全面虧損總值	<b>Total comprehensive loss for the year</b>	<b>(17,073)</b>	(129,772)
下列人士應佔本年度全面 虧損總值：	<b>Total comprehensive loss for the year attributable to:</b>		
本公司擁有人	Owners of the Company	<b>(17,646)</b>	(127,502)
非控股權益	Non-controlling interests	<b>573</b>	(2,270)
		<b>(17,073)</b>	(129,772)

第62頁至167頁之附註構成財務報表其中一部份。

The notes on pages 62 to 167 form part of these financial statements.



# 綜合財務狀況表

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一九年十二月三十一日 As at 31 December 2019

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
		附註 Note	
<b>非流動資產</b>	<b>Non-current assets</b>		
商譽	Goodwill	16	–
物業、廠房及設備	Property, plant and equipment	17	182,158
使用權資產	Right-of-use assets	18	–
經營租約下預付土地租金	Prepaid lease payments on land under operating leases	19	98,476
其他非流動資產	Other non-current asset	21	17,307
遞延稅項資產	Deferred tax assets	27(b)	–
			<b>267,282</b>
<b>流動資產</b>	<b>Current assets</b>		
經營租約下預付土地租金	Prepaid lease payments on land under operating leases	19	3,107
存貨	Inventories	22	153,530
應收賬款及其他應收款	Trade and other receivables	23	464,479
預付款項及按金	Prepayments and deposits	23	184,155
可收回稅項	Tax recoverable	27(a)	753
現金及現金等值項目	Cash and cash equivalents	24	1,666,292
			<b>2,472,316</b>
<b>流動負債</b>	<b>Current liabilities</b>		
應付賬款	Trade payables	25	78,894
應計款項及其他應付款	Accruals and other payables	25	63,458
應付董事款項	Amounts due to directors	26	2,580
租賃負債	Lease liabilities	28	–
應付稅項	Tax payable	27(a)	6,643
			<b>151,575</b>
<b>流動資產淨值</b>	<b>Net current assets</b>		<b>2,320,741</b>
<b>資產總值減流動負債</b>	<b>Total assets less current liabilities</b>		<b>2,618,682</b>
<b>非流動負債</b>	<b>Non-current liabilities</b>		
租賃負債	Lease liabilities	28	–
<b>資產淨值</b>	<b>NET ASSETS</b>		<b>2,618,682</b>

## 綜合財務狀況表

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一九年十二月三十一日 As at 31 December 2019

		附註 Note	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
<b>資本及儲備</b>	<b>CAPITAL AND RESERVES</b>	29		
股本	Share capital		234,170	234,170
儲備	Reserves		2,361,275	2,378,921
<b>本公司擁有人應佔權益</b>	<b>Equity attributable to owners of the Company</b>		<b>2,595,445</b>	2,613,091
<b>非控股權益</b>	<b>Non-controlling interests</b>		<b>6,164</b>	5,591
<b>權益總值</b>	<b>TOTAL EQUITY</b>		<b>2,601,609</b>	2,618,682

第55頁至第167頁之綜合財務報表經由董事會於二零二零年三月三十日批准及授權刊發，並由以下人士代表簽署：

The consolidated financial statements on pages 55 to 167 were approved and authorised for issue by the board of directors on 30 March 2020, and are signed on its behalf by:

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蔣泉龍  
董事

錢元英  
董事

Jiang Quanlong  
Director

Qian Yuanying  
Director

第62頁至167頁之附註構成財務報表其中一部份。

The notes on pages 62 to 167 form part of these financial statements.

# 綜合權益變動表

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

		本公司擁有人應佔權益 Attributable to owners of the Company								
		股本	股份溢價	資本儲備	法定儲備	匯兌儲備	累計虧損	小計	非控股權益	總值
		Share capital	Share premium	Capital reserve	Statutory reserves	Translation reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零一八年一月一日	<b>At 1 January 2018</b>	234,170	2,093,306	22,348	251,948	415,364	(276,543)	2,740,593	7,861	2,748,454
於二零一八年之權益變動：	<i>Changes in equity for 2018:</i>									
本年度虧損	Loss for the year	-	-	-	-	-	(5,424)	(5,424)	(1,952)	(7,376)
其他全面虧損，扣除零稅項及重分類調整	<b>Other comprehensive loss, net of nil tax and reclassification adjustments</b>									
– 換算海外業務財務報表之匯兌差異	– Exchange differences on translation of financial statements of foreign operations	-	-	-	-	(120,585)	-	(120,585)	(318)	(120,903)
– 出售附屬公司權益時匯兌儲備轉出	– Release of translation reserve upon disposal of interest in a subsidiary	-	-	-	-	(1,493)	-	(1,493)	-	(1,493)
<b>本年度全面虧損總值</b>	<b>Total comprehensive loss for the year</b>	-	-	-	-	(122,078)	(5,424)	(127,502)	(2,270)	(129,772)
出售附屬公司權益時儲備轉出	Release of reserves upon disposal of a subsidiary	-	-	-	(2,870)	-	2,870	-	-	-
於二零一八年十二月三十一日	<b>At 31 December 2018</b>	234,170	2,093,306	22,348	249,078	293,286	(279,097)	2,613,091	5,591	2,618,682
於二零一九年一月一日	<b>At 1 January 2019</b>	234,170	2,093,306	22,348	249,078	293,286	(279,097)	2,613,091	5,591	2,618,682
於二零一九年之權益變動：	<i>Changes in equity for 2019:</i>									
本年度溢利	Profit for the year	-	-	-	-	-	38,885	38,885	702	39,587
其他全面虧損，扣除零稅項及重分類調整	<b>Other comprehensive loss, net of nil tax and reclassification adjustments</b>									
– 換算海外業務財務報表之匯兌差異	– Exchange differences on translation of financial statements of foreign operations	-	-	-	-	(56,531)	-	(56,531)	(129)	(56,660)
<b>本年度全面(虧損)/收益總值</b>	<b>Total comprehensive (loss)/ income for the year</b>	-	-	-	-	(56,531)	38,885	(17,646)	573	(17,073)
於二零一九年十二月三十一日	<b>At 31 December 2019</b>	234,170	2,093,306	22,348	249,078	236,755	(240,212)	2,595,445	6,164	2,601,609

第62頁至167頁之附註構成財務報表其中一部份。

The notes on pages 62 to 167 form part of these financial statements.

# 綜合現金流量表

## CONSOLIDATED STATEMENT OF CASH FLOWS

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

			二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
		附註 Note		
<b>經營活動</b>	<b>Operating activities</b>			
除稅前溢利	Profit before taxation		<b>40,908</b>	921
調整項目：	Adjustments for:			
財務成本	Finance costs	8(a)	<b>588</b>	–
利息收入	Interest income	6	<b>(5,331)</b>	(4,717)
經營租約下預付土地 租金之攤銷	Amortisation of prepaid lease payments on land under operating leases	8(c)	–	3,553
物業、廠房及設備 之折舊	Depreciation of property, plant and equipment	8(c)	<b>32,214</b>	41,799
使用權資產之折舊	Depreciation of right-of-use assets	8(c)	<b>4,305</b>	–
出售物業、廠房及設備 之(收益)/虧損	(Gain)/loss on disposals of property, plant and equipment	7(b)	<b>(11,009)</b>	96
出售附屬公司之收益	Gain on disposal of a subsidiary	32	–	(1,925)
撥回應收賬款之減值虧損 淨額	Net impairment losses reversed on trade receivables	7(b)	<b>(2,601)</b>	(823)
確認/(撥回)其他應收款 之減值虧損淨額	Net impairment losses recognised/(reversed) on other receivables	7(b)	<b>66</b>	(5)
存貨撇除	Write down of inventories	22(b)	<b>19,375</b>	20,753
存貨撇除撥回	Reversal of write down of inventories	22(b)	<b>(1,955)</b>	(1,622)
			<b>76,560</b>	58,030
<b>營運資金變動</b>	<b>Changes in working capital</b>			
存貨增加	Increase in inventories		<b>(124,665)</b>	(10,434)
應收賬款及其他應收款 減少/(增加)	Decrease/(increase) in trade and other receivables		<b>160,630</b>	(155,529)
預付款項及按金 (增加)/減少	(Increase)/decrease in prepayments and deposits		<b>(238,267)</b>	135,526
應付賬款(減少)/增加	(Decrease)/increase in trade payables		<b>(2,419)</b>	2,967
應計款項及其他應付款 (減少)/增加	(Decrease)/increase in accruals and other payables		<b>(21,030)</b>	36,755
應付董事款項增加/ (減少)	Increase/(decrease) in amounts due to directors		<b>345</b>	(1,062)
<b>經營(使用)/所得的現金</b>	<b>Cash (used in)/generated from operations</b>		<b>(148,846)</b>	66,253
已付所得稅	Income tax paid	27(a)	<b>(7,917)</b>	(7,972)
<b>經營活動(使用)/ 所得的現金淨值</b>	<b>Net cash (used in)/generated from operating activities</b>		<b>(156,763)</b>	58,281

# 綜合現金流量表

## CONSOLIDATED STATEMENT OF CASH FLOWS

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

			二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
	附註 Note			
<b>投資活動</b>		<b>Investing activities</b>		
購置物業、廠房及設備		Purchase of property, plant and equipment	(21,951)	(19,520)
出售物業、廠房及設備之所得款項		Proceed from disposals of property, plant and equipment	4,133	60
已收中國政府機關之現金賠償	21	Cash compensation received from PRC government authority	17,115	-
出售附屬公司之現金流入淨額	32	Net cash inflows from disposal of a subsidiary	-	31,568
已收利息		Interest received	5,331	4,717
<b>投資活動所得的現金淨值</b>		<b>Net cash generated from investing activities</b>	<b>4,628</b>	<b>16,825</b>
<b>融資活動</b>		<b>Financing activities</b>		
已付租賃租金之資本部份		Capital element of lease rentals paid	(1,121)	-
已付租賃租金之利息部份		Interest element of lease rentals paid	(257)	-
已付利息		Interests paid	(331)	-
<b>融資活動使用的現金淨值</b>		<b>Net cash used in financing activities</b>	<b>(1,709)</b>	<b>-</b>
<b>現金及現金等值項目(減少)/增加淨值</b>		<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(153,844)</b>	<b>75,106</b>
<b>年初現金及現金等值項目</b>		<b>Cash and cash equivalents at beginning of the year</b>	<b>1,666,292</b>	<b>1,665,102</b>
<b>匯率變動之影響</b>		<b>Effect of changes in exchange rate</b>	<b>(33,495)</b>	<b>(73,916)</b>
<b>年末現金及現金等值項目</b>	24	<b>Cash and cash equivalents at end of the year</b>	<b>1,478,953</b>	<b>1,666,292</b>

第62頁至167頁之附註構成財務報表其中一部份。

The notes on pages 62 to 167 form part of these financial statements.



# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

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

### 1. 一般資料

中國稀土控股有限公司（「本公司」）於開曼群島註冊成立為一間獲豁免的有限責任公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要營業地點於本年報「公司資料」一節中披露。

本公司之直接母公司及最終控股人士為YY Holdings Limited（「YY Holdings」），該公司於英屬處女群島註冊成立。YY Holdings並無編製可供公眾人士使用之財務報表。

本公司及其附屬公司（統稱為「本集團」）從事製造及銷售稀土產品及耐火產品以及投資控股。

本綜合財務報表以港元（「港元」）列示，即本公司及其於香港經營之附屬公司之功能貨幣，而本公司於中華人民共和國（「中國」）成立之附屬公司之功能貨幣為人民幣（「人民幣」）。本公司董事認為，就控制及監察本集團業績及財務狀況以及向YY Holdings（其功能貨幣亦為港元）報告而言，以港元列示綜合財務報表更為得宜。

### 1. GENERAL

China Rare Earth Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the Company's registered office and principal place of business are disclosed in the "Corporate information" section of this annual report.

The immediate parent and the ultimate controlling party of the Company is YY Holdings Limited ("YY Holdings"), which was incorporated in the British Virgin Islands. YY Holdings does not produce financial statements available for public use.

The Company and its subsidiaries (collectively referred to as the "Group") are engaged in manufacturing and sales of rare earth products and refractory products, and investment holding.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the functional currency of the Company and its subsidiaries operating in Hong Kong, while the functional currency of the Company's subsidiaries established in the People's Republic of China (the "PRC") is Renminbi ("RMB"). The directors of the Company consider that presenting the consolidated financial statements in Hong Kong dollars is preferable when controlling and monitoring the performance and financial position of the Group and in reporting to YY Holdings whose functional currency is also Hong Kong dollars.

**2. 主要會計政策****a) 遵守聲明**

此等綜合財務報表是按照所有適用香港財務報告準則（「香港財務報告準則」），該統稱包括所有由香港會計師公會（「香港會計師公會」）頒佈的個別適用的《香港財務報告準則》、《香港會計準則》（「香港會計準則」）及詮釋以及香港公認會計原則及香港公司條例（「公司條例」）之適用披露規定而編製。此等綜合財務報表亦符合聯交所證券上市規則（「上市規則」）之適用披露規定。本集團採納之主要會計政策披露於下文。

香港會計師公會已頒佈若干新訂及經修訂之香港財務報告準則，有關準則自本集團之本會計期間初次生效或可供提前採用。有關初步應用該等準則導致會計政策任何變動之資料載於附註3內，惟以該等準則於此等綜合財務報表所反映之現有及過往會計期間與本集團有關者為限。

**b) 財務報表編製基準**

截至二零一九年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司。

除若干金融工具於下文會計政策所闡述按公平值計量外，編製綜合財務報表所採用之計量基準為歷史成本法。

**2. SIGNIFICANT ACCOUNTING POLICIES****a) Statement of compliance**

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

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

**b) Basis of preparation of the financial statements**

The consolidated financial statements for the year ended 31 December 2019 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis, except for certain financial instruments, which are stated at their fair value as explained in the accounting policies set out below.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 2. 主要會計政策(續)

##### b) 財務報表編製基準(續)

編製此等符合香港財務報告準則之財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策之應用及所申報之資產、負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成管理層就目前未能從其他來源而得出的資產及負債之賬面值所作出估計之基準。實際數字或會有別於估計數字。

本集團持續就所作估計及相關假設作出評估。會計估計之變動如僅影響當期，則有關會計估計變動將於當期確認，或如有關變動影響現行及未來期間，則在變動期間及未來期間確認。

管理層在應用香港財務報告準則時所作出並對綜合財務報表有重大影響之判斷，以及估計不確定因素之主要來源，詳述於附註4。

##### c) 附屬公司及非控股權益

附屬公司為本集團控制的實體。當本集團具有承擔或享有參與實體所得的可變回報的風險或權利，並能透過其在該實體的權力影響該等回報，即屬對該實體具有控制權。當評估本集團是否具有該權力時，只會考慮(由本集團或其他人士持有的)實質權利。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### b) Basis of preparation of the financial statements (Continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. 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.

Judgements made by management in the application of HKFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 4.

##### c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

## 2. 主要會計政策(續)

## c) 附屬公司及非控股權益(續)

於附屬公司之投資會自控制開始日期起合併入賬綜合財務報表內，直至控制結束日期為止。集團內公司間之結餘、交易及現金流量和集團內公司間之交易所產生之任何未變現溢利於編製綜合財務報表時悉數抵銷。倘並無出現減值跡象，集團內公司間之交易所產生之未變現虧損則按照未變現收益之相同方式抵銷。

非控股權益指並非由本公司直接或間接擁有之附屬公司權益，而本集團未有就此與該權益持有人達成任何附加協議，致令本集團整體上對該等權益產生符合財務負債定義之合約責任。就每項業務合併而言，本集團可選擇按附屬公司之可辨識資產淨值之公平值或所佔附屬公司可辨識資產淨值之比例計量任何非控股權益。

非控股權益會在綜合財務狀況表之權益項目中，與本公司擁有人之應佔權益分開呈報。而非控股權益所佔集團業績之權益則會在綜合損益表及綜合損益及其他全面收益表中列作為本公司非控股權益與本公司擁有人之間的年內損益總額及全面收益總額分配。非控股權益持有人之貸款及該等持有人的其他合約責任根據附註2(k)或2(l)於綜合財務狀況表內呈列為金融負債，視乎負債性質而定。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## c) Subsidiaries and non-controlling interests (Continued)

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and owners of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(k) or 2(l) depending on the nature of the liability.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 2. 主要會計政策(續)

##### c) 附屬公司及非控股權益(續)

當集團失去對附屬公司的控制權時，則計為出售該附屬公司全部權益，因此而產生的收益或虧損於損益確認。失去控制權當日於該前附屬公司留存的任何權益按公平值確認，有關金額視為初步確認金融資產時的公平值或(倘適用)初步確認於聯營公司或合營企業投資的成本。

在本公司之財務狀況表內，於附屬公司之投資按成本值減去任何減值虧損(見附註2(g)(ii))列賬。

##### d) 商譽

業務收購所產生之商譽乃按於業務收購之日所確定之成本值減累計減值虧損(如有)列賬。

就進行減值測試而言，商譽會分配至預期可透過合併之協同效益獲利之本集團各現金產生單位(或現金產生單位組別)，表示為內部管理目的而監察商譽之最低級別且不大於經營分部。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### c) Subsidiaries and non-controlling interests (Continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less any impairment losses (see note 2(g)(ii)).

##### d) Goodwill

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

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



## 2. 主要會計政策(續)

### d) 商譽(續)

獲分配商譽之現金產生單位(或現金產生單位組別)會每年作減值測試,或於有跡象顯示該單位可能出現減值時,作更頻密減值測試。就於某個報告期之收購所產生之商譽而言,已獲分配商譽之現金產生單位(或現金產生單位組別)於該報告期末之前進行減值測試。當可收回金額低於賬面值,減值虧損首先分配以減低任何商譽之賬面值,繼而根據現金產生單位(或現金產生單位組別)內各資產之賬面值,按比例分配至其他資產。

於出售相關現金產生單位或現金產生單位組別內任何現金產生單位之任何應佔商譽金額均包括於出售時所釐定之損益金額內。當本集團出售現金產生單位(或現金產生單位組別中的現金產生單位)內的業務時,所出售商譽金額按所出售業務(或現金產生單位)與所保留現金產生單位(或現金產生單位組別)部分的相對價值計量。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### d) Goodwill (Continued)

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

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

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#### 2. 主要會計政策(續)

##### e) 物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本值減累計折舊及任何累計減值虧損入賬(見附註2(g)(ii))。

自行興建之物業、廠房及設備之成本，包括材料成本、直接工資、初步估計之拆卸及搬遷項目以及恢復項目所在地原貌之成本(如適用)，以及適當比例之其他成本及貸款成本(見附註2(s))。

報廢或出售物業、廠房及設備項目所產生之收益或虧損，乃以出售所得款項淨額與項目賬面值之差異釐定，並於報廢或出售日期於損益確認。

物業、廠房及設備項目之折舊乃使用直線法按其如下估計可使用年期撇銷其成本值減估計剩餘價值(如有)：

– 持作自用之樓宇	20年
– 機器及設備	10年
– 辦公室設備及裝置	5年
– 汽車	5年

當一項物業、廠房及設備之各部份有不同的可使用年期，此項目各部份之成本值將按合理基礎分配，而每部份將作個別折舊。資產之可使用年期及其剩餘價值(如有)會每年進行檢討。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### e) Property, plant and equipment

Property, plant and equipment, other than construction-in-progress, are stated at cost less accumulated depreciation and any accumulated impairment losses (see note 2(g)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(s)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Buildings held for own use	20 years
– Machinery and equipment	10 years
– Office equipment and fixtures	5 years
– Motor vehicles	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

## 2. 主要會計政策(續)

## e) 物業、廠房及設備(續)

在建工程指興建中和有待安裝的物業、廠房及設備，按成本值減累計減值虧損(如有)列賬(見附註2(g)(ii))。成本包括樓宇建築成本、機器及設備成本以及在興建或安裝及測試期間為收購該等資產融資貸款所產生的利息費用。在建工程截至相關資產建設完成且可作擬定用途前不會計提折舊。有關資產可作擬定用途時，該等成本會撥歸其他物業、廠房及設備類別，並按上文所載的政策折舊。

## f) 租賃資產

訂立合約時，本集團評估合約是否為租賃或包含租賃。如果合約轉達了一段時間以控制對已識別資產的使用的權利換取代價，則合約為租賃或包含租賃。當客戶有權主導該項已識別資產的使用，且從使用中獲取幾乎所有的經濟利益時，控制權被轉移。

*作為承租人*

## (A) 自二零一九年一月一日起適用的政策

倘合約包含租賃組成部分及非租賃組成部分，本集團已選擇不拆分非租賃組成部分，並對每個租賃組成部分和任何相關的非租賃組成部分作為一項單一的租賃進行會計處理。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## e) Property, plant and equipment (Continued)

Construction-in-progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses (see note 2(g)(ii)), if any. Cost includes the costs of construction of buildings, the costs of machinery and equipment and interest charges arising from borrowings used to finance the acquisition of these assets during the period of construction or installation and testing. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and are available for their intended use. When the assets concerned are ready for intended use, the costs are transferred to other categories of property, plant and equipment and depreciated in accordance with the policy as stated above.

