



東江集團(控股)有限公司

TK GROUP (HOLDINGS) LIMITED

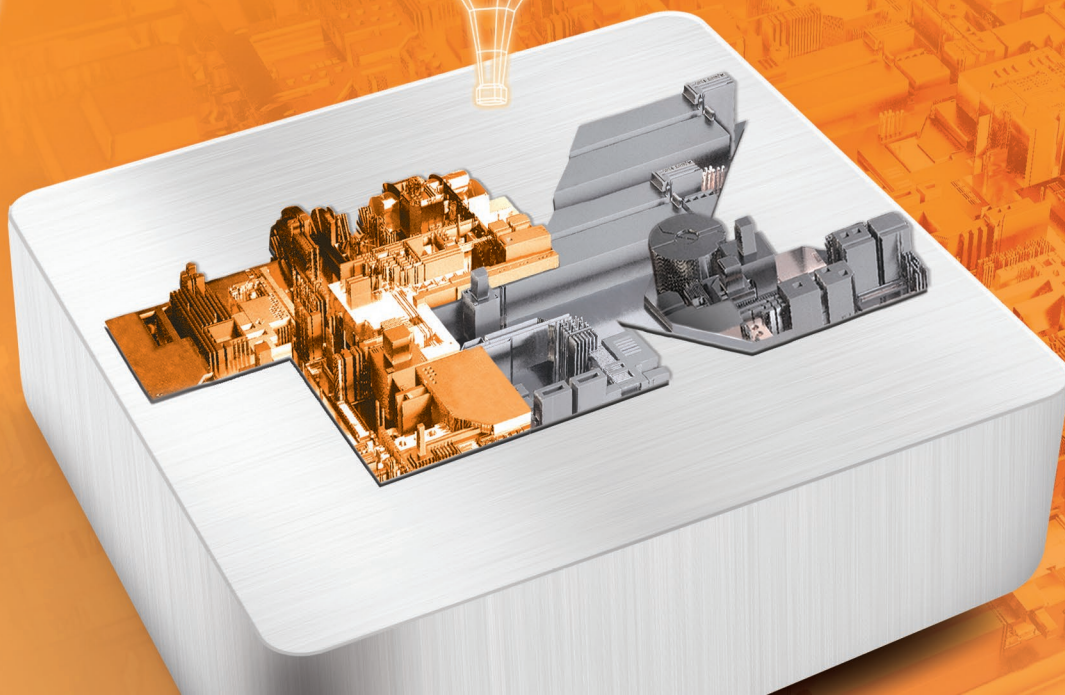
(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 2283

A large, stylized wireframe illustration of a robotic arm, rendered in white lines against the orange background. The arm is positioned on the left side of the cover, with its end effector pointing towards the center.

年報  
ANNUAL REPORT  
2019



# CONTENTS

## 目錄

- 2** Corporate Information  
公司資料
- 4** Financial Highlights  
財務摘要
- 6** Chairman's Statement  
主席報告書
- 11** Management Discussion and Analysis  
管理層討論及分析
- 27** Directors and Senior Management  
董事及高級管理層
- 34** Corporate Governance Report  
企業管治報告
- 55** Environmental, Social and Governance Report  
環境、社會及管治報告
- 88** Directors' Report  
董事會報告書
- 109** Financial Section  
財務部份
- 212** Five Year Financial Summary  
五年財務概要



## CORPORATE INFORMATION

### 公司資料

#### BOARD OF DIRECTORS

##### Executive Directors

Mr. Li Pui Leung (*Chairman*)  
Mr. Yung Kin Cheung Michael (*Chief Executive Officer*)  
Mr. Lee Leung Yiu  
Mr. Cheung Fong Wa

##### Independent Non-executive Directors

Dr. Chung Chi Ping Roy  
Ms. Christine Wan Chong Leung  
Mr. Tsang Wah Kwong

#### COMMITTEES OF THE BOARD

##### Audit Committee

Mr. Tsang Wah Kwong (*Chairman*)  
Dr. Chung Chi Ping Roy  
Ms. Christine Wan Chong Leung

##### Remuneration Committee

Dr. Chung Chi Ping Roy (*Chairman*)  
Mr. Yung Kin Cheung Michael  
Ms. Christine Wan Chong Leung  
Mr. Tsang Wah Kwong

##### Nomination Committee

Mr. Li Pui Leung (*Chairman*)  
Dr. Chung Chi Ping Roy  
Ms. Christine Wan Chong Leung  
Mr. Tsang Wah Kwong

#### AUTHORISED REPRESENTATIVES

Mr. Yung Kin Cheung Michael  
Mr. Cheung Fong Wa

#### COMPANY SECRETARY

Mr. Cheung Fong Wa

#### AUDITOR

PricewaterhouseCoopers  
*Certified Public Accountants*  
Hong Kong

#### PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited  
The Bank of East Asia, Limited  
The Hongkong and Shanghai Banking Corporation Limited, Macau Branch  
Citibank, N.A.  
China CITIC Bank Corporation Limited  
China Construction Bank Corporation  
Dah Sing Bank, Limited

#### 董事會

##### 執行董事

李沛良先生(*主席*)  
翁建翔先生(*行政總裁*)  
李良耀先生  
張芳華先生

##### 獨立非執行董事

鍾志平博士  
梁蘊莊女士  
曾華光先生

#### 董事會委員會

##### 審核委員會

曾華光先生(*主席*)  
鍾志平博士  
梁蘊莊女士

##### 薪酬委員會

鍾志平博士(*主席*)  
翁建翔先生  
梁蘊莊女士  
曾華光先生

##### 提名委員會

李沛良先生(*主席*)  
鍾志平博士  
梁蘊莊女士  
曾華光先生

#### 授權代表

翁建翔先生  
張芳華先生

#### 公司秘書

張芳華先生

#### 核數師

羅兵咸永道會計師事務所  
*執業會計師*  
香港

#### 主要往來銀行

星展銀行(香港)有限公司  
東亞銀行有限公司  
香港上海滙豐銀行有限公司，澳門分行  
花旗銀行  
中信銀行股份有限公司  
中國建設銀行股份有限公司  
大新銀行有限公司

## Corporate Information (continued) 公司資料(續)

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HEADQUARTERS IN PRC

TK Technology Park  
Tangjia Community  
Fenghuang Sub-district Office  
Guangming District  
Shenzhen, the PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Workshop No.19, 9th Floor, Block B  
Hi-Tech Industrial Centre  
No. 491-501 Castle Peak Road  
Tsuen Wan, New Territories, Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

### SHARE LISTING

The Stock Exchange of Hong Kong Limited  
(Stock code: 2283)

### COMPANY WEBSITE

<http://www.tkmold.com>

### 註冊辦事處

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 中國總部

中國深圳  
光明區  
鳳凰辦事處  
塘家社區  
東江科技工業園

### 香港主要營業地點

香港新界荃灣  
青山道491-501號  
嘉力工業中心  
B座9樓19號

### 股份過戶登記總處

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

### 香港股份過戶登記處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心54樓

### 股份上市

香港聯合交易所有限公司  
(股份代號：2283)

### 公司網址

<http://www.tkmold.com>

# FINANCIAL HIGHLIGHTS

## 財務摘要

| Results and Financial performances                            | 業績及財務表現         | 2019      | 2018      |
|---------------------------------------------------------------|-----------------|-----------|-----------|
| <b>Results</b>                                                | <b>業績</b>       |           |           |
| Revenue (HK dollar '000)                                      | 收入(千港元)         | 2,310,842 | 2,298,609 |
| Profit attributable to owners of the Company (HK dollar '000) | 本公司擁有人應佔溢利(千港元) | 301,803   | 350,185   |
| Basic earnings per share (HK dollar)                          | 每股基本盈利(港元)      | 0.36      | 0.42      |
| Proposed final dividend per share (HK dollar)                 | 建議每股末期股息(港元)    | 0.09      | 0.14      |
| Gross profit margin                                           | 毛利率             | 28.9%     | 31.5%     |
| Net profit margin                                             | 淨利率             | 13.1%     | 15.2%     |
| Return on equity (Note 1)                                     | 股本回報率(附註1)      | 25.3%     | 32.6%     |
| Return on assets (Note 2)                                     | 資產回報率(附註2)      | 13.0%     | 16.2%     |
| Inventory turnover days (Note 3)                              | 存貨周轉天數(附註3)     | 83        | 76        |
| Trade receivable turnover days (Note 4)                       | 貿易應收款項周轉天數(附註4) | 49        | 48        |
| Trade payable turnover days (Note 5)                          | 貿易應付款項周轉天數(附註5) | 65        | 66        |
| <b>Financial position</b>                                     | <b>財務狀況</b>     |           |           |
| Net current assets (HK dollar '000)                           | 流動資產淨值(千港元)     | 619,628   | 766,529   |
| Current ratio (Note 6)                                        | 流動比率(附註6)       | 170.1%    | 195.0%    |
| Quick ratio (Note 7)                                          | 速動比率(附註7)       | 125.2%    | 152.4%    |
| Gearing ratio* (Note 8)                                       | 資產負債比率*(附註8)    | 20.3%     | 31.8%     |
| Net gearing ratio (Note 9)                                    | 淨資產負債比率(附註9)    | 0%        | 0%        |

Notes:

- (1) Return on equity ratio is calculated by dividing profit after tax by total equity and multiplying the resulting value by 100%.
- (2) Return on assets ratio is calculated by dividing profit after tax by total assets and multiplying the resulting value by 100%.
- (3) Inventory turnover days are calculated based on the average balance of inventories divided by the cost of sales for the relevant year multiplied by 365 days.
- (4) Trade receivable turnover days are calculated based on the average trade receivables divided by the revenue for the relevant year multiplied by 365 days.
- (5) Trade payable turnover days are calculated based on the average trade payables divided by the cost of sales for the relevant year multiplied by 365 days.
- (6) Current ratio is calculated by dividing current assets by current liabilities and multiplying the resulting value by 100%.
- (7) Quick ratio is calculated by dividing current assets less inventory by current liabilities and multiplying the resulting value by 100%.
- (8) Gearing ratio is calculated by dividing total borrowings by total equity and multiplying the resulting value by 100%.
- (9) Net gearing ratio is calculated by dividing net borrowings (total borrowings net-off cash and pledged bank deposits) by total equity and multiplying the resulting value by 100%. Net gearing ratio was zero as net cash of the Company as at 31 December 2019 and 31 December 2018 was HK\$493,150,000 and HK\$533,107,000 respectively.

\* The decrease in gearing ratio was mainly attributed to the decrease in operating loans and the increase in equity due to the profit recorded for the year.

附註：

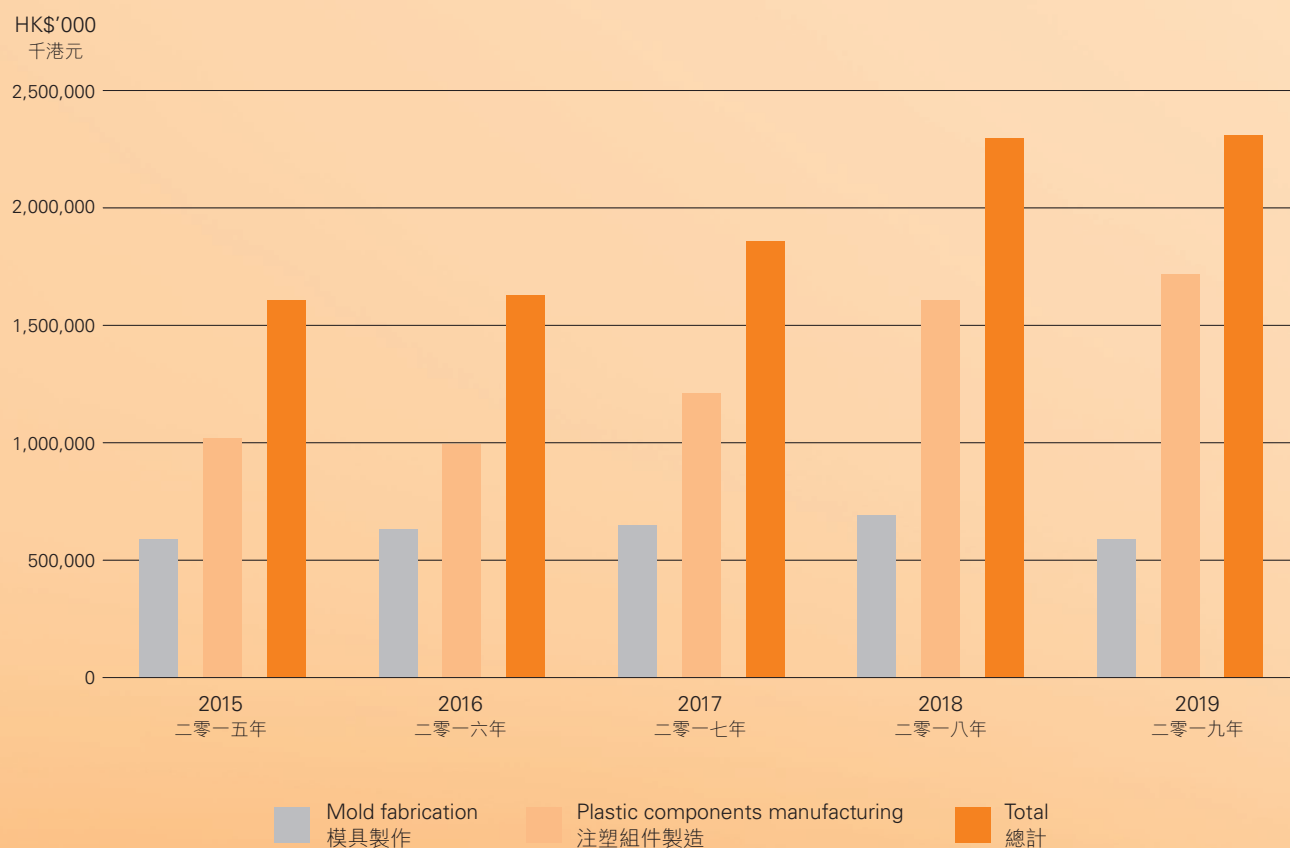
- (1) 股本回報比率按除稅後溢利除以權益總額再將所得值乘以100%計算。
- (2) 資產回報比率按除稅後溢利除以資產總額再將所得值乘以100%計算。
- (3) 存貨周轉天數乃按存貨平均結餘除以有關年度的銷售成本再乘以365天計算。
- (4) 貿易應收款項周轉天數乃按平均貿易應收款項除以有關年度的收入再乘以365天計算。
- (5) 貿易應付款項周轉天數乃按平均貿易應付款項除以有關年度的銷售成本再乘以365天計算。
- (6) 流動比率按流動資產除以流動負債再將所得值乘以100%計算。
- (7) 速動比率按流動資產減去存貨除以流動負債再將所得值乘以100%計算。
- (8) 資產負債比率按借貸總額除以權益總額再將所得值乘以100%計算。
- (9) 淨資產負債比率按借貸淨額(借貸總額減現金及抵押銀行存款)再除以權益總額再將所得值乘以100%計算。於2019年12月31日及2018年12月31日公司的現金淨額分別為493,150,000港元及533,107,000港元，所以淨資產負債比率為0。

\* 資產負債比率下降主要是因為經營貸款減少以及年內錄得溢利使得權益增加所致。

## Financial Highlights (continued)

### 財務摘要(續)

Five Year Revenue — by business segments  
五年收入—按業務分部



|                                  |        | 2015<br>HK\$'000<br>千港元 | 2016<br>HK\$'000<br>千港元 | 2017<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 | 2019<br>HK\$'000<br>千港元 |
|----------------------------------|--------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Mold fabrication                 | 模具製作   | 588,800                 | 631,396                 | 649,756                 | 692,412                 | 590,786                 |
| Plastic components manufacturing | 注塑組件製造 | 1,017,405               | 995,215                 | 1,211,144               | 1,606,197               | 1,720,056               |
| Total                            | 總計     | 1,606,205               | 1,626,611               | 1,860,900               | 2,298,609               | 2,310,842               |

## CHAIRMAN'S STATEMENT

### 主席報告書



The Group keeps focusing on exploring the potential of existing customers and developing new customers. After prudent and cautious selection and screening, the Group has successfully penetrated into the domestic market by developing customers with powerful consumer brands. The COVID-19 epidemic has been gradually alleviated in China, and it is expected that China will take a shorter period to recover as compared to overseas regions. We will invest more resources in the development of domestic market in 2020. As always, we will continue monitoring the trend of high-tech consumer goods closely, expand our highend customer base and develop product applications in emerging industries.

深挖現有客戶潛力及開拓新客戶仍是本集團的發展重點。經過層層把關篩選，本集團已成功開拓國內市場，客戶皆為具備實力的消費品牌。新型冠狀病毒疫情在中國已逐漸緩和，市場預期中國能早於海外地區復甦，我們將於 2020 年投入更多資源開發國內市場。一如既往，我們會繼續密切留意高科技消費品的潮流，拓展高端客戶群，發展新興產業的產品應用。



**Li Pui Leung 李沛良**  
*Chairman 主席*



## Chairman's Statement (continued)

### 主席報告書(續)

To All Shareholders,

On behalf of the board of directors (the "Board"), I am pleased to present the annual report of TK Group (Holdings) Limited (the "Company" and its subsidiaries together, the "TK Group" or the "Group") for the year ended 31 December 2019 (the "Year under Review").

### REVIEW

The year 2019 witnessed constant global trade frictions, such as the rising trade barriers between China and the United States, Brexit, the trade war between Japan and South Korea and other geopolitical uncertainties, which adversely affected global business confidence and economic activities, thus the global economic growth slowed down. For the year ended 31 December 2019, total revenue of the Group amounted to HK\$2,310.8 million (2018: HK\$2,298.6 million), up by 0.5% year-on-year; the profit for the year attributable to the owners of the Company amounted to HK\$301.8 million (2018: HK\$350.2 million), down by 13.8% year-on-year. Despite the challenges in the peripheral market and the fluctuation of orders during the Year under Review, the Group's advantages of diversified customers reduced the impact on the Group during the economic cycle. This, coupled with our technological advantages, close relationship with customers and consistent excellent quality of products makes the Group still the preferred supplier of injection molding solutions for major customers, which has consolidated our solid and stable position and performance in the industry.

Also, the Group's financial position remained sound and the Group adhered to its commitment to distributing dividends of no less than 30% of profits to Shareholders. During the year, the Board decided to recommend a dividend payout ratio of 38.7% and a payment of final dividend of HK\$0.09 per share for the Year under Review, totaling HK\$0.14 per share for the year when summing up with the interim dividend, to thank Shareholders for their continued support.

致各位股東

本人謹代表董事會(「董事會」)欣然提呈東江集團(控股)有限公司(「本公司」, 及其附屬公司統稱, 「東江集團」或「本集團」)截至2019年12月31日止年度(「回顧年內」)之年度報告。

### 回顧

2019年可說是全球貿易摩擦不斷的一年, 中美貿易壁壘的增加、英國脫歐、日韓貿易戰爭和其他地緣政治等相關不確定性對全球商業信心和經濟活動造成不利影響, 全球經濟增長放緩。截至2019年12月31日止年度, 本集團總收入達2,310.8百萬港元(2018年: 2,298.6百萬港元), 同比增加0.5%; 本公司擁有人應佔年內溢利達301.8百萬港元(2018年: 350.2百萬港元), 較去年下降13.8%。儘管外圍市場形勢充滿挑戰, 回顧年內的訂單出現波動, 但本集團的客戶多元化優勢降低本集團於經濟週期時的影響, 加上我們的技術工藝優勢, 與客戶的緊密關係及產品一貫的優良品質, 本集團依然是主要客戶的首選注塑方案供應商, 於業內的地位及表現扎實穩固。

同時, 本集團財務狀況依然穩健, 堅守對股東分派不少於溢利30%之股息的承諾, 本年度董事會決定建議於回顧年內的派息比率為38.7%, 末期股息派發每股0.09港元, 連同中期派息, 全年共派息每股0.14港元, 以感謝股東一直以來的支持。

## Chairman's Statement (continued)

### 主席報告書(續)

Since the second half of 2018, under the threat of US import tariffs, some customers advanced orders to the second half of 2018 and delayed the release of new products in 2019, resulting in a slowdown in the overall order volume in the first half of 2019. Against the backdrop of constrained consumer demand in the first half of the Year under Review, the economic atmosphere improved significantly in the second half of 2019. Some customers resumed the release of new products, contributing abundant orders. Injection molding production lines were basically at full capacity in the second half of the Year under Review, reversing the downward trend in sales in the first half of the Year under Review. In sum, the order situation in 2019 remained at the ideal level, but there were still uncertainties in the global economy, which made customers more sensitive to prices. Therefore, the Group adopted flexible pricing during the Year under Review to ensure the order volume. Although gross profit margin declined in 2019, it remained at a relatively high level compared with the industry.

During the Year under Review, the Group invested Euro1.75 million (equivalent to approximately HK\$15,155,000) in MOTLLS I MATRIUS FISAS NAVARRO S.L. ("FISAS NAVARRO"). We intend to get deeply engaged in the southern European market by taking a strategic stake in FISAS NAVARRO, which will enable us to serve the European car factories in a short distance and offer more quality and comprehensive mold solutions and after-sales service to local customers, so as to maintain a long-term cooperation and mitigate the impact of regional trade disputes.

## PROSPECTS

Looking forward to 2020, the challenges are indeed no less than those in 2019. According to the latest data released by the Ministry of Industry and Information Technology in 2019, China is the world's largest producer, exporter and consumer of consumer electronic products, in possession of the world's richest industrial support, technology application and industrial service capacity. However, the trade war between China and the United States, which lasted for more than one year, also dealt a blow to China's manufacturing, export and technology industries, affecting the overall economic growth of the country as well as weakening domestic consumer demand. China's electronic supply chain has a tendency to move to Southeast Asia. In addition, in January 2020, the Chinese government took strict national measures to prevent and control the epidemic of COVID-19, including the extension of the Spring Festival holiday and the postponement of the resumption of work and production. Specially, Shenzhen also implemented community-lockdown management. The Group has also taken active part in the epidemic prevention and control to ensure the health and safety of its employees, and postponed the resumption of work of the Group's headquarters and production lines at TK Technology Park, Guangming District, Shenzhen to 11 February 2020. Inevitably, the government's prevention and control measures affected labor recovery and output in the manufacturing supply chain in the first quarter of 2020.