## f) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

*As a lessee*

## (A) Policy applicable from 1 January 2019

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

## 財務報表附註

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#### 2. 主要會計政策(續)

##### f) 租賃資產(續)

作為承租人(續)

##### (A) 自二零一九年一月一日起適用的政策(續)

於租賃開始日，本集團確認使用權資產和租賃負債，但租賃期為12個月或以下的短期租賃和低價值資產的租賃除外。當本集團就一項低價值資產訂立租賃時，本集團決定是否以逐項租賃為基礎將租賃資本化。與未資本化的租賃相關的租賃付款在租賃期內有系統地確認為費用。

若租賃被資本化，則租賃負債以租賃期內應付租賃付款的現值進行初始確認，並使用該項租賃的內含利率折現；或如果內含利率無法輕易釐定，則使用相關的增量借款利率。初始確認後，租賃負債以攤銷成本計量，且利息費用則採用實際利率法計算。不取決於指數或利率的可變租賃付款並不包含於租賃負債的計量中，並因此於其產生的會計期間計入損益。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### f) Leased assets (Continued)

As a lessee (Continued)

##### (A) Policy applicable from 1 January 2019 (Continued)

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

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

2. 主要會計政策(續)

f) 租賃資產(續)

作為承租人(續)

(A) 自二零一九年一月一日起適用的政策(續)

租賃資本化時已確認的使用權資產按成本進行初始計量，其中包括租賃負債的初始金額加上任何於開始日或之前作出的租賃付款，以及產生的任何初始直接費用。在適用的情況下，使用權資產的成本亦包括將拆卸、搬移相關資產或復原相關資產或資產所在地點的費用估算折現至其現值，減去已收到的租賃優惠。使用權資產隨後按成本值減去累計折舊和減值虧損列賬(參閱附註2(g)(ii))。

當指數或利率變動引起未來租賃付款發生變動；或本集團就餘值擔保下預計應付的金額發生變化；或由於重新評估本集團是否合理地行使購買、延期或終止選擇權而產生變化時，承租人重新計量租賃負債。當租賃負債以此方式重新計量時，對使用權資產的賬面價值作出相應調整，或倘使用權資產的賬面價值減記至零，則計入損益。

本集團於綜合財務狀況表中分別列示使用權資產及租賃負債。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leased assets (Continued)

As a lessee (Continued)

(A) Policy applicable from 1 January 2019 (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 2(g)(ii)).

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

The Group presents right-of-use assets and lease liabilities separately in the consolidated statement of financial position.



## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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#### 2. 主要會計政策(續)

##### f) 租賃資產(續)

作為承租人(續)

(B) 於二零一九年一月一日前適用的政策

於比較期間，本集團作為承租人，倘於租賃轉移所有權絕大部分之風險及回報至本集團之情況下，則將有關租賃分類為融資租賃。倘租賃並無將所有權之絕大部分風險及回報轉移至本集團，則分類為經營租賃。

倘本集團擁有根據經營租賃持有的資產使用權，則根據租賃作出的付款會在租賃期所涵蓋的會計期間內，以等額分期在損益中扣除，惟倘有其他基準更能清楚反映租賃資產所產生的收益模式則除外。所取得的租賃優惠在損益中確認為租賃淨付款總額的不可或缺部分。或然租金於產生之會計期間從損益扣除。

##### g) 信貸虧損及資產減值

###### i) 金融工具及合約資產之信貸虧損

本集團就下列各項的預期信貸虧損(「預期信貸虧損」)確認虧損撥備：

- 按攤銷成本計量的金融資產(包括現金及現金等值項目以及應收賬款及其他應收款)；及
- 香港財務報告準則第15號所界定之合約資產(見附註2(ii))。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### f) Leased assets (Continued)

As a lessee (Continued)

(B) Policy applicable prior to 1 January 2019

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

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

##### g) Credit losses and impairment of assets

###### i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for expected credit losses (“ECLs”) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, and trade and other receivables); and
- contract assets as defined in HKFRS 15 (see note 2(ii)).

2. 主要會計政策(續)

g) 信貸虧損及資產減值(續)

i) 金融工具及合約資產之信貸虧損(續)

按公平值計量的金融資產、透過損益按公平值計量(「透過損益按公平值計量」)之權益證券、指定為透過其他全面收益按公平值計量(「透過其他全面收益按公平值計量」)的權益證券(不可劃轉)及衍生金融資產，均不受限於預期信貸虧損的評估。

預期信貸虧損計量

預期信貸虧損乃以概率加權估計的信貸虧損。信貸虧損以所有預期現金短缺(即根據合約應付予本集團的現金流量及本集團預期收取的現金流量之間的差額)的現值計量。

倘貼現影響屬重大，預期現金短缺將使用以下貼現率貼現：

- 固定利率金融資產、應收賬款及其他應收款及合約資產：初始確認釐定時的實際利率或其近似值；及
- 浮動利率金融資產：現行實際利率。

於估計預期信貸虧損時考慮的最長期間為本集團承受信貸風險的最長合約期間。

在計量預期信貸虧損時，本集團考慮合理及有證據而毋須付出不必要的成本或努力獲得的資料。這包括過去事件、當前狀況和未來經濟狀況預測等資料。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments and contract assets (Continued)

Financial assets measured at fair value, equity securities measured at fair value through profit or loss ("FVPL"), equity securities designated at fair value through other comprehensive income ("FVOCI") (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

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#### 2. 主要會計政策(續)

##### g) 信貸虧損及資產減值(續)

##### i) 金融工具及合約資產之信貸虧損(續)

##### 預期信貸虧損計量(續)

預期信貸虧損基於下列其中一個基準計量：

- 12個月預期信貸虧損：預期於報告日期後12個月內可能發生的違約事件而導致的虧損；及
- 整個存續期的預期信貸虧損：預期於採用預期信貸虧損模式的項目在預期年限內所有可能發生的違約事件而導致的虧損。

應收賬款及合約資產的虧損撥備一般乃按等同於整個存續期的預期信貸虧損的金額計量。這些金融資產的預期信貸虧損是利用基於本集團過往信貸虧損經驗的撥備矩陣進行估算，並按於報告日期債務人的個別因素及對當前及預測整體經濟狀況的評估進行調整。

對於所有其他金融工具，本集團確認相當於12個月預期信貸虧損的虧損撥備，除非自初始確認以來金融工具的信貸風險顯著增加，在這種情況下，虧損撥備計量等於整個存續期的預期信貸虧損的金額。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### g) Credit losses and impairment of assets (Continued)

##### i) Credit losses from financial instruments and contract assets (Continued)

##### Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

## 2. 主要會計政策(續)

## g) 信貸虧損及資產減值(續)

## i) 金融工具及合約資產之信貸虧損(續)

信貸風險大幅上升

評估金融工具的信貸風險自初始確認以來有否大幅上升時，本集團會比較於報告日期及於初始確認日期評估的金融工具發生違約的風險。作出該重新評估時，本集團認為，倘(i)借款人不大可能在本集團無追索權採取變現抵押(如持有)等行動的情況下向本集團悉數支付其信貸承擔；或(ii)金融資產已逾期90日，則發生違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及在無需付出過多成本或努力下即可獲得的前瞻性資料。具體而言，評估信貸風險自初始確認以來有否大幅上升時會考慮以下資料：

- 未能按合約到期日期支付本金或利息；
- 金融工具外部或內部信貸測評的實際或預期顯著惡化(如有)；
- 債務人經營業績的實際或預期顯著惡化；及
- 科技、市場、經濟或法律環境的目前或預期變動對債務人履行其對本集團責任的能力有重大不利影響。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## g) Credit losses and impairment of assets (Continued)

## i) Credit losses from financial instruments and contract assets (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. 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. In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

### 2. 主要會計政策(續)

#### g) 信貸虧損及資產減值(續)

##### i) 金融工具及合約資產之信貸虧損(續)

###### 信貸風險大幅上升(續)

取決於金融工具之性質，信貸風險大幅上升之評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

預期信貸虧損於各報告日期進行重新計量以反映金融工具自初始確認以來的信貸風險變動。預期信貸虧損金額的任何變動均於損益中確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並通過虧損撥備賬對彼等之賬面值作出相應調整，惟於按公平值計入其他全面收益計量(可劃轉)之債務證券之投資除外。有關投資之虧損撥備於其他全面收益內確認並於公平值儲備中累計(可劃轉)。

###### 計算利息收入的基準

根據附註2(q)(ii)確認的利息收入乃根據金融資產之總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入乃根據金融資產之攤銷成本(即總賬面值減虧損撥備)計算。

於各報告日期，本集團評估金融資產是否出現信貸減值。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的事件時，金融資產出現信貸減值。

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### g) Credit losses and impairment of assets (Continued)

##### i) Credit losses from financial instruments and contract assets (Continued)

###### Significant increases in credit risk (Continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

###### Basis of calculation of interest income

Interest income recognised in accordance with note 2(q)(ii) 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 the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.



2. 主要會計政策(續)

g) 信貸虧損及資產減值(續)

i) 金融工具及合約資產之信貸虧損(續)

計算利息收入的基準(續)

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還或逾期事件；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；或
- 由於發行人出現財務困難，證券活躍市場消失。

撤銷政策

若日後實際上不可收回款項，則會撤銷(部分或全部)金融資產或合約資產的總賬面值。該情況通常出現在本集團確定債務人沒有資產或可產生足夠現金流量的收入來源來償還應撤銷的金額。

隨後收回先前撤銷之資產於收回期間在損益內確認為減值撥回。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments and contract assets (Continued)

Basis of calculation of interest income (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

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#### 2. 主要會計政策(續)

##### g) 信貸虧損及資產減值(續)

###### ii) 其他非流動資產之減值

本集團會於每個報告期末審閱內部及外界所得資料，以確定下列資產(商譽除外)是否出現減值或先前已確認之減值虧損不再存在或已經減少：

- 商譽；
- 物業、廠房及設備；
- 使用權資產；
- 經營租約下預付土地租金；
- 本公司財務狀況表之於附屬公司之投資；及
- 其他非流動資產。

倘出現任何該等跡象，則估計資產之可收回數額。此外，就商譽而言，其可收回數額會每年估計(不論有否出現減值跡象)。

###### - 可收回數額計算

資產之可收回數額乃指公平值減出售成本與使用價值兩者中之較高者。在評估使用價值時，估計日後現金流量乃根據除稅前貼現率貼現至現值，而該貼現率須能反映市場現行對款項的時間價值及資產獨有風險之評估。倘某項資產之現金流量大致上不能獨立於其他資產之現金流量，則就可獨立產生現金流量之最小資產組別(即現金產生單位)釐定可收回數額。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### g) Credit losses and impairment of assets (Continued)

###### ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- goodwill;
- property, plant and equipment;
- right-of-use assets;
- prepaid lease payments on land under operating leases;
- investments in subsidiaries in the Company's statement of financial position; and
- other non-current assets.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

###### - Calculation of recoverable amount

The recoverable amount of an asset is the greater of its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

## 2. 主要會計政策(續)

## g) 信貸虧損及資產減值(續)

## ii) 其他非流動資產之減值(續)

## - 減值虧損確認

倘資產或其所屬之現金產生單位之賬面值超過其可收回數額，則於損益確認減值虧損。就現金產生單位確認之減值虧損而言，其首先用作減少已分配至現金產生單位(或現金產生單位組別)之任何商譽之賬面值，其後按比例基準用作減少現金產生單位(或現金產生單位組別)內其他資產之賬面值；惟資產之賬面值將不得減少至低於其個別公平值減出售成本(如能計量)或使用價值(如能計算)。

## - 減值虧損撥回

就商譽以外的資產而言，倘用作釐定可收回數額之估計出現有利變動，則須撥回減值虧損。商譽之減值虧損不會撥回。

減值虧損撥回只限於該資產並未計算過往年度所確認之減值虧損時之賬面值。減值虧損撥回之數於確認有關撥回之年度計入損益內。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## g) Credit losses and impairment of assets (Continued)

## ii) Impairment of other non-current assets (Continued)

## - Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of cash-generating units) and then, to reduce the carrying amount of the other assets in the cash-generating unit (or group of cash-generating units) on a pro-rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

## - Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

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#### 2. 主要會計政策(續)

##### g) 信貸虧損及資產減值(續)

###### iii) 中期財務報告及減值

根據上市規則，本集團須按照香港會計準則第34號「中期財務報告」之規定就有關財政年度首六個月編製中期財務報告。於中期期末，本集團採用其於財政年度結束時將採用之同一減值測試、確認及撥回標準(見附註2(g)(i)及(ii))。

於中期期間就商譽確認之減值虧損不會於其後的期間撥回。假設有關於中期期間的減值評估於財政年度結束時進行，即使沒有確認虧損或確認較少之虧損，均採用以上相同處理方法。

##### h) 存貨

存貨按成本值及可變現淨值(以較低者為準)列賬。

成本根據加權平均成本公式計算，包括所有採購成本以及使存貨達至現址和現況所產生之轉換成本及其他成本。

可變現淨值乃於日常業務過程中之估計售價減估計完成成本及進行銷售所必要之估計成本。

當售出存貨時，該等存貨之賬面值乃於確認相關收入之期間確認為一項開支。任何存貨撇減至可變現淨值之金額及存貨之所有虧損均於發生撇減或虧損之期間確認為一項開支。任何存貨撇減之回撥金額乃於回撥發生之期間確認為先前已列為一項開支之存貨金額之減少。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### g) Credit losses and impairment of assets (Continued)

###### iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34 "Interim Financial Reporting", in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(g)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

##### h) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

## 2. 主要會計政策(續)

## i) 合約資產及合約負債

根據合約所載列的付款條款有權無條件獲取代價前，於集團確認收入時確認為合約資產。合約資產是根據附註2(g)(i)所載之會計政策就預期信貸虧損進行評估，並於收取代價款的權利成為無條件時重新分類為應收款(見附註2(j))。

合約負債於客戶在本集團確認相關收入前支付不可退回代價時確認。倘本集團於本集團確認相關收入前擁有無條件接納不可退回代價之權利，則確認合約負債。在此情況下，亦將確認相應的應收款(見附註2(j))。就與同一客戶的單一合約而言，只以合約資產淨額或合約負債淨額呈列。對於多份合約，不相關的合約資產及合約負債不以淨額列報。

當合約包含重大融資成分時，合約結餘額包括按實際利率法計算的應計利息(見附註2(q))。

## j) 應收賬款及其他應收款

應收款於本集團有無條件收取代價款的權利時予以確認。倘代價僅隨時間推移即會成為到期應付，則收取代價的權利為無條件。倘在本集團於獲得無條件收取代價的權利前確認收入，則該金額作為合約資產呈列(見附註2(i))。

應收款以實際利率法減信貸虧損撥備按攤銷成本列賬(見附註2(g)(i))。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## i) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 2(g)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(j)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(j)). For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(q)).

## j) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 2(i)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(g)(i)).



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#### 2. 主要會計政策(續)

##### k) 計息貸款

計息貸款初步按公平值減交易成本確認。於初步確認後，計息貸款按攤銷成本採用實際利率法列賬。利息開支根據本集團有關借貸成本之會計政策(見附註2(s))確認。

##### l) 應付賬款及其他應付款

應付賬款及其他應付款初步按公平值確認，其後按攤銷成本列賬，除非貼現之影響並不重大，於此情況下則按成本列賬。

##### m) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭之現金、存放於銀行及其他金融機構之活期存款，以及於購入時至到期日為三個月以內之可輕易轉換為已知數額現金且價值變動風險不大之短期高流動性投資。就綜合現金流量表而言，須按要求償還及構成本集團現金管理整體一部份之銀行透支，亦列為現金及現金等值項目之組成部份。現金及現金等值項目根據附註2(g)(i)所載之政策進行預期信貸虧損評估。

##### n) 僱員福利

###### i) 短期僱員福利及界定供款退休計劃之供款

薪金、年度花紅、帶薪年假、向界定供款退休計劃之供款及非貨幣福利之成本均於僱員提供相關服務之年度內預提。倘付款或結算被遞延且影響重大，則該等金額按其現值列賬。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### k) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 2(s)).

##### l) Trade and other payables

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

##### m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in note 2(g)(i).

##### n) Employee benefits

###### i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

## 2. 主要會計政策(續)

## n) 僱員福利(續)

## ii) 以股份為基礎之付款

授予僱員之購股權之公平值確認為僱員成本，而權益中之購股權儲備亦會相應增加。如果僱員須符合歸屬條件才能無條件享有購股權之權利，經考慮購股權歸屬之可能性後，購股權之估計公平值總額則會在整個歸屬期內分攤。

於歸屬期間，本集團會審閱預期歸屬之購股權數目。除非原有僱員開支符合資格確認為資產，否則於過往年度確認之任何累積公平值調整會在回顧年度扣除自／計入損益，而購股權儲備亦會作相應調整。於歸屬日期，確認為開支之數額會作出調整，以反映歸屬購股權之實際數目(而購股權儲備亦會作相應調整)，惟倘僅因未能達成與本公司股份市價有關之歸屬條件而喪失則作別論。權益金額乃於購股權儲備中確認，直至購股權獲行使(屆時有關金額計入就已發行股份於股本確認之款項中)或購股權屆滿(屆時有關金額直接撥入累計溢利／(虧損))為止。

## iii) 終止福利

當本集團不能再取消提供該等福利時及本集團確認涉及支付終止福利的重組成本時(以較早者為準)，則確認終止福利。

## o) 所得稅

本年度所得稅包括本期稅項及遞延稅項資產和負債之變動。本期稅項及遞延稅項資產和負債之變動均於損益確認，惟與於其他全面收益或直接於權益確認之項目有關者，則有關稅項分別於其他全面收益或直接於權益內確認。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## n) Employee benefits (Continued)

## ii) Share based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share option reserve within equity. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to accumulated profits/(losses)).

## iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

## o) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity respectively.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 2. 主要會計政策(續)

##### o) 所得稅(續)

本期稅項是按本年度應課稅收入採用於報告期末已執行或實質上已執行之稅率計算之預期應付稅項，以及就過往年度應付稅項之任何調整。

遞延稅項資產和負債分別由可抵扣和應課稅暫時差異，即作財務報告用途之資產和負債之賬面值與彼等稅基之間之差異而產生。遞延稅項資產亦可因未運用稅務虧損及未運用稅務抵免而產生。

除了若干有限之例外情況外，所有遞延稅項負債，以及所有遞延稅項資產（僅限於未來很可能取得應課稅溢利而令該項資產得以運用之部份）均予以確認。容許確認由可予扣減暫時差異所產生之遞延稅項資產之未來應課稅溢利包括其將由目前之應課稅暫時性差異撥回之部份，而此等應課稅暫時差異應由同一稅務當局向同一應課稅單位徵收，並預期在可予扣減暫時差異預期撥回之同一期間內撥回或在由遞延稅項資產產生之稅務虧損能轉回或轉入之期間內撥回。在評定目前之應課稅暫時差異是否容許確認由未運用之稅務虧損及優惠所產生之遞延稅項資產時採用上述相同之標準，即該等暫時差異由同一稅務當局向同一應課稅單位徵收，並預期在稅務虧損或抵免能動用之期間內撥回方計算在內。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### o) Income tax (Continued)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. 主要會計政策(續)

o) 所得稅(續)

確認遞延稅項資產及負債之有限例外情況包括不可在稅務方面獲得扣減之商譽所引致之暫時差異、首次確認但並不影響會計溢利及應課稅溢利之資產或負債(惟其不可為企業合併之部份)、以及有關於附屬公司投資所引致之暫時差異;如為應課稅差異,只限於本集團可以控制撥回時間,且在可預見將來不太可能撥回之暫時差異或如為可予扣減差異,則只限於可能在未來撥回之差異。

應確認之遞延稅項數額是按照資產及負債賬面值之預期變現或清償方式,以報告期末採用或主要採用之稅率計算。遞延稅項資產及負債均不作貼現計算。

本集團會在每個報告期末評估遞延稅項資產之賬面值。如果不再可能取得足夠之應課稅溢利以運用有關之稅務利益,賬面金額則予以調低。如日後可能取得足夠之應課稅溢利時,已扣減金額則予以撥回。

分派股息所產生之額外所得稅在支付有關股息之責任確認時予以確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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#### 2. 主要會計政策(續)

##### o) 所得稅(續)

本期稅項結餘及遞延稅項結餘及其變動，乃各自分開列示及並無相互抵銷。當本集團在法律上擁有抵銷本期稅項資產及本期稅項負債之行使權利及能符合下列額外條件時，本期稅項資產可抵銷本期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：

- 若為本期稅項資產及負債，本集團計劃以淨額清償，或計劃同時變現資產和清償負債；或
- 若為遞延稅項資產及負債，如其與同一稅務當局向下述者徵收之所得稅有關：
  - 同一應課稅單位；或
  - 如為不同之應課稅單位，預期在未來每一個週期將清償或收回顯著數目之遞延稅項負債，或資產及計劃以淨額基準變現本期稅項資產及清償本期稅項負債，或計劃同時變現本期稅項資產及清償本期稅項負債。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### o) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.



## 2. 主要會計政策(續)

### p) 撥備及或然負債

倘若本集團須就已發生之事件承擔法律或推定責任，而履行該責任預期會導致含有經濟效益之資源外流，並可作出可靠之估計，便會計提撥備。如金錢的時間價值重大，則按預計履行責任所需開支之現值計提撥備。

倘若含有經濟效益之資源外流之可能性很低，或是無法對有關款額作出可靠之估計，便會將該責任披露為或然負債；但假如這類資源外流之可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在責任，亦會披露為或然負債；但假如這類資源外流之可能性極低則除外。

### q) 收入及其他收入

本集團之收入主要來自於本集團日常業務過程中銷售貨品。收入於產品之控制權轉移至客戶時按本集團預期有權獲取之承諾代價金額予以確認，惟不包括代第三方收取之款項。收入並不包括增值稅或其他銷售稅，並已扣除任何貿易折扣。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### p) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### q) Revenue and other income

The Group's revenue mainly arises from the sale of goods in the ordinary course of the Group's business. Revenue is recognised when control over a product is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 2. 主要會計政策(續)

##### q) 收入及其他收入(續)

如合約中包含為客戶提供超過12個月的重大融資利益的融資部分，則收入按應收金額的現值計量，並使用貼現率以反映與客戶之單獨融資交易。利息收入按實際利率法單獨計提。如合約包含為本集團提供重大融資利益的融資部分，則根據該合約確認收入包括按實際利率法計算的合約負債所產生的利息費用。本集團採用香港財務報告準則第15號第63段中可行權宜方法，倘融資期為12個月或以下，則不會就重大融資部分的影響作出調整。

有關本集團收入及其他收入確認政策詳列如下：

##### i) 銷售貨品

收入於貨品交付至客戶之處所，而客戶接納貨品及所有權相關之風險及回報之時間點確認。客戶對貨品具有絕對酌情權，並無或會影響客戶接納貨品之未達成責任。

本集團於客戶接納貨品及所有權相關風險及回報時確認應收款項，乃由於收取代價之權利於有關時間點變為無條件，僅須待時間過去便可收取付款。當客戶接納已購貨品時，客戶無權退回貨品。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### q) Revenue and other income (Continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

##### i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customers have accepted the goods and the related risks and rewards of ownership. The customers have full discretion over the goods, and there is no unfulfilled obligation that could affect the customers' acceptance of the goods.

A receivable is recognised by the Group when the customers have accepted the goods and the related risks and rewards of ownership as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Customers have no right to return the goods purchased once accepted.

2. 主要會計政策(續)

q) 收入及其他收入(續)

ii) 利息收入

利息收入乃利用實際利率法透過將金融工具於預期年期的估計未來現金收入折現為金融資產賬面淨值的利率按應計基準予以確認。就按攤銷成本計量或透過其他全面收益按公平值列賬(可劃轉)且並無出現信貸減值的金融資產而言,則實際利率應用於資產的總賬面值。就出現信貸減值的金融資產而言,實際利率應用於資產的攤銷成本(即扣除虧損撥備的總賬面值)(見附註2(g)(i))。

iii) 政府補助

當有合理保證本集團將會獲得政府補助並遵守有關規定,則政府補助初始於綜合財務狀況表中確認。用以補償本集團開支的補助於該等開支產生的期間於損益內確認為收入。用以補償本集團資產成本的補助於相關資產賬面值中扣除,其後按資產的可使用年期以減少折舊開支方式於損益內實際確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Revenue and other income (Continued)

ii) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the assets (see note 2(g)(i)).

iii) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

## 財務報表附註

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#### 2. 主要會計政策(續)

##### r) 外幣換算

年內外幣換算交易乃按於交易日期通行之匯率換算。以外幣計值之貨幣性資產及負債均按於報告期末通行之匯率換算。匯兌盈虧乃於損益確認。

以歷史成本計量之外幣非貨幣性資產及負債乃按交易日通行之匯率換算。交易日期是本集團最初確認此類非貨幣性資產或負債的日期。以公平值列賬之外幣非貨幣性資產及負債乃以於釐定公平值日期之匯率換算。

海外業務之業績乃按交易日通行之概約匯率換算為港元。財務狀況表項目(包括因合併二零零五年一月一日或之後購入之海外業務之賬目所產生之商譽)則按報告期末通行之匯率收市價換算為港元。匯兌差額於其他全面收益確認，並於匯兌儲備之權益中獨立累計。因合併二零零五年一月一日之前購入之海外業務之賬目所產生之商譽則按收購海外業務當日之適用匯率換算。

於出售海外業務時，與該海外業務有關之匯兌差額累計款項會於確認出售盈虧時由權益重新分類至損益。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2. 主要會計政策(續)

s) 貸款成本

與購入、建造或生產需經一段長時期準備方可作預期運用或出售之資產直接有關之貸款成本，乃作為該項資產之部份成本撥充資本。其他貸款成本於產生期間內支銷。

貸款成本乃於合格資產之開支產生、貸款成本產生及有關籌備資產作其擬定用途或出售所需之活動進行時，即資本化作為資產之部份成本。當所有有關籌備合格資產作其擬定用途或出售所需之活動大致上中斷或完成時，即暫停或停止資本化貸款成本。

t) 關連人士

(a) 倘若該名人士屬以下情況，則該人士或該人士之家族之近親乃與本集團有關連：

- i) 對本集團擁有控制權或共同控制權；
- ii) 對本集團擁有重大影響力；  
或
- iii) 為本集團或本集團之母公司之主要管理人員之成員。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

t) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- i) has control or joint control over the Group;
- ii) has significant influence over the Group; or
- iii) is a member of the key management personnel of the Group or the Group's parent.



## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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#### 2. 主要會計政策(續)

##### t) 關連人士(續)

(b) 倘若以下任何條件適用，則該實體乃與本集團有關連：

- i) 該實體與本集團均為相同集團之成員(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體為集團旗下成員公司之聯營公司或合營企業之成員公司)。
- iii) 兩間實體均為同一第三方之合營企業。
- iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
- v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。
- vi) 實體受附註2(t)(a)所識別人土所控制或共同控制。
- vii) 附註2(t)(a)(i)所識別人土對實體擁有重大影響力或屬該實體(或該實體之母公司)之主要管理人員成員。
- viii) 向本集團或本集團母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### t) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

- i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii) Both entities are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- vi) The entity is controlled or jointly controlled by a person identified in note 2(t)(a).
- vii) A person identified in note 2(t)(a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

2. 主要會計政策(續)

t) 關連人士(續)

該名人士之近親家庭成員為於與該實體進行交易時可能預期影響該名人士或可能被該名人士影響之該等家族成員。

u) 分部報告

綜合財務報表所呈報之經營分部及各分部項目之款項乃於為分配資源予本集團不同業務及地區以及評估該等業務及地區之表現而定期向本集團首席營運決策人提供之財務資料中確認。

就財務報告而言，個別重大經營分部不會合併，惟分部間有類似經濟特點及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似則除外。倘並非個別重大之經營分部符合大部份此等準則，則該等經營分部可能合併處理。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

u) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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#### 3. 會計政策之變動

香港會計師公會已頒佈一項新訂香港財務報告準則，香港財務報告準則第16號「租賃」，以及多項香港財務報告準則之修訂，該等新訂準則及修訂於本集團之本會計期間首次生效。

除香港財務報告準則第16號「租賃」外，概無改進對本集團之當前或過往期間之業績及財務狀況之編製或呈列方式有重大影響。本集團尚未應用任何於本會計期間尚未生效的新準則或詮釋。

##### 香港財務報告準則第16號「租賃」

香港財務報告準則第16號取代香港會計準則第17號「租賃」以及相關詮釋、香港（國際財務報告詮釋委員會）第4號「確定安排是否包含租賃」、香港（常設詮釋委員會）第15號「經營租賃－優惠」以及香港（常設詮釋委員會）第27號「評估涉及租賃法律形式的交易的實質」。該準則為承租人引入單一會計模式，要求承租人確認所有租賃的使用權資產和租賃負債，惟租賃期限為12個月或以下的租賃（「短期租賃」）及低價值資產租賃除外。出租人會計要求乃轉承自香港會計準則第17號，大致上維持不變。

香港財務報告準則第16號亦引入額外的定性及定量披露規定，旨在使綜合財務報表使用者得以評估租賃對實體財務狀況、財務表現及現金流量的影響。

#### 3. CHANGES IN ACCOUNTING POLICIES

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

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

##### HKFRS 16 “Leases”

HKFRS 16 replaces HKAS 17 “Leases” and the related interpretations, HK(IFRIC) 4 “Determining whether an arrangement contains a lease”, HK(SIC) 15 “Operating leases – incentives” and HK(SIC) 27 “Evaluating the substance of transactions involving the legal form of a lease”. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“short-term leases”) and leases of low-value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

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

3. 會計政策之變動(續)

香港財務報告準則第16號「租賃」(續)

本集團已自二零一九年一月一日起首次應用香港財務報告準則第16號。本集團已選擇採用經修訂追溯法，並將首次應用的累計影響確認為對於二零一九年一月一日的期初權益結餘之調整。比較資料未予重列並繼續根據香港會計準則第17號呈報。

有關過往會計政策變動的性質及影響以及過渡方法的進一步詳情載列如下：

a) 租賃的新定義

租賃定義的變動主要與控制權的概念有關。香港財務報告準則第16號根據客戶是否在某一時段內能控制已識別資產的使用(其可由指定使用量釐定)而對租賃作出定義。當客戶有權主導已識別資產的用途以及從該用途中獲得絕大部分經濟利益時，即表示控制權已轉移。

本集團應用香港財務報告準則第16號的租賃的新定義僅適用於二零一九年一月一日或之後訂立或變更的合約。就於二零一九年一月一日之前簽訂的合約而言，本集團已採用過渡性可行的權宜方法，不對現有安排為租賃或包含租賃的過往評估追溯應用該定義。因此，先前根據香港會計準則第17號評估為租賃的合約繼續根據香港財務報告準則第16號入賬列為租賃，而先前評估為非租賃服務安排的合約則繼續作為待履行合約入賬。

3. CHANGES IN ACCOUNTING POLICIES (Continued)  
HKFRS 16 “Leases” (Continued)

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

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

a) *New definition of a lease*

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

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

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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#### 3. 會計政策之變動(續)

##### 香港財務報告準則第16號「租賃」(續)

##### b) 承租人會計處理及過渡性影響

香港財務報告準則第16號剔除先前香港會計準則第17號要求承租人將租賃分類為經營租賃或融資租賃的規定。取而代之，倘本集團為承租人，則須將所有租賃資本化，包括先前根據香港會計準則第17號分類為經營租賃的租賃，惟短期租賃及低價值資產租賃除外。就本集團而言，該等新資本化的租賃主要與附註33(b)披露的物業有關。本集團如何應用承租人會計處理的解釋，見附註2(f)。

於過渡至香港財務報告準則第16號之日期(即二零一九年一月一日)，本集團釐定餘下租期及按餘下租賃付款的現值計量先前分類為經營租賃的租賃負債，並於二零一九年一月一日使用相關增量借款利率貼現計算。用於釐定相關集團實體餘下租賃付款現值的增量借款利率之加權平均數為5.13%。

#### 3. CHANGES IN ACCOUNTING POLICIES (Continued)

##### HKFRS 16 "Leases" (Continued)

##### b) Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Group is concerned, these newly capitalised leases are primarily in relation to properties as disclosed in note 33(b). For an explanation of how the Group applies lessee accounting, see note 2(f).

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rate used for determination of the present value of the remaining lease payments by the relevant group entities was 5.13%.



3. 會計政策之變動(續)

香港財務報告準則第16號「租賃」(續)

b) 承租人會計處理及過渡性影響(續)

為方便過渡至香港財務報告準則第16號，本集團於首次應用香港財務報告準則第16號當日已應用下列確認豁免及可行的權宜方法：

- (i) 對於就剩餘租期於首次應用香港財務報告準則第16號日期起計12個月內結束(即租期於二零一九年十二月三十一日或之前結束)的租賃確認租賃負債及使用權資產，本集團選擇不應用香港財務報告準則第16號的規定；
- (ii) 當計量於初始應用香港財務報告準則第16號當日的租賃負債時，本集團對具備合理相似特徵(例如，在相似經濟環境下相似類別的相關資產，並具備相似剩餘租賃期的租賃)的租賃組合採用單一貼現率；及
- (iii) 在計量於初始應用香港財務報告準則第16號當日的使用權資產時，本集團依靠於二零一八年十二月三十一日就租賃是否為虧損合同的前期評估，作為開展減值審核的替代方法。

3. CHANGES IN ACCOUNTING POLICIES (Continued)  
HKFRS 16 “Leases” (Continued)

b) Lessee accounting and transitional impact (Continued)

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

- (i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- (ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and
- (iii) when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 December 2018 as an alternative to performing an impairment review.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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#### 3. 會計政策之變動(續)

##### 香港財務報告準則第16號「租賃」(續)

##### b) 承租人會計處理及過渡性影響(續)

下表將附註33(b)披露的於二零一八年十二月三十一日之經營租賃承擔與於二零一九年一月一日確認的租賃負債期初結餘對賬：

		千港元 HK\$'000
於二零一八年十二月三十一日的經營租賃承擔	Operating lease commitments as at 31 December 2018	4,445
減：與豁免資本化租賃相關的承擔：	Less: Commitments relating to leases exempt from capitalisation:	
— 短期租賃及剩餘租賃期於二零一九年十二月三十一日或之前結束的其他租賃	— short-term leases and other leases with remaining lease term ending on or before 31 December 2019	(882)
加：本集團認為合理確定將行使續租選擇權的額外期間租賃付款	Add: Lease payments for the additional periods where the Group considers it reasonably certain that it will exercise the extension option	2,758
		6,321
減：未來利息開支總額	Less: Total future interest expenses	(674)
於二零一九年一月一日使用相關增量借款利率貼現的剩餘租賃付款現值及已確認租賃負債總值	Present value of remaining lease payments discounted using the relevant incremental borrowing rates and total lease liabilities recognised as at 1 January 2019	5,647
分析：	Analysed as:	
流動	Current	1,122
非流動	Non-current	4,525
		5,647

3. 會計政策之變動(續)

香港財務報告準則第16號「租賃」(續)

b) 承租人會計處理及過渡性影響(續)

與先前分類為經營租賃有關的使用權資產已按相等於餘下租賃負債已確認金額之金額確認，並按與於二零一八年十二月三十一日的綜合財務狀況表確認的租賃有關的任何預付或應計租賃付款金額進行調整。

於二零一九年一月一日的使用權資產賬面值包括下列各項：

3. CHANGES IN ACCOUNTING POLICIES (Continued)  
HKFRS 16 “Leases” (Continued)

b) Lessee accounting and transitional impact (Continued)

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

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

		千港元 HK\$'000
與應用香港財務報告準則第16號後 確認經營租賃相關的使用權資產	Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	5,647
自經營租約下預付土地租金重新分類	Reclassified from prepaid lease payments on land under operating leases	101,583
總計	Total	107,230
<b>按類別</b>	<b>By class</b>	
租賃土地	Leasehold lands	101,583
租賃物業	Leased properties	5,647
總計	Total	107,230

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 3. 會計政策之變動(續)

##### 香港財務報告準則第16號「租賃」(續)

##### b) 承租人會計處理及過渡性影響(續)

對於二零一九年一月一日於綜合財務狀況表確認的金額作出以下調整。未受有關變動影響的項目不包括在內。

#### 3. CHANGES IN ACCOUNTING POLICIES (Continued)

##### HKFRS 16 "Leases" (Continued)

##### b) Lessee accounting and transitional impact (Continued)

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

	過往於 二零一八年 十二月三十一日 報告的賬面值 Carrying amounts previously reported as at 31 December 2018 千港元 HK\$'000	調整	於二零一九年 一月一日 根據香港財務 報告準則第16號 的賬面值 Carrying amounts under HKFRS 16 as at 1 January 2019 千港元 HK\$'000
<b>非流動資產</b>			
經營租約下			
預付土地租金	98,476	(98,476)	–
使用權資產	–	107,230	107,230
<b>流動資產</b>			
經營租約下			
預付土地租金	3,107	(3,107)	–
<b>流動負債</b>			
租賃負債	–	(1,122)	(1,122)
<b>非流動負債</b>			
租賃負債	–	(4,525)	(4,525)

就截至二零一九年十二月三十一日止年度以間接方法報告經營活動現金流量而言，營運資金的變動乃根據上文所披露的二零一九年一月一日的期初綜合財務狀況表計算。

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.

4. 關鍵會計判斷及估計不確定性之主要來源

a) 估計不確定性之主要來源

於應用附註2所述之本集團會計政策之過程中，管理層已作出若干主要假設，該等假設涉及未來及於報告期末估計不確定性之其他主要來源，該等假設可能存在導致資產及負債之賬面值於下個財政年度作出重大調整之重大風險，有關詳情討論如下。

i) 物業、廠房及設備以及使用權資產之可使用年期及剩餘價值

管理層根據附註2(e)及2(f)分別所載之本集團會計政策釐定本集團物業、廠房及設備以及使用權資產之估計可使用年期及剩餘價值。本集團將修訂折舊支出及攤銷開支（如可使用年期及剩餘價值與先前估計不同），或撇銷或撇減已被棄用或出售之在技術上過時或屬非策略性之資產。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Key sources of estimation uncertainty

In the process of applying the Group's accounting policies which are described in note 2, management has made certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

i) *Useful lives and residual values of property, plant and equipment, and right-of-use assets*

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment, and right-of-use assets in accordance with the Group's accounting policies stated in note 2(e) and note 2(f) respectively. The Group will revise the depreciation charge and the amortisation expense where useful lives and residual values are different from previous estimates, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.



## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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#### 4. 關鍵會計判斷及估計不確定性之主要來源(續)

##### a) 估計不確定性之主要來源(續)

##### ii) 物業、廠房及設備減值之估算

倘有跡象顯示物業、廠房及設備項目之賬面值不能收回，則資產可能視為「已減值」，並按附註2(g)(ii)所述有關物業、廠房及設備減值之本集團會計政策於損益確認減值虧損。資產賬面值會定期進行檢討以評估可收回金額有否降低至低於賬面值。倘有事件或情況轉變顯示資產入賬之賬面值可能無法收回，即會對有關資產進行減值測試。若出現有關減值情況，則會將賬面值減至可收回金額。

可收回金額乃公平值減出售成本與使用價值之較高者。釐定使用價值時，會將資產產生之預期未來現金流量貼現至其現值，此需要對收入水平及經營成本金額作出重大判斷。本集團利用所有可得資料(包括基於合理及有力假設之估計以及對收入水平及經營成本金額之預測)，釐定可收回金額之合理近似金額。該等估計之變動可能對資產賬面值產生重大影響，並可能導致於未來期間之額外減值支出或撥回減值。於二零一九年十二月三十一日，物業、廠房及設備之賬面值約為162,736,000港元(二零一八年：182,158,000港元)。

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### a) Key sources of estimation uncertainty (Continued)

##### ii) *Estimation of impairment of property, plant and equipment*

If circumstances indicate that the carrying value of an item of the property, plant and equipment may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in profit or loss in accordance with the Group's accounting policy for impairment of property, plant and equipment as described in note 2(g)(ii). The carrying amounts of assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount.

The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods. As at 31 December 2019, the carrying amount of property, plant and equipment is approximately HK\$162,736,000 (2018: HK\$182,158,000).

#### 4. 關鍵會計判斷及估計不確定性之主要來源(續)

##### a) 估計不確定性之主要來源(續)

##### iii) 使用權資產減值之估算

本集團根據附註2(g)(ii)所載之本集團會計政策，每年對該等資產是否出現減值進行評估。現金產生單位之可收回金額乃根據使用價值計算而釐定。該等計算需要使用管理層對業務之未來營運作出之估計及假設、稅前貼現率以及其他有關使用價值計算之假設。於二零一九年十二月三十一日，使用權資產之賬面值約為100,736,000港元(二零一八年：無)。於二零一八年十二月三十一日，經營租約下預付土地租金之賬面值約為101,583,000港元(二零一九年：無)。

##### iv) 應收賬款減值之估算

本集團透過評估預期信貸虧損估計應收賬款的減值虧損撥備。這需要運用估計及判斷。預期信貸虧損乃根據跟本集團的過往信貸虧損經驗，就具體債務人的因素作出之調整及於報告期末對當前及預期整體經濟狀況作出的評估得出。倘估計與初始估計出現差異，有關差異將影響應收賬款的賬面值，因此，有關估計期間的減值虧損會出現變動。本集團會在預期期限內持續評估應收賬款的預期信貸虧損。於二零一九年十二月三十一日，應收賬款之賬面值約為261,933,000港元(二零一八年：420,482,000港元)。有關應收賬款減值之詳情於附註23及35(a)披露。

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### a) Key sources of estimation uncertainty (Continued)

##### iii) Estimation of impairment of right-of-use assets

The Group performs annual assessments on whether there has been impairment of these assets in accordance with the Group's accounting policy stated in note 2(g)(ii). The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value in use calculations. As at 31 December 2019, the carrying amount of right-of-use assets is approximately HK\$100,736,000 (2018: Nil). As at 31 December 2018, the carrying amount of prepaid lease payments on land under operating leases is approximately HK\$101,583,000 (2019: Nil).

##### iv) Estimation of impairment of trade receivables

The Group estimates the impairment loss allowances for trade receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade receivables during their expected lives. As at 31 December 2019, the carrying amount of trade receivables is approximately HK\$261,933,000 (2018: HK\$420,482,000). Details of the impairment of trade receivables are disclosed in notes 23 and 35(a).

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#### 4. 關鍵會計判斷及估計不確定性之主要來源(續)

##### a) 估計不確定性之主要來源(續)

###### v) 存貨之可變現淨值

存貨乃按成本與可變現淨值之較低者列賬。可變現淨值乃根據日常業務過程中之估計售價，減估計完成成本及進行銷售所需之估計成本釐定。該等估計是根據目前市況及製造和銷售同類產品之過往經驗而作出。本公司董事主要根據最近期之發票價格及現時市況估計存貨之可變現淨值。截至二零一九年十二月三十一日止年度，本公司董事按逐項產品基準對存貨進行定期檢討，並撇除存貨約19,375,000港元(二零一八年：20,753,000港元)及作出存貨撇除撥回約1,955,000港元(二零一八年：1,622,000港元)。

##### b) 在應用本集團會計政策時所作之重大會計判斷

在釐定若干資產及負債之賬面值時，本集團就不確定的未來事件對各報告期末資產及負債之影響作出假設。有關估計涉及對現金流量及所用貼現率之假設。本集團根據過往經驗及對未來事件之預計作出估計及假設，並定期檢討。除對未來事件之假設及估計外，本集團在應用會計政策時亦作出判斷。

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### a) Key sources of estimation uncertainty (Continued)

###### v) Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is determined on the basis of the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale. These estimates are based on the current market conditions and the historical experience of manufacturing and selling products of similar nature. The directors of the Company estimate the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. During the year ended 31 December 2019, the directors of the Company performed periodic review on a product-by-product basis and made a write-down of its inventories of approximately HK\$19,375,000 (2018: HK\$20,753,000) and a reversal of write-down of inventories of approximately HK\$1,955,000 (2018: HK\$1,622,000).