自2018年下半年，在美國進口關稅威脅下，部分客戶推前訂單至2018年下半年，2019年的新品發佈推遲，導致2019年上半年整體訂單量放緩。在回顧年內上半年消費需求受制的情況下，2019年下半年經濟氛圍明顯改善，部分客戶恢復發佈新品，令訂單持續飽滿，注塑生產線在回顧年內下半年基本滿負荷生產，扭轉回顧年內上半年銷售下跌趨勢。總結今年，2019年的訂單狀況依然維持在理想水平，惟全球經濟仍存在不確定性，使客戶對價格更為敏感，因此本集團在回顧年內採取靈活定價，確保訂單量。2019年毛利率雖有所下跌，但相對業界，仍維持在較高水準。

於回顧年內，本集團向 MOTLLS I MATRIUS FISAS NAVARRO S.L. (「FISAS NAVARRO」) 投資175萬歐元(相當於約15,155,000港元)。我們希望通過策略入股 FISAS NAVARRO 以深耕南歐市場，更近距離服務歐洲車廠，為當地客戶提供更優質、更周全的模具解決方案及售後服務，維護長遠合作關係，也藉此分散地區性貿易紛爭帶來之影響。

## 展望

展望2020年，挑戰確實不比2019年少。據工信部2019年公佈的最新數據顯示，中國為全球最大的消費電子產品生產國、出口國和消費國，擁有全球最豐富的產業配套、技術應用和產業服務能力。然而，歷時一年多的中美貿易戰對中國製造業、出口及科技業也造成打擊，影響全國整體經濟增長，也導致國內消費需求疲軟，中國的電子供應鏈亦有外移東南亞的趨勢。加上，2020年1月，中國政府就新型冠狀病毒感染肺炎疫情採取了嚴格的全國性防控工作，包括延長春節假期、延遲復工復產安排等措施，其中，深圳也實施小區封閉式管理。本集團亦積極配合疫情防控工作，確保本集團僱員的健康及安全，延後本集團於深圳光明區東江科技工業園區的總部及生產線的復工日期至2020年2月11日。無可避免地，政府防控措施將影響2020年第一季度製造業供應鏈的勞動力恢復及產出。

## Chairman's Statement (continued)

### 主席報告書(續)

Recently, the COVID-19 epidemic continues to spread across the European and American regions, and WHO officially announced on 11 March 2020 that COVID-19 has become a worldwide epidemic with continuously expanded scope of influence. As a result, many European and American brand stores are temporarily closed, and the retail market has been hit hard. The Group expects that the epidemic will continue for a while in the European and American countries. Being affected by the rapid development of epidemic, new product launches and development projects of some consumer electronics customers of the Group have also been delayed, which is expected to have negative impact on the Group's business for the year. Given the above, the Group will postpone its plan to build an overseas plant for plastic injection in Vietnam this year, however, TK Group remains optimistic towards the long-term layout of its overseas plants.

### DEVELOPMENT STRATEGY

In any case, I believe that TK Group has its own unique advantages and courage to face challenges, to strive for continuous reform and optimization amid the market changes so as to enhance its competitiveness. The Group has obtained the certification of Industry 4.0 1i by the Hong Kong Productivity Council and the Fraunhofer IPT in Germany in January 2020. Intelligent manufacturing can save labor and other production costs for the Group. Intelligentization and high automation will be an advantage for us, which enables us to offer quality and fast solutions to customers, and win more new customers and bulk orders, thus ensuring the Group's profitability.

In addition, the Group keeps focusing on exploring the potential of existing customers and developing new customers. After prudent and cautious selection and screening, the Group has successfully penetrated into the domestic market by developing customers with powerful consumer brands. The COVID-19 epidemic has been gradually alleviated in China, and it is expected that China will take a shorter period to recover as compared to overseas regions. We will invest more resources in the development of domestic market in 2020. As always, we will continue monitoring the trend of high-tech consumer goods closely, expand our high-end customer base and develop product applications in emerging industries.

近期歐美地區新型冠狀病毒疫情急劇升溫，世界衛生組織於2020年3月11日正式宣佈此波疫情已構成全球大流行，影響範圍持續擴大，歐美許多品牌實體店因而暫時關閉門市，零售市場大受打擊。本集團預期歐美疫情肆虐將影響一段時間。在疫情急速發展的連鎖反應下，本集團的部份電子消費品客戶的新品發佈計劃及開發項目亦將推遲，預期將會對本集團本年度業務有一定負面影響。有見及此，本集團今年將暫緩於越南建設海外注塑廠房的計劃，但東江集團依然看好對海外廠房的長遠佈局。

### 發展策略

無論如何，本人相信東江集團擁有自己的獨特優勢，並勇於迎接挑戰，努力在市場變化中不斷改革優化，提升競爭力。本集團已於2020年1月份獲得生產力促進局及德國Fraunhofer IPT工業4.0 1i認證。智能製造能為本集團節省人力及其它生產成本，智能化及高度自動化將是我們的一項優勢，使我們能為客戶提供優質且快捷的解決方案，亦可爭取更多新客戶及大批量訂單，保障本集團的盈利空間。

此外，深挖現有客戶潛力及開拓新客戶仍是本集團的發展重點。經過層層把關篩選，本集團已成功開拓國內市場，客戶皆為具備實力的消費品牌。新型冠狀病毒疫情在中國已逐漸緩和，市場預期中國能早於海外地區復甦，我們將於2020年投入更多資源開發國內市場。一如既往，我們會繼續密切留意高科技消費品的潮流，拓展高端客戶群，發展新興產業的產品應用。

## Chairman's Statement (continued)

### 主席報告書(續)

Given that the epidemic is spreading worldwide with unlikeliness to recover in short term, the Board decided to suspend the plan of building plants in Vietnam in response to the changing trade and geopolitical situation, in order to reserve capital and maintain strengths of sound cash flow and finance to cope with intense challenges arising from the upcoming global economic downturn. Despite the delay of plant building in Vietnam this year, the strategic layout in Vietnam remains unchanged. In the long run, the overseas expansion of manufacturing bases can, on the one hand, disperse the geographical risks brought by the concentration of plants, and on the other hand, cater to the strategic transfer of supply chains to Southeast Asia of some high-end electronic technology customers to support their sustainable development and growth. I am convinced that with TK Group's strengths and preparation, we can overcome the crises and challenges we face and remain fully confident in the long term development.

### CORPORATE CULTURE

Having a corporate culture unanimously recognized and supported by the public and all staff, every decision and every order of TK Group are determined upon thorough consideration in terms of customers, suppliers, staff, natural environment, the society and TK Group itself to ensure all parties are treated in a fair and equal manner, as well as profit maximization. Such culture is consistent with TK Group's operating concept of "concerted development, concerted growth". In addition, the Group places high emphasis on integrity, and believes that the "Three Principles", namely, "Fairness, Equality and Transparency", will facilitate our health development and growth. Under the corporate culture of mutual trust, all of our staff are able to concentrate on the creation of corporate value and provision of better services to our customers, thus protecting interests of the Group and the customers as a whole.

### APPRECIATION

I would like to take this opportunity to express my sincere gratitude to the members of the Board, all staff and the management team for their contribution, dedication and support, as well as our business partners and customers for their long-term recognition and encouragement. We will devote unremitting effort to earn trust and support from each party, and strive to promote the growth of the Group, so as to achieve excellent results and make contributions to our shareholders and the society.

**Li Pui Leung**  
Chairman  
Hong Kong, 27 March 2020

為應對多變的貿易及地緣政治局勢而於越南建設廠房的計劃，隨著疫情在全球蔓延且短期無法恢復，董事會決定暫停進行相關計劃，以保留資本，維持現金流和財務穩健優勢，應對接下來全球經濟下行的嚴峻挑戰。雖今年暫停於越南設廠，但佈局越南的策略不變，長遠而言，擴展生產基地至海外，一方面可分散廠房集中地緣風險，另一方面則能迎合部份高端電子科技客戶的東南亞供應鏈轉移策略，支持客戶的持續性發展及成長。我相信憑藉東江集團的實力與準備工作，我們能克服所面臨的危機與挑戰，對長遠發展仍保持信心。

### 企業文化

東江集團擁有一套大眾及全體員工一致認同及擁護的企業文化，本集團的每個決定，每張訂單，皆是衡量客戶、供應商、員工、自然環境、社會及東江集團本身，各方權益均是公平，平等，且兼顧利潤最大化的結果。一如東江集團一直秉持「共同發展、共同提升」的經營理念。同時，本集團非常重視廉潔的文化，我們堅信「公平、公正、公開」，此「三公原則」，確保本集團的健康發展及茁壯。基於共同信賴的企業文化，本集團員工可以集中所有精力於創造企業的價值，為客戶提供更佳服務，進而維護本集團上下及客戶的整體利益。

### 致謝

我謹藉此機會向全體董事會成員、所有員工及管理團隊深表謝意，感謝各位的貢獻、努力與支持，並對業務夥伴及客戶長久以來的肯定與鼓勵致上最深的感謝，我們仍會努力不懈，矢志贏得各方的信任和支持，並竭盡所能，促進集團成長，讓業績更上層樓以回報股東及社會。

**李沛良**  
主席  
香港，2020年3月27日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS REVIEW

In retrospect to 2019, the business environment of the industry faced fierce competition amid the trade war between China and the United States. However, given that the Group has provided quality products and technical solutions to its customers as usual and under the flexible pricing strategy, in 2019, the Group's revenue for the year basically remained the same level and reached HK\$2,310.8 million (2018: HK\$2,298.6 million), representing a slight increase of 0.5% as compared to that of last year. The smart home segment and the mobile phones and wearable devices segment in the downstream industries maintained an upward trend.

| Industry<br>行業                                    | 2019                 |        | 2018                 |        | Change<br>變動         |        |
|---------------------------------------------------|----------------------|--------|----------------------|--------|----------------------|--------|
|                                                   | HK\$ million<br>百萬港元 | %<br>% | HK\$ million<br>百萬港元 | %<br>% | HK\$ million<br>百萬港元 | %<br>% |
| Mobile phones and wearable devices<br>手機及可穿戴設備    | 694.0                | 30.0   | 561.7                | 24.4   | 132.3                | 23.6   |
| Automobiles<br>汽車                                 | 385.2                | 16.7   | 398.2                | 17.3   | -13.0                | -3.3   |
| Smart home<br>智能家居                                | 358.7                | 15.5   | 256.3                | 11.2   | 102.4                | 40.0   |
| Commercial telecommunications equipment<br>商業通訊設備 | 327.1                | 14.2   | 496.9                | 21.6   | -169.8               | -34.2  |
| Medical and health care<br>醫療及個人護理                | 305.8                | 13.2   | 306.2                | 13.3   | -0.4                 | -0.1   |
| Household electrical appliances<br>家電             | 73.4                 | 3.2    | 115.6                | 5.0    | -42.2                | -36.5  |
| Digital devices<br>數字設備                           | 45.2                 | 2.0    | 46.3                 | 2.0    | -1.1                 | -2.4   |
| Others<br>其他                                      | 121.4                | 5.2    | 117.4                | 5.2    | 4.0                  | 3.4    |
|                                                   | 2,310.8              | 100.0  | 2,298.6              | 100.0  | 12.2                 | 0.5    |

During the year, being affected by the trade war, most of the enterprises remained prudent and the utilization rate of machines of the Group decreased as some customers delayed their production schedules. Gross profit of the Group decreased by 7.9% to HK\$667.5 million (2018: HK\$724.4 million), while gross profit margin dropped by 2.6 percentage points to 28.9% (2018: 31.5%).

In light of the above effects, profit attributable to owners of the Company for the year amounted to HK\$301.8 million (2018: HK\$350.2 million), representing a decrease of 13.8% as compared to that of last year. Net profit margin decreased by 2.1 percentage points to 13.1% (2018: 15.2%). Basic earnings per share was approximately HK\$0.36 (2018: HK\$0.42), representing a decrease of 14.3% as compared to that of last year.

### 業務回顧

回顧2019年，在中美貿易戰陰霾下，行業經營環境備受考驗，憑藉本集團一貫向客戶提供優質產品及技術解決方案，並在靈活定價策略下，本集團2019年全年收益基本持平，達2,310.8百萬港元（2018年：2,298.6百萬港元），較去年同期微升0.5%。下游客戶行業智能家居和手機及可穿戴設備等板塊仍保持增長態勢。

年內，受到貿易戰的影響，大部分企業均採取審慎態度，由於部分客戶延遲其生產計劃，使本集團的機器使用率下跌。本集團毛利下降7.9%至667.5百萬港元（2018年：724.4百萬港元）。毛利率亦下降2.6個百分點至28.9%（2018年：31.5%）。

基於以上的影響，年內本公司擁有人應佔溢利為301.8百萬港元（2018年：350.2百萬港元），較去年同期下降13.8%。純利率則減少2.1個百分點至13.1%（2018年：15.2%），每股基本盈利約為0.36港元（2018年：0.42港元），較去年同期減低14.3%。

## Management Discussion and Analysis (continued)

### 管理層討論及分析(續)

Furthermore, the Group's trade receivable turnover days remained stable at around 49 days, which was attributable to our effective credit control policies. Meanwhile, such policies also enabled the Group to maintain net cash of HK\$493.2 million (2018: HK\$533.1 million). The sound financial position enables the Group to engage in merger and acquisition activities in a more active manner and to adopt other necessary measures so as to stimulate business growth. The Group has a considerable amount of orders on hand, as at 31 December 2019, amounting to HK\$883.2 million, which represented an increase of 12.1% as compared with HK\$788.0 million as at 31 December 2018. Such increase was mainly due to the delay of orders delivered during the year.

### BUSINESS SEGMENT ANALYSIS

#### Mold Fabrication Business

During the year, the revenue of the mold fabrication segment from external customers amounted to approximately HK\$590.8 million, representing a decrease of approximately 14.7% as compared with approximately HK\$692.4 million in last year, and accounting for approximately 25.6% of the Group's total revenue.

The Group has production lines for ultra-large standard molds and high-precision molds. The major products of the Group's ultra-large standard molds, being large molds with complex structure, are automobiles components. The clients mainly include first-tier component suppliers who manufacture automobile components for renowned automobile brands in Europe, such as Mercedes-Benz, BMW and Volkswagen. High-precision molds production lines mainly produce high-precision molds with multi-cavity and efficiency, covering the markets of high-end consumer electronics product and commercial telecommunications equipment such as smart home, mobile phones and wearable devices, medical and health care. In addition to developing external customers, the Group also provides convenient one-stop services with high economic efficiency to our customers, coupled with the downstream plastic components manufacturing business.

During the year, the revenue of this segment decreased due to certain customers postponing the delivery date of products to 2020. Being impacted by the US-China trade war, the Group was also exposed to downward pressure on prices quoted to customers. Therefore, the gross profit margin for the year slightly decreased by 2.2 percentage points to 35.2% (2018: 37.4%). Despite a decrease in gross profit margin, the Group will still continuously improve process technology and strive to deliver molds and design solutions with high quality to customers, so as to help the Group enjoying a dominant advantage of quality and technology in the industry as for its plastic mold fabrication technique.

此外，有效的信貸政策令本集團貿易應收款項周轉天數維持穩定於49天左右水平。同時，有關政策也令本集團保持現金淨額達493.2百萬港元(2018年：533.1百萬港元)。健康的財務狀況令本集團可採取更積極的併購活動及其他所需的措施推動本集團增長。本集團在手訂單充裕，於2019年12月31日，在手訂單達883.2百萬港元，相較2018年12月31日的788.0百萬港元，增加12.1%。此增幅主要來源於年內交付的訂單推延。

### 業務分部分析

#### 模具製作業務

年內，模具製作業務部來自外界客戶的收入約為590.8百萬港元，較去年約692.4百萬港元減少約14.7%，佔本集團總收入約25.6%。

本集團設有超大型標準模具生產線及精密模具生產線。超大型標準模具主要為大型複雜結構模具，產品以汽車零部件為主，客戶主要為替歐洲汽车品牌如奔馳、寶馬、大眾生產汽車零部件的一級部件供應商。精密模具生產線主要以生產多型腔及高效精密模具為主，市場涵蓋智能家居、手機及可穿戴設備等高端消費電子及商業通訊設備、醫療及個人護理等行業。業務除開拓外部客戶外，還配合下游注塑組件製造業務，為提供客戶一站式服務帶來更多便利及經濟效益。

年內，因部分客戶推遲產品交付日期到2020年，導致此板塊的收入下降。受到中美貿易戰拖累，本集團亦受到來自客戶的降價壓力。因此，年內毛利率微跌2.2個百分點至35.2%(2018年：37.4%)。儘管毛利率有所下降，但本集團仍然會繼續提升工藝技術，為客戶提供高品質之模具和設計解決方案，令本集團的注塑模具製造技術於行業內保持絕對品質及技術優勢。

## Management Discussion and Analysis (continued) 管理層討論及分析(續)

### Plastic Components Manufacturing Business

Revenue from the plastic components manufacturing segment amounted to approximately HK\$1,720.0 million (2018: HK\$1,606.2 million), representing an increase of 7.1% over last year, and accounting for approximately 74.4% of the Group's total revenue.

The smart home segment sustained growth, up by 40.0% in revenue over last year, which was mainly attributable to an increase of the revenue from the whole segment driven by the launch of new products by a major customer of smart home segment in the second half of 2019. Meanwhile, the Group also successfully developed and delivered products to another leading smart home brand during the year. As the Group has obtained the new customer's recognition in its product quality, the new customer has confirmed to place more orders with the Group in 2020. The Group was deeply encouraged by the recognition of the leading brand customer and will continue to expand its exposure in the smart home market and work together with customers to develop new products.

The mobile phones and wearable devices segment achieved a year-on-year growth of 23.6% in revenue, with a growing diversity of customers. The orders from smartphone brand customers maintained steady during the year; orders for smartphone protective cases from a brand customer in the second half of the year recorded a significant increase to support the launch of new smartphones. In addition, the products from the popular audio brand customer were also welcomed by the public, driving orders to soar during the year.

Medical and health care segment remained stable over last year, with a leading health care brand customer maintaining a continuous growth momentum and recording a year-on-year increase of approximately 13.2% in revenue. The products of such customer were well received by the market, thus the Group will continuously cooperate with its team in the research and development of new products to meet the demand. Besides, the revenue from commercial telecommunications equipment segment decreased by 34.2% over last year, mainly due to the fact that the Group expected that the growth of world's leading brand customers will slow down but still continuously bring orders to the Group as their market have reached saturation to an extent. As economic cycle varies among different industries, the Group will actively maintain diversified customer portfolio to ensure the stableness of business.

### 注塑組件製造業務

注塑組件製造業務部的收入約為1,720.0百萬港元(2018年：1,606.2百萬港元)，較去年增加7.1%，佔本集團總收入約74.4%。

智能家居板塊保持增長，收入較去年增加40.0%，原因為主要智能家居客戶在2019年下半年推出新產品，帶動整個板塊的收入增長。與此同時，本集團亦於年內向另一智能家居領先品牌成功開發並交付產品。由於本集團的產品質素獲得該新客戶認可，對方已向本集團確認更多2020年的訂單。能獲得龍頭品牌客戶的認同，本集團感到鼓舞並將繼續深挖智能家居市場，與客戶們一同開發新產品。

手機及可穿戴設備板塊收入較去年增長23.6%，客戶種類愈趨多元化。其中，智能手機品牌客戶年內訂單維持平穩；智能手機提供保護殼之品牌客戶於下半年的訂單強勁增長，以配合新型智能手機推出。另外，流行音響品牌客戶的產品亦受大眾歡迎，使年內訂單顯著增長。

醫療及個人護理板塊與去年基本持平，領先的個人護理品牌客戶持續增長勢頭，收入按年增加約13.2%。該客戶的產品深受市場歡迎，本集團將持續與其團隊合作研發新產品，以滿足需求。商業通訊設備板塊收入則較去年同比下降34.2%，主要由於全球領先品牌客戶的市場已經達到一定飽和水平，故本集團預期其增長將放緩，但仍然會為本集團帶來持續的訂單量。由於各行業均有不同的經濟周期，本集團將積極維持多元化的客戶組合，以保持業務的穩定性。

## Management Discussion and Analysis (continued)

### 管理層討論及分析(續)

With the excellent production technology and quality services, the Group has always been committed to serving foreign customers. However, in response to the impacts of the trade war, the Group actively expanded its domestic market in 2018, in order to generate more income sources and capture the development opportunities in the PRC. During the year, with thanks to its good reputation and track record in the industry, the Group was included into the supply chain of a domestic leading wearable devices brand to provide high-quality products and services. The Group also continuously negotiated business with other domestic leading brand of electronics consumer products, so as to expand the share in relevant market.

In addition, confronting the rising labor costs, the Group will continue to increase resource investment in intelligent and automated aspects and to improve the digitization of operating system with an aim to maintain the Group's competitiveness in the long term.

During the year, the gross profit margin of plastic business decreased to 26.7% (2018: 29.0%), which was mainly attributable to the increased idleness ratio of machines resulting from the delayed production of several projects in the first half of the year. However, the Group considered that gross profit margin was still at a healthy level as a whole. Along with the relevant projects carried out gradually, the utilization rate of machines has also been improved to a relatively high level.

### OUR CLIENTS

As at 31 December 2019, sales of the Group are mainly export sales and our clients are mainly prestigious corporations and brands in Europe and America. Clients of the Group cover a wide range of industries, from automobile to household electrical appliances to mobile phones and wearable devices as well as medical and health care. As a key supplier of molds and plastics of high-end electronic products, the Group's orders are widely impacted by the launch time, popularity and life cycle of products of its downstream industry clients. However, being engaged in the molds and plastic injection industry for more than 30 years, the Group always sticks to the strategy of client diversity in order to manage and minimize risks efficiently. Currently, the Group has been widely recognized as a trustworthy business partner of various internationally known brands of consumer goods, including numbers of leading brands in many fast-growing industries such as smartphones, health care and wearable devices.

憑著精湛的生產技術以及優質的服務，本集團一直專注為國外客戶服務。但為了應對貿易戰帶來的影響，本集團早於2018年積極開拓國內市場，增加收入來源以及捕足中國發展機遇。年內，本集團憑著行業內的良好聲譽及往績，獲一家國內領先的可穿戴品牌納入其供應鏈，提供高品質的產品及服務。本集團亦持續與國內其他電子消費領先品牌洽談業務，擴大相關市場份額。

此外，面對勞工成本上漲，本集團將持續加大對智能化、自動化的投入，提升營運系統數字化，維持本集團長遠競爭能力。

年內，注塑業務毛利率下降至26.7% (2018年：29.0%)，主要因為上半年若干項目推遲生產，導致機器閒置率增加，但本集團認為整體毛利率情況仍處於健康水平。隨著相關項目陸續開展，機器使用率亦已回復較高水平。

### 我們的客戶

截至2019年12月31日止，本集團的銷售主要為出口銷售，客戶主要為歐美知名企業及品牌。本集團的客戶行業跨度大，涵蓋大型汽車、中型家電、以至體積細小的手機及可穿戴設備和醫療及個人護理用品等多種行業。作為高端電子產品的主要模具及注塑供應商，本集團的訂單量受下游行業客戶的產品推出時間、受歡迎程度及產品周期等因素影響。然而，本集團立足於模具及注塑行業逾30年，一直堅守多元化客戶策略，有效管理及分散風險。本集團現已成為國際知名消費品品牌的業務翹楚最信賴的合作夥伴，國際知名消費品品牌包括多個高速增長的各行業領先品牌，如智能手機品牌、個人護理品牌和可穿戴設備品牌等。

## Management Discussion and Analysis (continued)

### 管理層討論及分析(續)

#### FINANCIAL REVIEW

##### Revenue

Revenue for the year ended 31 December 2019 was approximately HK\$2,310.8 million, representing an increase of approximately HK\$12.2 million or 0.5% when compared with the revenue of approximately HK\$2,298.6 million in 2018.