##### b) Critical accounting judgements in applying the Group's accounting policies

In determining the carrying amounts of certain assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of each reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

#### 4. 關鍵會計判斷及估計不確定性之主要來源(續)

##### b) 在應用本集團會計政策時所作之重大會計判斷(續)

###### i) 所得稅及遞延稅項

本集團在香港須繳付所得稅，而在中國須繳付不同稅項。於釐定稅項撥備時須作出重大判斷。於一般業務過程中存有頗多交易及計算，使得最終稅務釐定存在不確定性。本集團根據對是否須繳納額外稅項之估計就預期稅務事宜確認負債。倘上述事宜之最終稅務結果與最初記錄之金額有所不同，有關差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。

有關若干暫時差異之遞延稅項資產，乃於管理層認為日後可能有可動用應課稅溢利抵銷暫時差異或稅項虧損之情況下予以確認。倘該項預期有別於原來估計，該等差額將影響更改有關改變估計期間所確認之遞延稅項資產及稅項支出。就此而言，本集團於二零一九年十二月三十一日確認遞延稅項資產約3,810,000港元(二零一八年：無)。

###### ii) 分派股息所產生之預扣稅

本集團乃根據派付股息的時間判斷釐定是否應計若干附屬公司分派的股息產生的預扣稅(根據相關稅務法例及規定徵收)。本集團認為，倘該等附屬公司於可預見未來將不會分派溢利，則毋須就有關預扣稅提供撥備。

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### b) Critical accounting judgements in applying the Group's accounting policies (Continued)

###### i) Income taxes and deferred taxation

The Group is subject to income tax in Hong Kong and various taxes in the PRC. Significant judgement is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and tax charge in the periods in which such estimate is changed. In this regard, the Group recognised deferred tax assets of approximately HK\$3,810,000 (2018: Nil) as at 31 December 2019.

###### ii) Withholding tax arising from distribution of dividends

The Group's determination as to whether to accrue for withholding tax arising from distribution of dividends from certain subsidiaries according to the relevant tax law and regulations is subject to judgement on the timing of the payment of dividends. The Group considers that if the profits of these subsidiaries will not be distributed in the foreseeable future, then no withholding tax should be provided.

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#### 5. 收入

收入指供應予客戶之貨品銷售價值(不包括增值稅及其他銷售稅項)，並扣除任何退貨及貿易折扣。

來自合約客戶之收入於某時間點確認。來自合約客戶之收入之分析如下：

#### 5. REVENUE

Revenue represents the sales value of goods supplied to customers which excludes value-added and other sales taxes, and is after deduction of any goods returns and trade discounts.

Revenue from contracts with customers are recognised at point in time and the disaggregation of revenue from contracts with customers are as follows:

		稀土分部		耐火分部		總計	
		Rare Earth Segment		Refractory Segment		Total	
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
		2019	2018	2019	2018	2019	2018
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>主要產品類別</b>	<b>Types of major products</b>						
銷售稀土產品	Sales of rare earth products						
– 稀土氧化物	– Rare earth oxides	691,918	554,515	-	-	691,918	554,515
銷售耐火產品	Sales of refractory products						
– 耐火材料	– Refractory materials	-	-	278,248	257,528	278,248	257,528
– 鎂砂	– Magnesium grains	-	-	48,369	90,052	48,369	90,052
小計	Sub-total	-	-	326,617	347,580	326,617	347,580
總計	Total	691,918	554,515	326,617	347,580	1,018,535	902,095
<b>地區市場</b>	<b>Geographical markets</b>						
中國	The PRC	655,292	528,660	264,896	282,755	920,188	811,415
日本	Japan	29,818	13,584	45,287	44,539	75,105	58,123
歐洲	Europe	5,929	9,548	4,520	2,319	10,449	11,867
其他	Others	879	2,723	11,914	17,967	12,793	20,690
總計	Total	691,918	554,515	326,617	347,580	1,018,535	902,095

5. 收入(續)

有關本集團履約表現之資料

銷售稀土及耐火產品之履約表現於貨品交付至客戶之處所而客戶接納貨品及所有權相關之風險及回報之時間點獲履行。與客戶之交易條款主要以信貸方式，惟新客戶則一般須預付款項。信貸期介乎交付後0至180日。

預期於日後確認產生自與報告日期現有客戶所訂合約之收入

本集團已將香港財務報告準則第15號第121段的實際權宜手段用於銷售貨品之客戶合約，故此，本集團概不披露有關本集團(在其履行該等合約的餘下履約責任時)將有權獲取的收入之資料，因該等合約均有一年或以下的原有預期期限。

6. 其他收入

5. REVENUE (Continued)

Information about the Group's performance obligation

The performance obligation for sales of rare earth and refractory products is satisfied upon delivery of the goods at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. The trading terms with customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is ranged from 0 to 180 days upon delivery.

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts with customers for sales of goods such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under these contracts as these contracts have an original expected duration of one year or less.

6. OTHER INCOME

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
銀行存款利息收入	Interest income from bank deposits	5,331	4,717
政府補助(附註)	Government grants (note)	–	11,681
		<b>5,331</b>	<b>16,398</b>

附註：本集團已於截至二零一八年十二月三十一日止年度期間收取由中國地方政府機關發放之政府補助11,681,000港元，作為本集團對中國丁蜀鎮環保及工業發展貢獻之一次性補助。

Note: The government grants of HK\$11,681,000 during the year ended 31 December 2018 were received from a local government authority in the PRC as one-off subsidies for the Group's contribution to the environmental protection and industrial development in Dingshu Town in the PRC.



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#### 7. 其他經營費用及其他收益／(虧損)淨值

##### a) 其他經營費用

#### 7. OTHER OPERATING EXPENSES AND OTHER NET GAIN/(LOSS)

##### a) Other operating expenses

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
暫時性停產期間之費用	Expenses incurred during temporary suspension of production	-	(8,647)

截至二零一八年十二月三十一日止年度，由於進行內部整合，本集團暫時停止其若干生產線。於暫時性停產期間所產生之相關費用已計入其他經營費用內。

During the year ended 31 December 2018, the Group temporarily suspended certain of its production for internal consolidation. The related expenses incurred during the temporary production suspension were included in other operating expenses.

##### b) 其他收益／(虧損)淨值

##### b) Other net gain/(loss)

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
匯兌虧損淨額	Net exchange loss	(1,241)	(4,563)
撥回／(確認)下列各項之減值虧損淨額：	Net impairment losses reversed/(recognised) on:		
— 應收賬款	— trade receivables	2,601	823
— 其他應收款	— other receivables	(66)	5
出售物業、廠房及設備之收益／(虧損)	Gain/(loss) on disposals of property, plant and equipment	11,009	(96)
其他	Others	545	12
		<b>12,848</b>	<b>(3,819)</b>

8. 除稅前溢利

除稅前溢利已扣除下列各項：

8. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
<b>a) 財務成本</b>	<b>a) Finance costs</b>		
貼現票據之利息	Interest on discounted bills	331	–
租賃負債之利息	Interest on lease liabilities	257	–
		<b>588</b>	–
<b>b) 員工成本 (包括附註10 所載之董事酬金) #</b>	<b>b) Staff costs (including directors' remuneration in note 10) #</b>		
薪金及工資	Salaries and wages	31,113	36,820
退休福利計劃供款 (附註12)	Retirement benefits scheme contributions (note 12)	2,945	3,996
員工遣散費用	Staff redundancy costs	–	2,321
		<b>34,058</b>	43,137
<b>c) 其他項目</b>	<b>c) Other items</b>		
核數師酬金	Auditors' remuneration		
– 審核服務	– audit services	2,610	2,610
– 其他服務	– other services	575	575
		<b>3,185</b>	3,185
存貨成本(附註22(b)) #	Cost of inventories (note 22(b)) #	941,427	841,667
經營租約下預付土地租金 之攤銷 #	Amortisation of prepaid lease payments on land under operating leases #	–	3,553
物業、廠房及設備之折舊 #	Depreciation of property, plant and equipment #	32,214	41,799
使用權資產之折舊 #	Depreciation of right-of-use assets #	4,305	–
根據香港會計準則第17號之 租賃物業經營租賃支出 #	Operating lease charges on rented premises under HKAS 17 #	–	2,894

# 截至二零一九年十二月三十一日止年度內，存貨成本包括有關員工成本、折舊及攤銷費用以及經營租賃支出約47,074,000港元(二零一八年：53,168,000港元)。有關款項亦已就各類別費用計入上文獨立披露之總額內。

# During the year ended 31 December 2019, cost of inventories included approximately HK\$47,074,000 (2018: HK\$53,168,000) relating to staff costs, depreciation and amortisation expenses, and operating lease charges, which amounts were also included in the respective total amounts disclosed separately above for each of these types of expenses.

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 9. 綜合損益表內之所得稅

a) 綜合損益表內之所得稅指：

#### 9. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

a) Income tax in the consolidated statement of profit or loss represents:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
<b>本期稅項－中國企業所得稅</b>	<b>Current tax – PRC Enterprise Income Tax</b>		
本年度撥備(附註27(a))	Provision for the year (note 27(a))	(5,173)	(8,297)
<b>遞延稅項</b>	<b>Deferred taxation</b>		
暫時性差異之產生及撥回 (附註27(b))	Origination and reversal of temporary differences (note 27(b))	3,852	–
所得稅支出	Income tax charge	<b>(1,321)</b>	(8,297)

本公司及其附屬公司分別於開曼群島及英屬處女群島註冊成立，根據彼等各自註冊成立國家之規則及規定，毋須繳付任何所得稅。

由於截至二零一九年十二月三十一日止年度於香港產生之估計應評稅溢利被結轉之累計稅項虧損所抵銷，因此並無就該年度之香港利得稅計提撥備。

由於截至二零一八年十二月三十一日止年度本集團於香港並無產生估計應評稅溢利，故並無就香港利得稅計提撥備。

截至二零一九年及二零一八年十二月三十一日止年度內，中國企業所得稅乃根據本公司於中國成立之附屬公司之估計應課稅溢利按法定所得稅率25%計算。

The Company and its subsidiaries incorporated in the Cayman Islands and the British Virgin Islands, respectively, are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

No provision for Hong Kong Profits Tax is provided for the year ended 31 December 2019 as the estimated assessable profit arising in Hong Kong for the year was offset with the accumulated tax losses brought forward.

No provision for Hong Kong Profits Tax was made as the Group had no estimated assessable profits arising in Hong Kong during the year ended 31 December 2018.

PRC Enterprise Income Tax is calculated at the statutory income tax rate of 25% on the estimated assessable profits of the Company's subsidiaries established in the PRC during the years ended 31 December 2019 and 2018.

9. 綜合損益表內之所得稅(續)

a) (續)

中國企業所得稅法亦規定自二零零八年一月一日起中國附屬公司向其海外(包括香港)股東分派溢利時須按5%或10%稅率繳納預扣稅。

根據中國有關稅務法例及規例，宜興新威利成耐火材料有限公司(「利成耐火」)獲分類為外商投資之「高新技術企業」，由二零一七年一月一日起三年期間可享有優惠所得稅率15%。

b) 所得稅支出與會計溢利之間按適用稅率計算之對賬如下：

9. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

a) (Continued)

The PRC Enterprise Income Tax Law also requires withholding tax of 5% or 10% upon distribution of profits by the PRC subsidiaries since 1 January 2008 to its overseas (including Hong Kong) shareholders.

Pursuant to the relevant tax laws and regulations in the PRC, Yixing Xinwei Leeshing Refractory Materials Company Limited (“Leeshing Refractory”) is classified as foreign invested “New and High Technology Enterprises” and is entitled to a preferential income tax rate of 15% for a period of three years from 1 January 2017.

b) Reconciliation between income tax charge and accounting profit at applicable tax rates is as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
除稅前溢利	Profit before taxation	40,908	921
除稅前溢利按各稅務司法權區適用法定稅率計算之名義稅項	Notional tax on profit before taxation, calculated at statutory tax rates applicable to the respective tax jurisdictions concerned	9,436	181
不可抵扣支出之稅務影響	Tax effect of non-deductible expenses	738	2,060
毋須課稅收入之稅務影響	Tax effect of non-taxable income	(1)	(2,860)
未確認稅務虧損之稅務影響	Tax effect of tax losses not recognised	263	12,256
動用先前未確認稅務虧損之稅務影響	Tax effect of utilisation of tax losses previously not recognised	(5,871)	(70)
中國附屬公司獲授優惠稅率之稅務影響	Tax effect of concessionary tax rate granted to a PRC subsidiary	(3,244)	(3,270)
所得稅支出	Income tax charge	1,321	8,297

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#### 10. 董事酬金

根據公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露的董事酬金如下：

#### 10. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the CO and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

		二零一九年					
		2019					
董事袍金	薪金、津貼及 實物福利	酌情花紅	退休福利 計劃供款	以股份為 基礎之付款	總計		
Directors'	Salaries, allowances and benefit-in-kind	Discretionary bonus	Retirement scheme contributions	Share-based payments	Total		
千港元	千港元	千港元	千港元	千港元	千港元	千港元	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>執行董事</b>		<b>Executive directors</b>					
錢元英女士(附註(i))	Ms. Qian Yuanying (note (i))	-	1,098	-	-	1,098	
蔣泉龍先生	Mr. Jiang Quanlong	-	1,430	-	-	1,430	
蔣大偉先生(附註(ii))	Mr. Jiang Dawei (note (ii))	-	198	-	3	201	
蔣才南先生	Mr. Jiang Cainan	-	152	-	-	152	
		-	2,878	-	3	2,881	
<b>獨立非執行董事</b>		<b>Independent non-executive directors</b>					
黃春華先生	Mr. Huang Chunhua	72	-	-	-	72	
金重先生	Mr. Jin Zhong	41	-	-	-	41	
王國珍先生	Mr. Wang Guozhen	68	-	-	-	68	
		181	-	-	-	181	
總計	Total	181	2,878	-	3	3,062	

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## NOTES TO THE FINANCIAL STATEMENTS

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

### 10. 董事酬金(續)

### 10. DIRECTORS' EMOLUMENTS (Continued)

		二零一八年 2018				
		薪金、津貼及 實物福利 Salaries, allowances and benefit-in-kind	酌情花紅 Discretionary bonus	退休福利 計劃供款 Retirement scheme contributions	以股份為 基礎之付款 Share-based payments	總計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
<b>執行董事</b>	<b>Executive directors</b>					
錢元英女士(附註(i))	Ms. Qian Yuanying (note (i))	-	1,098	-	-	1,098
蔣泉龍先生	Mr. Jiang Quanlong	-	1,430	-	-	1,430
蔣大偉先生(附註(ii))	Mr. Jiang Dawei (note (ii))	-	200	-	3	203
蔣才南先生	Mr. Jiang Cainan	-	158	-	2	160
		-	2,886	-	5	2,891
<b>獨立非執行董事</b>	<b>Independent non-executive directors</b>					
黃春華先生	Mr. Huang Chunhua	72	-	-	-	72
金重先生	Mr. Jin Zhong	42	-	-	-	42
王國珍先生	Mr. Wang Guozhen	70	-	-	-	70
		184	-	-	-	184
<b>總計</b>	<b>Total</b>	184	2,886	-	5	3,075

附註：

- (i) 錢元英女士亦為本公司之主席。  
(ii) 蔣大偉先生亦為本公司之行政總裁。

Notes:

- (i) Ms. Qian Yuanying is also the Chairman of the Company.  
(ii) Mr. Jiang Dawei is also the Chief Executive Officer of the Company.

截至二零一九年及二零一八年十二月三十一日止年度內，概無董事向本集團收取任何酬金，作為鼓勵加入本集團或加入本集團時之獎勵或離職補償。於該兩個年度，概無董事放棄或同意放棄任何酬金。

During the years ended 31 December 2019 and 2018, no director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office. No director has waived or agreed to waive any emoluments during both years.



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#### 11. 最高薪人士及高級管理人員酬金

##### a) 五名最高薪人士

截至二零一九年十二月三十一日止年度，本集團五名最高薪人士中，其中兩名（二零一八年：兩名）為本公司董事，其酬金於附註10披露。其餘三名（二零一八年：三名）最高薪人士之酬金總額如下：

#### 11. INDIVIDUALS WITH HIGHEST EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS

##### a) Five highest paid individuals

During the year ended 31 December 2019, out of the five highest paid individuals in the Group, two (2018: two) are directors of the Company whose emoluments are disclosed in note 10. The aggregate emoluments in respect of the remaining three (2018: three) highest paid individuals are as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
薪金及其他酬金	Salaries and other emoluments	2,047	1,882
酌情花紅	Discretionary bonus	–	–
退休福利計劃供款	Retirement benefits scheme contributions	141	79
以股份為基礎之付款	Share-based payments	–	–
		<b>2,188</b>	<b>1,961</b>

其餘三名（二零一八年：三名）最高薪人士之酬金介乎於下列範圍：

The emoluments of the remaining three (2018: three) highest paid individuals are within the following band:

		二零一九年 2019 人數 Number of individuals	二零一八年 2018 人數 Number of individuals
範圍：	<b>Bands:</b>		
零 – 1,000,000港元	Nil – HK\$1,000,000	2	2
1,000,001港元 – 1,500,000港元	HK\$1,000,001 – HK\$1,500,000	1	1
		<b>3</b>	<b>3</b>

11. 最高薪人士及高級管理人員酬金(續)

a) 五名最高薪人士(續)

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無向五位最高薪人士支付或應付任何酬金，作為鼓勵其加入或於加入本集團時的報酬或離職補償。

b) 高級管理人員酬金

已付或應付予高級管理人員(包括上文所披露之三名(二零一八年：三名)最高薪人士)之酬金介乎於下列範圍：

11. INDIVIDUALS WITH HIGHEST EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

a) Five highest paid individuals (Continued)

No emoluments were paid or payable by the Group to the five highest paid individuals as inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2019 and 2018.

b) Senior management's emoluments

The emoluments paid or payable to senior management (including three (2018: three) highest paid individuals as disclosed above) are within the following bands:

		二零一九年 2019 人數 Number of individuals	二零一八年 2018 人數 Number of individuals
<b>範圍：</b>	<b>Bands:</b>		
零 – 1,000,000港元	Nil – HK\$1,000,000	5	9
1,000,001港元 – 1,500,000港元	HK\$1,000,001 – HK\$1,500,000	1	1
		<b>6</b>	<b>10</b>

附註：截至二零一九年十二月三十一日止年度，一名(二零一八年：四名)高級管理人員辭任。

Note: During the year ended 31 December 2019, one (2018: four) individual of senior management resigned.

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#### 12. 僱員退休福利

如中國有關規則及條例的規定，本公司於中國成立之附屬公司須為其全體僱員根據僱員基本薪金的若干百分比參與國家資助退休計劃（一項界定供款退休金計劃）。僱員退休後的生活津貼由國家資助退休計劃負責支付。該等附屬公司除每年供款外，毋須支付實際退休金，亦毋須負責僱員的退休後福利。截至二零一九年十二月三十一日止年度，退休計劃供款額約為2,805,000港元（二零一八年：3,917,000港元）。該計劃供款即時歸屬。

本集團自二零零零年十二月一日起已參與強制性公積金計劃（「強積金計劃」）。該計劃為界定供款退休金計劃。本集團每月按僱員基本薪金若干百分比向該計劃供款。截至二零一九年十二月三十一日止年度，本集團向強積金計劃供款約140,000港元（二零一八年：79,000港元）。強積金的資產與本集團的資產分開持有，並由獨立專業基金經理管理。該計劃供款按時歸屬。

#### 13. 股息

本公司董事不建議派付截至二零一九年十二月三十一日止年度之股息（二零一八年：無）。

#### 12. EMPLOYEE RETIREMENT BENEFITS

As stipulated by the relevant rules and regulations in the PRC, the Company's subsidiaries established in the PRC are required to participate in a state-sponsored retirement plan, which is a defined contribution pension scheme, for all of their employees based on certain percentages of the employees' basic salaries. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees and these subsidiaries have no further obligations for the actual pension payments or other post-retirement benefits beyond the annual contributions. For the year ended 31 December 2019, the retirement plan contribution amounted to approximately HK\$2,805,000 (2018: HK\$3,917,000). Contributions to the plan vest immediately.

The Group has participated in Mandatory Provident Fund Scheme ("MPF Scheme"), which is a defined contribution pension scheme, since 1 December 2000. The Group makes monthly contribution to the scheme based on certain percentage of the employees' basic salaries. For the year ended 31 December 2019, the Group's contributions to the MPF Scheme were approximately HK\$140,000 (2018: HK\$79,000). The assets of the fund are held separately from the Group and are managed by independent professional fund managers. Contributions to the scheme vest progressively.

#### 13. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the year ended 31 December 2019 (2018: Nil).

14. 每股盈利／(虧損)

每股基本盈利／(虧損)

本公司擁有人之每股基本盈利／(虧損)乃根據下列數據計算：

14. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share to owners of the Company is based on the following data:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
計算每股基本盈利／(虧損) 之本公司擁有人應佔 本年度溢利／(虧損)	Profit/(loss) for the year attributable to owners of the Company for the purpose of calculating basic earnings/(loss) per share	<b>38,885</b>	(5,424)

股份數目

Number of shares

		二零一九年 2019 千股 '000	二零一八年 2018 千股 '000
計算每股基本盈利／(虧損) 之普通股份加權平均數	Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	<b>2,341,700</b>	2,341,700

每股攤薄盈利／(虧損)

由於本公司於截至二零一九年及二零一八年十二月三十一日止年度並無尚未行使之潛在攤薄普通股，因此每股攤薄盈利／(虧損)與每股基本盈利／(虧損)相同。

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share equals to the basic earnings/(loss) per share as the Company has no potential dilutive ordinary shares outstanding during the years ended 31 December 2019 and 2018.

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#### 15. 分部報告

本集團按業務性質劃分分部及進行管理。於採納香港財務報告準則第8號「經營分部」及與向被確認為本集團首席營運決策人（「首席營運決策人」）之行政總裁內部呈報用以資源分配及表現評估之資料一致，本集團呈列了兩個呈報分部。並無合併經營分部以形成下列呈報分部：

稀土：製造及銷售稀土產品

耐火：製造及銷售耐火產品

##### a) 分部業績、資產及負債

就評估分部表現及分部間分配資源而言，本集團之首席營運決策人按照下列基準監察各個呈報分部應佔之業績、資產及負債：

分部資產包括所有有形及無形資產及流動資產，但不包括可收回稅項、未分配現金及現金等值項目以及未分配至個別呈報分部之其他企業資產。分部負債包括個別分部之製造及銷售活動應佔之應付賬款及其他應付款以及租賃負債。

收入及開支乃經參考呈報分部之銷售額及開支或該等分部應佔資產之折舊或攤銷所引致之開支，分配至該等分部。

#### 15. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. On adoption of HKFRS 8 “Operating segments”, and in a manner consistent with the way in which information is reported internally to the Chief Executive Officer, who has been identified as the Group’s chief operating decision maker (“CODM”), for the purposes of resource allocation and performance assessment, the Group has presented two reportable segments. No operating segments have been aggregated to form the following reportable segments:

Rare earth: Manufacture and sales of rare earth products

Refractory: Manufacture and sales of refractory products

##### a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group’s CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and intangible assets, and current assets with the exception of tax recoverable, unallocated cash and cash equivalents, and other corporate assets which are unallocated to an individual reportable segment. Segment liabilities include trade and other payables, and lease liabilities attributable to the manufacturing and sales activities of the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

## 15. 分部報告(續)

## a) 分部業績、資產及負債(續)

呈報分部溢利／(虧損)所使用之計量方法為「經調整扣除利息、稅項、折舊及攤銷前溢利」(「經調整EBITDA」)。為計算經調整EBITDA，本集團之溢利／(虧損)會就並非特定個別呈報分部應佔之項目作出進一步調整，如董事酬金、核數師酬金及其他未分配企業開支。

除獲得有關經調整EBITDA之分部資料外，本集團首席營運決策人亦獲提供有關收入(包括分部間銷售)、折舊、攤銷、由分部直接管理之銀行結餘及借貸之利息收入及開支、減值虧損、出售物業、廠房及設備之收益／(虧損)、出售附屬公司之收益及分部於營運中所使用之非流動分部資產添置之分部資料。分部間銷售參考就同類訂單收取外部第三方之價格訂價。

## 15. SEGMENT REPORTING (Continued)

## a) Segment results, assets and liabilities (Continued)

The measure used for reporting segment profit/(loss) is “adjusted profit before interest, taxes, depreciation and amortisation” (“Adjusted EBITDA”). To arrive at the Adjusted EBITDA, the Group’s profit/(loss) further adjusted for items not specifically attributed to an individual reportable segment, such as directors’ emoluments, auditors’ remuneration and other unallocated corporate expenses.

In addition to the receiving of segment information concerning the Adjusted EBITDA, the Group’s CODM is provided with segment information concerning revenue (including inter-segment sales), depreciation, amortisation, interest income and expenses from bank balances and borrowings managed directly by the segments, impairment losses, gain/(loss) on disposals of property, plant and equipment, gain on disposal of a subsidiary and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.



## 財務報表附註

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#### 15. 分部報告 (續)

##### a) 分部業績、資產及負債 (續)

年內，就提供予本集團首席營運決策人用作分配資源及評估分部表現之本集團呈報分部資料載列如下：

#### 15. SEGMENT REPORTING (Continued)

##### a) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the year is as follows:

		稀土		耐火		總計	
		Rare earth		Refractory		Total	
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
		2019	2018	2019	2018	2019	2018
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
來自對外客戶之收入	Revenue from external customers	691,918	554,515	326,617	347,580	1,018,535	902,095
分部間收入	Inter-segment revenue	-	131	-	-	-	131
呈報分部收入	Reportable segment revenue	691,918	554,646	326,617	347,580	1,018,535	902,226
呈報分部溢利/(虧損) (經調整EBITDA)	Reportable segment profit/ (loss) (Adjusted EBITDA)	34,803	(13,565)	49,123	67,561	83,926	53,996
利息收入	Interest income	2,425	2,002	2,904	2,715	5,329	4,717
財務成本	Finance costs	-	-	331	-	331	-
物業、廠房及 設備之折舊	Depreciation of property, plant and equipment	(19,345)	(19,636)	(12,768)	(22,134)	(32,113)	(41,770)
使用權資產之折舊	Depreciation of right-of-use assets	(1,647)	-	(1,426)	-	(3,073)	-
經營租約下預付 土地租金之攤銷	Amortisation of prepaid lease payments on land under operating leases	-	(1,705)	-	(1,848)	-	(3,553)
撥回/(確認)下列各 項之減值虧損淨額：	Net impairment losses reversed/ (recognised) on:						
— 應收賬款	- trade receivables	1,227	(2,618)	1,374	3,441	2,601	823
— 其他應收款	- other receivables	(1)	(48)	(65)	53	(66)	5
出售物業、廠房及設 備之收益/(虧損)	Gain/(loss) on disposals of property, plant and equipment	11,009	-	-	(96)	11,009	(96)
出售附屬公司之 收益	Gain on disposal of a subsidiary	-	-	-	1,925	-	1,925
呈報分部資產	Reportable segment assets	1,473,081	1,518,671	1,818,077	1,831,226	3,291,158	3,349,897
添置非流動 分部資產：	Additions to non-current segment assets:						
— 物業、廠房及 設備	- Property, plant and equipment	-	14,462	24,955	4,760	24,955	19,222
呈報分部負債	Reportable segment liabilities	504,554	542,362	179,100	181,547	683,654	723,909

15. 分部報告(續)

b) 呈報分部收入、溢利或虧損、資產及負債之對賬

15. SEGMENT REPORTING (Continued)

b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
<b>收入</b>	<b>Revenue</b>		
呈報分部收入	Reportable segment revenue	<b>1,018,535</b>	902,226
撇銷分部間收入	Elimination of inter-segment revenue	–	(131)
綜合收入	Consolidated revenue	<b>1,018,535</b>	902,095
<b>溢利或虧損</b>	<b>Profit or loss</b>		
呈報分部溢利	Reportable segment profit	<b>83,926</b>	53,996
撇銷分部間溢利或虧損	Elimination of inter-segment profit or loss	–	–
來自本集團對外客戶之呈報分部溢利	Reportable segment profit derived from Group's external customers	<b>83,926</b>	53,996
利息收入	Interest income	<b>5,331</b>	4,717
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	<b>(32,214)</b>	(41,799)
使用權資產之折舊	Depreciation of right-of-use assets	<b>(4,305)</b>	–
經營租約下預付土地租金之攤銷	Amortisation of prepaid lease payments on land under operating leases	–	(3,553)
財務成本	Finance costs	<b>(588)</b>	–
未分配企業開支	Unallocated corporate expenses	<b>(11,242)</b>	(12,440)
綜合除稅前溢利	Consolidated profit before taxation	<b>40,908</b>	921
所得稅支出	Income tax charge	<b>(1,321)</b>	(8,297)
綜合除稅後溢利/(虧損)	Consolidated profit/(loss) after taxation	<b>39,587</b>	(7,376)

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#### 15. 分部報告(續)

b) 呈報分部收入、溢利或虧損、資產及負債之對賬(續)

#### 15. SEGMENT REPORTING (Continued)

b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (Continued)

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
<b>資產</b>	<b>Assets</b>		
呈報分部資產	Reportable segment assets	<b>3,291,158</b>	3,349,897
撇銷分部間應收款	Elimination of inter-segment receivables	<b>(570,802)</b>	(585,216)
		<b>2,720,356</b>	2,764,681
未分配現金及現金等值項目	Unallocated cash and cash equivalents	<b>1,761</b>	3,745
未分配企業資產	Unallocated corporate assets	<b>5,392</b>	1,078
遞延稅項資產	Deferred tax assets	<b>3,810</b>	–
可收回稅項	Tax recoverable	<b>737</b>	753
		<b>2,732,056</b>	2,770,257
綜合資產總值	Consolidated total assets	<b>2,732,056</b>	2,770,257
<b>負債</b>	<b>Liabilities</b>		
呈報分部負債	Reportable segment liabilities	<b>683,654</b>	723,909
撇銷分部間應付款	Elimination of inter-segment payables	<b>(570,802)</b>	(585,216)
		<b>112,852</b>	138,693
未分配企業負債	Unallocated corporate liabilities	<b>13,759</b>	6,239
應付稅項	Tax payable	<b>3,836</b>	6,643
		<b>130,447</b>	151,575
綜合負債總值	Consolidated total liabilities	<b>130,447</b>	151,575

15. 分部報告(續)

c) 地區資料

(i) 來自對外客戶之收入

下表載列有關本集團來自對外客戶之收入所在地區的資料。客戶所在地區按貨品付運地點劃分。

15. SEGMENT REPORTING (Continued)

c) Geographical information

(i) Revenue from external customers

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods were delivered.

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
中國(註冊地點)	The PRC (place of domicile)	920,188	811,415
日本	Japan	75,105	58,123
歐洲	Europe	10,449	11,867
其他	Others	12,793	20,690
		98,347	90,680
		1,018,535	902,095

(ii) 特定非流動資產

本集團之特定非流動資產，包括物業、廠房及設備、使用權資產、經營租約下預付土地租金、其他非流動資產及商譽。

該等特定非流動資產之地區位置乃根據(i)資產實際所在地點(就物業、廠房及設備、使用權資產、經營租約下預付土地租金及其他非流動資產而言)；及(ii)所分配之營運所在地點(就商譽而言)劃分。

(ii) Specified non-current assets

The Group's specified non-current assets comprise property, plant and equipment, right-of-use assets, prepaid lease payments on land under operating leases, other non-current asset and goodwill.

The geographical location of these specified non-current assets is based on (i) the physical location of the assets, in the case of property, plant and equipment, right-of-use assets, prepaid lease payments on land under operating leases, and other non-current asset and (ii) the location of the operation to which they are allocated, in the case of goodwill.

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#### 15. 分部報告(續)

##### c) 地區資料(續)

##### (ii) 特定非流動資產(續)

該等特定非流動資產之地區位置  
載列如下：

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
中國(註冊地點)	The PRC (place of domicile)	258,882	297,664
香港	Hong Kong	4,590	277
		<b>263,472</b>	<b>297,941</b>

##### d) 有關主要客戶之資料

來自個別對外客戶之收入佔本集團總  
收入10%或以上如下：

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
客戶A	Customer A	137,485	151,956
客戶B	Customer B	127,461	N/A 不適用*

\* 相關收入並未佔本集團該報告期間  
收入總額之10%或以上。

#### 15. SEGMENT REPORTING (Continued)

##### c) Geographical information (Continued)

##### (ii) Specified non-current assets (Continued)

The geographical locations of these specified  
non-current assets are set out below:

##### d) Information about major customers

Revenue from external customers individually  
contributing 10% or more of the Group's total revenue is  
as follows:

\* The corresponding revenue did not contribute 10% or  
more of the Group's total revenue for the respective  
reporting period.

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

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

### 16. 商譽

### 16. GOODWILL

		千港元 HK\$'000
<b>成本</b>	<b>Cost</b>	
於二零一八年一月一日	At 1 January 2018	215,141
匯兌差異	Exchange differences	<u>(3,616)</u>
於二零一八年十二月三十一日 及二零一九年一月一日	At 31 December 2018 and 1 January 2019	211,525
匯兌差異	Exchange differences	<u>(1,640)</u>
於二零一九年十二月三十一日	At 31 December 2019	<u>209,885</u>
<b>累計減值</b>	<b>Accumulated impairment</b>	
於二零一八年一月一日	At 1 January 2018	215,141
匯兌差異	Exchange differences	<u>(3,616)</u>
於二零一八年十二月三十一日 及二零一九年一月一日	At 31 December 2018 and 1 January 2019	211,525
匯兌差異	Exchange differences	<u>(1,640)</u>
於二零一九年十二月三十一日	At 31 December 2019	<u>209,885</u>
<b>賬面值</b>	<b>Carrying amount</b>	
於二零一九年及 二零一八年十二月三十一日	At 31 December 2019 and 2018	<u>—</u>



## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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#### 16. 商譽(續)

於各報告期末，收購下列附屬公司之全部股權所產生之商譽指收購成本超過本集團於收購日期所收購可識別資產及負債之公平值權益之款項：

#### 16. GOODWILL (Continued)

At the end of each reporting period, the goodwill arising from the acquisition of equity interests in the following subsidiaries represented the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities acquired at the date of acquisition:

附屬公司名稱 Name of subsidiary	收購日期 Date of acquisition	分部 Segment	主要業務 Principal activities
無錫新威高溫陶瓷有限公司(「高溫陶瓷」) Wuxi Xinwei High Temperature Ceramics Co., Ltd. ("High Temperature Ceramics")	二零零四年 一月二十九日 29 January 2004	耐火分部 Refractory segment	製造及銷售高溫陶瓷產品 Manufacturing and sales of high temperature ceramics products
海城市蘇海鎂礦有限公司(「蘇海鎂礦」) Haicheng City Suhai Magnesium Ore Co., Ltd. ("Suhai Magnesium")	二零零五年 十二月二十三日 23 December 2005	耐火分部 Refractory segment	製造及銷售鎂砂產品 Manufacturing and sales of magnesium products

收購高溫陶瓷及蘇海鎂礦之股權所產生之商譽已於以往年度全數減值。

The goodwill arising from the acquisition of equity interests in High Temperature Ceramics and Suhai Magnesium has been fully impaired in previous years.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 17. 物業、廠房及設備

#### 17. PROPERTY, PLANT AND EQUIPMENT

		持作	辦公室設備		汽車	在建工程	總值
		自用樓宇	機器及設備	及裝置			
		Buildings	Machinery	Office	Motor	Construction-	Total
		held for	and	equipment	vehicles	in-progress	Total
		own use	equipment	and fixtures			
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>成本</b>	<b>Cost</b>						
於二零一八年一月一日	At 1 January 2018	293,937	900,317	8,538	17,593	12,992	1,233,377
添置	Additions	-	5,073	348	507	13,592	19,520
由在建工程轉入	Transfer from						
	construction-in-progress	-	26,278	-	-	(26,278)	-
處置	Disposals	-	(1,523)	(170)	(246)	-	(1,939)
出售附屬公司時終止確認 (附註32)	Derecognised on disposal of a subsidiary (note 32)	(39,962)	(150,518)	(109)	(1,324)	-	(191,913)
匯兌差異	Exchange differences	(12,438)	(38,024)	(377)	(779)	(306)	(51,924)
於二零一八年 十二月三十一日及 二零一九年一月一日	At 31 December 2018 and 1 January 2019	241,537	741,603	8,230	15,751	-	1,007,121
添置	Additions	-	24,802	6	147	-	24,955
處置	Disposals	-	(95,073)	(28)	(732)	-	(95,833)
匯兌差異	Exchange differences	(5,286)	(15,457)	(170)	(339)	-	(21,252)
於二零一九年 十二月三十一日	At 31 December 2019	236,251	655,875	8,038	14,827	-	914,991

# 財務報表附註

## NOTES TO THE FINANCIAL STATEMENTS

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### 17. 物業、廠房及設備(續)

### 17. PROPERTY, PLANT AND EQUIPMENT (Continued)

		持作 自用樓宇 Buildings held for own use 千港元 HK\$'000	機器及設備 Machinery and equipment 千港元 HK\$'000	辦公室設備 及裝置 Office equipment and fixtures 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	在建工程 Construction- in-progress 千港元 HK\$'000	總值 Total 千港元 HK\$'000
<b>累計折舊及減值</b>	<b>Accumulated depreciation and impairment</b>						
於二零一八年一月一日	At 1 January 2018	212,360	742,655	8,456	14,923	-	978,394
本年度計提	Charge for the year	10,004	30,775	72	948	-	41,799
處置撥回	Written back on disposals	-	(1,523)	(170)	(90)	-	(1,783)
出售附屬公司時抵銷 (附註32)	Eliminated on disposal of a subsidiary (note 32)	(19,859)	(130,455)	(109)	(1,051)	-	(151,474)
匯兌差異	Exchange differences	(9,476)	(31,446)	(373)	(678)	-	(41,973)
於二零一八年 十二月三十一日及 二零一九年一月一日	At 31 December 2018 and 1 January 2019	193,029	610,006	7,876	14,052	-	824,963
本年度計提	Charge for the year	8,765	22,456	136	857	-	32,214
處置撥回	Written back on disposals	-	(86,724)	(25)	(732)	-	(87,481)
匯兌差異	Exchange differences	(4,320)	(12,643)	(169)	(309)	-	(17,441)
於二零一九年 十二月三十一日	At 31 December 2019	197,474	533,095	7,818	13,868	-	752,255
<b>賬面值</b>	<b>Carrying amount</b>						
於二零一九年 十二月三十一日	At 31 December 2019	38,777	122,780	220	959	-	162,736
於二零一八年 十二月三十一日	At 31 December 2018	48,508	131,597	354	1,699	-	182,158

附註：

Notes:

- (i) 於二零一九年及二零一八年十二月三十一日，持作自用樓宇乃位於中國根據中期租賃持有之土地。
- (ii) 於二零一九年十二月三十一日，賬面總額約2,172,000港元（二零一八年：3,806,000港元）之若干樓宇已抵押予一家銀行作為銀行融資之抵押品。

- (i) As at 31 December 2019 and 2018, the buildings held for own use were situated on lands held under medium-term leases in the PRC.
- (ii) As at 31 December 2019, certain buildings with aggregate carrying amount of approximately HK\$2,172,000 (2018: HK\$3,806,000) were pledged to a bank as collateral for banking facilities.

18. 使用權資產

18. RIGHT-OF-USE ASSETS

		租賃土地 Leasehold lands 千港元 HK\$'000	租賃物業 Leased properties 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一九年一月一日應用 香港財務報告準則第16號後 年內折舊計提(附註(i))	Upon application of HKFRS 16 at 1 January 2019 Depreciation charge for the year (note (i))	101,583 (3,073)	5,647 (1,232)	107,230 (4,305)
匯兌差異	Exchange differences	(2,189)	-	(2,189)
於二零一九年十二月 三十一日之賬面值	Carrying amount at 31 December 2019	96,321	4,415	100,736
短期租賃及租期於初始應用 香港財務報告準則第16號 日期起計12個月內結束之 其他租賃相關開支	Expenses relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of HKFRS 16			903
租賃之現金流出總額	Total cash outflows for leases			1,378

使用權資產按直線基準於其估計可使用年期及租賃期(以較短者為準)內計提折舊。

The right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease terms.

於二零一九年十二月三十一日，租賃土地位於中國以中期租賃持有。

As at 31 December 2019, leasehold lands were located in the PRC with medium-term leases.

附註：

Notes:

(i) 折舊計提約542,000港元及3,763,000港元分別計入截至二零一九年十二月三十一日止年度綜合損益表中銷售成本及管理費用內。

(i) The depreciation charges of approximately HK\$542,000 and HK\$3,763,000 were included in cost of sales and administrative expenses, respectively, in the consolidated statement of profit or loss for the year ended 31 December 2019.

(ii) 於二零一九年十二月三十一日，賬面值約42,975,000港元之若干租賃土地已抵押予一家銀行作為銀行融資之抵押品。

(ii) As at 31 December 2019, certain leasehold lands with carrying amount of approximately HK\$42,975,000 were pledged to a bank as collateral for banking facilities.

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#### 19. 經營租約下預付土地租金

#### 19. PREPAID LEASE PAYMENTS ON LAND UNDER OPERATING LEASES

		千港元 HK\$'000
於二零一八年一月一日之賬面值	Carrying amount at 1 January 2018	139,965
本年度攤銷(附註(i))	Amortisation for the year (note (i))	(3,553)
出售附屬公司時終止確認 (附註32)	Derecognised on disposal of a subsidiary (note 32)	(29,272)
匯兌差異	Exchange differences	(5,557)
		<u>101,583</u>
於二零一八年十二月三十一日之 賬面值	Carrying amount at 31 December 2018	<u>101,583</u>
於中國之租賃土地：	Leasehold lands in the PRC:	
中期租賃	Medium-term leases	<u>101,583</u>
於二零一八年十二月三十一日 就報告目的而作出之分析如下：	Analysed for reporting purposes as at 31 December 2018:	
流動資產	Current asset	3,107
非流動資產	Non-current asset	98,476
		<u>101,583</u>
附註：	Notes:	
(i) 攤銷支出約561,000港元及2,992,000港元 分別計入截至二零一八年十二月三十一 日止年度綜合損益表中銷售成本及管理 費用內。	(i) The amortisation charges of approximately HK\$561,000 and HK\$2,992,000 were included in cost of sales and administrative expenses, respectively, in the consolidated statement of profit or loss for the year ended 31 December 2018.	
(ii) 於二零一八年十二月三十一日，賬面值 約45,498,000港元之若干租賃土地已抵 押予一家銀行作為銀行融資之抵押品。	(ii) As at 31 December 2018, certain leasehold lands with carrying amount of approximately HK\$45,498,000 were pledged to a bank as collateral for banking facilities.	