In 2019, the revenue from external customers of the mold fabrication segment was approximately HK\$590.8 million, representing a decrease of approximately HK\$101.6 million or 14.7% when compared with revenue of approximately HK\$692.4 million in 2018. The Group's major products of ultra-large standard molds are automobile components. The Group's clients mainly include first tier component suppliers which produce automobile components to European automobiles brands such as Mercedes-Benz, BMW and Volkswagen. During the year, the decrease in revenue was due to the fact that some customers delayed the date of product delivery to 2020.

In 2019, the revenue from external customers of the plastic components manufacturing segment was approximately HK\$1,720.0 million, representing an increase of approximately HK\$113.8 million or 7.1% when compared with the revenue of approximately HK\$1,606.2 million in 2018, which was mainly attributable to the continuous upward trend in the segments of smart home and mobile phones and wearable devices in the downstream industries of the Group.

##### Gross Profit

Gross profit for the year ended 31 December 2019 was approximately HK\$667.5 million, representing a decrease of approximately HK\$56.9 million or 7.9% as compared with the gross profit of approximately HK\$724.4 million in 2018. Gross profit margin dropped 2.6 percentage points to 28.9% (2018: 31.5%). The Group has commenced the capacity expansion in 2018, however, the utilization rate of machines decreased as some customers delayed the production of their projects. Furthermore, affected by the US-China trade war, gross profit margin of new mold fabrication orders received by the Group during the year have also declined.

#### 財務分析

##### 收入

截至2019年12月31日止年度收入約為2,310.8百萬港元，較2018年的收入約2,298.6百萬港元增加約12.2百萬港元或0.5%。

模具製作分部2019年外界客戶收入約為590.8百萬港元，較2018年收入約692.4百萬港元減少約101.6百萬港元或14.7%。本集團的超大型標準模具的產品以汽車零部件為主，客戶主要為歐洲汽車品牌如奔馳、寶馬、大眾生產汽車零部件的一級部件供應商。年內，因部分客戶推遲產品交付日期到2020年，導致收入有所下降。

注塑組件製造分部2019年外界客戶收入約為1,720.0百萬港元，較2018年收入約1,606.2百萬港元增加約113.8百萬港元或7.1%。該增長主要是由於本集團下游客戶行業智能家居和手機及可穿戴設備等板塊持續保持增長態勢。

##### 毛利

截至2019年12月31日止年度毛利約為667.5百萬港元，較2018年毛利約724.4百萬港元減少約56.9百萬港元或7.9%。毛利率下降2.6個百分點至28.9% (2018年：31.5%)。本集團於2018年已開始擴充產能，但由於部分客戶把其項目延遲生產，使機器的使用率下跌。此外，受到中美貿易戰的影響，本集團於年內新接的模具製造訂單之毛利率亦有所下降。

## Management Discussion and Analysis (continued)

### 管理層討論及分析(續)

The gross profit margin for the mold fabrication segment decreased from 37.4% in 2018 to 35.2% for the year. Mainly being impacted by the US-China trade war, the Group was also exposed to downward pressure on prices charged on customers, therefore the gross profit margin slightly decreased by 2.2 percentage points.

The gross profit margin for the plastic components manufacturing segment decreased from 29.0% in 2018 to 26.7% for the year, which was mainly attributable to the increased idleness ratio of machines resulting from the delayed production of several projects in the first half of the year. However, the Group considered that gross profit margin was still at a healthy level as a whole. Along with the relevant projects carried out gradually, the utilization rate of machines has also been improved to a relatively high level.

#### Other Income

Other income for the year ended 31 December 2019 was approximately HK\$50.1 million, representing an increase of approximately HK\$25.4 million or 102.8% when compared with approximately HK\$24.7 million in 2018, which was mainly attributable to the increase in government grants income of the Group for the year.

#### Other Losses – Net

Other losses, net for the year ended 31 December 2019 was approximately HK\$5.8 million, representing an increase of approximately HK\$3.1 million when compared to the other losses, net of approximately HK\$2.7 million in 2018. The increase in other losses was mainly attributable to the exchange loss arising from the rate revaluation of the Group's assets denominated in US dollar due to the depreciation of US dollar against RMB at the end of the period. Besides, in order to minimise the effect of fluctuation of the Euro to the Group, the Group borrowed a Euro-denominated bank loan equivalent to the amount of the Group's existing orders from Europe to effectively hedge the effects of fluctuations of the exchange rates of Euro to the Group.

模具製作分部的毛利率從2018年的37.4%下降至本年度的35.2%。主要由於受到中美貿易戰拖累，本集團亦受到來自客戶的降價壓力，使得毛利率微跌2.2個百分點。

注塑組件製造分部毛利率從2018年的29.0%下降至本年度的26.7%。毛利率下降主要因為上半年若干項目推遲生產，導致機器閒置率增加，但本集團認為整體毛利率情況仍處於健康水平。隨著相關項目陸續開展，機器使用率亦已回復較高水平。

#### 其他收入

截至2019年12月31日止年度其他收入約為50.1百萬港元，較2018年約24.7百萬港元增加約25.4百萬港元，或102.8%。主要因為本年度本集團政府補貼收入增加所致。

#### 其他虧損－淨額

截至2019年12月31日止年度其他虧損淨額約為5.8百萬港元，較2018年的其他虧損淨額約2.7百萬港元增加約3.1百萬港元。其他虧損增加，主要是由於期末美元兌換人民幣出現貶值，導致本集團美元資產期末匯率重估產生匯兌損失。另外，為了有效防範歐元匯率波動對本集團的影響，本集團從銀行借入了等額於本集團在手歐元訂單額的歐元貸款，以有效對沖歐元匯率波動對本集團的影響。

## Management Discussion and Analysis (continued)

### 管理層討論及分析(續)

#### Selling Expenses

For the year ended 31 December 2019, the selling expenses were approximately HK\$80.7 million (2018: HK\$88.3 million) and the percentage to sales amounted to approximately 3.5% (2018: 3.8%), representing a decrease of approximately HK\$7.6 million or 8.7% when compared to 2018, and the percentage to sales decreased by 0.3 percentage point. The decrease in selling expenses was mainly due to the decrease in transportation expenses brought by the decrease in sales of mold fabrication business and the air cargo.

#### Administrative Expenses

For the year ended 31 December 2019, the administrative expenses were approximately HK\$269.6 million (2018: HK\$257.7 million) and the percentage to sales amounted to 11.7% (2018: 11.2%), representing an increase of approximately HK\$11.9 million or 4.6% when compared to 2018, and the percentage to sales increased by 0.5 percentage point. The increase in the administrative expenses was mainly attributable to the increase in research and development.

#### Finance (Cost)/Income – Net

Net finance cost for the year ended 31 December 2019 was approximately HK\$1.4 million, as compared to the net finance income of approximately HK\$6.8 million in 2018, which was primarily due to the increase in interest expenses for the lease liabilities of approximately HK\$8.9 million upon the adoption of HKFRS 16 “Leases” by the Group from 1 January 2019.

#### Share of Net Profit of an Associate Accounted for Using the Equity Method

For the year ended 31 December 2019, share of net profit of an associate accounted for using the equity method was approximately HK\$0.4 million, which represented the investment income received from the Group’s investment in MOTLLES I MATRIUS FISAS NAVARRO S.L. for the year.

#### 銷售開支

截至2019年12月31日止年度銷售開支約為80.7百萬港元(2018年：88.3百萬港元)，佔銷售的百分比約為3.5%(2018年：3.8%)。銷售開支較2018年減少約7.6百萬港元或8.7%，佔銷售的百分比下降0.3個百分點。銷售開支減少主要是因為模具製作分部銷售降低，空運貨量減少，從而使得運輸費用相應減少。

#### 行政開支

截至2019年12月31日止年度行政開支約為269.6百萬港元(2018年：257.7百萬港元)，佔銷售的百分比為11.7%(2018年：11.2%)。行政開支較2018年增加約11.9百萬港元或4.6%，佔銷售的百分比上升0.5個百分點。行政開支增加主要是由於研發投入增加所致。

#### 融資(成本)／收入－淨額

截至2019年12月31日止年度融資成本淨額約為1.4百萬港元，而2018年的融資收入淨額約6.8百萬港元，主要是由於本集團自2019年1月1日起採納香港財務報告準則第16號「租賃」，增加租賃負債的利息支出約8.9百萬港元。

#### 使用權益法入帳之應佔聯營公司純利

截至2019年12月31日止年度使用權益法入帳之應佔聯營公司純利約為0.4百萬港元，乃本集團於年內向MOTLLES I MATRIUS FISAS NAVARRO S.L.投資所取得的投資收益。

## Management Discussion and Analysis (continued)

### 管理層討論及分析(續)

#### Income Tax Expense

Income tax expense for the year ended 31 December 2019 was approximately HK\$58.7 million (2018: HK\$56.9 million) and the effective tax rate was 16.3% (2018: 14.0%). Effective tax rate increased by 2.3 percentage points as compared to 2018, which was mainly attributable to the increase in PRC withholding income tax arising from funding dividends with profits of PRC subsidiaries.

#### Profit for the Year Attributable to Owners of the Company

Profit attributable to owners of the Company for the year ended 31 December 2019 was approximately HK\$301.8 million, representing a decrease of approximately HK\$48.4 million or 13.8% from approximately HK\$350.2 million in 2018.

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group maintained a sound financial position during the year. As at 31 December 2019, the Group had net current assets of approximately HK\$619.6 million (31 December 2018: HK\$766.5 million). The Group had total cash and bank balances of approximately HK\$735.1 million (31 December 2018: HK\$875.3 million), including cash and cash equivalents of approximately HK\$582.9 million (31 December 2018: HK\$753.8 million) and restricted cash and deposits of approximately HK\$152.2 million (31 December 2018: HK\$121.5 million). The current ratio of the Group as at 31 December 2019 was approximately 170.1% (31 December 2018: 195.0%).

Total equity of the Group as at 31 December 2019 was approximately HK\$1,191.5 million (31 December 2018: HK\$1,075.5 million). The gearing ratio as at 31 December 2019 was approximately 20.3% (31 December 2018: 31.8%). Such decrease was mainly attributed to the decrease in operating loans and the increase in equity due to the profit recorded for the year.

#### 所得稅開支

截至2019年12月31日止年度所得稅開支約為58.7百萬港元(2018年：56.9百萬港元)，實際稅率16.3%(2018年：14.0%)。實際稅率較2018年增加2.3個百分點，主要是由於以中國子公司的利潤支付股息所帶來的中國預扣所得稅增加所致。

#### 本公司擁有人應佔年內溢利

截至2019年12月31日止年度本公司擁有人應佔溢利約為301.8百萬港元，較2018年約350.2百萬港元減少約48.4百萬港元，或13.8%。

#### 流動資金、財務資源及資本架構

本集團在年內維持良好的財政狀況。於2019年12月31日，本集團的流動資產淨額約為619.6百萬港元(2018年12月31日：766.5百萬港元)。本集團的現金及銀行結餘總額約為735.1百萬港元(2018年12月31日：875.3百萬港元)，包括現金及現金等價物約582.9百萬港元(2018年12月31日：753.8百萬港元)以及有限制現金和按金約152.2百萬港元(2018年12月31日：121.5百萬港元)。於2019年12月31日，本集團的流動比率約為170.1%(2018年12月31日：195.0%)。

於2019年12月31日，本集團的權益總額約為1,191.5百萬港元(2018年12月31日：1,075.5百萬港元)。於2019年12月31日，資產負債比率約為20.3%(2018年12月31日：31.8%)，該下降主要是因為經營貸款減少以及年內錄得溢利使得權益增加所致。

## Management Discussion and Analysis (continued)

### 管理層討論及分析(續)

#### DEBT MATURITY PROFILE

#### 借貸到期狀況

The maturity profile of the Group's borrowings is set out below:

本集團借貸到期狀況如下：

|                       |       | <b>2019</b><br><b>HK\$'000</b><br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-----------------------|-------|---------------------------------------|-------------------------|
| Within 1 year         | 1年以內  | <b>166,049</b>                        | 107,218                 |
| Between 1 and 2 years | 1至2年內 | <b>75,911</b>                         | 99,103                  |
| Between 2 and 5 years | 2至5年內 | –                                     | 135,911                 |
|                       |       | <b>241,960</b>                        | 342,232                 |

An analysis of the Group's key liquidity ratios as at 31 December 2019 is as follows:

於2019年12月31日，本集團的主要流動資金比率分析如下：

|                                         |                 | <b>2019</b>   | 2018   |
|-----------------------------------------|-----------------|---------------|--------|
| Inventory turnover days (Note 1)        | 存貨周轉天數(附註1)     | <b>83</b>     | 76     |
| Trade receivable turnover days (Note 2) | 貿易應收款項周轉天數(附註2) | <b>49</b>     | 48     |
| Trade payable turnover days (Note 3)    | 貿易應付款項周轉天數(附註3) | <b>65</b>     | 66     |
| Current ratio (Note 4)                  | 流動比率(附註4)       | <b>170.1%</b> | 195.0% |

Notes:

附註：

1. Inventory turnover days are calculated based on the average balance of inventories divided by the cost of sales for the relevant year multiplied by 365 days.
2. Trade receivable turnover days are calculated based on the average trade receivables divided by the revenue for the relevant year multiplied by 365 days.
3. Trade payable turnover days are calculated based on the average trade payables divided by cost of sales for the relevant year multiplied by 365 days.
4. Current ratio is calculated by dividing current assets by current liabilities and multiplying the resulting value by 100%.

1. 存貨周轉天數乃按存貨平均結餘除以有關年度的銷售成本再乘以365天計算。
2. 貿易應收款項周轉天數乃按平均貿易應收款項除以有關年度的收入再乘以365天計算。
3. 貿易應付款項周轉天數乃按平均貿易應付款項除以有關年度的銷售成本再乘以365天計算。
4. 流動比率按流動資產除以流動負債再將所得值乘以100%計算。

## Management Discussion and Analysis (continued)

### 管理層討論及分析(續)

#### INVENTORY TURNOVER DAYS

During the year, the Group's inventory turnover days were 83 days, representing an increase of 7 days when compared with that of 2018, which was primarily attributable to the increased inventory to meet the increase in orders on hand.

#### TRADE RECEIVABLE TURNOVER DAYS

During the year, the Group's trade receivable turnover days were 49 days, which was approximate to that of 2018.

#### TRADE PAYABLE TURNOVER DAYS

During the year, the Group's trade payable turnover days were 65 days, which was approximate to that of 2018.

#### CURRENT RATIO

As at 31 December 2019, the Group's current ratio was 170.1%, representing a decrease of 24.9 percentage points when compared with that of 2018, which was primarily attributable to the decrease in the Group's net current assets.

#### FOREIGN EXCHANGE RISK MANAGEMENT

The Group mainly operated in the PRC and is exposed to foreign currency risks arising from various currency exposures, mainly with respect to HK dollar, US dollar, Euro and RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. Exchange rate fluctuations and market trends have always been a main concern of the Group. Foreign currency hedging of the Group has been managed by the Group's chief financial officer, and overseen by the Group's chief executive officer. In accordance with the Group's hedging needs and the then foreign exchange situation, the Group's chief financial officer would collect and analyze information regarding various hedging instruments and determine stop-loss thresholds. The Group's chief financial officer would then collect quotations from various banks as to the financial instrument and present such quotations to the Group's chief executive officer, who would then evaluate and make a decision as to whether to enter into the relevant hedging agreement.

The Group's cash and bank balances were primarily denominated in US dollar, RMB and HK dollar. Its operating cash inflows and outflows were primarily denominated in RMB, US dollar, Euro and HK dollar. The Group will closely monitor the exchange rate movements and regularly review its gearing structure so as to mitigate the expected exchange rate risk.

#### 存貨周轉天數

年內，本集團的存貨周轉天數為83天，較2018年增加7天，主要是由於在手訂單增加使得存貨增加所致。

#### 貿易應收款項周轉天數

年內，本集團的貿易應收款項周轉天數為49天，與2018年周轉天數相若。

#### 貿易應付款項周轉天數

年內，本集團的貿易應付款項周轉天數65天，與2018年周轉天數相若。

#### 流動比率

於2019年12月31日，本集團的流動比率為170.1%，較2018年降低24.9個百分點，主要是由於本集團流動資產淨值減少所致。

#### 外匯風險管理

本集團主要在中國經營業務，因而面對多種外幣產生的外匯風險，主要為港元、美元、歐元及人民幣。人民幣兌換成外幣須遵守中國政府頒佈的外匯管理條例及規定。本集團一直以來都很關注匯率波動和市場趨勢。本集團的首席財務官管理本集團的外匯對沖，而本集團的首席執行官則監控本集團的外匯對沖。根據本集團的對沖需要及當時的外匯情況，本集團的首席財務官將收集有關各種對沖工具的資料進行分析，並釐定止損點。隨後本集團的首席財務官將收集各銀行有關財務工具的報價，並向本集團的首席執行官呈報該等報價，而本集團的首席執行官將評估及就是否訂立相關對沖協議作出決定。

本集團的現金及銀行結餘主要以美元、人民幣及港元計值。其經營現金流入及流出主要以人民幣、美元、歐元及港元計值。本集團將密切監察匯率波動，並定期檢討其資產負債結構，以降低預期匯率風險。

## Management Discussion and Analysis (continued) 管理層討論及分析(續)

### RMB EXCHANGE RATE RISK

The Group's major revenue is principally denominated in US dollar, Euro, HK dollar and RMB, and the Group's major expenses are denominated in RMB. The Group has not entered into any agreement for RMB hedging purpose.

### CAPITAL STRUCTURE

There was no change in the capital structure of the Company during the year, and the Company's capital included ordinary shares and other reserves.

### USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The Company was listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 20 December 2013. Net proceeds from the initial public offering totaled approximately HK\$268.0 million (including the net proceeds from the exercise of the over-allotment option which took place on 15 January 2014).

The table below sets out the use of net proceeds from the initial public offering. As of 31 December 2019, all proceeds have been utilised as the intended use set out in the Company's prospectus dated 11 December 2013 (the "Prospectus").

### 人民幣匯率風險

本集團主要收入主要以美元、歐元、港元及人民幣計值，而本集團主要支出主要以人民幣計值，本集團沒有訂立任何為人民幣對沖的協議。

### 資本結構

本公司之資本結構於年內並無變動，本公司之資本包括普通股及其他儲備。

### 來自本公司首次公開發售的所得款項的用途

本公司於2013年12月20日在香港聯合交易所有限公司(「聯交所」)上市。來自首次公開發售的所得款項淨額合計約268.0百萬港元(包括2014年1月15日行使超額配股權的所得款項淨額)。

下表載列了首次公開發售所得款項淨額的用途。截至2019年12月31日，所得款項已按本公司日期為2013年12月11日的招股章程(「招股章程」)所載的擬定用途全部動用。

## Management Discussion and Analysis (continued)

### 管理層討論及分析(續)

#### Use of proceeds

#### 所得款項用途

|                                                                             |                | Till 31 December 2019<br>直至2019年12月31日 |                                                           |                                                              |                                                                |
|-----------------------------------------------------------------------------|----------------|----------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------|
|                                                                             |                | % of total<br>amount<br>佔總額的<br>百分比    | Net<br>proceeds<br>所得款項<br>淨額<br>(HK\$ million)<br>(百萬港元) | Utilised<br>amounts<br>已動用<br>款額<br>(HK\$ million)<br>(百萬港元) | Unutilised<br>amounts<br>未動用<br>款額<br>(HK\$ million)<br>(百萬港元) |
| Establishing a new business unit specialising in ultra-large standard molds | 設立超大型標準模具新事業單位 | 19%                                    | 51.9*                                                     | 51.9                                                         | —                                                              |
| Upgrading mold fabrication capabilities                                     | 升級模具製作能力       | 14%                                    | 37.1*                                                     | 37.1                                                         | —                                                              |
| Expanding Shenzhen plastic components manufacturing capacity                | 擴充深圳注塑組件製造產能   | 22%                                    | 59.4*                                                     | 59.4                                                         | —                                                              |
| Expanding Suzhou plastic components manufacturing capacity                  | 擴充蘇州注塑組件製造產能   | 17%                                    | 44.5*                                                     | 44.5                                                         | —                                                              |
| Strategic acquisitions of other mold fabricators                            | 策略收購其他模具製造商    | 11%                                    | 29.5*                                                     | 29.5                                                         | —                                                              |
| Research and development                                                    | 研發投入           | 8%                                     | 21.5*                                                     | 21.5                                                         | —                                                              |
| General working capital                                                     | 一般營運資金         | 9%                                     | 24.1*                                                     | 24.1                                                         | —                                                              |
|                                                                             |                | 100%                                   | 268.0*                                                    | 268.0                                                        | —                                                              |

\* On 15 January 2014, China Merchants Securities (HK) Co., Limited, the sole global coordinator (on behalf of the international underwriters) of the global offering, partially exercised the over-allotment option, pursuant to which the Company issued 26,600,000 ordinary shares of HK\$0.1 each at the subscription price of HK\$1.25 per share. The allocation of the net proceeds of HK\$32.4 million was adjusted on a pro rata basis as set out in the section headed "Use of Proceeds" in the Prospectus. As a result, the net aggregate proceeds were increased from HK\$235.6 million to HK\$268.0 million.

\* 於2014年1月15日，全球發售之獨家全球協調人（代表國際包銷商）招商證券（香港）有限公司部分行使超額配股權。據此，本公司以認購價每股1.25港元發行26,600,000股每股面值0.1港元之普通股。所得款項淨額32.4百萬港元按招股章程「所得款項用途」一節所載的比例基準調整分配。因此，所得款項淨額總額從235.6百萬港元增加至268.0百萬港元。

The use of proceeds shown above is in line with the intended use as set out in the Prospectus.

所得款項用途與招股章程所載的擬定用途一致。

## Management Discussion and Analysis (continued)

### 管理層討論及分析(續)

#### PLANS FOR MATERIAL CAPITAL INVESTMENTS

The Group have invested in capacity expansion and investment projects to capitalize the potential growth of the Group's business in the coming years in the manner set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

#### STAFF POLICY

As at 31 December 2019, the Group had 4,072 full-time employees (31 December 2018: 3,564) and 632 workers dispatched to us from third party staffing companies (31 December 2018: 665).

The Group's remuneration policy aims to offer competitive remuneration packages to recruit, retain and motivate competent directors and employees. The Group believes the remuneration packages are reasonable and competitive and in line with market trends. The Group has put in place a share option scheme and a share award scheme for its directors and employees in a bid to provide a competitive package for the Group's long-term growth and development. The Group also provides appropriate training and development programmes to its employees to enhance the staff's work ability and personal performance.

The Group has implemented training programmes for the employees to meet different job requirements. The Group believes that these initiatives have contributed to increasing employee productivity.

As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefits of its PRC employees which provide pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing funds.

#### MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2019, the Group has made no material acquisitions or disposals of subsidiaries.