20. 附屬公司之投資

於二零一九年十二月三十一日，本公司附屬公司之詳情如下：

20. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2019, the particulars of the Company's subsidiaries are as follows:

附屬公司名稱	註冊成立/成立 之地點及日期	營運地點	已發行及已繳足 股本之詳情	所有權權益比例			主營業務
				本集團 實際權益	本公司持有	一間附屬 公司持有	
Name of subsidiary	Place and date of incorporation/ establishment	Place of business	Particulars of issued and paid up capital	Effective interest of the Group %	Held by the Company %	Held by a subsidiary %	Principal activities
利成控股有限公司	英屬處女群島 一九九八年十二月三日	附註(d)	20股每股面值 1美元之普通股	100	100	-	投資控股
Lee Shing Holdings Limited	British Virgin Islands 3 December 1998	Note (d)	20 ordinary shares of US\$1 each	100	100	-	Investment holding
龍科國際貿易(上海)有限公司 (附註(a))	中國 二零二零年二月二十四日	中國	註冊資本 200,000美元	100	100	-	貿易稀土產品
Wellfire (Shanghai) Company Limited (note (a))	The PRC 24 February 2000	The PRC	Registered capital US\$200,000	100	100	-	Trading of rare earth products
Dynamic Goal Worldwide Inc.	英屬處女群島 二零二零年五月三十一日	附註(d)	2股每股面值 1美元之普通股	100	-	100	投資控股
Dynamic Goal Worldwide Inc.	British Virgin Islands 31 May 2000	Note (d)	2 ordinary shares of US\$1 each	100	-	100	Investment holding
宜興新威利成稀土有限公司 (附註(b))	中國 一九九三年七月十七日	中國	註冊資本 15,660,000美元	95	-	95	製造及銷售稀土產品
Yixing Xinwei Leeshing Rare Earth Company Limited (note (b))	The PRC 17 July 1993	The PRC	Registered capital US\$15,660,000	95	-	95	Manufacturing and sales of rare earth products
利成耐火(附註(a))	中國 一九九九年七月三十日	中國	註冊資本 17,000,000美元	100	-	100	製造及銷售耐火產品
Leeshing Refractory (note (a))	The PRC 30 July 1999	The PRC	Registered capital US\$17,000,000	100	-	100	Manufacturing and sales of refractory products
無錫新威熒光材料有限公司 (附註(a))	中國 二零零一年十二月二十日	中國	註冊資本 8,520,000美元	100	-	100	暫無業務(附註(e))
Wuxi Xinwei Fluorescent Materials Co., Ltd. (note (a))	The PRC 20 December 2001	The PRC	Registered capital US\$8,520,000	100	-	100	Dormant (note (e))
微科資源有限公司	香港 一九九八年十月二十三日	香港	普通股 2港元	100	-	100	貿易稀土產品
Microtech Resources Limited	Hong Kong 23 October 1998	Hong Kong	Ordinary shares HK\$2	100	-	100	Trading of rare earth products



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#### 20. 附屬公司之投資 (續)

#### 20. INVESTMENTS IN SUBSIDIARIES (Continued)

附屬公司名稱	註冊成立/成立 之地點及日期	營運地點	已發行及已繳足 股本之詳情	所有權權益比例			主營業務
				本集團 實際權益	本公司持有	一間附屬 公司持有	
Name of subsidiary	Place and date of incorporation/ establishment	Place of business	Particulars of issued and paid up capital	Effective interest of the Group %	Held by the Company %	Held by a subsidiary %	Principal activities
中國稀土貿易有限公司	香港 二零零零年三月二十四日	香港	普通股 2港元	100	-	100	暫無業務
China Rare Earth Trading Limited	Hong Kong 24 March 2000	Hong Kong	Ordinary shares HK\$2	100	-	100	Dormant
高溫陶瓷(附註(a))	中國 二零零二年四月一日	中國	註冊資本 30,000,000港元	100	-	100	製造及銷售高溫陶瓷產品
High Temperature Ceramics (note (a))	The PRC 1 April 2002	The PRC	Registered capital HK\$30,000,000	100	-	100	Manufacturing and sales of high temperature ceramics products
蘇海鎂礦(附註(c))	中國 二零零二年四月二十七日	中國	註冊資本 人民幣25,000,000元	100	-	100	製造及銷售鎂砂產品
Suhai Magnesium (note (c))	The PRC 27 April 2002	The PRC	Registered capital RMB25,000,000	100	-	100	Manufacturing and sales of magnesium products
宜興威爾發非金屬材料有限公司 (附註(a))	中國 二零零六年九月二十七日	中國	註冊資本 3,000,000美元	100	-	100	製造及銷售耐火相關產品
Yixing Wellfire Nonmetal Materials Co., Ltd. (note (a))	The PRC 27 September 2006	The PRC	Registered capital US\$3,000,000	100	-	100	Manufacturing and sales of refractory related products
宜興常容貿易發展有限公司 (附註(a))	中國 二零一零年十一月二十六日	中國	註冊資本 200,000,000港元	100	-	100	暫無業務(附註(e))
Yixing Changrong Trading Development Co., Ltd. (note (a))	The PRC 26 November 2010	The PRC	Registered capital HK\$200,000,000	100	-	100	Dormant (note (e))
金茂控股有限公司	香港 二零一零年十二月六日	附註(d)	普通股 1港元	100	-	100	投資控股
Golden Mile Holdings Limited	Hong Kong 6 December 2010	Note (d)	Ordinary share HK\$1	100	-	100	Investment holding
宜興新威利成科技發展有限公司 (附註(a))	中國 二零一八年二月二十三日	中國	不適用 (附註(f))	100	-	100	尚未開展業務
Yixing Xinwei Leeshing Technology Development Company Limited (note (a))	The PRC 23 February 2018	The PRC	N/A (note (f))	100	-	100	Not yet commenced business

## 20. 附屬公司之投資(續)

附註：

- a) 該等公司根據中國法例註冊成立為外商獨資企業。
- b) 該公司根據中國法例註冊成立為中外合營企業。
- c) 該公司根據中國法例註冊成立為有限責任公司。
- d) 該等公司為並無特定主要營業地點之投資控股公司。
- e) 該等公司正在按中國法例進行註銷程序。
- f) 於二零一九年及二零一八年十二月三十一日，該公司之註冊資本並未由本集團注資。

概無附屬公司擁有任何於年結日或年內任何時間持續有效之債務證券。

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無附屬公司持有重大非控股權益。

## 21. 其他非流動資產

於二零一八年十二月三十一日，其他非流動資產人民幣15,164,000元（相當於約17,307,000港元）指丁蜀鎮人民政府（「丁蜀政府」）將予賠償之一幅租賃土地之成本。

於二零一二年，本公司之附屬公司宜興新威利成稀土有限公司收到丁蜀政府頒令，就新政府城鎮規劃，需要徵用一幅一所拋光粉生產廠房所處之租賃土地，並以另一幅土地及若干現金作為賠償。現金代價已於以往年度全數收取。

於截至二零一九年十二月三十一日止年度期間，丁蜀政府決定支付現金人民幣15,164,000元（相當於約17,115,000港元）以作為代替另一幅土地之賠償。截至二零一九年十二月三十一日止年度，匯兌差異192,000港元已計入本集團之匯兌儲備內。

## 20. INVESTMENTS IN SUBSIDIARIES (Continued)

Notes:

- a) These companies are registered under the laws of the PRC as wholly-owned foreign enterprises.
- b) This company is registered under the laws of the PRC as a sino-foreign equity enterprise.
- c) This company is registered under the laws of the PRC as a limited liability enterprise.
- d) These companies are investment holding companies which have no specific principal place of business.
- e) These companies are under deregistration process under the laws of the PRC.
- f) As at 31 December 2019 and 2018, the registered capital of this company was not yet injected by the Group.

None of the subsidiaries had any debt securities subsisting at the end of the year or within any time during the year.

The Group had no subsidiary which has material non-controlling interests for the years ended 31 December 2019 and 2018.

## 21. OTHER NON-CURRENT ASSET

As at 31 December 2018, other non-current asset of RMB15,164,000 (equivalent to approximately HK\$17,307,000) represented the cost of a piece of leasehold land to be compensated by Dingshu Town People's Government ("Dingshu Government").

In 2012, Yixing Xinwei Leeshing Rare Earth Company Limited, the Company's subsidiary, received an order from Dingshu Government to confiscate a piece of leasehold land, on which a factory for polishing powder production plant was located, due to a new government town plan with compensation for another piece of land and certain amount of cash. Cash consideration was received in full in previous years.

During the year ended 31 December 2019, Dingshu Government decided to pay cash of RMB15,164,000 (equivalent to approximately HK\$17,115,000) as compensation in lieu of another piece of land. The exchange difference of HK\$192,000 was included in the Group's translation reserve during the year ended 31 December 2019.

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#### 22. 存貨

a) 綜合財務狀況表之存貨包括：

#### 22. INVENTORIES

a) Inventories in the consolidated statement of financial position comprise:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
原材料	Raw materials	20,180	28,444
在製品	Work in progress	72,214	76,497
產成品	Finished goods	163,849	48,589
		<b>256,243</b>	153,530

b) 確認為開支之存貨金額之分析如下：

b) The analysis of the amount of inventories recognised as an expense is as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
已售存貨之賬面值	Carrying amount of inventories sold	924,007	822,536
存貨撇除	Write-down of inventories	19,375	20,753
存貨撇除撥回	Reversal of write-down of inventories	(1,955)	(1,622)
		<b>941,427</b>	841,667

產生存貨撇除撥回乃由於年內市況變動導致若干產品之估計可變現淨值增加。

The reversal of write-down of inventories arose due to an increase in the estimated net realisable value of certain products during the year as a result of change in market conditions.

23. 應收賬款及其他應收款、預付款項及按金

23. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
應收賬款	Trade receivables	292,193	454,050
減：應收賬款之減值虧損	Less: Impairment loss on trade receivables	(30,260)	(33,568)
應收賬款淨額	Trade receivables, net	261,933	420,482
其他應收款	Other receivables	4,903	5,742
減：其他應收款之減值虧損	Less: Impairment loss on other receivables	(1,987)	(1,965)
其他應收款淨額	Other receivables, net	2,916	3,777
		264,849	424,259
出售物業、廠房及設備之應收代價	Consideration receivable from disposals of property, plant and equipment	15,062	–
其他可退回稅項	Other tax refundable	33,126	40,220
應收賬款及其他應收款	Trade and other receivables	313,037	464,479
就購買材料向供應商預付款項(附註(ii))	Prepayments to suppliers for purchase of materials (note (ii))	392,254	151,644
其他預付款項及按金	Other prepayments and deposits	23,550	32,511
預付款項及按金	Prepayments and deposits	415,804	184,155
總計	Total	728,841	648,634

附註：

- i) 所有應收賬款及其他應收款、預付款項及按金預期可於一年內收回或確認為開支。
- ii) 於二零一九年十二月三十一日，本集團就購買稀土及耐火材料向多名供應商預付合共約392,254,000港元(二零一八年：151,644,000港元)。

Notes:

- i) All of the trade and other receivables, prepayments and deposits are expected to be recovered or recognised as expense within one year.
- ii) As at 31 December 2019, the Group prepaid an aggregate amount of approximately HK\$392,254,000 (2018: HK\$151,644,000) to several suppliers for purchase of rare earth and refractory materials.

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#### 23. 應收賬款及其他應收款、預付款項及按金(續)

應收賬款按發票日期(與收入確認日期相若)呈列之賬齡分析如下:

#### 23. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

The presentation of ageing analysis of the trade receivables based on the invoice date, which is approximate to the revenue recognition date, is as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
6個月以內	Less than 6 months	183,194	300,530
6個月至1年以內	6 months to less than 1 year	80,841	113,719
1至2年以內	1 year to less than 2 years	5,800	10,584
2年以上	Over 2 years	22,358	29,217
		<b>292,193</b>	454,050
減: 應收賬款之減值虧損	Less: Impairment loss on trade receivables	<b>(30,260)</b>	(33,568)
		<b>261,933</b>	420,482

於截至二零一九年及二零一八年十二月三十一日止年度,本集團給予其客戶平均介乎0至180日之信貸期。

本集團信貸於評估客戶的財政能力及付款往績後授出。本集團為所有客戶制定信貸限額,僅在管理層之批准下方可超過信貸限額。管理層亦監督已逾期之應收賬款並跟進收回該等應收款項。

During the years ended 31 December 2019 and 2018, the Group allows an average credit period of 0 to 180 days to its customers.

Credit is offered to customers following an assessment of their financial abilities and payment track record. Credit limits are set out for all customers and these can be exceeded only with the approval from management. Management also monitors overdue trade receivables, and follows up the collection of these receivables.

23. 應收賬款及其他應收款、預付款項及按金(續)

減值虧損撥備之變動如下：

		應收賬款之減值 Impairment of trade receivables		其他應收款之減值 Impairment of other receivables	
		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
於一月一日	At 1 January	33,568	36,028	1,965	2,064
(撥回)/已確認減值 虧損淨額	Net impairment losses (reversed)/recognised	(2,601)	(823)	66	(5)
匯兌差異	Exchange differences	(707)	(1,637)	(44)	(94)
於十二月三十一日	At 31 December	30,260	33,568	1,987	1,965

本集團應用香港財務報告準則第9號所規定之預期信貸虧損，預期信貸虧損模式之減值方法載於附註35(a)。

23. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

The movements of loss allowances for impairment are as follows:

		Impairment of trade receivables		Impairment of other receivables	
		2019 千港元 HK\$'000	2018 千港元 HK\$'000	2019 千港元 HK\$'000	2018 千港元 HK\$'000
At 1 January		33,568	36,028	1,965	2,064
Net impairment losses (reversed)/recognised		(2,601)	(823)	66	(5)
Exchange differences		(707)	(1,637)	(44)	(94)
At 31 December		30,260	33,568	1,987	1,965

The Group applied the ECL prescribed by HKFRS 9, and the impairment methodology of ECL model is set out in note 35(a).

24. 現金及現金等值項目

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
銀行結餘及現金	Bank balances and cash	1,478,953	1,666,292

現金及現金等值項目包括本集團持有之現金及按現行市場年利率介乎0%至0.3% (二零一八年：0%至0.3%) 計息之銀行結餘。

於二零一九年十二月三十一日，本集團不可自由轉換或須遵守中國外匯管制之人民幣計值銀行結餘及現金約為1,476,558,000港元(二零一八年：1,661,997,000港元)。

24. CASH AND CASH EQUIVALENTS

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
Bank balances and cash		1,478,953	1,666,292

Cash and cash equivalents comprise cash held by the Group and bank balances at prevailing market interest rates ranging from 0% to 0.3% (2018: 0% to 0.3%) per annum.

As at 31 December 2019, the Group had bank balances and cash denominated in RMB that were either not freely convertible or were subject to exchange controls in the PRC amounting to approximately HK\$1,476,558,000 (2018: HK\$1,661,997,000).



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#### 25. 應付賬款、應計款項及其他應付款

#### 25. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
應付賬款	Trade payables	<b>74,776</b>	78,894
預提費用及其他應付款	Accrued expenses and other payables	<b>24,196</b>	26,824
合約負債(附註)	Contract liabilities (note)	<b>19,703</b>	33,769
其他應付稅項	Other tax payables	<b>489</b>	2,865
應計款項及其他應付款	Accruals and other payables	<b>44,388</b>	63,458
總計	Total	<b>119,164</b>	142,352

附註：有關金額主要指尚未交付銷售貨品之客戶預付款。

Note: The amounts primarily represent the advance payments from customers for sales of goods not yet delivered.

應付賬款按發票日期呈列之賬齡分析如下：

The presentation of ageing analysis of trade payables based on the invoice date is as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
6個月以內	Less than 6 months	<b>37,953</b>	39,056
6個月至1年以內	6 months to less than 1 year	<b>4,971</b>	14,913
1至2年以內	1 year to less than 2 years	<b>12,875</b>	4,227
2年以上	Over 2 years	<b>18,977</b>	20,698
		<b>74,776</b>	78,894

25. 應付賬款、應計款項及其他應付款  
(續)

合約負債之變動如下：

25. TRADE PAYABLES, ACCRUALS AND OTHER  
PAYABLES (Continued)

The movement of contract liabilities are as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
於一月一日	At 1 January	33,769	46,931
於年初計入合約負債之 年內已確認收入	Revenue recognised during the year that was included in contract liabilities at the beginning of the year	(33,396)	(45,824)
因已收現金而增加，不包括 已確認為收入之金額	Increase due to cash received, excluding amounts recognised as revenue	19,921	34,562
匯兌差異	Exchange differences	(591)	(1,900)
於十二月三十一日	At 31 December	19,703	33,769

26. 應付董事款項

26. AMOUNTS DUE TO DIRECTORS

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
錢元英女士	Ms. Qian Yuanying	2,426	45
蔣泉龍先生	Mr. Jiang Quanlong	383	2,375
蔣才南先生	Mr. Jiang Cainan	112	160
		2,921	2,580

應付董事款項為無抵押、免息及按要求時償還。

The amounts due to directors are unsecured, interest-free and repayable on demand.

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#### 27. 於綜合財務狀況表之所得稅

- a) 綜合財務狀況表之應付／(可收回)稅項之變動如下：

#### 27. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- a) The movement of tax payable/(recoverable) in the consolidated statement of financial position are as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
於一月一日	At 1 January	5,890	4,762
本年度撥備(附註9(a))	Provision for the year (note 9(a))		
— 中國企業所得稅	— PRC Enterprise Income Tax	5,173	8,297
出售附屬公司時終止確認之 可收回稅項(附註32)	Tax recoverable derecognised upon disposal of a subsidiary (note 32)	-	943
本年度已付所得稅	Income tax paid during the year		
— 中國企業所得稅	— PRC Enterprise Income Tax	(7,917)	(7,972)
		<b>3,146</b>	6,030
匯兌差異	Exchange differences	(47)	(140)
於十二月三十一日	At 31 December	<b>3,099</b>	5,890
於綜合財務狀況表確認之 可收回稅項	Tax recoverable recognised in the consolidated statement of financial position	(737)	(753)
於綜合財務狀況表確認之 應付稅項	Tax payable recognised in the consolidated statement of financial position	3,836	6,643
應付稅項淨值	Net tax payable	<b>3,099</b>	5,890

27. 於綜合財務狀況表之所得稅(續)

b) 已確認之遞延稅項資產及負債

已確認遞延稅項資產／(負債)之主要組成部份及其變動如下：

所產生之遞延稅項：

Deferred tax arising from:

於二零一八年一月一日、二零一八年十二月三十一日  
及二零一九年一月一日  
損益表列支(附註9(a))  
匯兌差異

於二零一九年十二月三十一日

27. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

b) Deferred tax assets and liabilities recognised

The major components of deferred tax assets/(liabilities) recognised and movement thereon are as follows:

應收賬款及其他  
應收款之減值虧損  
Impairment loss on  
trade and other  
receivables  
千港元  
HK\$'000

At 1 January 2018, 31 December 2018 and  
1 January 2019

Charged to profit or loss (note 9(a)) 3,852  
Exchange differences (42)

At 31 December 2019

3,810

c) 尚未確認之遞延稅項資產

於二零一九年十二月三十一日，未於該等綜合財務報表確認有關稅項虧損之可扣減暫時差異約為831,787,000港元(二零一八年：1,390,900,000港元)。由於難以預測未來溢利來源，故並無就有關可扣減暫時差異確認遞延稅項資產。上述已計入僅可結轉最多五年之稅項虧損約為398,515,000港元(二零一八年：954,122,000港元)。其他虧損可無限期結轉。

c) Deferred tax assets not recognised

As at 31 December 2019, deductible temporary differences in respect of tax losses not recognised in these consolidated financial statements were approximately HK\$831,787,000 (2018: HK\$1,390,900,000). No deferred tax asset has been recognised in respect of such deductible temporary differences due to the unpredictability of future profit streams. Included in the above are tax losses of approximately HK\$398,515,000 (2018: HK\$954,122,000) which can only be carried forward for a maximum period of five years. Other losses may be carried forward indefinitely.

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#### 27. 於綜合財務狀況表之所得稅(續)

##### d) 尚未確認之遞延稅項負債

根據於二零零八年一月一日起生效之中國企業所得稅法，並無於中國成立或設有業務之非駐居企業或於中國成立或設有業務但相關收入並非實際與於中國成立或設有業務相關，則將須就各類被動收入(如源自中國之股息)按10%稅率繳納預扣所得稅。於二零零八年二月二十二日，財政部及國家稅務總局批准財稅(2008)1號，據此，於二零零七年十二月三十一日前自外資企業保留溢利作出之股息分派將獲豁免繳納預扣所得稅。

於二零一九年十二月三十一日，有關於中國成立之附屬公司自二零零八年之未分配溢利之暫時差異約為430,365,000港元(二零一八年：410,096,000港元)。由於本集團能控制該等附屬公司之股息政策，從而控制暫時差異之撥回時間，且於可見將來不大可能撥回暫時差異，故尚未就該等暫時差異確認遞延稅項負債約43,037,000港元(二零一八年：41,010,000港元)。

#### 27. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

##### d) Deferred tax liabilities not recognised

Under the PRC Enterprise Income Tax Law with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. On 22 February 2008, the Ministry of Finance and State Administration of Tax approved Caishui (2008) No. 1, pursuant to which dividend distributions out of retained profits of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax.

As at 31 December 2019, temporary differences relating to the undistributed profits of subsidiaries established in the PRC since 2008 amounted to approximately HK\$430,365,000 (2018: HK\$410,096,000). Deferred tax liabilities of approximately HK\$43,037,000 (2018: HK\$41,010,000) have not been recognised in respect of these temporary differences as the Group is able to control the dividend policy of these subsidiaries and in turn 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.

28. 租賃負債

下表顯示本集團租賃負債於本報告期間末及過渡至香港財務報告準則第16號的日期之剩餘合約資料：

28. LEASE LIABILITIES

The following table shows the remaining contractual materials of the Group's lease liabilities at the end of the current reporting period and at the date of transition to HKFRS 16:

		二零一九年十二月三十一日 31 December 2019		二零一九年一月一日 1 January 2019	
		最低租賃 付款現值 Present value of the minimum lease payments 千港元 HK\$'000	最低租賃 付款總額 Total minimum lease payments 千港元 HK\$'000	最低租賃 付款現值 Present value of the minimum lease payments 千港元 HK\$'000	最低租賃 付款總額 Total minimum lease payments 千港元 HK\$'000
一年內	Within 1 year	1,181	1,379	1,122	1,379
一年後但於兩年內	After 1 year but within 2 years	1,243	1,379	1,181	1,379
兩年後但於五年內	After 2 years but within 5 years	2,102	2,184	3,344	3,563
		3,345	3,563	4,525	4,942
		4,526	4,942	5,647	6,321
減：未來利息開支總額	Less: Total future interest expenses		(416)		(674)
租賃負債現值	Present value of lease liabilities		4,526		5,647

附註：本集團透過採用經修訂追溯法已初始應用香港財務報告準則第16號，並調整於二零一九年一月一日的期初結餘以就先前根據香港會計準則第17號分類為經營租賃的有關租賃確認租賃負債。

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances as at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17.



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#### 29. 股本及儲備

- a) 本集團綜合權益之各項部份於年初及年末之對賬載於綜合權益變動表內。有關本公司權益之個別部份於年初至年末期間之變動詳情載列如下：

#### 29. CAPITAL AND RESERVES

- a) The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

		本公司擁有人應佔 Attributable to owners of the Company			
		股本 Share capital 千港元 HK\$'000	股份溢價 Share premium 千港元 HK\$'000	累計虧損 Accumulated losses 千港元 HK\$'000	總值 Total 千港元 HK\$'000
於二零一八年一月一日	At 1 January 2018	234,170	2,243,256	(31,943)	2,445,483
二零一八年之權益變動：					
本年度虧損	Loss for the year	-	-	(12,909)	(12,909)
本年度其他全面收益	Other comprehensive income for the year	-	-	-	-
本年度全面虧損總值	<b>Total comprehensive loss for the year</b>	-	-	(12,909)	(12,909)
於二零一八年十二月三十一日及 二零一九年一月一日	At 31 December 2018 and 1 January 2019	234,170	2,243,256	(44,852)	2,432,574
二零一九年之權益變動：					
本年度虧損	Loss for the year	-	-	(13,012)	(13,012)
本年度其他全面收益	Other comprehensive income for the year	-	-	-	-
本年度全面虧損總值	<b>Total comprehensive loss for the year</b>	-	-	(13,012)	(13,012)
於二零一九年十二月三十一日	At 31 December 2019	234,170	2,243,256	(57,864)	2,419,562

29. 股本及儲備(續)  
b) 法定及已發行股本

29. CAPITAL AND RESERVES (Continued)  
b) Authorised and issued share capital

	股份數目 Number of shares 千股 '000	金額 Amount 千港元 HK\$'000
每股面值0.10港元之普通股 法定 於二零一八年一月一日、 二零一八年十二月三十一日及 二零一九年十二月三十一日	Ordinary shares of HK\$0.10 each <b>Authorised</b> At 1 January 2018, 31 December 2018, and 31 December 2019	
	4,000,000	400,000
已發行及繳足 於二零一八年一月一日、 二零一八年十二月三十一日及 二零一九年十二月三十一日	<b>Issued and fully paid</b> At 1 January 2018, 31 December 2018, and 31 December 2019	
	2,341,700	234,170

普通股持有人有權獲得不時宣派之股息及於本公司會議上享有每股一票之投票權。所有普通股對本公司之剩餘資產均享有相等權益。

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

c) 儲備之性質及目的

i) 股份溢價

根據開曼群島公司法(經修訂)，股份溢價賬可供分派予本公司股東，惟於緊隨建議分派股息之日期後，本公司將有能力於日常業務過程中償還其到期債務。

本公司之股份溢價包括實繳盈餘約149,950,000港元，即本公司交換利成控股有限公司全部已發行股本所發行股份之面值，與本公司於一九九九年九月二十九日收購利成控股有限公司所持有附屬公司當日彼等之相關淨資產價值之差額。

c) Nature and purpose of reserves

i) Share premium

Under the Companies Law (Revised) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

The share premium of the Company included the contribution surplus of approximately HK\$149,950,000 which represented the difference between the nominal value of the shares of the Company issued in exchange for the entire issued share capital of Lee Shing Holdings Limited and the value of the underlying net assets of the subsidiaries held by Lee Shing Holdings Limited at the date they were acquired by the Company on 29 September 1999.

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#### 29. 股本及儲備(續)

##### c) 儲備之性質及目的(續)

###### ii) 資本儲備

資本儲備指本集團因應集團重組而已資本化之分配至法定儲備之總額。

###### iii) 法定儲備

自保留盈利撥至法定儲備金乃根據有關之中國規則及規例以及本公司於中國成立之附屬公司之公司章程而作出，並經由各自之董事會批准。

法定儲備金可用於抵銷過往年度之虧損(如有)並可轉換為實繳資本，惟於進行該轉換後之法定儲備金結餘不得少於實體註冊資本之25%。

本公司若干於中國之附屬公司須最低限度向法定儲備轉撥按中國會計規則及規例釐定之純利之10%，直至該儲備結餘達至註冊資本之50%為止。作出之轉撥須於向擁有人分派股息之前進行。

###### iv) 匯兌儲備

匯兌儲備包括因換算海外業務之財務報表而產生之所有匯兌差異。該儲備乃根據附註2(r)所載之會計政策予以處理。

#### 29. CAPITAL AND RESERVES (Continued)

##### c) Nature and purpose of reserves (Continued)

###### ii) Capital reserve

The capital reserve represents the capitalised aggregate appropriations to the statutory reserves made by the Group as a result of group reorganisation.

###### iii) Statutory reserves

Transfers from retained earnings to statutory reserve fund were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors.

Statutory reserve fund can be used to offset previous years' losses, if any, and may be converted into paid-up capital provided that the balance of the statutory reserve fund after such conversion is not less than 25% of the entity's registered capital.

The Company's certain subsidiaries in the PRC are required to transfer a minimum of 10% of their net profits, as determined in accordance with the PRC accounting rules and regulations to the statutory reserves until the reserve balance reaches 50% of the registered capital. The transfer must be made before distribution of dividends to owners.

###### iv) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(r).

29. 股本及儲備(續)

d) 儲備之可供分派情況

於二零一九年十二月三十一日，可供分派予本公司擁有人之本公司儲備總額約為2,185,392,000港元(二零一八年：2,198,404,000港元)，其中包括本公司股份溢價約2,243,256,000港元(二零一八年：2,243,256,000港元)及抵銷累計虧損約57,864,000港元(二零一八年：44,852,000港元)。該等儲備可作出分派，惟緊隨建議宣派股息之日，本公司必須有能力償還於日常業務中到期的債項，方能作出分派。

e) 資本管理

本集團管理資本之主要目標乃保障本集團持續經營之能力以為股東帶來回報及讓其他股權持有人獲益，並維持優化之資本架構以減少資金成本。

本集團會積極及定期審閱及管理其資本架構，以在盡可能提高股東回報與穩健資本狀況可承受之較高貸款水平帶來的好處及保障之間取得平衡，並因應經濟狀況之變動對資本架構作出調整。為維持或調整資本架構，本集團可透過調整向股東支付之股息金額、發行新股、退還資本予股東或出售資產以減債。

29. CAPITAL AND RESERVES (Continued)

d) Distributability of reserves

As at 31 December 2019, the aggregate amount of the Company's reserves available for distribution to owners of the Company was approximately HK\$2,185,392,000 (2018: HK\$2,198,404,000) which included the Company's share premium of approximately HK\$2,243,256,000 (2018: HK\$2,243,256,000), and offsetting with accumulated losses of approximately HK\$57,864,000 (2018: HK\$44,852,000). These reserves are available for distribution provided that immediately following the date on which the dividend is proposed, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

e) Capital management

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

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher stakeholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders or sell assets to reduce debt.

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#### 29. 股本及儲備(續)

##### e) 資本管理(續)

與業界慣例一致，本集團以資產負債比率監控資本架構。該比率以本集團之借貸減現金及現金等值項目除以本公司擁有人應佔權益總值計算。本集團於二零一九年及二零一八年十二月三十一日並無淨債項。截至二零一九年十二月三十一日止年度期間，本集團之策略與二零一八年相同。

本公司及其任何附屬公司毋須遵守外界實施之資本規定。

#### 30. 購股權計劃

於二零一四年六月六日舉行之股東週年大會上，本公司股東批准採納一項購股權計劃（「購股權計劃」），將於採納日期起計10年有效。

根據購股權計劃，本公司董事可向對本集團之發展及增長有所貢獻或將有貢獻之合資格人士，包括本公司及其附屬公司之董事、任何股東、供應商、客戶、專家顧問、顧問及合作夥伴或業務聯盟在該計劃條款及條件之規限下接受購股權認購本公司股份。合資格參與者將就每次授出之購股權支付象徵式代價。購股權可於本公司董事在提出要約時所釐定及指定予各承授人之期間內任何時間行使，惟不得超過各購股權授出日起計10年之期間，惟可遵照購股權計劃予以提早終止。

截至二零一九年及二零一八年十二月三十一日止年度內，並無購股權計劃項下之購股權獲授出、行使、沒收或尚未行使。

#### 29. CAPITAL AND RESERVES (Continued)

##### e) Capital management (Continued)

Consistent with industry practice, the Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as the Group's borrowings less cash and cash equivalents over its total equity attributable to owners of the Company. There were no net debt for the Group as at 31 December 2019 and 2018. During the year ended 31 December 2019, the Group's strategy was unchanged from year 2018.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

#### 30. SHARE OPTION SCHEME

At the annual general meeting of the Company held on 6 June 2014, the shareholders of the Company approved the adoption of a share option scheme (the "Share Option Scheme"), which will be valid for 10 years from the date of its adoption.

Under the Share Option Scheme, the directors of the Company may grant share options to eligible persons, including directors of the Company and its subsidiaries, any of its shareholders, suppliers, customers, consultants, advisers and joint venture partners or business alliance who have contributed or will contribute to the development and growth of the Group, to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. A nominal consideration will be paid by eligible participants for each lot of share options granted. An option may be exercised at any time during a period to be determined and identified by the directors of the Company to each grantee at the time of making the offer, but in any event, shall not exceed the period of 10 years from the date of grant of the particular option, subject to the early termination of the Share Option Scheme.

There were no share options granted, exercised, forfeited nor outstanding under the Share Option Scheme during the years ended 31 December 2019 and 2018.

31. 重大關連人士交易

a) 與關連人士之交易

除該等綜合財務報表其他地方所披露之交易及結餘外，本公司董事認為，下列為截至二零一九年及二零一八年十二月三十一日止年度內本集團訂立之重大關連人士交易：

31. MATERIAL RELATED PARTY TRANSACTIONS

a) Transactions with related parties

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the directors of the Company consider that the followings are the material related party transactions entered into by the Group during the years ended 31 December 2019 and 2018:

關連人士名稱	與本集團之關係	交易性質	二零一九年 2019 千港元	二零一八年 2018 千港元
Name of related party	Relationship with the Group	Nature of transaction	HK\$'000	HK\$'000
蔣泉龍先生	本公司執行董事	本集團根據香港財務報告準則第16號與短期租賃相關開支	813	-
Mr. Jiang Quanlong	Executive director of the Company	Expenses relating to short-term leases under HKFRS 16 by the Group	813	-
蔣泉龍先生	本公司執行董事	本集團根據香港會計準則第17號計算的經營租賃費用	-	841
Mr. Jiang Quanlong	Executive director of the Company	Operating lease charges under HKAS 17 by the Group	-	841
無錫泛亞環保科技有限公司	本公司董事蔣泉龍先生亦為該公司前任董事之公司	本集團根據香港會計準則第17號計算的經營租賃費用	-	3
Wuxi Pan Asia Environmental Protection Technologies Limited	A company of which Mr. Jiang Quanlong, a director of the Company, was also a former director of that company	Operating lease charges under HKAS 17 by the Group	-	3
泛亞環保(江蘇)有限公司	本公司董事蔣泉龍先生亦為該公司董事之公司	本集團根據香港會計準則第17號計算的經營租賃費用	-	31
Pan Asia Environmental Protection (Jiangsu) Company Limited	A company of which Mr. Jiang Quanlong, a director of the Company, is also a director of that company	Operating lease charges under HKAS 17 by the Group	-	31

本公司董事認為，上述交易乃於一般業務過程中根據規管該等交易之協議條款訂立。

The directors of the Company are of the opinion that the above transactions were entered into under the normal course of business and in accordance with the terms of the agreements governing such transactions.



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#### 31. 重大關連人士交易(續)

##### b) 與主要管理人員之交易

主要管理人員之酬金(包括支付予附註10所披露之本公司董事及附註11所披露之最高薪酬人士及高級管理人員之金額)如下:

#### 31. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

##### b) Transactions with key management personnel

Emoluments for key management personnel, including amounts paid to the Company's directors as disclosed in note 10, and the highest paid employees and senior management as disclosed in note 11 are as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
短期僱員福利	Short-term employee benefits	5,466	5,666
退休後福利	Post-employment benefits	146	89
		<b>5,612</b>	<b>5,755</b>

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#### 32. 出售附屬公司

於二零一八年七月六日,本集團與一名獨立第三方訂立協議,以出售海城新威利成鎂資源有限公司(「海城新威」)之100%股權,現金代價為人民幣28,000,000元(相當於約32,933,000港元)(「出售事項」)。海城新威主要從事製造及銷售鎂砂產品。出售事項已於二零一八年七月十八日完成。

#### 32. DISPOSAL OF A SUBSIDIARY

On 6 July 2018, the Group entered into an agreement with an independent third party to dispose of its 100% equity interest in Hai Cheng Xinwei Leeshing Magnesium Resources Co., Ltd. ("Hai Cheng Xinwei") at a cash consideration of RMB28,000,000 (equivalent to approximately HK\$32,933,000) (the "Disposal"). Hai Cheng Xinwei was principally engaged in manufacturing and sales of magnesium products. The Disposal was completed on 18 July 2018.

##### a) 已收代價

##### a) Consideration received

		千港元 HK\$'000
已收現金及現金等值項目代價	Consideration received in cash and cash equivalents	32,933

32. 出售附屬公司(續)

b) 失去控制權資產及負債之分析

32. DISPOSAL OF A SUBSIDIARY (Continued)

b) Analysis of assets and liabilities over which control was lost

		千港元 HK\$'000
物業、廠房及設備	Property, plant and equipment	40,439
經營租約下預付土地租金	Prepaid lease payments on land under operating leases	29,272
存貨	Inventories	2,866
應收賬款及其他應收款	Trade and other receivables	5,043
可收回稅項	Tax recoverable	943
現金及現金等值項目	Cash and cash equivalents	1,365
應付賬款	Trade payables	(1,779)
應計款項及其他應付款	Accruals and other payables	(45,648)
出售之資產淨值	Net assets disposed of	<u>32,501</u>

c) 出售附屬公司之收益

c) Gain on disposal of a subsidiary

		千港元 HK\$'000
已收代價	Consideration received	32,933
出售之資產淨值	Net assets disposed of	(32,501)
就失去附屬公司之控制權由權益重分類為損益之附屬公司資產淨值之累計匯兌收益	Cumulative exchange gain in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control in the subsidiary	<u>1,493</u>
於損益中確認出售附屬公司之收益	Gain on disposal of a subsidiary recognised in profit or loss	<u>1,925</u>

d) 出售附屬公司之現金流入淨額

d) Net cash inflows on disposal of a subsidiary

		千港元 HK\$'000
已收現金及現金等值項目代價	Consideration received in cash and cash equivalents	32,933
減：出售之現金及現金等值項目	Less: Cash and cash equivalents disposed of	<u>(1,365)</u>
出售之現金流入淨額	Net cash inflows on disposal	<u>31,568</u>

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#### 33. 承擔

- a) 於二零一九年及二零一八年十二月三十一日，本集團並無有關物業、廠房及設備之收購及建造之已訂約但未撥備的資本承擔。
- b) 於二零一八年十二月三十一日，本集團根據物業之不可撤銷經營租賃於日後所須繳付的最低租金款項承擔之到期日如下：

#### 33. COMMITMENTS

- a) As at 31 December 2019 and 2018, the Group did not have capital commitments in respect of acquisition and construction of property, plant and equipment contracted but not provided for.
- b) As at 31 December 2018, the Group had operating lease commitments for future minimum lease payments under non-cancellable operating leases in respect of properties which fall due as follows:

		千港元 HK\$'000
1年內	Within one year	2,261
1年後但5年內	After one year but within five years	2,184
		<u>4,445</u>

經營租賃付款指本集團就租賃物業應付之租金。租約及租金乃通過磋商釐定，為期一至五年。概無租賃涉及或然租金。

上述承擔包括於附註31(a)所披露應付未來租金付款予本公司董事蔣泉龍先生之到期日如下：

Operating lease payments represented rentals payable by the Group for leased properties. Leases and rentals were negotiated and fixed for a period of one to five years. None of the leases included contingent rentals.

The above commitments included future lease payments to Mr. Jiang Quanlong, a director of the Company, as disclosed in note 31(a), which fall due as follows:

		千港元 HK\$'000
1年內	Within one year	<u>822</u>

本集團為先前根據香港會計準則第17號分類為經營租賃及根據租約持有之各項物業的相關承租人。本集團透過採用經修訂追溯法首次應用香港財務報告準則第16號。根據該方法，本集團調整於二零一九年一月一日的期初結餘以確認有關該等租賃的租賃負債（見附註3(b)）。自二零一九年一月一日起，日後租賃付款乃根據附註2(f)所載會計政策於綜合財務狀況表內確認為租賃負債，而有關本集團未來租賃付款的詳情則於附註28披露。

The Group is the lessee in respect of a number of properties held under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances as at 1 January 2019 to recognise lease liabilities relating to these leases (see note 3(b)). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position in accordance with the accounting policies set out in note 2(f), and the details regarding the Group's future lease payments are disclosed in note 28.

34. 按類別劃分之金融工具

於報告期末，各類別金融工具之賬面值載列如下：

34. FINANCIAL INSTRUMENTS BY CATEGORIES

The carrying amounts of each of the categories of financial instruments at the end of each reporting period are as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
<b>金融資產</b>	<b>Financial assets</b>		
應收賬款	Trade receivables	261,933	420,482
其他應收款	Other receivables	2,916	3,777
出售物業、廠房及設備之 應收代價	Consideration receivable from disposals of property, plant and equipment	15,062	–
現金及現金等值項目	Cash and cash equivalents	1,478,953	1,666,292
按攤銷成本計量之金融資產	Financial assets measured at amortised cost	1,758,864	2,090,551
		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
<b>金融負債</b>	<b>Financial liabilities</b>		
應付賬款	Trade payables	74,776	78,894
預提費用及其他應付款	Accrued expenses and other payables	24,196	26,824
應付董事款項	Amounts due to directors	2,921	2,580
租賃負債	Lease liabilities	4,526	–
按攤銷成本計量之金融負債	Financial liabilities measured at amortised cost	106,419	108,298

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#### 35. 財務風險管理及金融工具之公平值

金融工具之風險包括本集團在日常業務過程中產生之信貸風險、流動資金風險、利率風險及貨幣風險。本集團承擔該等風險的狀況及本集團管理該等風險所採用的財務風險管理政策及慣例載列於下文。

##### a) 信貸風險

信貸風險指交易對手無法履行合約責任導致本集團財務虧損之風險。本集團信貸風險主要來自應收賬款及其他應收款以及銀行結餘。管理層已實施信貸政策，並持續監察該等信貸風險。

##### (i) 應收賬款及其他應收款

為盡量減低應收賬款及其他應收款之信貸風險，管理層已訂立一項信貸政策，並對有關信貸風險進行持續監察。本集團會定期對各主要客戶之財務狀況及條件進行信貸評估。該等評估針對客戶過往支付到期款項之歷史及目前之支付能力，並考慮客戶特定資料及客戶經營所處經濟環境之資料。本集團並無就其金融資產要求任何抵押品。

#### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The risks associated with the financial instruments include credit risk, liquidity risk, interest rate risk and currency risk arise in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

##### a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables, and bank balances. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

##### (i) Trade and other receivables

In respect of trade and other receivables, in order to minimise credit risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and conditions are performed on each major customer periodically. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. The Group does not require collateral in respect of its financial assets.

### 35. 財務風險管理及金融工具之公平值 (續)

#### a) 信貸風險(續)

##### (i) 應收賬款及其他應收款(續)

本集團須承受之信貸風險主要受各客戶之個別特點所影響。客戶所經營行業及國家之拖欠風險亦會對信貸風險有所影響，但程度較低。於報告期末，應收賬款總額中15%（二零一八年：26%）及74%（二零一八年：64%）分別來自本集團之最大客戶及五大客戶。

最高信貸風險指經扣除任何減值虧損後綜合財務狀況表內各金融資產的賬面值。於二零一九年及二零一八年十二月三十一日，本集團未提供將使本集團承受信貸風險的任何擔保。

由二零一八年一月一日起，本集團根據香港財務報告準則第9號重新評估應收賬款之整個存續期之預期信貸虧損，以確保就發生違約之可能性或風險顯著增加而作出足夠之減值虧損。已就債務人之應收賬款預期信貸虧損使用適當組別之撥備矩陣進行個別或集體評估。作為本集團信貸風險管理之部份，本集團使用債務人之賬齡評估減值虧損，乃由於該等客戶包括大量有共同風險特徵的客戶，而該風險特徵代表客戶根據合約條款悉數支付到期款項的能力。估計虧損率乃基於債務人於預期年期的過往觀察所得的違約率估計，並在毋須付出繁重成本或努力下可取得的前瞻性資料調整。

### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

#### a) Credit risk (Continued)

##### (i) Trade and other receivables (Continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and the country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, 15% (2018: 26%) and 74% (2018: 64%) of the total trade receivables were due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment loss. As at 31 December 2019 and 2018, the Group did not provide any guarantees which would expose the Group to credit risk.