#### CONTINGENT LIABILITIES

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

#### 重大資本投資計劃

本集團已按招股章程「未來計劃及所得款項用途」一節所載的方式投資於產能擴充及投資項目，以把握我們未來業務的潛在增長。

#### 員工政策

於2019年12月31日，本集團擁有4,072名全職僱員(2018年12月31日：3,564名)及632名由第三方勞務公司派遣的工人(2018年12月31日：665名)。

本集團的薪酬政策旨在為招募、挽留及鼓勵有能力的董事及僱員提供具競爭力的薪酬待遇。本集團認為，有關薪酬待遇屬合理及具競爭力，並與市場趨勢相吻合。本集團已為其董事及僱員設立購股權計劃及股份獎勵計劃，力爭為本集團的長期增長及發展提供具競爭力的薪酬待遇。本集團亦向其僱員提供適當的培訓及發展計劃，旨在提升員工的工作能力及個人績效。

本集團已實施僱員培訓計劃，以應對不同職位的要求。本集團相信，該等舉措有助於提高僱員的生產力。

如中國法規規定，本集團已為其中國僱員繳交強制性社保基金，包括養老保險、醫療保險、失業保險、工傷保險、生育保險及住房公積金。

#### 重大收購及出售

截至2019年12月31日止年度，本集團並未有重大收購或出售附屬公司。

#### 或然負債

於2019年12月31日，本集團並無任何重大或然負債。

## Management Discussion and Analysis (continued)

### 管理層討論及分析(續)

#### PROSPECTS

Looking forward to 2020, the PRC and the United States signed the phase I trade agreement. Though tariffs and boycott have not been fully revoked yet, the signal to ease reflected by the agreement that has been reached on certain tariff measures and trade-related policies. However, the outbreak of novel coronavirus pneumonia dealt the recovering global economy another major blow. As the PRC is the second largest economy and the largest exporter in the world, such outbreak and its containment measures, including blockading cities and delay in resumption of work, have not only cause impact on the manufacturing sector in the PRC, but also posed a threat to global commodity supply chains and even to global consumer demand. Recently, the epidemic has spread more rapidly to all countries in the world, including many major economies in Europe and the United States. Many regions have implemented epidemic prevention measures such as blockading cities, shutdown in work and suspension of flights. Physical stores of many consumer brands in Europe and the United States have been temporarily closed, severely damaging the global retail market and consumer confidence. It is expected that the epidemic will continue for a period of time, and many consumer electronics brands have postponed the release of new products and the development of new projects. As an upstream supplier, the Group is inevitably affected, and the order sales volume of European and American customers will be negatively affected to some extent. Given the above, the Group will adopt practicable and prudent approach towards to possible downward risks in economy in calm manner and timely adjust its strategies, the Group will continue to enhance its own competitiveness, striving to mitigate the shock brought by external environment.

At present, the epidemic situation in China is showing signs of easing. In order to revive the domestic economy, the central government has introduced a number of monetary and fiscal easing measures to stimulate domestic demand. The Group will strengthen the expansion of China's consumer product market, continue to actively seek cooperation with more high-tech consumer electronics products, medical products and other brands, and adhere to the strategy of customer diversification so as to stabilize risks caused by fluctuations in different sectors.

#### 展望

展望2020年，中美已簽訂首階段貿易協議，儘管尚未完全撤銷關稅及抵制，但已就部分關稅措施、貿易相關政策等方面達成協議，發出緩和的訊號；然而，新型冠狀病毒肺炎疫情卻為剛喘回一口氣的全球經濟帶來又一波重大的衝擊，中國作為全球第二大經濟體及最大出口國，是次疫情以及封城和延緩復工等防疫措施，不單對中國國內的製造業造成影響，更對全球商品供應鏈以至全球消費需求造成威脅。近期，疫情更快速蔓延全球各國，包括多個歐美的主要經濟體，多個地區實施封城、停工及暫停航運等防疫措施，歐美多個消費品牌的實體店暫時關閉門市，重創全球零售市場及消費信心。預料疫情將持續一段時期，多個消費電子品牌客戶紛紛延後新品發佈及新項目開發。作為上游供應商，本集團亦不能倖免，歐美客戶的訂單銷量將受到一定負面影響。有見及此，本集團將採取務實、審慎的態度，沉着應戰，適時調整戰略應對潛在的經濟下行風險，並繼續提升內在競爭力，緩解外在環境的衝擊。

現時中國疫情初現舒緩跡象，為重振國內經濟，中央政府推出多項貨幣及財政寬鬆措施，刺激內需。本集團將加強拓展中國消費產品市場，並繼續積極尋求與更多高科技消費電子產品、醫療用品等品牌合作，堅持開發多元化客戶的策略方向，以穩定不同板塊波動帶來的風險。

## Management Discussion and Analysis (continued) 管理層討論及分析(續)

It is expected that the global epidemic situation will be difficult to become controllable in a short term. Additionally, as deglobalization of several countries brought about political and economic risks, various uncertainties will continue to affect the global trading and consumer sentiment, which will bring fluctuation and challenges to the macro-economy in 2020. To this end, the Board of Directors has decided to temporarily put aside the plan to build overseas factories and remained more prudent about all capital expenses, in order to retain capital strength and maintain financial stability. In addition, it maintains an efficient credit and trade receivables turnover policy, stabilizes cash flow and financial position, and prepares for long-term business development. At the same time, the Group also continues to improve the intelligent automation level and technological research and development of the existing production lines in order to maintain its competitiveness and profitability.

In the face of difficult business environment, the Group will forge ahead with optimism and actively try to enhance its competitiveness, maintain business and financial stability, and cautiously cope with the volatile and challenging economic environment in the coming year.

### Developments as to Defects to Land Title with Respect to the Shenzhen Tangjia Plants

Reference is made to the Prospectus and the announcement of the Company dated 20 March 2014. Unless otherwise defined herein, capitalized terms used in this sub-section shall have the same meanings as those defined in the Prospectus.

預期全球疫情難以在短期內受到控制，加上個別國家逆全球化帶來政治及經濟風險，多種不穩定因素將繼續牽動著全球的貿易及消費氛圍，為2020年的宏觀經濟帶來波動與挑戰。為此，董事會決定暫時擱置海外建廠房的計劃，亦對所有資本開支採取更審慎的態度，以保留資本實力，維持財務穩健。此外，維持高效的信貸及貿易應收款項周轉政策，穩定現金流及財務狀況，為長遠業務發展作好準備。同時，本集團也持續提升現有生產線的智能自動化水平和技術研發，務求維持自身競爭力及盈利能力。

在面對艱難的經營環境下，本集團將砥礪前行，積極面對，繼續做好本份，提升自身競爭能力，保持業務及財務穩健，以審慎的態度迎接新一年經濟環境的波動與挑戰。

### 有關深圳塘家廠房房產證缺陷的進展情況

茲提述招股章程及本公司日期為2014年3月20日的公佈。除本文另有界定外，本小節所用詞與招股章程所界定者具有相同涵義。

## Management Discussion and Analysis (continued)

### 管理層討論及分析(續)

The Company has received a notice from TK Technology (Shenzhen) Ltd. ("TK Technology (Shenzhen)"), the landlord of the Shenzhen Tangjia Plants of the Company, that according to the approval issued by Guangming District Branch under Shenzhen Municipal Bureau of Planning and Natural Resources (深圳市規劃和自然資源局光明管理局) and Shenzhen Guangming District Industrial and Informatization Bureau (深圳市光明區工業和信息化局) to TK Technology (Shenzhen), TK Technology (Shenzhen) has obtained the permission to increase the existing plot ratio of the land to have more room for the industrial development. The land to be increased in the plot ratio has the same land parcel number with the land disclosed in the property ownership certificate of the Shenzhen Tangjia Plants of the Company. According to the approval, the Company's internal legal advisers analyse that, in order to promote the intensive and economical use of industrial land at high-tech zones, Guangming District Branch under Shenzhen Municipal Bureau of Planning and Natural Resources is not likely to impose any penalty for leasing of the Shenzhen Tangjia Land for high-technology project purposes without obtaining prior approval and paying the land premium, such as confiscation of the land or the eviction of the tenant. Given the above, the risks related to Shenzhen Tangjia Plants and the leased properties no longer exist, and the Company will continue its operation in the existing properties. As such, the Company's relevant contingency arrangements, including the pre-lease agreements entered into with the landlord of the backup plants will no longer be required, and the Company has also been expanding the existing capacity. The Company has rented factories with red-type property ownership certificate in Huizhou, Guangdong and Suzhou, Jiangsu so far to avoid the risks of leased properties.

接獲本公司深圳塘家廠房業主東江科技(深圳)有限公司(「東江科技(深圳)」)的通知，根據深圳市規劃和自然資源局光明管理局與深圳市光明區工業和信息化局給東江科技(深圳)的批文，東江科技(深圳)已經獲得將現有土地進行增容以增加產業發展空間的許可，而即將進行增容的土地與目前本公司深圳塘家廠房之房產證之土地為同一宗地號的土地。本公司的內部法律顧問根據批文分析，為促進高新園區產業用地集約節約利用，深圳市規劃和自然資源局光明管理局應不會對未取得事先批准及未支付地價款的情況下出租深圳塘家土地作高新技術項目用地作任何處罰，例如沒收土地或逐出租戶，深圳塘家廠房及租賃物業風險不復存在，本公司仍將在現址繼續運營。由此本公司有關應急安排，包括與後備廠房業主的租賃前協議亦將不再需要。同時，本公司亦一直在擴大現有產能，截止目前，已經在廣東惠州、江蘇蘇州等地租賃紅本房產證生產廠房以避免租賃物業風險。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### EXECUTIVE DIRECTORS

**Mr. Li Pui Leung**, aged 60, is the chairman of the Group. Mr. Li is one of the founders of the Group and was appointed as an executive director on 28 March 2013. He is also the chairman of the Board and the chairman of the Nomination Committee of the Company. Mr. Li is responsible for the overall management and strategic planning of the Group. He has accumulated more than 36 years of professional experience in plastic mold fabrication and plastic injection molding and also experience in business management in the manufacturing industry. Mr. Li together with Mr. Lee Leung Yiu, a substantial shareholder and an executive director of the Company, established Tung Kong Machinery Moulding FTY in Hong Kong in 1983, and have since expanded the Group's mold fabrication business into the PRC in 1992 and moved the operations to Shenzhen, the PRC. Mr. Li was elected the "Winner of Young Industrialist Awards of Hong Kong" in 2003 and "Outstanding Person of Shenzhen Machinery Industry" in 2004, and awarded "Shenzhen Person of the Year" by Southern Metropolitan Daily in 2013. Mr. Li holds several social titles, including serving as a committee member and the convenor of Hong Kong of Shenzhen Chinese People's Political Consultative Conference, the President of Guang Ming General Chamber of Commerce (Industry and Commerce), a committee member and honorary president of Hong Kong Young Industrialists Council Foundation, the Chairman of Kowloon City District Road Safety Campaign Committee, the vice chairman of Federation of Hong Kong Shenzhen Association Limited, the vice president of Shenzhen Overseas Chinese International Association, the executive director of Shenzhen General Chamber of Commerce, the vice chairman of charity committee of Shenzhen Guangming District and the president of Rotary Club, Tsuen Wan, Hong Kong in 2000. In July 1974, Mr. Li graduated from Yuanzhou Gongshe Lulan Primary School in Boluo, Guangdong in China, and obtained a middle school graduation certificate. Mr. Li is also the controlling shareholder and director of both Eastern Mix Company Limited (a controlling shareholder of the Company) and Lead Smart Development Limited (a substantial shareholder of the Company), and the elder brother of Mr. Lee Leung Yiu.

#### 執行董事

李沛良先生，60歲，為本集團主席。李先生為本集團創辦人之一，於2013年3月28日獲委任為執行董事。彼亦為本公司董事會主席及提名委員會主席。李先生負責本集團之整體管理及策略規劃。彼於注塑模具製作及注塑方面積累了逾36年的專業經驗及亦於製造業的業務管理方面擁有經驗。李沛良先生與本公司的主要股東兼執行董事李良耀先生於1983年在香港成立東江機械製模廠，1992年將本集團模具製作業務擴展至中國，並將我們的營運遷移至中國深圳。李先生先後於2003年及2004年獲得「香港青年工業家獎」及「深圳機械行業傑出人物」之獎項，並於2013年榮獲南方都市報封為「深圳2013年度人物」。李先生擔任多項社會公職，包括中國人民政治協商會議深圳市委員會委員及香港區召集人、深圳市光明區總商會（工商聯）會長、香港青年工業家協會榮譽會長及基金會常務委員、香港九龍城區道路安全運動委員會會長、香港深圳社團總會副會長、深圳市僑商國際聯合會常務副會長、深圳市總商會常務理事、深圳市光明區慈善會常務副會長及香港荃灣扶輪社社長（2000年度）。於1974年7月，李先生畢業於中國廣東博羅的園洲公社綠蘭小學，並取得初中畢業證。李先生亦為集東有限公司（本公司之控股股東）及安領發展有限公司（本公司之主要股東）之控股股東及董事，和李良耀先生的胞兄。

## Directors and Senior Management (continued)

### 董事及高級管理層(續)

**Mr. Yung Kin Cheung, Michael**, aged 58, is an executive director and the chief executive officer of the Group. He is also a member of the Remuneration Committee of the Company. Mr. Yung has approximately 31 years of experience in plastic mold fabrication and plastic injection molding. He was appointed as an executive director of the Group on 28 March 2013. Mr. Yung is responsible for formulation and implementation of the business plans of the Group. Prior to joining the Group, Mr. Yung acted as a buyer in National Semiconductor Hong Kong Ltd. from May 1985 to August 1987. He was promoted to Component Engineer in May 1987. From August 1987 to February 1989, Mr. Yung served at AST Research (Far East) Ltd. as a procurement engineer. Mr. Yung joined the Group in 1989 as the general manager and was primarily responsible for operation management for the molding business. He has been serving as the managing director of the Group since 2000, and is mainly responsible for business development and the daily operations of the Group's business. Mr. Yung graduated from the Department of Industrial Engineering of the University of Hong Kong with a bachelor's degree of Science in Engineering in November 1983. He also graduated from the Centre of Buddhist Studies of the Faculty of Social Sciences of the University of Hong Kong with a Master's Degree in Buddhist Studies in November 2008. Mr. Yung is also the shareholder and director of Eastern Mix Company Limited (a controlling shareholder of the Company), and the controlling shareholder and director of Cheer Union Development Ltd. (a substantial shareholder of the Company).

**Mr. Lee Leung Yiu**, aged 59, is an executive director of the Group. He is one of the founders of the Group and was appointed as an executive director of the Group on 28 March 2013. Mr. Lee has approximately 36 years of experience in plastic mold fabrication and plastic injection molding. Mr. Lee together with Mr. Li Pui Leung (a controlling shareholder, the Chairman and an executive director of the Company) established Tung Kong Machinery Moulding FTY, in 1983. He has been holding the position of manager, mainly responsible for procurement for the Group. From August 2009 to October 2010, Mr. Lee completed the EMBA training classes of Graduate School of Tsinghua University, China, and obtained a certificate of completion. In June 2013, Mr. Lee obtained a degree of master of business administration from the University of Wales, the United Kingdom. Mr. Lee is also the shareholder and director of Eastern Mix Company Limited (a controlling shareholder of the Company), the controlling shareholder and director of Normal Times International Limited (a substantial shareholder of the Company), and the younger brother of Mr. Li Pui Leung.

翁建翔先生，58歲，為本集團執行董事兼行政總裁。彼亦為本公司薪酬委員會成員。翁先生於注塑模具製作及注塑方面擁有約31年的經驗。彼於2013年3月28日獲委任為本集團執行董事。翁先生負責制訂及執行本集團的業務計劃。於加入本集團之前，翁先生自1985年5月至1987年8月擔任香港美國國家半導體有限公司的採購員。其於1987年5月獲提升為組件工程師，自1987年8月至1989年2月，翁先生擔任虹志電腦(遠東)有限公司的採購工程師。翁先生於1989年加入本集團擔任總經理，主要負責注塑業務的營運管理。彼自2000年起擔任本集團的董事總經理，主要負責業務發展及本集團業務的日常營運。翁先生於1983年11月畢業於香港大學工業工程系，取得工程學學士學位。彼亦於2008年11月畢業於香港大學社會科學院佛學研究中心，取得佛學研究碩士學位。翁先生亦為集東有限公司(本公司之控股股東)之股東及董事，及興邦發展有限公司(本公司之主要股東)之控股股東及董事。

李良耀先生，59歲，為本集團執行董事。彼為本集團創辦人之一，並於2013年3月28日獲委任為本集團執行董事。李先生於注塑模具製作及注塑方面擁有約36年的經驗。李先生於1983年與本公司的控股股東、主席兼執行董事李沛良先生創辦東江機械制模廠。彼一直擔任經理職務，主要負責本集團的採購。自2009年8月至2010年10月，李先生在中國清華大學研究院修畢EMBA研修班，取得結業證書。於2013年6月，李先生取得英國威爾士大學工商管理碩士學位。李良耀先生亦為集東有限公司(本公司之控股股東)之股東及董事、適時國際有限公司(本公司之主要股東)之控股股東及董事，和李沛良先生的胞弟。

## Directors and Senior Management (continued)

### 董事及高級管理層(續)

**Mr. Cheung Fong Wa**, aged 57, was appointed as an executive director and the chief financial officer of the Group on 27 November 2013. Mr. Cheung joined the Group in July 2002, as a corporate financial controller and was mainly responsible for the finance, taxation, audit and investment of the Group. Prior to joining the Group, Mr. Cheung had served at Deloitte Ross Tohmatsu (currently known as “Deloitte Touche Tohmatsu”) and served as a financial controller for a FORTUNE 500 manufacture company, and manufacturing companies listed in Hong Kong and the U.S.. He has accumulated 32 years of experience in the field of auditing, accounting and corporate finance. Mr. Cheung graduated from Hong Kong Polytechnic (the predecessor of Hong Kong Polytechnic University) in November 1987 with a major in accounting, and is a fellow member of the Association of Chartered Certified Accountants since January 1996 and a fellow member of the Hong Kong Institute of Certified Public Accountants since September 1990.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. Chung Chi Ping Roy**, *GBS BBS JP*, aged 67, was appointed as an independent non-executive director of the Company on 27 November 2013. He is also the chairman of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee of the Company.

Dr. Chung obtained a doctoral degree in engineering from the University of Warwick, the United Kingdom in May 2010 and a Doctor of Business Administration Degree from City University of Macau in September 2012. He was re-appointed as an Industrial Professor by the University of Warwick, the United Kingdom in December 2015. He was awarded a doctorate of business administration *honoris causa* by the University of Macau in November 2019, an honorary doctorate of science by the University of Warwick, the United Kingdom, in July 2019, an honorary doctorate of business administration by the Lingnan University in November 2015, an honorary doctorate of business administration by the Hong Kong Polytechnic University in December 2007 and an honorary degree, Doctor of the University, by the University of Newcastle, Australia in July 2006 respectively. He was awarded by the Hong Kong Special Administrative Region Government (“HKSAR Government”) the Gold Bauhinia Star (GBS) Medal on 30 June 2017, the Bronze Bauhinia Star (BBS) Medal on 1 July 2011, and was appointed as Justice of Peace on 1 July 2005. Dr. Chung won the Hong Kong Young Industrialists Award in 1997, and was further awarded the Industrialist of the Year in November 2014.

張芳華先生，57歲，於2013年11月27日獲委任為本集團執行董事兼首席財務官。張先生於2002年7月加入本集團，出任公司財務總監，主要負責本集團的財務、稅務、審計及投資。加入本集團前，張先生曾任職Deloitte Ross Tohmatsu（現稱為「德勤關黃陳方會計師行」）。張先生曾歷任《FORTUNE》500強製造公司及香港和美國的上市製造公司的財務總監。彼累積約32年的審計、會計及企業財務經驗。張先生於1987年11月畢業於香港理工學院（香港理工大學前身）會計學系，自1996年1月起為英國特許公認會計師公會資深會員及自1990年9月起為香港會計師公會資深會員。

### 獨立非執行董事

鍾志平博士，金紫荊星章、銅紫荊星章、太平紳士，67歲，於2013年11月27日獲委任為本公司獨立非執行董事。彼亦為本公司薪酬委員會主席、審核委員會成員及提名委員會成員。

鍾博士於2010年5月獲英國華威大學工程學博士學位及於2012年9月獲澳門城市大學工商管理博士學位，彼於2015年12月獲英國華威大學再次委任為工程教授。彼分別於2019年11月獲澳門大學頒授榮譽工商管理博士學位，同年7月獲英國華威大學頒授榮譽理學博士學位，2015年11月獲嶺南大學頒授榮譽工商管理學博士學位，2007年12月獲香港理工大學頒授榮譽工商管理博士及2006年7月獲澳洲紐卡斯爾大學頒發榮譽博士學位。彼獲香港特別行政區政府（「香港特區政府」）於2017年6月30日頒授金紫荊星章、2011年7月1日頒授銅紫荊星章、2005年7月1日委任為太平紳士。鍾博士於1997年榮獲香港青年工業家獎，並於2014年11月榮獲傑出工業家獎。

## Directors and Senior Management (continued)

### 董事及高級管理層(續)

Dr. Chung is highly dedicated to the advancement of Hong Kong industry. He was the Chairman of the Federation of Hong Kong Industries from July 2011 to July 2013 and has been serving as the Honorary President of the Federation since 5 July 2013. In addition, Dr. Chung has served on various HKSAR Government advisory committees and is an active member of many social committees and associations. Dr. Chung was appointed as the Chairman of the Vocational Training Council from January 2018 until December 2019. He is also the Founder and Chairman of Bright Future Charitable Foundation.

Dr. Chung is a co-founder and currently a non-executive director of Techtronic Industries Company Limited (stock code: 669), a company listed on the Stock Exchange. He has also been an independent non-executive director of Fujikon Industrial Holdings Limited (stock code: 927), a company listed on the Stock Exchange, since 1 April 2014; and an independent non-executive director of Vitasoy International Holdings Limited (stock code: 345), a company listed on the Stock Exchange, since 24 June 2017.

**Ms. Christine Wan Chong Leung**, aged 39, was appointed as an independent non-executive director of the Company on 20 December 2019. She is also a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company.

Ms. Leung has practiced as a Barrister in Hong Kong for nearly 13 years. Ms. Leung obtained her PCLL from the University of Hong Kong in 2005. She was called to the Bar in Hong Kong in 2006.

Ms. Leung has a broad-based civil practice, undertaking work in all aspects of contractual and commercial disputes, personal injury and family law. From 2007 to 2012, Ms. Leung has been a part-time Lecturer of Company Law for the Hong Kong Institute of Certified Public Accountant (HKICPA) Practising Certificate Law Examination and a part-time Lecturer of Corporate and Business Law for the Association of Chartered Certified Accountants. Ms. Leung is also a contributing editor of Archbold Hong Kong and Company Law in Hong Kong – Insolvency.