Starting from 1 January 2018, the Group reassesses lifetime ECLs for trade receivables under HKFRS 9 to ensure that adequate impairment losses are made for significant increase in the likelihood or risk of a default occurring. The ECLs on trade receivables are assessed for debtors individually or collectively using a provision matrix with appropriate groupings. As part of the Group's credit risk management, the Group use debtors' ageing to assess with the impairment loss because these customers consist of a large number of customers which share common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The estimated loss rates are estimated on historical observed default rates over the expected life of the debtors and are adjusted forward-looking information that is available without undue cost or effort.



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#### 35. 財務風險管理及金融工具之公平值 (續)

##### a) 信貸風險(續)

##### (i) 應收賬款及其他應收款(續)

下表提供有關本集團就應收賬款所承擔信貸風險及預期信貸虧損之資料：

#### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

##### a) Credit risk (Continued)

##### (i) Trade and other receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

		二零一九年 2019		
		預期虧損率 Expected loss rate	賬面總額 Gross carrying amount 千港元 HK\$'000	減值之虧損撥備 Loss allowances for impairment 千港元 HK\$'000
即期(未逾期)	Current (not yet past due)	1.65%	162,256	2,683
逾期少於六個月	Less than 6 months past due	4.39%	101,780	4,468
逾期超過六個月但少於一年	More than 6 months but less than 1 year past due	7.25%	3,350	243
逾期超過一年但少於兩年	More than 1 year but less than 2 years past due	26.45%	2,639	698
逾期超過兩年	Over 2 years past due	100%	22,168	22,168
			<b>292,193</b>	<b>30,260</b>
		二零一八年 2018		
		預期虧損率 Expected loss rate	賬面總額 Gross carrying amount 千港元 HK\$'000	減值之虧損撥備 Loss allowances for impairment 千港元 HK\$'000
即期(未逾期)	Current (not yet past due)	0.73%	300,689	2,185
逾期少於六個月	Less than 6 months past due	2.73%	113,564	3,096
逾期超過六個月但少於一年	More than 6 months but less than 1 year past due	3.73%	10,278	383
逾期超過一年但少於兩年	More than 1 year but less than 2 years past due	17.69%	1,962	347
逾期超過兩年	Over 2 years past due	100%	27,557	27,557
			<b>454,050</b>	<b>33,568</b>

### 35. 財務風險管理及金融工具之公平值 (續)

#### a) 信貸風險(續)

##### (i) 應收賬款及其他應收款(續)

預期虧損率乃根據過往2年的實際虧損經驗得出。該等比率會作出調整以反映已蒐集歷史數據的期間的經濟狀況、當前狀況及本集團對應收款項於預期年限的經濟狀況的觀點的差異。

有關本集團來自應收賬款及其他應收款之信貸風險之進一步量化披露載於附註23。

##### (ii) 銀行結餘

本集團透過在信貸評級卓著的金融機構存款減低信貸風險。由於銀行信貸評級良好，管理層預計任何對手方均不會不履行其責任。

#### b) 流動資金風險

本集團旗下之獨立營運實體須負責其各自之現金管理，包括現金盈餘之短期投資及籌措貸款以滿足預期現金需求，惟須獲董事會批准後，方可作實。本集團之政策為定期監察當前及預計之流動資金需求，以及遵守貸款契諾，確保本集團能維持充裕的現金及從主要金融機構取得足夠的承諾信貸融資，以滿足其短期及較長期流動資金需要。

### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

#### a) Credit risk (Continued)

##### (i) Trade and other receivables (Continued)

Expected loss rates are based on actual loss experience over the past 2 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 23.

##### (ii) Bank balances

The Group mitigates its exposure to credit risk by placing deposits with financial institutions with established credit rating. Given the high credit ratings of the banks, the management does not expect any counterparty to fail to meet its obligations.

#### b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to the approval from board of directors. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

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#### 35. 財務風險管理及金融工具之公平值 (續)

##### b) 流動資金風險(續)

下表載列本集團之金融負債於報告期末，基於合約未貼現現金流量(包括使用合約利率計得之利息付款或，如按浮息，則按報告期末之利率計)及本集團可被要求償還之最早日期所得之餘下合約期：

#### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

##### b) Liquidity risk (Continued)

The following tables set out the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates at the end of the reporting period) and the earliest date the Group can be required to pay:

		二零一九年 2019				
		合約未貼現現金流出 Contractual undiscounted cash outflow				
		一年內或 按要求償還 Within 1 year or on demand 千港元 HK\$'000	一年後但 兩年內 More than 1 year but less than 2 years 千港元 HK\$'000	兩年後但 五年內 More than 2 years but less than 5 years 千港元 HK\$'000	總計 Total 千港元 HK\$'000	賬面值 Carrying amount 千港元 HK\$'000
非衍生金融負債	Non-derivative financial liabilities					
應付賬款	Trade payables	74,776	-	-	74,776	74,776
預提費用及其他應付款	Accrued expenses and other payables	24,196	-	-	24,196	24,196
應付董事款項	Amounts due to directors	2,921	-	-	2,921	2,921
租賃負債(附註)	Lease liabilities (note)	1,379	1,379	2,184	4,942	4,526
		103,272	1,379	2,184	106,835	106,419

35. 財務風險管理及金融工具之公平值  
(續)

b) 流動資金風險(續)

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE  
OF FINANCIAL INSTRUMENTS (Continued)

b) Liquidity risk (Continued)

二零一八年 2018					
合約未貼現現金流出 Contractual undiscounted cash outflow					
	一年內或 按 要求償還	一年後但 兩年內	兩年後但 五年內	總計	賬面值
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	千港元	千港元	千港元	千港元	千港元
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>非衍生金融負債</b>	<b>Non-derivative financial liabilities</b>				
應付賬款	78,894	-	-	78,894	78,894
預提費用及其他應付款	26,824	-	-	26,824	26,824
應付董事款項	2,580	-	-	2,580	2,580
	108,298	-	-	108,298	108,298

附註：本集團於二零一九年一月一日採用經修訂追溯法首次應用香港財務報告準則第16號並調整期初結餘，以確認與先前根據香港會計準則第17號分類為經營租賃的租賃相關的租賃負債。租賃負債包括於過渡至香港財務報告準則第16號日期就先前根據香港會計準則第17號分類為經營租賃之租賃確認之金額。根據該方法，並無重列比較資料。

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances as at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Lease liabilities include amounts recognised at the date of transition to HKFRS 16 in respect of leases previously classified as operating leases under HKAS 17. Under this approach, the comparative information is not restated.

c) 利率風險

本集團之利率風險主要來自現金及現金等值項目。由於現金及現金等值項目之利率預期不會重大變動，因此本集團預期將不會存在重大利率風險。

c) Interest rate risk

The Group's interest rate risk arises primarily from cash and cash equivalents. The Group does not anticipate significant interest rate risk to cash and cash equivalents because the interest rates of these balances are not expected to change significantly.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 35. 財務風險管理及金融工具之公平值 (續)

##### c) 利率風險(續)

###### i) 利率組合

下表詳細載列本集團的現金及現金等值項目於報告期末的利率組合：

現金及現金等值項目 Cash and cash equivalents

###### ii) 敏感度分析

於二零一九年十二月三十一日，在所有其他變數保持不變的情況下，估計利率整體上升/下降50個基點將增加/減少本集團本年度除稅後溢利及減少/增加本集團累計虧損約5,822,000港元(二零一八年：截至二零一八年十二月三十一日止年度之本集團除稅後虧損及本集團累計虧損減少/增加約5,744,000港元)。利率整體上升或下降對綜合權益的其他部份並無影響。

上述敏感度分析乃根據於報告期末所承擔之利率風險而釐定。有關分析乃假設於報告期末之未償還金融工具於整個年度尚未償還而編製。50個基點上升或下降為內部向主要管理人員匯報利率風險所使用之基點，並為管理層對利率的合理可能變動的評估。二零一八年已以相同基準作出分析。

#### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

##### c) Interest rate risk (Continued)

###### i) Interest rate profile

The following table details the interest rate profile of the Group's cash and cash equivalents at the end of the reporting period:

	二零一九年 2019		二零一八年 2018	
	實際利率 Effective interest rate	千港元 HK\$'000	實際利率 Effective interest rate	千港元 HK\$'000
現金及現金等值項目 Cash and cash equivalents	0%-0.3%	1,478,953	0%-0.3%	1,666,292

###### ii) Sensitivity analysis

As at 31 December 2019, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's profit after taxation for the year and decrease/increase the Group's accumulated losses by approximately HK\$5,822,000 (2018: decrease/increase the Group's loss after taxation for the year ended 31 December 2018 and decrease/increase the Group's accumulated losses by approximately HK\$5,744,000). Other components of consolidated equity would not be changed in response to the general increase or decrease in interest rates.

The sensitivity analysis above has been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates. The analysis is performed on the same basis for year 2018.

35. 財務風險管理及金融工具之公平值  
(續)

## d) 貨幣風險

本集團主要因以與有關集團實體的功能貨幣以外的貨幣進行買賣所產生應收款、應付款及現金及現金等值項目而面對貨幣風險。導致貨幣風險之貨幣主要為美元。

## i) 所承擔之貨幣風險

下表詳列本集團就來自以與集團實體有關之功能貨幣以外貨幣計值之已確認資產或負債所承擔貨幣風險。

所承擔之貨幣風險 Exposure to currency risk		美元	美元
		US\$	US\$
		二零一九年	二零一八年
		2019	2018
		千港元	千港元
		HK\$'000	HK\$'000
應收賬款及其他應收款	Trade and other receivables	11,340	14,466
現金及現金等值項目	Cash and cash equivalents	1,098	2,901
其他應付款	Other payables	(2,263)	(4,162)
所承擔之整體貨幣風險	Overall exposure to currency risk	10,175	13,205

本集團現時並無就外幣應收款及債務採取外幣對沖政策。本集團將密切監察外幣風險，並將在有需要時考慮對沖重大貨幣風險。

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE  
OF FINANCIAL INSTRUMENTS (Continued)

## d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables, and cash and cash equivalents that are denominated in a currency other than the functional currency of the group entities to which they relate. The currency giving rise to currency risk is primarily United States dollars ("US\$").

## i) Exposure to currency risk

The following table details the Group's exposure to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the group entities to which they relate.

The Group currently does not have a foreign currency hedging policy in respect of its foreign currency receivables and debts. The Group will monitor its foreign currency exposure closely and will consider hedging significant currency exposure should the need arises.



## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 35. 財務風險管理及金融工具之公平值 (續)

##### d) 貨幣風險(續)

##### ii) 敏感度分析

下表列示本集團之除稅後溢利／(虧損)及累計虧損因應本集團於報告期末面對重大風險之外幣匯率於該日可能出現之合理變動而隨即產生之變動，並假定其他風險變數維持不變。

#### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

##### d) Currency risk (Continued)

##### ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit/(loss) after taxation and accumulated losses that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

		除稅後溢利 增加／(減少)		除稅後虧損 減少／(增加)	
		及累計虧損		及累計虧損	
外幣匯率 增加／(減少)		增加／(減少)	減少／(增加)	增加／(減少)	減少／(增加)
		Increase/ (decrease) in profit after taxation and decrease/ (increase) in accumulated losses		Increase/ (decrease) in loss after taxation and decrease/ (increase) in accumulated losses	
		二零一九年 2019 千港元 HK\$'000		二零一八年 2018 千港元 HK\$'000	
美元	US\$	5%	420	5%	539
		(5%)	(420)	(5%)	(539)

35. 財務風險管理及金融工具之公平值  
(續)

d) 貨幣風險(續)

ii) 敏感度分析(續)

上表所示之分析結果代表對本公司於中國成立之各附屬公司按各自之功能貨幣計算並按各報告期末之匯率換算為港元以供呈列之用的除稅後溢利或虧損及權益之即時影響總和。

上述敏感度分析乃假設外幣匯率之變動已用於重新計量本集團於報告期末所持有之金融工具而釐定。此項分析依二零一八年之相同基準進行。

e) 公平值計量

按公平值以外價值計量之金融資產及負債之公平值

於二零一九年及二零一八年十二月三十一日，本集團按成本或攤銷成本計量之金融工具之賬面值與彼等之公平值並無重大差異。

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE  
OF FINANCIAL INSTRUMENTS (Continued)

d) Currency risk (Continued)

ii) Sensitivity analysis (Continued)

Results of the analysis as presented in the above table represent an aggregate of the instantaneous effects on profit or loss after taxation and equity for each of the Company's subsidiaries established in the PRC measured in their respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of each reporting period for presentation purposes.

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group at the end of the reporting period. The analysis is performed on the same basis for year 2018.

e) Fair value measurement

*Fair values of financial assets and liabilities carried at other than fair value*

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2019 and 2018.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 36. 融資活動所產生負債之對賬

下表詳列本集團融資活動所產生負債之變動，包括現金及非現金變動。融資活動所產生負債乃現金流量已於或未來現金流量將於綜合現金流量表分類為融資活動產生之現金流量。

#### 36. 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 consolidated statement of cash flows as cash flows from financing activities.

		租賃負債 Lease liabilities 千港元 HK\$'000	貼現票據 Discounted bills 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一八年一月一日 及二零一八年 十二月三十一日	At 1 January 2018 and 31 December 2018	-	-	-
初始應用香港財務報告 準則第16號之影響	Impact on initial application of HKFRS 16	5,647	-	5,647
於二零一九年一月一日	At 1 January 2019	5,647	-	5,647
<b>融資現金流量之變動：</b>	<b>Changes from financing cash flows:</b>			
已付租賃租金之 資本部份	Capital element of lease rentals paid	(1,121)	-	(1,121)
已付租賃租金之 利息部份	Interest element of lease rentals paid	(257)	-	(257)
已付利息	Interest paid	-	(331)	(331)
<b>其他變動：</b>	<b>Other changes:</b>			
利息開支(附註8(a))	Interest expenses (note 8(a))	257	331	588
於二零一九年 十二月三十一日	At 31 December 2019	4,526	-	4,526

37. 公司層面之財務狀況表

37. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

			二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
		附註 Note		
<b>非流動資產</b>	<b>Non-current assets</b>			
設備	Equipment		175	277
使用權資產	Right-of-use assets		4,415	–
附屬公司之投資	Investments in subsidiaries	20	151,707	151,707
			<b>156,297</b>	151,984
<b>流動資產</b>	<b>Current assets</b>			
預付款項及按金	Prepayments and deposits		800	801
應收附屬公司款項	Amounts due from subsidiaries		2,272,993	2,283,452
現金及現金等值項目	Cash and cash equivalents		856	2,836
			<b>2,274,649</b>	2,287,089
<b>流動負債</b>	<b>Current liabilities</b>			
應計款項及其他應付款	Accruals and other payables		6,312	5,897
應付董事款項	Amounts due to directors		292	343
應付附屬公司款項	Amounts due to subsidiaries		254	259
租賃負債	Lease liabilities		1,181	–
			<b>8,039</b>	6,499
<b>流動資產淨值</b>	<b>Net current assets</b>		<b>2,266,610</b>	2,280,590
<b>資產總值減流動負債</b>	<b>Total assets less current liabilities</b>		<b>2,422,907</b>	2,432,574
<b>非流動負債</b>	<b>Non-current liabilities</b>			
租賃負債	Lease liabilities		3,345	–
<b>資產淨值</b>	<b>NET ASSETS</b>		<b>2,419,562</b>	2,432,574
<b>資本及儲備</b>	<b>CAPITAL AND RESERVES</b>	29		
股本	Share capital		234,170	234,170
儲備	Reserves		2,185,392	2,198,404
<b>權益總值</b>	<b>TOTAL EQUITY</b>		<b>2,419,562</b>	2,432,574

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 38. 於截至二零一九年十二月三十一日止年度已頒佈但尚未生效之修訂本、新訂準則及詮釋之可能影響

截至此等綜合財務報表刊發日期，香港會計師公會已頒佈下列於截至二零一九年十二月三十一日止年度尚未生效且並無於此等綜合財務報表中採納的修訂本及新訂準則。其中包括以下可能與本集團有關者。

香港財務報告準則 業務之定義<sup>1</sup>  
第3號之修訂本

香港會計準則第1號及 重要之定義<sup>2</sup>  
香港會計準則第8號  
之修訂本

香港財務報告準則第9 利率基準改革<sup>2</sup>  
號、香港會計準則第  
39號及香港財務報告  
準則第7號之修訂本

<sup>1</sup> 於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開始時或較後的業務合併及資產收購生效

<sup>2</sup> 於二零二零年一月一日或之後開始的年度期間生效

除上述新訂香港財務報告準則及準則修訂本外，經修訂財務報告概念框架已於二零一八年刊發。其相關修訂，提述香港財務報告準則概念框架的修訂將於二零二零年一月一日或之後開始的年度期間生效。

本集團現正評估該等變動於初始應用期間之預期影響。截至目前，本集團認為採納該等修訂本不大可能對本集團之綜合財務報表造成重大影響。

#### 38. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019

Up to the date of issuance of these consolidated financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2019 and which have not been adopted in these consolidated financial statements. These include the following which may be relevant to the Group.

Amendments to HKFRS 3 Definition of a Business<sup>1</sup>

Amendments to HKAS 1 Definition of Material<sup>2</sup>  
and HKAS 8

Amendments to HKFRS 9, Interest Rate Benchmark Reform<sup>2</sup>  
HKAS 39 and HKFRS 7

<sup>1</sup> 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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2020

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.

The Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far the Group has concluded that the adoption of them is unlikely to have significant impact on the Group's consolidated financial statements.

### 39. 報告期後事項

隨着於二零一九年底爆發2019冠狀病毒病（「2019冠狀病毒病」），中國中央政府已採取多項措施預防及控制疫情。中國內地之營商環境已受到重大影響。世界衛生組織於二零二零年三月進一步宣佈2019冠狀病毒病大流行，全球已採取一系列預防及控制措施。2019冠狀病毒病之未來發展情況及其對營商及經濟環境之影響存在高度不確定性。本集團一直評估2019冠狀病毒病對本集團之營運及財務影響。然而，鑑於疫情之動態性質，於截至本報告日期依然難以提供其對本集團之財務狀況、業績及現金流量影響的合理估計。

### 40. 比較數字

本集團於二零一九年一月一日採用經修訂追溯法初始應用香港財務報告準則第16號。根據此方法，比較資料不會重列。有關會計政策變動之進一步詳情於附註3披露。

### 39. EVENT AFTER THE REPORTING PERIOD

Following the outbreak of the Coronavirus Disease 2019 ("COVID-19") in late 2019, the central government of the PRC has implemented a number of measurements for disease prevention and controls. The business environment in the Mainland China has been significantly affected. The World Health Organisation further declared the COVID-19 pandemic in March 2020, a series of precautionary and control measures have been implemented across the globe. The future development of the COVID-19 and its disruption to business and economic environment are highly uncertain. The Group has been assessing the operational and financial impact of the COVID-19 on the Group. However, given the dynamic nature of the incident, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, performance and cash flows up to the date of this report.

### 40. COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 as at 1 January 2019 using the modified retrospective approach. Under the approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 3.



# 財務概要

## FINANCIAL SUMMARY

		截至十二月三十一日止年度				
		For the year ended 31 December				
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		2019	2018	2017	2016	2015
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
收入	Revenue	<b>1,018,535</b>	902,095	637,162	709,120	843,110
銷售成本	Cost of sales	<b>(941,427)</b>	(841,667)	(611,531)	(704,190)	(943,575)
毛利／(毛虧)	Gross profit/(loss)	<b>77,108</b>	60,428	25,631	4,930	(100,465)
除稅前溢利／(虧損)	Profit/(loss) before taxation	<b>40,908</b>	921	(79,402)	(98,403)	(264,083)
所得稅支出	Income tax charge	<b>(1,321)</b>	(8,297)	(5,379)	(9,473)	(3,535)
本年度溢利／(虧損)	Profit/(loss) for the year	<b>39,587</b>	(7,376)	(84,781)	(107,876)	(267,618)
應佔：	Attributable to:					
本公司擁有人	Owners of the Company	<b>38,885</b>	(5,424)	(82,839)	(104,242)	(256,650)
非控股權益	Non-controlling interests	<b>702</b>	(1,952)	(1,942)	(3,634)	(10,968)
		<b>39,587</b>	(7,376)	(84,781)	(107,876)	(267,618)
		於十二月三十一日				
		As at 31 December				
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		2019	2018	2017	2016	2015
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
流動資產	Current assets	<b>2,464,774</b>	2,472,316	2,512,509	2,434,619	2,610,821
非流動資產	Non-current assets	<b>267,282</b>	297,941	409,082	480,382	577,089
資產總值	Total assets	<b>2,732,056</b>	2,770,257	2,921,591	2,915,001	3,187,910
流動負債	Current liabilities	<b>127,102</b>	151,575	167,781	259,175	250,500
非流動負債	Non-current liabilities	<b>3,345</b>	-	-	811	886
負債總值	Total liabilities	<b>130,447</b>	151,575	167,781	259,986	251,386
資產淨值	Net assets	<b>2,601,609</b>	2,618,682	2,753,810	2,655,015	2,936,524
股本	Share capital	<b>234,170</b>	234,170	234,170	234,170	234,170
儲備	Reserves	<b>2,361,275</b>	2,378,921	2,511,665	2,411,514	2,688,629
本公司擁有人應佔權益	Equity attributable to owners of the Company	<b>2,595,445</b>	2,613,091	2,745,835	2,645,684	2,922,799
非控股權益	Non-controlling interests	<b>6,164</b>	5,591	7,975	9,331	13,725
權益總值	Total equity	<b>2,601,609</b>	2,618,682	2,753,810	2,655,015	2,936,524







中國稀土控股有限公司

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