鍾博士對推動香港工業發展不遺餘力。彼於2011年7月至2013年7月曾出任香港工業總會主席，亦自2013年7月5日起為該會名譽會長。此外，鍾博士一直以來分別出任香港特區政府不同的諮詢委員會成員，並熱心參與眾多社福機構，服務社群。鍾博士自2018年1月至2019年12月獲委任為職業訓練局主席。彼亦為鵬程慈善基金創辦人及主席。

鍾博士為聯交所上市公司創科實業有限公司(股份代號：669)的聯合創辦人之一，現為該公司之非執行董事。彼亦自2014年4月1日起擔任聯交所上市公司富士高實業控股有限公司(股份代號：927)的獨立非執行董事；亦自2017年6月24日起擔任聯交所上市公司維他奶國際集團有限公司(股份代號：345)的獨立非執行董事。

**梁蘊莊女士**，39歲，於2019年12月20日獲委任為本公司獨立非執行董事，同時亦為本公司審核委員會、提名委員會及薪酬委員會成員。

梁女士擁有近13年的法律執業經驗。梁女士於2005年在香港大學獲得法律專業證書，並於2006年獲得香港大律師公會頒發的執業證書。

梁女士的執業範圍涵蓋各類型的民事訴訟，包括契約糾紛，商業訴訟，人身傷亡及婚姻訴訟。自2007年至2012年，梁女士亦為兼職講師教授香港會計師公會專業證書之公司法課程及英國特許公認會計師公會執業試之公司法課程。梁女士亦是Archbold Hong Kong及Company Law in Hong Kong – Insolvency的特約編輯。

## Directors and Senior Management (continued)

### 董事及高級管理層(續)

**Mr. Tsang Wah Kwong**, aged 67, was appointed as an independent non-executive director of the Company on 27 November 2013. He is also the chairman of the Audit Committee and a member of both the Nomination Committee and the Remuneration Committee of the Company. Mr. Tsang is a former partner of PricewaterhouseCoopers in Hong Kong and China and has over 30 years of experience in auditing and providing support for initial public offerings and acquisition transactions. Mr. Tsang received a bachelor's degree in business administration from Chinese University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of the Chinese Institute of Certified Public Accountants and a fellow member of the Chartered Association of Certified Accountants.

Currently, Mr. Tsang is an independent non-executive director of the following companies listed on the Main Board of the Stock Exchange: China Merchants China Direct Investments Limited (stock code: 133), Sihuan Pharmaceutical Holdings Group Ltd. (stock code: 460), China Animation Characters Company Limited (stock code: 1566). Mr. Tsang was an independent director of Agria Corporation (formerly listed on the New York Stock Exchange and delisted in January 2017) from August 2011 to October 2017, a director of PGG Wrightson Limited (a company listed on the New Zealand Stock Exchange, stock code: PGW) from November 2014 to October 2017 and an independent non-executive director of Ping An Securities Group (Holdings) Limited (a company listed on the Stock Exchange, stock code: 231) from February 2016 to March 2020.

### SENIOR MANAGEMENT

**Mr. Yue Yiu Chung**, aged 53, joined the Group in July 2014 as corporate financial controller, and is responsible for the Group and plants finance operation. Prior to joining the Group, he worked for a company listed in the U.S. and was responsible for the entire Asia Pacific region finance affair. He has approximately 28 years of experience in auditing and finance. He obtained a bachelor's degree in accountancy from City University of Hong Kong. He has also been a fellow member of the Association of Chartered Certified Accountants since August 2000.

曾華光先生，67歲，於2013年11月27日獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會主席、提名委員會及薪酬委員會成員。曾先生為香港和中國羅兵咸永道會計師事務所的前合夥人，於審計及為首次公開發售與收購交易提供支援方面具備逾30年的經驗。曾先生取得香港中文大學的工商管理學士學位。彼為香港會計師公會資深會員、中國註冊會計師協會會員及英國特許公認會計師公會資深會員。

曾先生現為下列於聯交所主板上市的公司的獨立非執行董事：招商局中國基金有限公司（股份代號：133）、四環醫藥控股集團有限公司（股份代號：460）、華夏動漫形象有限公司（股份代號：1566）。曾先生於2011年8月至2017年10月擔任Agria Corporation（曾於紐約證券交易所上市，於2017年1月摘牌）的獨立董事，於2014年11月至2017年10月擔任PGG Wrightson Limited（一間於紐西蘭證券交易所上市的公司，股份代號：PGW）的董事及於2016年2月至2020年3月擔任平安證券集團（控股）有限公司（一間於聯交所上市的公司，股份代號：231）的獨立非執行董事。

### 高級管理層

余耀宗先生，53歲，於2014年7月加入本集團，擔任公司財務總監，負責本集團及工廠的財務營運。加入本集團前，彼曾任職於某美國上市公司，負責整個亞太地區的財務工作。彼擁有近28年審計及財務經驗。彼取得了香港城市大學的會計學學士學位。彼自2000年8月份起為英國特許公認會計師公會資深會員。

## Directors and Senior Management (continued)

### 董事及高級管理層(續)

**Mr. Lu Gong Shan**, aged 40, is the general manager of the mold fabrication segment of the Group. Mr. Lu joined the Group in May 2002, and was appointed as the deputy general manager of the Group in January 2009, responsible for the development of the mold fabrication business, project management and the management of affairs in respect of technology, quality and sourcing management. In October 2013, Mr. Lu was appointed as the general manager of the standard mold business units of the Group, he is responsible for the overall management of the standard mold business units. Mr. Lu graduated from Zhengzhou University of Light Industry in July 2000 with a diploma of high molecular material machining specialised in mold design and manufacturing. In May 2013, Mr. Lu obtained a degree of master of Business Administration in Executive Management from the Royal Roads University.

**Mr. Yim Cham Sum**, aged 54, joined the Group and was appointed as the Operations Director of the plastic components manufacturing division of the Group in December 2017, responsible for the operation management of the plastic components manufacturing division. He was appointed as the general manager of the plastic components manufacturing division of the Group in January 2019, responsible for the overall management of the plastic components manufacturing division. Mr. Yim obtained the Degree of Master of Business Administration (MBA) from the University of Strathclyde in the U.K. in July 2002. He had worked in the manufacturing operation management for over ten years and has worked of Nypro Plastics & Metal Products (Shenzhen) Co., Ltd.

**Mr. Lok See Yuen Samuel**, aged 43, is the chief marketing director of the plastic components manufacturing division of the Group. Mr. Lok joined the Group in August 2009 and was appointed as the chief marketing director of the plastic components manufacturing division of the Group. He was mainly responsible for sales and marketing affairs of the plastics components manufacturing division. Prior to joining the Group, Mr. Lok had approximately eight years of experience in Plastics industry. Mr. Lok previously served as the application development manager of GE Plastics Hong Kong Limited. Mr. Lok graduated from The Hong Kong University of Science and Technology with a bachelor's degree in mechanical engineering in November 1998.

**盧功善先生**，40歲，為本集團模具製造業務總經理。盧先生自2002年5月加入本集團，2009年1月獲委任為本集團之副總經理，負責模具製作業務開發、專案管理及技術、品質及資源管理事務的管理工作。2013年10月盧先生獲委任為本集團之標準模具業務部總經理，負責整體管理標準模具製作業務。盧先生於2000年7月畢業於鄭州輕工業學院，取得高分子材料加工模具設計與製造文憑。2013年5月，盧先生於加拿大皇家大學取得行政管理MBA碩士學位。

**嚴湛深先生**，54歲，於2017年12月加入本集團並獲委任為注塑組件製造業務部營運總監，負責注塑組件製造業務部日常營運管理。彼於2019年1月獲委任為本集團之注塑組件業務總經理，負責整體管理注塑組件業務部。嚴先生於2002年7月畢業於英國 University of Strathclyde，取得工商管理碩士學位。彼具備10年以上製造業營運管理相關經驗，曾服務於耐普羅塑膠五金製品(深圳)有限公司。

**駱思源先生**，43歲，為本集團注塑組件製造業務部市場總監。駱先生自2009年8月起加入本集團，獲委任為本集團注塑組件製造業務部市場總監。彼主要負責注塑組件製造業務部的銷售及市場推廣事務。在加入本集團前，駱思源先生於塑膠行業有近八年經驗。駱先生曾任GE Plastics Hong Kong Limited的應用開發經理。駱先生於1998年11月畢業於香港科技大學，取得機械工程學士學位。

## Directors and Senior Management (continued)

### 董事及高級管理層(續)

**Mr. Joerg Wehling**, aged 53, Mr. Joerg Wehling onboard on 4 May 2017 as the marketing director of precision mold business unit of the Group, and will take charge of all the management work for precision mold business unit. Mr. Joerg Wehling graduated from Fachhochschule Wiener Neustadt of a College degree in 1985, and has more than 30 years of work experience in the tooling and molding industry. Mr. Joerg Wehling has previously worked for famous companies, such as Jabil, Molex Automotive, KTW, Husky IMS, etc.

**Mr. Xing Fu Zhi**, aged 44, is the internal audit manager of the Group. Mr. Xing joined the Group in November 2011, and was appointed as the internal audit manager of the Group, responsible for the internal audit of the Group. Prior to joining the Group, Mr. Xing had approximately 13 years of experience in finance and audit. Mr. Xing has held positions such as assistant accountant in a Wal-Mart China company, senior internal control consultant in an IBM joint venture in China, finance manager and internal audit manager in Hitachi GST China. During his service in IBM and Hitachi, he was involved in a number of projects including ERP implementation and SOX compliance. Mr. Xing became a member of the Association of Chartered Certified Accountants and a certified internal auditor of The Institute of Internal Auditors in November 2009. Mr. Xing graduated in June 1998 from Sun Yat-sen University in the PRC with a bachelor's degree in economics, majoring in auditing. He also obtained the Degree of Master of Business Administration (MBA) from The University of Manchester in November 2013.

**Ms. Zeng Xie Qin**, aged 45, joined the Group on 1 March 2016 as Human Resources Director and is responsible for the Group's and plant's Human Resources management work. Prior to joining the Group, she worked for several enterprises of the FORTUNE Top 500, such as Jabil, Philips and Mars. She graduated in Jiangxi Nanchang university and obtained human resource management division intermediate certificate. During "2017 Shenzhen influential HR" competition activity, she won the Chief Talent Officer award in Shenzhen, which issued by Shenzhen human resources services association.

### COMPANY SECRETARY

**Mr. Cheung Fong Wa**, aged 57 is the company secretary of the Company. Please refer to "Directors and Senior Management — Executive Directors — Mr. Cheung Fong Wa" for further information.

**Joerg Wehling**先生，53歲，Joerg Wehling先生於2017年5月4日加入本集團，擔任精密模具事業部市場總監，統籌安排精密模具事業部所有工作。Joerg Wehling先生1985年畢業於奧地利維也納新城高等專業學院，彼在模具行業擁有30年以上之工作經驗。彼曾服務於捷普集團、莫仕、KTW、赫斯基等知名企業。

**邢福智**先生，44歲，為本集團內部審計經理。邢先生自2011年11月加入本集團，獲委任為本集團之內部審計經理，負責本集團的內部審計工作。在加入本集團前，邢先生於財務及審計方面有約13年的經驗。邢先生曾任Wal-Mart中國公司助理會計師、IBM中國合資企業高級內控顧問、日立中國公司財務經理兼內部審計經理等多個職務。於任職IBM及日立期間，他曾參與多項涉及ERP系統上線及SOX合規等項目。邢先生自2009年11月起為英國特許會計師公會會員和國際註冊內部審計師。邢先生於1998年6月畢業於中國中山大學審計專業，取得經濟學學士學位，並於2013年11月取得英國曼徹斯特大學的工商管理碩士(MBA)學位。

**曾謝琴**女士，45歲，於2016年3月1日加入本集團，擔任人力資源總監，負責本集團及工廠的人力資源管理工作。加入本集團前，彼曾前後任職於《FORTUNE》世界五百強企業如捷普、飛利浦、瑪氏等跨國公司。彼畢業於江西南昌大學，取得人力資源管理師中級證書。彼於「2017風雲HR評選」活動中獲得深圳市人力資源服務協會頒發的「首席人才官」獎項。

### 公司秘書

**張芳華**先生，57歲，為本公司秘書。有關張先生的其他資料請參考「董事及高級管理層—執行董事—張芳華先生」。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company believes that good corporate governance practices are very important for maintaining and promoting investors' confidence and for the sustainable growth of the Group. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business. The Board is committed to strengthening the Group's corporate governance practices and ensuring transparency and accountability of the Company's operations.

The Company has applied the principles as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

In the opinion of the directors, the Company has complied with all the code provisions as set out in the CG Code during the year ended 31 December 2019. Key corporate governance principles and practices of the Company are summarized below.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' dealing in the Company's securities.

Having made specific enquiry of the directors, all the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2019.

### 遵守企業管治守則

本公司相信良好的企業管治常規對於維持及增進投資者信心以及本集團可持續發展非常重要。董事會制定適當政策及實施適當的企業管治常規，以切合本集團業務及實現業務增長。董事會致力於加強本集團的企業管治常規並確保本公司經營的透明度及問責性。

本公司已應用聯交所證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）內之原則。本公司會定期檢討其企業管治常規，以確保遵守企業管治守則。

董事認為，本公司於截至2019年12月31日止年度期間已遵守企業管治守則所載之所有守則條文。本公司主要企業管治原則及常規概述如下。

### 董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則（「標準守則」），作為董事進行本公司證券交易的行為守則。

經向董事作出具體查詢後，全體董事確認彼等於截至2019年12月31日止年度一直遵守標準守則。

## COMPLIANCE WITH THE WRITTEN GUIDELINES FOR SECURITIES TRANSACTIONS BY THE RELEVANT EMPLOYEES OF THE COMPANY

The Company has also established written guidelines on no less exacting terms than the Model Code (the “Employees Written Guidelines”), governing securities transactions by employees (including directors or employees of a subsidiary or holding company of the Company) who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

In case when the Company is aware of any restricted period for dealings in the Company’s securities, the Company will notify its directors and relevant employees in advance.

## THE BOARD

### Board Composition

The Board currently comprises 7 members, consisting of 4 executive directors and 3 independent non-executive directors.

#### Executive directors

Mr. Li Pui Leung (*Chairman*)  
Mr. Yung Kin Cheung Michael (*Chief Executive Officer*)  
Mr. Lee Leung Yiu  
Mr. Cheung Fong Wa

#### Independent non-executive directors

Dr. Chung Chi Ping Roy  
Ms. Christine Wan Chong Leung  
Mr. Tsang Wah Kwong

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

The biographical details of the directors of the Company are set out under “Directors and Senior Management” section in this annual report. Save as Mr. Li Pui Leung and Mr. Lee Leung Yiu are brothers, none of the members of the Board is related to one another.

## 本公司相關僱員遵守進行證券交易之書面指引

本公司亦訂有條款不比標準守則寬鬆之書面指引(「僱員書面指引」)，監管可能掌握本公司及／或其證券內幕消息之僱員(包括本公司附屬公司或控股公司的董事或僱員)進行之證券交易。本公司並無發現僱員違反僱員書面指引的情況。

本公司如獲悉有任何期間限制本公司證券交易，則本公司將預先通知其董事及相關僱員。

## 董事會

### 董事會組成

董事會目前共有七位成員，包括四位執行董事和三位獨立非執行董事。

#### 執行董事

李沛良先生(主席)  
翁建翔先生(行政總裁)  
李良耀先生  
張芳華先生

#### 獨立非執行董事

鍾志平博士  
梁蘊莊女士  
曾華光先生

本公司亦根據上市規則於本公司不時刊發的所有公司通訊內披露董事列表(按類別劃分)，另根據上市規則在所有公司通訊中列明獨立非執行董事的身份。

本公司董事的履歷詳情載於本年報「董事及高級管理層」一節。除李沛良先生及李良耀先生為兄弟外，董事會成員彼此之間概無任何關係。

## Corporate Governance Report (continued) 企業管治報告(續)

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company fully supports the division of responsibility between the Chairman of the Board and the Chief Executive Officer to ensure a balance of power and authority. The positions of Chairman and Chief Executive Officer are currently held by Mr. Li Pui Leung and Mr. Yung Kin Cheung Michael respectively. Their respective responsibilities are clearly defined and set out in writing.

The Chairman provides leadership and is responsible for the overall management and strategic planning of the Group and the effective functioning of the Board in accordance with good corporate governance practices, whereas the Chief Executive Officer focuses on the day-to-day management of the Group's business and implementing objectives, policies, strategies and business plan of the Group approved and delegated by the Board.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Throughout the year ended 31 December 2019, the Board has at all times met the requirements of the Listing Rules 3.10 and 3.10A of having three independent non-executive directors (representing at least one-third of the Board) with at least one of them possessing appropriate professional qualifications, or accounting or related financial management expertise.

The independent non-executive directors bring a wide spectrum of business and financial expertise, experience and independent judgment to the Board for its efficient and effective functioning. They are invited to serve on the Board Committees of the Company. Through active participation at Board and Board Committees meetings, taking the lead in managing issues involving potential conflict of interests, all independent non-executive directors have made various contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the shareholders.

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

### 主席及行政總裁

本公司完全支持將董事會主席與行政總裁的職能分開，以達到權力和權限的平衡。主席及行政總裁職務目前分別由李沛良先生及翁建翔先生擔任，他們的職責已清晰界定並明文載列。

主席擔當領導角色，並負責本集團的整體管理及戰略規劃，以及確保董事會依照良好企業管治常規有效地運作，而行政總裁則專注於本集團業務之日常管理以及執行董事會批准和下達的目標、政策、策略和業務計劃。

### 獨立非執行董事

截至2019年12月31日止年度，董事會一直符合上市規則第3.10和3.10A條的規定，委任三名獨立非執行董事（佔董事會成員人數至少三分之一）及其中至少一名獨立非執行董事擁有適當的專業資格或會計或相關財務管理專業知識。

獨立非執行董事為董事會的高效及有效運作帶來廣泛業務及財務專業知識、經驗及獨立判斷。彼等獲邀加入本公司董事會委員會。透過積極參與董事會及董事會委員會會議，於管理涉及潛在利益衝突之事宜方面起主導作用，所有獨立非執行董事於有效指導本公司方面付出不同貢獻，以及為保障本集團及股東之利益提供充分制約和平衡。

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性作出的書面年度確認函。本公司認為，根據上述上市規則所載之獨立性指引，全體獨立非執行董事均為獨立人士。

## APPOINTMENT AND RE-ELECTION OF DIRECTORS AND NON-EXECUTIVE DIRECTORS

All directors of the Company are appointed for a specific term, subject to renewal upon expiry of the existing term. Each executive director is engaged on a service agreement for a term of 3 years, which may be terminated by either party by not less than 3 months' written notice. Each of the independent non-executive directors of the Company is appointed for a term of 3 years.

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

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

## 董事及非執行董事委任和重選

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

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

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

## Corporate Governance Report (continued) 企業管治報告(續)

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

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The Board is also responsible for implementing policies in relation to financial matters, which include risk management and internal controls and compliance, if applicable. In addition, the Board reviews the financial performance of the Group, approves investment proposals, nomination of directors to the Board and appointment of key management personnel. These functions are carried out either directly by the Board or through Board committees such as Audit Committee, Nomination Committee and Remuneration Committee.

All directors are aware of their collective and individual responsibilities to the shareholders of the Company, the duties to act honestly and in good faith, in compliance with applicable laws and regulations and in the interests of the Company and its shareholders at all times and to avoid conflicts of interests.

All directors have timely access to all relevant information as well as the advice and services of the Company Secretary and senior management, with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any director may request for independent professional advice in appropriate circumstances at the Company's expenses, upon reasonable request made to the Board.

#### Delegation of corporate governance duties

The Board has delegated to the Audit Committee the responsibility for performing corporate governance functions set out in the code provision D.3.1 of the CG Code.

During the Year under Review, the Audit Committee has reviewed and monitored the Company's corporate governance policies and practices, the 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 Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

### 董事會及管理層的職能、責任及貢獻

董事會負責領導及監控本公司，並監察本集團之業務、策略方針及表現。董事會亦負責執行財務政策，包括風險管理及內部監控和合規事宜(如適用)。此外，董事會檢討本集團財務表現、審批投資建議、董事會的董事提名及主要管理人員委任。上述職能由董事會直接執行或透過審核委員會、提名委員會及薪酬委員會等董事會委員會執行。

全體董事均了解彼等對本公司股東的共同及個別責任，以及真誠地按照適用法律及規例並以一直符合本公司及其股東利益的方式行事與避免利益衝突的責任。

全體董事可及時取得所有相關資料以及獲得公司秘書及高級管理層的意見及服務，以確保遵守董事會程序及所有適用法律及法規。任何董事均可於適當情況下，經向董事會作出合理要求後，徵詢獨立專業意見，費用概由本公司承擔。

#### 企業管治職責授權

董事會授予審核委員會履行企業管治守則之守則條文第D.3.1條所載之企業管治職能之責任。

回顧年內，審核委員會已審閱及監督本公司之企業管治政策及常規、董事及高級管理層之培訓及持續專業發展、本公司有關遵守法例及監管規定的政策及常規、標準守則及僱員書面指引之合規情況、本公司遵守企業管治守則之情況以及本企業管治報告內的披露事項。

## Corporate Governance Report (continued) 企業管治報告(續)

### Delegation of management functions

The Board gives clear directions as to the powers delegated to the management for the management and administration functions of the Group, in particular, with respect to the circumstances where management should report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Group. Matters which are specifically reserved to the full Board for decision are those involving a conflict of interest of a substantial shareholder or a director, material acquisitions and disposal of assets, corporate or financial restructuring, share issuance and distribution of dividend, and approval of financial results and corporate strategies. The Board will review those issues on a periodic basis to ensure that they remain appropriate to the needs of the Group.

### CONTINUING PROFESSIONAL DEVELOPMENT OF DIRECTORS

Each newly appointed director shall receive induction on the first occasion of his/her appointment to ensure he/she has appropriate understanding of the business and operations of the Company and he/she is fully aware of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Pursuant to code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. The existing directors are continually updated on changes and developments to the Group's business and on the latest developments in the laws, rules and regulations relating to directors' duties and responsibilities. Directors' training is an ongoing process. All directors are encouraged to attend relevant training courses at the Company's expenses. Directors are requested to provide their training records to the Company for records.

### 管理職能授權

董事會就管理層有關本集團管理及行政職能的授權制訂清晰指引，特別是界定管理層必須作出匯報及代表本集團作出決定或任何承諾前須事先獲得董事會批准的情況。必須經董事會全體成員審批的事項包括主要股東或董事的利益衝突、資產的重大收購和出售、企業或融資重組、發行股份及派發股息，以及批准財務業績及企業策略。董事會將定期檢討此等事項以確保有關事項符合本集團的需要。

### 董事的持續專業發展

每名新任董事均會於其首次獲委任時接受入職介紹，以確保其適當了解本公司的業務及營運以及完全知悉上市規則及相關法定規定項下的董事責任及義務。

根據企業管治守則之守則條文第A.6.5條，全體董事均須參與持續專業發展，以發展和更新其知識和技能。現任董事會不斷獲知有關本集團業務的變動和發展及有關董事職責及責任的法律、法規及規例的最新發展的資料。董事培訓是一個持續進程。本公司鼓勵全體董事出席相關培訓課程，有關費用由本公司承擔。董事須將其培訓記錄提供予本公司保存。

## Corporate Governance Report (continued)

### 企業管治報告(續)

During the year ended 31 December 2019, the directors have complied with the code provision A.6.5 of the CG Code on participation in continuous professional training as follows:

截至2019年12月31日止年度，董事一直遵守企業管治守則之守則條文第A.6.5條，參與以下持續專業培訓：

| Name of director<br>董事姓名                                                          |                            | Mode of participation<br>參與模式 |   |   |   |
|-----------------------------------------------------------------------------------|----------------------------|-------------------------------|---|---|---|
|                                                                                   |                            | a                             | b | c | d |
| Executive directors:                                                              | 執行董事：                      |                               |   |   |   |
| Mr. Li Pui Leung                                                                  | 李沛良先生                      | ✓                             | ✓ | ✓ | ✓ |
| Mr. Yung Kin Cheung Michael                                                       | 翁建翔先生                      | ✓                             | ✓ | ✓ | ✓ |
| Mr. Lee Leung Yiu                                                                 | 李良耀先生                      | ✓                             | ✓ | ✓ | ✓ |
| Mr. Cheung Fong Wa                                                                | 張芳華先生                      | ✓                             | ✓ | ✓ | ✓ |
| Independent non-executive directors:                                              | 獨立非執行董事：                   |                               |   |   |   |
| Dr. Chung Chi Ping Roy                                                            | 鍾志平博士                      | ✓                             | ✓ | ✓ | ✓ |
| Ms. Christine Wan Chong Leung<br>(appointed with effect from<br>20 December 2019) | 梁蘊莊女士(於2019年<br>12月20日獲委任) | ✓                             | ✓ | ✓ | ✓ |
| Mr. Tsang Wah Kwong                                                               | 曾華光先生                      | ✓                             | ✓ | ✓ | ✓ |
| Mr. Ho Kenneth Kai Chung (resigned<br>with effect from 20 December 2019)          | 何啟忠先生(於2019年<br>12月20日辭任)  | ✓                             | ✓ | ✓ | ✓ |

- a: Directors attended a training session conducted by the Company relating to directors' duties and responsibilities under Hong Kong Companies Ordinance, the Listing Rules and other applicable laws and regulations.
- b: Directors received regular briefings and updates from the Company Secretary/ the Company's management on the Group's business, operations and corporate governance matters.
- c: Directors attended seminars/forums, which are relevant to their duties and responsibilities, organised by professional firms/institutions.
- d: Directors read technical bulletins, periodicals and other publications on subjects relevant to the Group and on their responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

- a: 董事參加了由本公司組織的培訓課程，內容有關董事於香港公司條例、上市規則及其他適用法律及法規下的職責及責任。
- b: 董事接受了公司秘書／本公司管理層有關本集團業務、營運及企業管治事宜的定期簡報及更新資料。
- c: 董事出席了由專業公司／機構所舉辦且與彼等之職責及責任相關的研討會／論壇。
- d: 董事閱讀了主題關於本集團及彼等於上市規則及相關法規項下責任和義務的技術公報、期刊和其他出版物。

## Corporate Governance Report (continued) 企業管治報告(續)

### DIRECTORS' ATTENDANCE RECORDS

The attendance records of each director at the Board and Board committees meetings and the general meeting of the Company held during the year ended 31 December 2019 are set out below:

### 董事出席記錄

各董事於截至2019年12月31日止年度內舉行的本公司董事會及董事會委員會會議以及股東大會之出席記錄載列如下：

|                                        |            | Attendance/Number of Meetings<br>出席／會議次數 |                 |                        |                      |                        |
|----------------------------------------|------------|------------------------------------------|-----------------|------------------------|----------------------|------------------------|
| Name of director                       |            | Board                                    | Audit Committee | Remuneration Committee | Nomination Committee | Annual General Meeting |
| 董事姓名                                   |            | 董事會                                      | 審核委員會           | 薪酬委員會                  | 提名委員會                | 股東週年大會                 |
| Executive directors:                   |            | 執行董事：                                    |                 |                        |                      |                        |
| Mr. Li Pui Leung                       | 李沛良先生      | 6/6                                      | N/A不適用          | N/A不適用                 | 1/1                  | 1/1                    |
| Mr. Yung Kin Cheung Michael            | 翁建翔先生      | 6/6                                      | N/A不適用          | 2/2                    | N/A不適用               | 1/1                    |
| Mr. Lee Leung Yiu                      | 李良耀先生      | 6/6                                      | N/A不適用          | N/A不適用                 | N/A不適用               | 1/1                    |
| Mr. Cheung Fong Wa                     | 張芳華先生      | 6/6                                      | N/A不適用          | N/A不適用                 | N/A不適用               | 1/1                    |
| Independent non-executive directors:   |            | 獨立非執行董事：                                 |                 |                        |                      |                        |
| Dr. Chung Chi Ping Roy                 | 鍾志平博士      | 6/6                                      | 3/3             | 2/2                    | 1/1                  | 1/1                    |
| Ms. Christine Wan Chong Leung (Note 1) | 梁蘊莊女士(附註1) | 1/1                                      | 1/1             | 1/1                    | 0/0                  | 0/0                    |
| Mr. Tsang Wah Kwong                    | 曾華光先生      | 6/6                                      | 3/3             | 2/2                    | 1/1                  | 1/1                    |
| Mr. Ho Kenneth Kai Chung (Note 2)      | 何啟忠先生(附註2) | 5/5                                      | 2/2             | 1/1                    | 1/1                  | 1/1                    |

Note 1: Ms. Christine Wan Chong Leung was appointed as an independent non-executive director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company with effect from 20 December 2019. Subsequent to her appointment, there were 1 Board meeting, 1 Audit Committee meeting and 1 Remuneration Committee meeting during the year ended 31 December 2019.

附註1：梁蘊莊女士於2019年12月20日獲委任為本公司獨立非執行董事以及審核委員會、薪酬委員會及提名委員會各自的成員。於彼獲委任後，截至2019年12月31日止年度有1次董事會會議、1次審核委員會會議及1次薪酬委員會會議。

Note 2: Mr. Ho Kenneth Kai Chung resigned as an independent non-executive director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company with effect from 20 December 2019. Before his resignation, there were 5 Board meetings, 2 Audit Committee meetings, 1 Remuneration Committee meeting, 1 Nomination Committee meeting and 1 Annual General Meeting were held during the year ended 31 December 2019.

附註2：何啟忠先生於2019年12月20日辭任本公司獨立非執行董事以及審核委員會、薪酬委員會及提名委員會各自的成員。於彼辭任前，截至2019年12月31日止年度舉行了5次董事會會議、2次審核委員會會議、1次薪酬委員會會議、1次提名委員會會議及1次股東週年大會。

In addition, the Chairman of the Board held a meeting with the independent non-executive directors without the presence of the other directors during the Year under Review.

此外，在回顧年內董事會主席與獨立非執行董事舉行了一次在沒有其他董事在場情況下的會議。

## Corporate Governance Report (continued)

### 企業管治報告(續)

#### BOARD COMMITTEES

The Board established three committees, namely, the Nomination Committee, Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference in compliance with the CG Code. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request. All the Board committees should report to the Board on their decisions or recommendations made.

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

#### Nomination Committee

The Nomination Committee currently comprises 4 members, namely, Mr. Li Pui Leung (Chairman), Dr. Chung Chi Ping Roy, Ms. Christine Wan Chong Leung and Mr. Tsang Wah Kwong, the majority of which are independent non-executive directors.

The Nomination Committee is responsible to review the structure, size and composition (including skills, knowledge and experience) of the Board at least once in any financial year and to make recommendation on any proposed changes to the Board to complement the Company's corporate strategy.

To ensure changes to the Board composition can be managed without undue disruption, the Company has adopted a Director Nomination Policy. The Policy includes a formal, considered and transparent procedure for selection, appointment and reappointment of Directors, as well as plans in place for orderly succession (if necessary), including periodical review of such plans.

#### 董事會委員會

董事會已成立三個委員會，即提名委員會、薪酬委員會及審核委員會，以監督本公司特定範疇事務。本公司所有董事會委員會均已根據企業管治守則制定書面職權範圍。董事會委員會的職權範圍已於本公司網站及聯交所網站刊登及可供股東於提出要求後查閱。所有董事會委員會須向董事會匯報其所作決策或建議。

所有董事會委員會配備有充分資源以履行其職責，並可於適當情況下，經作出合理要求後，徵詢獨立專業意見，費用概由本公司承擔。

#### 提名委員會

提名委員會包括四位成員，即李沛良先生(主席)、鍾志平博士、梁蘊莊女士及曾華光先生，其中大部分為獨立非執行董事。

提名委員會負責於任何財政年度至少檢討一次董事會的架構、規模及組成(包括技能、知識及經驗方面)，並就任何為配合本公司的企業策略而對董事會作出的變動提出建議。

為確保董事會組成人員的變動不會帶來不適當的干擾，本公司已採納的董事提名政策設有正式、經審慎考慮並具透明度的董事甄選、委任及重新委任程序及有秩序的董事繼任計劃(如有需要)，並定期檢討此類計劃。

## Corporate Governance Report (continued) 企業管治報告(續)

During the identification of suitable individuals, to ensure the effective carrying out of the responsibilities by the Board, the Nomination Committee will consider criteria set out as below, including but not limited to:

- the integrity, experience, skills and professional knowledge;
- a balance of skills, experience and diversity appropriate to the requirements of the Company's business;
- adequate amount of time and effort devoted to the Company;
- contribution to the diversity of the Board;
- participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- taking the lead where potential conflicts of interests arise;
- bringing a range of business and financial experience to the Board, giving the Board and any Committees on which he or she serves the benefit of his or her skills, expertise, varied backgrounds and qualifications and diversity through attendance and participation in the Board/Committee meetings; and
- scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

The Committee identifies suitable individual qualified to become Board members and makes recommendation to the Board on relevant matters relating to the appointment of a new Director (to be an additional Director or fill a casual vacancy as and when it arises) or any re-appointment of Directors. External recruitment professionals might be engaged to carry out selection process when necessary.

於物色本公司董事候選人士時，為使董事會能有效履行其職責，提名委員會會參考以下若干標準，包括但不限於：

- 誠信、經驗、技能及專業知識；
- 合適本公司業務要求之技巧、經驗及多樣的平衡；
- 可投入足夠時間及精神以處理本公司事務；
- 促進董事會成員多元化；
- 參與董事會會議，對策略、政策、表現、職責、資源、主要委任及操守準則等事項作出獨立判斷；
- 於發生潛在利益衝突時發揮領導作用；
- 為董事會引入一系列營商及財務經驗，透過出席及參與董事會／委員會會議，而使他或她所服務的董事會及任何委員會受惠於其技能、專長、各種背景及資格以及成員多元化；及
- 監察本公司在達致議定之企業宗旨及目標方面的表現及監督相關表現的申報情況。

委任新董事(作為新增董事或填補所出現的臨時空缺)或重新委任任何董事時，委員會會物色合資格出任董事會成員的適當人選，並就有關委任或重新委任董事的相關事項向董事會提出建議，必要時本公司會聘請外部招聘專家物色人才。

## Corporate Governance Report (continued)

### 企業管治報告(續)

The Company believes that diversity underpins the successful operation on an effective Board and embraces diversity as a means of attaining its strategic objectives. According to the diversity policy of the Board adopted by the Company, the Nomination Committee is also responsible for reviewing the policy, developing and reviewing measurable objectives (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) for implementing the policy, and monitoring the progress on achieving the measurable objectives set to ensure the continued effectiveness of the Board. To ensure the effectiveness of this Policy, the Nomination Committee will, as appropriate, review the Nomination Policy, discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval. The Company believes that greater diversity of directors is good for corporate governance and is committed to attract and retain candidate(s) for Board with a combination of competencies from the widest possible pool of available talents; and to increase diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

During the year ended 31 December 2019, the Nomination Committee has been focused on increasing the number of female members, Ms. Christine Wan Chong Leung has been appointed as an independent non-executive Director, a member of the audit committee, the remuneration committee and the nomination committee of the Company with effect from 20 December 2019.

During the year ended 31 December 2019, the Nomination Committee has held 1 meeting (the attendance records of each Committee member are set out in above section headed "Directors' Attendance Records") and performed the following major works:

- Review of the policy for the nomination of directors;
- Review of the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group;
- Recommendation of the re-election of the retiring directors standing for re-election at the 2019 annual general meeting;
- Assessment of the independence of all the Company's independent non-executive directors; and
- Recommendation of the appointment of independent non-executive director of the Company during the year.

本公司相信，多元化對董事會成功有效運作起支持作用，並接納多元化為達致戰略目標的手段。根據本公司採納之董事會成員多元化政策，提名委員會亦負責檢討政策、制訂及檢討執行政策的可計量目標（包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期），及監督達致該等為確保董事會的持續有效性而設定之可計量目標的進展。為確保董事會成員多元化政策的有效性，提名委員會將在適當時候檢討提名政策，討論任何可能需作出的修訂，並向董事會提出修訂建議以供董事會審批。本公司認為，董事會越多元化，更有利於企業管治，故致力在最廣泛的人才庫內為董事會吸引及留聘具備各種專業才能的人選，同時提高董事會多元化的水平，以作為維持本公司競爭優勢不可或缺的元素。

於截至2019年12月31日止年度，提名委員會一直專注提高女性成員的數目，梁蘊莊女士已於2019年12月20日獲委任為本公司獨立非執行董事以及審核委員會、薪酬委員會及提名委員會成員。

於截至2019年12月31日止年度內，提名委員會召開了一次會議（各委員會成員的出席記錄載於上文「董事出席記錄」一節），並進行了下列主要工作：

- 檢討董事提名政策；
- 檢討董事會架構、規模及組成情況，確保其達致符合本集團業務要求之專業知識、技能及經驗的平衡；
- 建議重選於2019年股東週年大會上重選連任之退任董事；
- 評估本公司所有獨立非執行董事之獨立性；及
- 建議年內委任本公司獨立非執行董事。

## Remuneration Committee

The Remuneration Committee currently comprises 4 members, namely, Dr. Chung Chi Ping Roy (Chairman), Mr. Yung Kin Cheung Michael, Ms. Christine Wan Chong Leung and Mr. Tsang Wah Kwong, the majority of which are independent non-executive directors.

The Remuneration Committee shall meet at least once a year. The primary objectives of the Remuneration Committee include making recommendations to the Board on the Company's remuneration policy and structure and reviewing and approving remuneration proposals of all directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

During the year ended 31 December 2019, the Remuneration Committee has held 2 meetings (the attendance records of each Committee member are set out in above section headed "Directors' Attendance Records") and performed the following major works:

- Review of the remuneration policy and structure of the Group;
- Assessment of the performance of executive directors;
- Review of the remuneration package of directors and senior management;
- Consideration of the bonus payable to directors and senior management for the year 2018 and the proposed salary increment for the year 2019; and
- Recommendation of the remuneration package of the newly appointed independent non-executive director of the Company.

## 薪酬委員會

薪酬委員會包括四位成員，即鍾志平博士(主席)、翁建翔先生、梁蘊莊女士及曾華光先生，其中大部分為獨立非執行董事。

薪酬委員會需每年至少舉行一次會議。薪酬委員會的主要目的包括就本公司的薪酬政策及架構向董事會提出建議，並審閱及批准所有董事及高級管理人員之薪酬建議。薪酬委員會亦負責設立具透明度的程序，發展有關薪酬政策和架構，確保董事或其任何聯繫人士將不會參與決定其本身之薪酬，該薪酬會參照個人及本公司之表現，以及市場慣例及情況而釐定。

於截至2019年12月31日止年度內，薪酬委員會召開了兩次會議(各委員會成員的出席記錄載於上文「董事出席記錄」一節)，並進行了下列主要工作：

- 檢討本集團的薪酬政策及架構；
- 評估執行董事表現；
- 檢討董事及高級管理層之薪酬待遇；
- 審議應付董事及高級管理層2018年度之花紅及2019年度之建議加薪；及
- 建議本公司新任獨立非執行董事之薪酬待遇。

## Corporate Governance Report (continued)

### 企業管治報告(續)

Pursuant to code provision B.1.5 of the CG Code, the annual remuneration of the members of the senior management, including those members of senior management who are also executive directors, by band for the year ended 31 December 2019 is set out below:

根據企業管治守則之守則條文第B.1.5條，高級管理層成員（包括同時擔任執行董事的高級管理層成員）於截至2019年12月31日止年度之年度薪酬按組別分類如下：

| Remuneration band (HK\$)<br>薪酬組別(港元) | Number of individual<br>人數 |
|--------------------------------------|----------------------------|
| 500,001–1,000,000                    | 1                          |
| 1,000,001–1,500,000                  | 2                          |
| 1,500,001–2,000,000                  | –                          |
| 2,000,001–2,500,000                  | 2                          |
| 2,500,001–3,000,000                  | –                          |
| 3,000,001–3,500,000                  | 1                          |
| 3,500,001–4,000,000                  | 3                          |
| 4,000,001–4,500,000                  | –                          |
| 4,500,001–5,000,000                  | –                          |
| 5,000,001–5,500,000                  | 1                          |
| 5,500,001–6,000,000                  | –                          |
| 6,000,001–6,500,000                  | 1                          |

Details of the remuneration of each director of the Company for the year ended 31 December 2019 are set out in Note 37 to the financial statements.

本公司各董事於截至2019年12月31日止年度之薪酬詳情載於財務報表附註37。

## Audit Committee

The Audit Committee currently comprises 3 members, namely, Mr. Tsang Wah Kwong (Chairman), Dr. Chung Chi Ping Roy and Ms. Christine Wan Chong Leung, all are independent non-executive directors.

The responsibilities of the Audit Committee are:

- To review the financial statements and reports and consider any significant or unusual terms raised by the external auditor before submission to the Board.
- To review the relationship with external auditor by reference to the work performed by the auditor, their fees and terms of engagement and make recommendations to the Board on the appointment, re-appointment and removal of external auditor.
- To review and supervise the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control systems and internal audit plan.

During the year ended 31 December 2019, the Audit Committee has held 3 meetings (the attendance records of each Committee member are set out in above section headed "Directors' Attendance Records") and performed the following major works:

- Review and discussion of the annual audited financial statements, results announcement and report for the year ended 31 December 2018, the related accounting principles and practices adopted by the Group and the relevant audit findings, the report from the management on the Company's review of the risk management and internal control systems, and recommendation of the re-appointment of the external auditor;
- Review of the Group's continuing connected transactions and the compliance of the non-competition undertaking provided by the Company's controlling shareholders;

## 審核委員會

審核委員會包括三位成員，即曾華光先生(主席)、鍾志平博士及梁蘊莊女士，全部為獨立非執行董事。

審核委員會的責任包括：

- 於提交董事會前，審閱財務報表及報告，並考慮外聘核數師提呈之任何重大或非經常項目。
- 參考核數師履行的工作、委聘費用及條款，審閱與外聘核數師之關係，並就委聘、重新委任及罷免外聘核數師向董事會提出建議。
- 審閱及監督本公司的財務申報系統、風險管理及內部監控制度以及內部審計計劃的充足性及有效性。

於截至2019年12月31日止年度內，審核委員會召開了三次會議(各委員會成員的出席記錄載於上文「董事出席記錄」一節)，並進行了下列主要工作：

- 檢討及討論截至2018年12月31日止年度之經審核年度財務報表、業績公佈及報告、本集團採納之有關會計原則及常規以及相關審核結果、管理層就本公司對風險管理及內部監控制度的檢討發出之報告，及建議續聘外聘核數師；
- 檢討本集團的持續關連交易及本公司控股股東所提供的不競爭承諾的遵守情況；

## Corporate Governance Report (continued)

### 企業管治報告(續)

- Review of and monitoring the Company's corporate governance policies and practices, the training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report;
- Review and discussion of the interim financial statements, results announcement and report for the six months ended 30 June 2019, and the related accounting principles and practices adopted by the Group;
- Review of the annual audit plan of PricewaterhouseCoopers, including the nature and scope of the audit, the fee payable to them, their reporting obligations and their work plan; and
- Review of the effectiveness and performance of the Company's financial reporting system, risk management and internal control systems and internal audit plan.

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

There is no disagreement between the Board and the Audit Committee regarding the appointment of external auditor.

### COMPANY SECRETARY

The Company Secretary is Mr. Cheung Fong Wa, who fulfils the qualification requirements laid down in the Listing Rules. Biographical details of Mr. Cheung are set out under "Directors and Senior Management" section in this annual report. During the year ended 31 December 2019, Mr. Cheung has taken not less than 15 hours of relevant professional training.

- 檢討及監督本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司有關遵守法例及法規規定的政策及常規、遵守標準守則及僱員書面指引、本公司遵守企業管治守則之情況以及本企業管治報告內的披露事項；

- 檢討及討論截至2019年6月30日止六個月之中期財務報表、業績公佈及報告以及本集團採納之有關會計原則及常規；

- 檢討羅兵咸永道會計師事務所之年度審核計劃，包含審核性質及範圍、應付彼等之費用、其報告責任及工作計劃；及

- 檢討本公司財務申報系統、風險管理及內部監控制度以及內部審計計劃的成績及效果。

外聘核數師出席了上述所有會議，與審核委員會成員討論審核及財務報告事宜中出現的問題。

董事會與審核委員會於委任外聘核數師方面意見並無分歧。

### 公司秘書

公司秘書為張芳華先生，彼符合上市規則所載之資歷規定。張先生之履歷詳情載於本年報「董事及高級管理層」一節。截至2019年12月31日止年度，張先生接受了不少於15小時的相關專業培訓。

## Corporate Governance Report (continued) 企業管治報告(續)

### EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities for the Company's financial statements for the year ended 31 December 2019 is set out in the Independent Auditor's Report on pages 109 to 115.

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

### 外聘核數師及核數師酬金

本公司的外聘核數師就彼等對本公司截至2019年12月31日止年度財務報表的呈報責任發出的聲明載於第109至115頁的獨立核數師報告內。

截至2019年12月31日止年度，已付／應付本公司核數師羅兵咸永道會計師事務所的核數及非核數服務費用分析如下：

| Type of services provided by the external auditor                             | 外聘核數師提供的服務種類                  | Fees paid/payable<br>已付／應付費用<br>HK\$'000<br>千港元 |
|-------------------------------------------------------------------------------|-------------------------------|-------------------------------------------------|
| Audit services — audit fee for the year ended 31 December 2019                | 核數服務－截至2019年12月31日止年度的核數費用    | 3,486                                           |
| Non-audit services — interim review fee for the six months ended 30 June 2019 | 非核數服務－截至2019年6月30日止六個月的中期審閱費用 | 501                                             |
| Total:                                                                        | 總計：                           | 3,987                                           |

### DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

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

### 董事就財務報表須承擔的責任

董事知悉彼等有責任編製每個財政年度真實而公平地反映本公司及本集團事務狀況及本集團於該年度的業績及現金流量的財務報表，以及遵守相關法例及上市規則披露規定。於編製截至2019年12月31日止年度的財務報表時，董事已選取適當的會計政策並加以貫徹應用、作出審慎及合理的判斷及估計以及編製時刻合理準確的本集團財務狀況披露資料。

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

## Corporate Governance Report (continued) 企業管治報告(續)

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board believes that sound risk management and internal control systems are essential to the achievement of the strategic goals of the Group, and confirmed that the Board is responsible to set up, maintain and review the effectiveness of such systems. Management is responsible for the design and implementation of the Group's risk management and internal control systems to manage the risk. Good risk management and internal control 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.

#### The Group's risk management framework

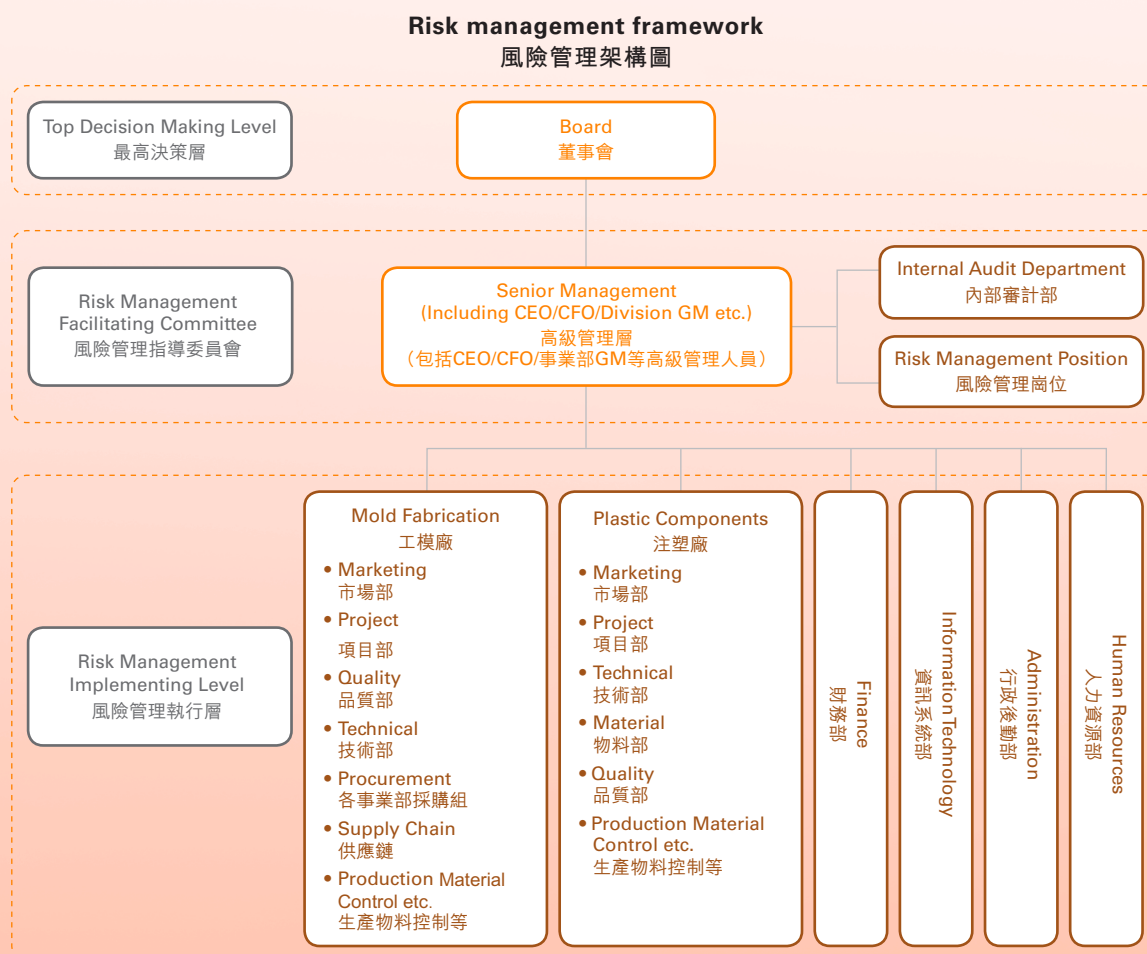
In order to improve the risk management and internal control systems, as well as enhance the level of management and risk prevention capabilities, the Group established its risk management framework in 2016. The risk management framework includes the Board and its Audit Committee, senior management and subsidiary managements, in three levels (details refer to the below framework).

### 風險管理及內部監控

董事會認為，健全的風險管理和內部監控系統對實現本集團的戰略目標至關重要，並確認董事會須負責的設置、維護及檢討該等系統的有效性。管理層則負責設計及執行本集團風險管理和內部監控系統以管理風險。良好的風險管理和內部監控系統旨在管理而非消除未能實現業務目標的風險，且只能提供合理而非絕對的保證。

#### 本集團的風險管理架構

為完善風險管理及內部監控系統，提升管理水準及風險防範能力，本集團於2016年建立了風險管理架構。風險管理架構由董事會及其審核委員會、高級管理層、附屬公司管理層三個層面組成(具體詳情參照以下架構圖)。



## Corporate Governance Report (continued) 企業管治報告(續)

The Group has commissioned a professional risk advisory body to help build risk management framework, develop the Risk Assessment Manual, and conduct risk assessments to determine the nature and extent of the risk. In the risk assessment process, the management and the Internal Audit Department, have identified the major risks faced by the Group and ranked these risks according to the likelihood and the severity of the impact on the Group, as well as further development of risk management measures to maintain the risks at an acceptable level.

The Company also has an Internal Audit Department, which is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems.

The management and the Internal Audit Department would report to the Audit Committee and the Board on all findings and the effectiveness of the risk management and internal control systems. The Audit Committee assists the Board in leading the management and overseeing the design, implementation and monitoring of the risk management and internal control systems, and makes recommendations. The Audit Committee also ensures that an overall review of the effectiveness of such systems is conducted at least annually and put forward to the Board for consideration.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives; and acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness.

The Company has also developed its disclosure policy which provides a general guide to the Company's directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

本集團已聘請專業風險諮詢機構協助搭建風險管理架構，制定《風險評估手冊》，並進行風險評估以確定其所面對風險的性質及程度。在風險評估過程中，管理層及內部審計部鑒定了本集團面對的主要風險，並根據這些風險出現的機會及其對本集團業務的影響的嚴重性進行排序，進而制定風險管理措施以維持風險在可接受的程度內。

本公司亦設有內部審計部，負責獨立檢討風險管理及內部監控系統的充分性及有效性。

管理層和內部審計部會向審核委員會和董事會報告所有發現及風險管理和內部監控系統的有效性。審核委員會協助董事會領導管理層及監督風險管理及內部監控系統的設計、實施及監控，並提出建議。審核委員會亦確保至少每年對該等系統的有效性進行全面檢討，予董事會考慮。

董事會須承擔總體責任，以評估和確定實現公司的戰略目標所承擔的風險的性質和程度；且確認負責風險管理和內部監控系統及檢討其有效性。

本公司亦已制定其披露政策，為本公司董事、高級職員、高級管理層及相關僱員於處理保密資料、監察資料披露及應對查詢方面提供一般指引。

## Corporate Governance Report (continued)

### 企業管治報告(續)

#### Review of risk management and internal control system

The Board and its Audit Committee reviewed the effectiveness of the Company's risk management and internal control systems for the year 2019, as well as taking into account the resource, adequacy of staff qualifications, training and experience of the Company's accounting and financial reporting and internal audit functions. Based on the reports submitted by the Internal Audit Department and the management, the Board considered that the Company's risk management and internal control systems are effective and adequate.

The Group has its risk management and internal control policies and procedures reviewed, to ensure compliance with the new requirements, and explore opportunities for improvement.

#### SHAREHOLDER RIGHTS

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

Pursuant to Article 58 of the Articles, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meeting of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary at the principal place of business of the Company in Hong Kong, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The objects of the meeting must be stated in the written requisition.

#### 風險管理及內部監控系統的檢討

董事會連同審核委員會檢討了2019年度本公司風險管理及內部監控系統的有效性，以及考慮本公司在會計及財務匯報與內部審計職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓是否充足。根據內部審計部及管理層提交的報告，董事會認為本公司的風險管理及內部監控系統是有效和充足的。

本集團已對其風險管理和內部監控的政策及程序作出了檢討，以確保符合新要求，並同時探索改進的機會。

#### 股東權利

##### 由股東召開股東特別大會的程序

根據細則第58條，於遞呈要求日期持有不少於本公司實繳股本(附有於本公司股東大會表決的權利)十分之一的任何一位或多位股東，於任何時候均有權透過向本公司香港主要營業地點發出致董事會或公司秘書的書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘遞呈後二十一日內，董事會未有召開該大會，則遞呈要求人士可以同樣方式召開大會，而遞呈要求人士因董事會未有召開大會而招致的所有合理開支須由本公司向遞呈要求人士償付。大會目的須於書面要求內說明。

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

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

### Procedures for shareholders to propose a person for election as a director

If a shareholder wishes to propose a person other than a retiring director for election as a director of the Company at a general meeting, pursuant to Article 85 of the Articles, the shareholder (other than the person to be proposed) should prepare a written notice duly signed by him/her of his/her intention to propose a person for the election and a notice duly signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's principal place of business in Hong Kong or its share registrar at least 7 days prior to the date of the general meeting. Where the notices are submitted after the dispatch of the notice of the general meeting, the period for the lodgment of the notices should commence on the day after the dispatch of the notice of the general meeting and end not later than 7 days prior to the date of the general meeting.

### Procedure for sending enquiries to the Board

Shareholders are welcome to send enquiries to the Board to the Company's principal place of business in Hong Kong at Workshop No. 19, 9th Floor, Block B, Hi-Tech Industrial Centre, No. 491-501 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong.

### 股東於股東大會上提出議案的程序

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

### 股東提名董事候選人士的程序

倘股東擬於股東大會上提名退任董事以外的人士競選本公司董事，依據細則第85條，該股東(非被提名人)須準備一份由其本人正式簽署的書面通知，說明其擬提名該候選人士的意向，及一份由被提名人正式簽署的通知，說明被提名人願意參選。上述通知書須至少在股東大會召開前7日寄送到本公司的香港主要營業地點或其股份登記處。倘通知書在股東大會通告派發後提交，則提交該等通知書的期限為寄發股東大會通告後起至不遲於股東大會召開日期前7日止。

### 向董事會作出查詢的程序

歡迎股東將對董事會的詢問送至本公司的香港主要營業地點，地址為香港新界荃灣青山道491-501號嘉力工業中心B座9樓19號。

## Corporate Governance Report (continued) 企業管治報告(續)

### INVESTOR RELATIONS

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

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

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

### CONSTITUTIONAL DOCUMENTS

During the Year under Review, the Company has not made any changes to its Articles. An up-to-date version of the Articles is available on the websites of the Stock Exchange and the Company.

### 投資者關係

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

本公司的股東週年大會以及每年兩次的業績發佈會提供一個讓董事會和股東進行溝通的平台。董事會主席及提名委員會、薪酬委員會及審核委員會之主席(或缺席時則為各委員會的其他成員)以及(如適用)獨立董事會委員會主席會於股東大會上回應問題。

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

### 章程文件

在回顧年內，本公司未變更其任何細則。最新細則可於聯交所網站及本公司網站上查閱。

## ABOUT THE REPORT

This is the fourth Environmental, Social and Governance Report (the “Report”) issued by the Group. It aims to fulfill the Group’s commitments and better acquaints each stakeholder with the development direction of the Group by reporting the Group’s latest policies, measures and effectiveness in terms of environment, society and governance. The Report is in Chinese and English, and has been published on the websites of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Group ([www.tkmold.com](http://www.tkmold.com)).

## REPORTING SCOPE

The Report covers the Group’s environmental, social and governance (“ESG”) performance for the year from 1 January 2019 to 31 December 2019 (the “year”). In addition to covering as before the Group’s manufacturing base in Shenzhen headquarters and the manufacture of plastic injection components and mould making in the manufacturing base in Suzhou, the reporting scopes also include the Group’s manufacturing base in Huizhou due to capacity expansion.

Moreover, the Group’s offices in Hong Kong and Germany are excluded in the Report due to their relative small turnover as a percentage of the Group’s total turnover. In the future, the Group will cautiously consider the gradual expansion of the disclosure scope in order to give a full view of the Group’s ESG performance.

## REPORTING STANDARDS

The Report is prepared in accordance with the “ESG Reporting Guide” set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Guide”) and on the basis of the four principles of Materiality, Quantitative, Balance and Consistency. For better completing the reporting contents, the Group also chooses to report by using the contents recommended to be disclosed by the Guide on top of complying with the “comply or explain” provisions in the Guide.

## 關於本報告

本報告為本集團發表的第四份《環境、社會及管治報告》(「本報告」)。本報告繼續透過匯報本集團於環境、社會及管治方面的最新政策、措施及成效，以兌現本集團的承諾並使持份者了解本集團的發展方向。本報告以中、英文編寫，並已上載至香港聯合交易所有限公司(「聯交所」)及本集團網站 [www.tkmold.com](http://www.tkmold.com)。

## 報告範圍

本報告匯報本集團於二零一九年一月一日至二零一九年十二月三十一日(「本年度」)之環境、社會及管治表現。除將繼續涵蓋本集團位於深圳總部的生產基地和位於蘇州的生產基地與注塑組件製造和模具製作相關的業務外，由於產能擴充，報告範圍亦包括本集團位於惠州的生產基地。

此外，由於香港辦事處及德國公司的營業額佔本集團總營業額比例較小，因此暫未包含於本報告中。未來，本集團將審慎考慮是否繼續擴大披露範圍，以全面體現本集團於環境、社會及管治方面的表現。

## 報告準則

本報告按《香港聯合交易所有限公司證券上市規則》附錄二十七《環境、社會及管治報告指引》(「《指引》」)編寫，並以四項匯報原則—重要性、量化、平衡及一致性，作為編寫本報告的基礎。在遵守《指引》中有關「不遵守就解釋」規定的基礎上，本集團同時選擇部分《指引》中「建議披露」的內容進行匯報，以使報告內容更加完整。

| Reporting Principles<br>匯報原則 | Definition 釋義                                                                                                                                                                                                                    | Response 回應                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Materiality</b><br>重要性    | The reporting will be focused on the ESG issues which have material effects on the Group and stakeholders.<br>重點匯報對本集團及各類持份者產生重要影響的環境、社會及管治議題。                                                                                   | As there was no material change in the nature and size of its business during the year, the Group will continue to report on materiality issues chosen in last year.<br>本集團於本年度內業務性質及規模並未發生重大變化，因此將繼續沿用上一年度所選擇的重要性議題進行重點匯報。                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Quantitative</b><br>量化    | The KPI data should be measureable and comparable when appropriate.<br>關鍵績效數據須可予計量，並在適當情況下進行比較。                                                                                                                                  | The Group's social KPIs are sourced from the statistics of the relevant departments. In addition, in order to ensure the accuracy of the environmental KPIs, the Group has commissioned Carbon Care Asia, a professional consulting company, to perform carbon assessment with criteria required by the Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Machinery Manufacturing Enterprises (Trial) and national and international standards including ISO14064-1.<br>本集團社會部分的關鍵績效指標來源於相關部門的統計；此外，為確保環境關鍵績效指標的準確性，本集團已委託專業顧問公司低碳亞洲進行碳評估，碳評估的標準根據《機械設備製造企業溫室氣體排放核算方法與報告指南（試行）》及ISO14064-1等國內及國際標準進行。 |
| <b>Balance</b><br>平衡         | An issuer shall report on its ESG performance during the year in an objective and truthful manner.<br>發行人應客觀、真實地匯報本年度於環境、社會及管治方面的表現。                                                                                             | In the preparation of the Report, the Group not only focused on describing its achievements in ESG, but also introduced difficulties occurred and corresponding solutions.<br>於本報告編寫的過程中，本集團既注重闡述環境、社會及管治的成果，亦會描述遇到的困難及解決方法。                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Consistency</b><br>一致性    | The disclosures in the Report should use consistent disclosing methodologies to allow for comparisons of KPIs in relation to ESG for understanding corporate performance.<br>報告披露應採用一致的披露統計方法，令與環境、社會及管治有關的關鍵績效指標可以加以比較，以了解企業表現。 | In the Report, the Group has adopted methods the same as the previous years and compared some ESG data for the year with data for the previous years. For details, please refer to the section headed "Overview of Key Performance Indicators".<br>於本報告中，本集團已採用與往年相同的統計方法，並將本年度部分環境、社會及管治數據與往年數據作比較。詳情請參閱「關鍵績效指標總覽」章節。                                                                                                                                                                                                                                                                                                     |

## RECOGNITION AND APPROVAL

The Group has established the internal monitoring and formal review procedures in order to guarantee the accuracy and reliability of all the materials presented in the Report. The Report was recognized and approved by the Board on 27 March 2020.

## COMMENTS AND FEEDBACK

Comments or recommendations of stakeholders in aspects of the Group's ESG performance are greatly valued by the Group. Please feel free to contact us by the following means:

## 確認及批准

本集團已成立內部監控及正式審查程序，竭力確保本報告所有呈現的資料均準確可靠。本報告已於二零二零年三月二十七日獲董事會確認及批准。

## 意見反饋

本集團歡迎各持份者就本集團於環境、社會及管治方面的表現提出任何意見或建議。請透過以下方式聯絡本集團：

### Headquarters in PRC 中國總部

地址：中國深圳市光明區鳳凰辦事處塘家社區東江科技工業園

**Add: TK Technology Park, Tangjia Community, Fenghuang Sub-district office, Guangming District, Shenzhen City, the PRC**

**Tel: 電話：+86-755-2369 0328**

### Hong Kong Office 香港辦事處

地址：香港新界荃灣青山道491-501號嘉力工業中心B座9樓19號

**Add: Workshop No.19, 9th Floor, Block B, Hi-Tech Industrial Centre, 491-501 Castle Peak Road, Tsuen Wan, N. T., Hong Kong**

**Tel: 電話：+86-852-2411 3628**

## MESSAGE OF DIRECTORS

Due to trade disputes among countries, geopolitical risks and a slowing down global economy, certainties and fluctuations in market are increasing continuously. As environmental problems and threats with different levels are happening at the same time across the world, the climate change issues are getting great attention which was never seen before. Under this background, the importance of corporate sustainability is evermore highlighted.

Stakeholders are becoming more and more demanding for corporate governance, and regulators are also tightening the requirements on ESG reporting. In view of these changes, the Group will continue to improve its communication with internal and external stakeholders, listen for more advices and pursue the link between sustainability performance and corporate operation in order to allocate more resources to social and environmental aspects.

As a responsible manufacturer, TK Group has always been committed to product quality by following its operation approach of “customer first, quality first, pursuit of innovation and excellence”. During the year, we selected emissions, health and safety, and development and training as material sustainability issues, signifying our attention on environmental protection and care for employees.

Adhering to the environmental approach of “strengthening the source management, producing environment-friendly products, operating green enterprise and protecting the earth’s environment”, the Group strives to mitigate our impact on the environment and natural resources during the manufacturing and production process, in a bid to balance interests among the society, the market and the environment. In terms of social responsibilities, we uphold the concept of joint development and common enhancement by treating all employees fairly and striving to achieve joint development with them.

In the future, the Group will consider the addition of disclosures on climate change in to the report, so as to improve reporting quality in line with international standards. We will also take the expansion of reporting scope as our goal, maintain close communication and cooperation with stakeholders, and gradually improve the performance of corporate sustainability.

**Li Pui Leung**  
Chairman  
**TK Group (Holdings) Limited**

## 董事寄語

面對各國貿易糾紛、地緣政治風險以及全球經濟放緩，市場不確定性及波動性持續增加。世界各地同時面臨不同程度的環境問題和威脅，使氣候變化議題受到前所未有的關注。在此背景下，企業可持續發展顯得更為重要。

持份者對企業管治的要求逐漸提升，監管機構亦正收緊對環境、社會及管治匯報的要求。為回應這些轉變，本集團會繼續完善與內、外部持份者的溝通工作，聽取更多意見，尋求將可持續發展表現與企業營運掛鉤，以於社會及環境方面投放更多資源。

東江集團作為負責任的製造商，一直堅守產品質量，以客戶至上、質量第一、不斷創新、精益求精為營運方針。本年度我們選出排放物、健康與安全及發展與培訓為重要性可持續發展議題，反映我們對保護環境和照顧員工的重視。

本集團以「加強源流管理、生產環保產品、經營綠色企業、保護地球環境」為環保方針，致力減輕我們在製造和生產過程中對環境及天然資源所造成的影響，力求平衡社會、市場及環境的利益。社會責任方面，我們堅持共同發展、共同提升的理念，對所有員工一視同仁，務求與員工共同發展。

未來，本集團將在報告中加入關於氣候變化的披露，跟隨國際範例提升匯報質量。我們亦會以擴大匯報範圍為目標，與持份者保持緊密溝通和合作，逐步改善企業可持續發展工作的績效。

**李沛良**  
主席  
**東江集團(控股)有限公司**

## ENVIRONMENT, SOCIETY AND GOVERNANCE

### GOVERNANCE STRUCTURE

The Group attaches great importance to the management in aspect of environment, society and governance and endeavors to enhance its performance in this aspect by improving governance structure. The Group assigns the Board to be responsible for full supervision over the relevant ESG works, and authorize the Audit Committee to formulate the relevant development strategies, objectives and measures. The Audit Committee shall report on the progress in aspects of environment, society and governance to the Board on a regular basis.

For the contemplated establishment of an ESG working group under the leadership of senior management as referred to in the report for last year, the Group is conducting internal communication in order to build the relevant structure in the future.

### RISK MANAGEMENT

Risk management is an important part of the Group's daily management. In this regard, the Group has established risk management structure composing of the Board and its audit committee, senior management and management from subsidiaries in order to help the Group effectively identify and manage risks during daily operation. The Group has also established the Internal Audit Department, which is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control system.

## COMMUNICATION WITH STAKEHOLDERS

TK Group always attaches great importance to the communication with stakeholders<sup>1</sup>. During the year, it organized various activities to understand stakeholders' advices and recommendations in relation to the Group's ESG. The Group is of the view that the engagement of stakeholders can help the Group identify risks and challenges in different ESG aspects, and procure the Group to formulate greater management policies and measures.

<sup>1</sup> "Stakeholders", otherwise known as "interested parties" or "right owners", refer to groups and individuals that have significant impacts on the enterprise business, or affected by the business, including the Board, management, administrative and general employees, as well as external shareholders, business partners, customers, governments, regulatory authorities, banks, investors and communities etc.

## 環境、社會及管治

### 管治架構

本集團重視對於環境、社會及管治方面的管理工作，致力通過完善的管治架構提升本集團於該方面的表現。本集團由董事會全面監督環境、社會及管治相關工作，並授權審核委員會制訂相關發展策略、目標及措施。審核委員會須定期向董事會匯報關於環境、社會及管治的相關工作進度。

針對上一年度報告提及本集團將考慮成立一個由高級管理人員帶領的環境、社會及管治工作小組，本集團目前正在進行內部溝通，力求於未來建立相關架構。

### 風險管理

風險管理是本集團日常管理的重要組成部分，為此本集團已建立風險管理架構，由董事會及其審核委員會、高級管理層、附屬公司管理層三個部分組成，以幫助本集團更有效的識別及管理日常營運中存在的風險。本集團亦設有內部審計部，負責獨立檢討風險管理及內部監控系統的充分性及有效性。

## 持份者溝通

東江集團一直十分重視與持份者<sup>1</sup>的溝通，本年度已通過組織不同活動了解持份者對本集團環境、社會及管治的意見與建議。本集團認為，持份者的參與可以幫助本集團識別環境、社會及管治不同方面的風險與機遇，促使本集團制訂更為完善的管理政策與措施。

<sup>1</sup> 「持份者」，又稱「利益相關方」或「權益人」，指對企業業務有重大影響，或會受業務影響的群體和個人，包括內部的董事會、管理層、行政員工和一般員工，以及外部的股東、業務夥伴、客戶、政府及監管機構、銀行及投資者和社區團體等。

During the year, there was no material change in the business and ESG approaches of the Group. Therefore, we carried forward the mode of communication with stakeholders in the past as follows:

本年度，本集團業務及環境、社會及管治方針並未發生重大變化，因此沿用過去採用的持份者溝通方式，詳情如下：

| Internal stakeholders 內部持份者                     | External stakeholders 外部持份者                                                                                                                                                                                                                  |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Employees</b><br>員工                          | Investors and shareholders, suppliers, customers, general public and communities, education and research partners, professional associations, government departments and other public bodies<br>投資者及股東、供應商、顧客、公眾及社區、教育及研究夥伴、專業協會、政府部門及其他公眾團體 |
| Mode of communication with stakeholders 持份者溝通方式 |                                                                                                                                                                                                                                              |

Daily conferences, questionnaires, Intranet, online platforms, emails, general meetings, site visits, public consultations, internship, industrial meetings, community activities, etc.

日常會議、問卷調查、內聯網、網絡平台、電子郵件、股東會議、實地考察、公眾諮詢、實習生計劃、行業會議及社區活動等

## MATERIALITY ISSUES

Since there was no material change in its business nature and management approaches, the Group determined to choose issues the same as those of last year's report as reporting focuses. The three issues are emissions, health and safety, and development and training, respectively.

## 重要性議題

鑒於本集團業務性質及管理方針未發生重大改變，因此本集團決定選擇與上一年度報告相同的議題，作為本報告的匯報重點。三項議題分別為排放物、健康與安全及發展與培訓。

| Materiality issues<br>重要性議題              | Reasons for selection<br>選擇原因                                                                                                                                                                                       | Corresponding section<br>對應章節        |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| <b>Emissions</b><br>排放物                  | Due to its business nature, the Group produce some emissions during daily production process, causing certain impacts on the environment.<br>由於業務性質，本集團於日常生產過程中會產生部分排放物，對環境造成一定影響。                                  | "Environmental Management"<br>「環境管理」 |
| <b>Health and safety</b><br>健康與安全        | Employees are subject to different health and safety risks during their work in workshop. Therefore, the Group aims to build a healthy and safe working environment.<br>員工於車間作業時會遇到不同健康與安全風險，因此建設健康與安全的工作場所是本集團的目標。 | "Our Employees"<br>「我們的僱員」           |
| <b>Development and training</b><br>發展與培訓 | Trainings on employees' abilities are a guarantee for corporate development and a propelling force for their career.<br>員工工作能力的培養是企業發展的重要保證，亦是員工職業道路的助推。                                                            | "Our Employees"<br>「我們的僱員」           |

## CONTINUOUS IMPROVEMENT

In the future, the Group will expand the size and model of communication with stakeholders when appropriate in order to improve the effects of the communication between the Group and stakeholders and establish a healthy relationship featuring mutual benefits and win-win.

### OUR EMPLOYEES

TK Group believes that a good employment environment is a key factor for the Group's sustainability. The Group is committed to providing a safe and comfortable working environment for its employees and provides them with a sound career development system in order to respect and inspire all employees.

## HEALTH AND SAFETY OF EMPLOYEES

Protecting employees' health and safety is one of the priorities for the Group. The Group enhanced its management efficiency through systematic working process in order to reduce occupational risks faced by employees during daily work. At present, the Group has developed a number of health and safety-related management systems including the Operation Standards on the Safety Inspection System, the Emergency Preparation and Response Procedures and the Accident Reporting, Investigation and Handling Procedures. Furthermore, during the year, the Group had also updated the Treatment Procedures for Employees with Work-related Injuries and Occupational Diseases based on actual situations.

## 持續完善

未來，本集團將適時拓展持份者溝通的規模及方式，以完善本集團與持份者的溝通效果，建立互惠共贏的良性關係。

### 我們的僱員

東江集團相信，良好的僱傭環境是促進本集團可持續發展的關鍵元素之一。本集團致力於為員工營造安全而舒適的工作環境，提供完善的職業發展制度，使所有員工均受到尊重及激勵。

## 僱員健康與安全

確保員工的健康與安全是本集團工作的重點之一。本集團通過制度化的工作流程以提高管理效率，減少員工於日常工作過程中的職業風險。目前，本集團已制訂包括《安全檢查制度作業規範》、《應急準備和響應程序》及《事件報告、調查與處理程序》等政策在內的多項與健康與安全相關的管理制度。此外，本集團亦根據實際情況於本年度更新了《工傷及職業病傷員救治處理程序》。

## EHS Management Committee

The Group has established the EHS<sup>2</sup> Management Committee with our CEO assuming the chairman, under whom there are roles such as vice chairman, EHS supervision and management leader, and standing committee member. They are in charge of different works, respectively.

## EHS管理委員會

本集團已建立EHS<sup>2</sup>管理委員會，由行政總裁擔任委員長，同時下設副委員長、EHS監督管理負責人及常務委員等職位，分別負責不同方面的工作。

| Position 職位                                                | Responsibilities 職責                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Chairman</b><br>委員長                                     | <ul style="list-style-type: none"> <li>carry out and implement national policies and approaches on work safety, and in combination with the Group's actual situations, organize and formulate internal safety policies, objectives and annual safety plan; and<br/>貫徹落實國家有關工作安全的政策方針，並結合本集團實際情況，組織制訂內部安全政策、目標及年度安全計劃；及</li> <li>provide employees with necessary funds and other recourses for ensuring their safety.<br/>為員工安全的保障提供必要的經費及其他資源。</li> </ul>                                                                                                                                                          |
| <b>Vice chairman</b><br>副委員長                               | <ul style="list-style-type: none"> <li>hold EHS work meetings regularly, discuss material EHS issues including environmental assessment of waste water treatment process, environmental inspection of renovated projects and statistical analysis of EHS accidents;<br/>定期召開EHS工作會議，討論重大EHS議題，如廢水處理工藝環保評估、改建項目環保驗收及EHS事故統計分析等；</li> <li>be responsible for directing and coordinating the evacuation of employees in case of emergencies; and<br/>發生緊急情況時，負責指揮及調度員工疏散工作；及</li> <li>supervise safety inspection and eliminate safety hazards during work in a timely manner.<br/>監督安全檢查工作，及時消除工作過程中的安全隱患。</li> </ul> |
| <b>EHS supervision and management leader</b><br>EHS監督管理負責人 | <ul style="list-style-type: none"> <li>establish various safety management systems and documents like work safety documents;<br/>建立各項安全管理制度及安全工作檔案等文件；</li> <li>regularly inspect safety situation in each plant and give rectification opinions on identified safety hazards; and<br/>定期檢查各廠部安全狀況，針對發現的安全隱患提出整改意見；及</li> <li>assist vice chairman in holding regular safety production meetings.<br/>協助副委員長定期召開安全生產會議。</li> </ul>                                                                                                                                                                                  |
| <b>Standing committee member</b><br>常務委員                   | <ul style="list-style-type: none"> <li>implement national and our internal safety laws or policies;<br/>執行國家及本集團內部有關安全的法規或政策；</li> <li>organize and promote safe techniques and management methods; and<br/>組織和推廣高效的安全技術及管理方法；及</li> <li>be responsible for organizing self-salvation activities for employees from all plants in case of emergencies.<br/>發生緊急情況時，負責組織各廠房員工展開自救活動。</li> </ul>                                                                                                                                                                                                                      |

<sup>2</sup> EHS represents environment, health and safety.

<sup>2</sup> EHS指環境、健康與安全。

## Safety Accident Investigation and Handling Procedures

In accordance with the Accident Reporting, Investigation and Handling Procedures of the Group, in case of casualties during production, the grades of accidents shall be categorized by three grades with each grade being assigned with different treatments based on actual situations. The casualties shall be sent to hospitals with the escort of designated personnel in accordance with the relevant requirements under the Treatment Procedures for Employees with Work-related Injuries and Occupational Diseases.

## 安全事件調查處理程序

本集團《事件報告、調查與處理程序》規定，若生產勞動過程中發生傷亡事件，應根據實際情況將事件等級分為三級，每級對應不同的處理方法，並按照《工傷及職業病傷員救治處理制度》中的相關規定，將傷亡人員送院並指派相關人員進行陪護。

| Grade 分級               | Nature 性質                                                                                                                                                                                                    | Reporting Method 報告方法                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Grade I</b><br>一級   | <ul style="list-style-type: none"> <li>death or rest for recovery from injuries for more than 105 days.<br/>發生人員死亡或受傷休養超過105日。</li> </ul>                                                                    | <ul style="list-style-type: none"> <li>The Group's safety officer shall be responsible for investigating the accident and establishing dedicated accident investigation team; and 集團安全主任負責調查事件，並成立專責事件調查小組；及</li> </ul>                                                                                                                                                                                                                                                                                         |
| <b>Grade II</b><br>二級  | <ul style="list-style-type: none"> <li>rest for recovery from injuries for more than seven working days and less than 105 days; and<br/>受傷休息七個工作日以上，105日以下；及</li> <li>toxic symptoms.<br/>發生中毒症狀。</li> </ul> | <ul style="list-style-type: none"> <li>Compile accident report, the reporting content of which shall cover the process of the accident, causes, casualties, economic loss, person held to account for, precautions and recommendations.<br/>撰寫事件調查報告，報告內容應包含事件發生的過程、原因、人員傷亡、經濟損失、責任人、防範措施及建議等。</li> </ul>                                                                                                                                                                                                       |
| <b>Grade III</b><br>三級 | <ul style="list-style-type: none"> <li>rest for recovery from injuries for less than seven working days; and<br/>受傷休息七個工作日以下；及</li> <li>Near accidents<sup>3</sup><br/>發生未遂事件<sup>3</sup></li> </ul>         | <ul style="list-style-type: none"> <li>safety commissioner of each plant is responsible for organizing the investigation on the accident; and<br/>各廠部安全委員負責組織事件調查工作；及</li> <li>The department where the accident occurred shall complete the accident reporting form within two days to describe the process and treatment outcome of the accident, and submit such form to safety commissioner and the Group's safety officer for filing.<br/>事件發生部門須於兩日內完成事件調查報告表，描述事件發生的經過及處理結果，並交由安全委員及集團安全主任存檔。</li> </ul> |

<sup>3</sup> Near accidents represent accidents without causing outcome due to timely identification and treatment.

<sup>3</sup> 因及時發現處理，未造成後果的事件稱之為未遂事件。

### Safety training for employees

To ensure that our employees have the necessary skills for safe work, the Group arranges appropriate training courses for employees in accordance with the latest national requirements and based on the nature of individual employees' work each year. All training records and assessment results are filed by the EHS Management Committee.

### 員工安全培訓

為確保員工掌握必要的安全工作技能，本集團每年根據國家最新要求及員工工作性質，為員工安排適當的培訓內容。所有培訓記錄及考核結果均交由EHS管理委員會進行存檔。

| Nature of work 工作性質      | Contents of safety training 安全培訓內容                                                                                             |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>Management</b><br>管理類 | EHS awareness training and management ability development<br>EHS意識培訓與管理能力培養                                                    |
| <b>Technology</b><br>技術類 | Training on identifying and evaluating hazards, occupational health risks and environmental factors<br>危險源、職業健康風險及環境因素的識別與評價培訓 |
| <b>Operation</b><br>操作類  | Safety training for special equipment operators<br>特種設備操作人員安全培訓                                                                |

### Treatment of work-related injuries

We have added the treatment methods for activity work-related injuries to the updated version of the Treatment Procedures for Employees with Work-related Injuries and Occupational Diseases. Activity work-related injuries refer to accidents that occur to employees during activities organized by the Group. In the event of an activity work-related injury, relevant personnel must report to the Group's labour union or activity organizing department within 48 hours. If the injury is determined to be caused by these activities, it will be handled in accordance with the treatment process of the work-related injuries.

A total of 15 employees of the Group suffered work-related injuries during the year, and all these work-related injuries had been handled in accordance with relevant requirements of the Treatment Procedures for Employees with Work-related Injuries and Occupational Diseases. All these injured employees have now returned to work.

As for health and safety, the Group has complied with relevant laws and regulations that have a significant impact on the Group, such as the Safe Production Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Disease and the Fire Protection Law of the People's Republic of China. During the year, the Group was not aware of any violation on health and safety.

### 工傷處理

更新版《工傷及職業病傷員救治處理程序》加入活動類工傷的處理辦法。活動類工傷指員工於本集團統一組織的活動中發生的意外。若出現活動類工傷，相關人員須於48小時內報告本集團工會或活動組織部門。若確定受傷由活動引起則按照工傷處理流程處理。

本集團於本年度共有15名員工出現工傷情況，已全部按照《工傷及職業病傷員救治處理程序》的相關要求進行了處理，目前所有員工均已返崗工作。

健康與安全方面，本集團遵守對本集團有重大影響的相關法律及法規，如《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》及《中華人民共和國消防法》等。本集團於本年度並無發現與健康及安全相關的違法違規個案。

## DEVELOPMENT AND TRAINING FOR EMPLOYEES

The Group understands the importance of improving employees' working skills to the expansion of their future careers. To this end, the Group has formulated the Training and Development System and partly updated the Management Regulations on Promotion and Cultivation, committed itself to improving its training system.

### Training inspection

To ensure the effectiveness of training for employees, the Group has adopted the Training and Development System to explain the inspection mechanism that should be adopted at different stages of training for the purpose of ensuring the comprehension of the training content by employees.

## 僱員發展與培訓

本集團明白提升員工工作技能對於拓展其未來職業道路發展的重要性。為此，本集團已制訂《培訓與開發制度》並更新了《晉升與培養管理規定》部分內容，致力完善本集團的培訓制度。

### 培訓檢驗

為保證員工參與培訓的效果，本集團已通過《培訓與開發制度》說明於培訓不同階段應當採取的檢驗機制，以確保員工理解培訓內容。

| Stage 階段                      | Measures 措施                                                                                                                                                                                                                                       |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Before training</b><br>培訓前 | The department heads should test the trainees to understand their blind spots, so as to clarify the training focus.<br>部門負責人應對培訓人員進行測試以了解其知識盲點，從而明確培訓重點。                                                                                          |
| <b>In training</b><br>培訓中     | Trainers should make objective evaluations of trainees based on their classroom performance and training assessment.<br>培訓講師應根據培訓人員課堂表現及培訓考核情況，對其作出客觀評價。                                                                                          |
| <b>After training</b><br>培訓後  | The department heads should give an objective evaluation of the performance of trainees within three to six months after the training is completed, so as to understand the training effectiveness.<br>部門負責人應對培訓人員結束培訓後三至六個月內的工作成效給予客觀評價，以了解培訓效果。 |

## Training contents

During the year, the Group carried out various types of internal and external training in accordance with industry development and employees' needs. The training details are as follows:

## 培訓內容

本年度，本集團根據行業發展及員工需求，開展了各類型內外部培訓工作。培訓詳情如下：

| Training name 培訓名稱                            | Training contents 培訓內容                                                                                                                                                                                                                                                                               |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Training for new employees</b><br>新員工培訓    | Training for employees on safety, corporate culture and computer operations, etc.<br>已進行員工安全、企業文化及電腦操作等方面的培訓。                                                                                                                                                                                        |
| <b>Mentoring</b><br>傳幫帶                       | Assisting relevant staff to understand the department structure, work contents and work skills, etc.<br>已幫助相關員工了解部門架構、工作內容及工作技巧等方面的知識。                                                                                                                                                               |
| <b>On-the-job training</b><br>在職培訓            | Die steel, heat treatment and coating process applications;<br>Application of diffusion welding and 3D printing technology in the field of mold temperature control; and<br>Training on Industry 4.0 and injection mold development, etc.<br>模具鋼材、熱處理及塗層工藝應用；擴散焊接及3D列印技術在模溫控制領域的應用；及工業4.0與注塑模具開發等培訓。 |
| <b>Skill certification training</b><br>技能認證培訓 | Training on skill certifications in Lean Six Sigma and scientific injection molding, etc.<br>已組織精益六西格瑪及科學注塑等方面的技能認證培訓。                                                                                                                                                                               |
| <b>Training for special posts</b><br>特殊崗位培訓   | Providing training on special equipment operation and forklift drivers' driving skills, etc for special positions.<br>已針對特殊崗位進行了特種設備操作及叉車司機駕駛技巧等方面的培訓。                                                                                                                                               |

## Employee promotion

In order to improve employees' enthusiasm for work and improve the talent structure, the Group has updated the Promotion and Cultivation Management Regulations this year. We include "no disciplinary violations or major operational errors within one year" as one of the promotion conditions, and encourage employees to pay attention to business ethics and production safety in order to actively promote the sustainable development of the Group. The human resources department is responsible for matters related to the promotion within the Group, including notification, examination and interview arrangement.

## 員工晉升

為提升員工工作積極性及完善人才結構，本集團已於本年度更新了《晉升與培養管理規定》，將「一年內無違紀或重大操作失誤」納入晉升條件之一，鼓勵員工重視商業道德和生產安全，以積極推動本集團的可持續發展。本集團有關人員晉升的事宜均由人力資源部負責，包括通知、審核及組織面試。

## IMPROVING THE EMPLOYMENT SYSTEM

For the Group, a sound employment system is not only the key to attracting talents, but also an important guarantee for the rights and interests of employees. The Group has formulated the Enrolment and Appointment System and the Social Responsibility Management System, and updated the Recruitment Management System and the Complaint Management System this year to incorporate contents related to employment diversity, in a bid to enhancing the management efficiency of the Group in different areas of employment.

In the Recruitment Management System, the Group proposes the commitment to establishing an inclusive, equal and fair working environment, respects and promotes employee diversity, and encourages the employment of employees of different nationalities, nationalities, skin colors or educational backgrounds. At the same time, employees will not be discriminated against based on factors such as race, region, disability, pregnancy or political affiliation.

If discovering or experiencing any misconduct in the workplace, our employees can contact the human resources department in accordance with the Complaint Management System. The director of the human resources department will determine the type of complaint and refer it to the corresponding person in charge for follow-up. After the investigation, the person in charge should prepare an Internal Investigation Report and copy it to the Complaint Handling Committee composed of our executive directors.

The Group promises to pay wages on time every month. If the payment date needs to be postponed, it must seek the signature for approval by the representatives of labour union or all employees. In addition, the Group also commits not to allow employees' wages to be deducted for any reasons.

During the year, the Group has complied with employment-related laws and regulations that have a significant impact on the Group, including but not limited to, the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Women's Rights and Interests and the Social Insurance Law of the People's Republic of China. The Group was not aware of any violations related to employment during the year.

## 完善僱傭制度

完善的僱傭制度不僅是本集團吸引人才的關鍵，亦是員工權益的重要保障。本集團已制訂《入職與任用制度》及《社會責任管理制度》，並於本年度更新了《招聘管理制度》及《投訴管理流程》，加入與僱傭多元化相關的內容，致力提升本集團於僱傭不同範疇的管理效率。

於《招聘管理制度》中，本集團提出將致力於建立一個包容、平等及公平的工作環境，尊重並促進員工多元化，鼓勵僱傭不同國籍、民族、膚色或教育背景的員工。同時，不得因種族、地域、殘疾、懷孕或政治派別等因素歧視員工。

若員工於工作場所發現或受到任何不當行為，均可按照《投訴管理流程》與人力資源部聯繫。人力資源部總監會判斷投訴事件的類別，轉交由相應負責人跟進。調查結束後，負責人應編寫《內部調查報告》，並抄送由執行董事組成的投訴處理委員會。

本集團承諾每月準時發放工資，若發放日期需推遲則須工會代表或全體員工簽名批准。此外，本集團亦承諾絕不以任何形式剋扣員工工資。

本年度，本集團遵守對本集團有重大影響的僱傭相關法律及法規，包括但不限於《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國婦女權益保護法》及《中華人民共和國社會保險法》等。本集團於本年度並無發現與僱傭相關的違法違規個案。

## LABOUR STANDARDS

The Group respects the basic human rights of employees. It is strictly forbidden to employ child labour and forced labour in the workplace. We have formulated the Social Responsibility Management System, the Recruitment Management System and the Child Labour Remedial Management Regulations to regulate related matters.

| Category 範疇                  | Management measures 管理措施                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Child labour</b><br>童工    | <ul style="list-style-type: none"> <li>The human resources department is responsible for establishing internal reporting channels about child labour to encourage employees to report the use of child labour; and 人力資源部負責建立內部童工舉報渠道，鼓勵員工舉報童工使用；及</li> <li>Any child labour discovered should be immediately sent to the hospital for a medical examination. The Group will bear the entire cost for any health problem that may be found to be suffered by the child labour until it is cured. 發現童工後，應立即送往醫院進行體檢。若發現健康問題，則由本集團負擔全部費用直至痊癒。</li> </ul> |
| <b>Forced labour</b><br>強制勞工 | <ul style="list-style-type: none"> <li>The Group promises that when recruiting employees, it will never restrict employees' freedom by means of withholding their ID cards, passports or deposits; and 本集團承諾招聘員工時，絕不通過抵押身份證件、護照或押金的形式限制員工自由；及</li> <li>If employees wish to leave office, they can freely terminate the employment contract after a reasonable notice period. 若員工離職，可於合理通知期後自由終止聘用合同。</li> </ul>                                                                                                                                      |

The Group has complied with relevant laws and regulations such as the Labour Law of the People's Republic of China and the Law of the People's Republic of China on the Protection of Juveniles, and it was not aware of any violations related to child labour or forced labour during the year.

## ENVIRONMENTAL MANAGEMENT

The Group values the management of environmental issues related to its operation process and strives to reduce the negative environmental impact of its business. To this end, the Group has formulated the Waste Gas Control Procedures, the Wastewater and Liquid Waste Control Procedures and the Hazardous Waste Disposal Regulations. In order to further improve the Group's environmental management system, the Group has also formulated the Greenhouse Gas Emission Management Procedures and updated the Resources and Energy Control Procedures during the year.

## 勞工準則

本集團尊重員工的基本人權，嚴禁於工作場所僱傭童工及強制勞工，並已制訂《社會責任管理制度》、《招聘管理制度》和《童工補救管理規定》對相關事項加以管理。

本集團遵守《中華人民共和國勞動法》和《中華人民共和國未成年人保護法》等法律法規，於本年度未發現任何與童工和強制勞工相關的違法違規個案。

## 環境管理

本集團重視管理與營運過程相關的環境問題，致力減少業務對環境的負面影響。為此，本集團已制訂《廢氣控制程序》、《廢水廢液控制程序》及《危險廢棄物處理規定》等管理政策。為進一步完善本集團的環境管理體系，本集團於本年度亦已制訂《溫室氣體排放管理程序》及更新《資源能源控制程序》。

## EMISSIONS

### Greenhouse gas emissions

The Group's operations involve burning fossil fuels and using electricity, thus generating greenhouse gas emissions. In order to effectively manage greenhouse gases and reduce the impact on the environment, the Group has clearly stated the management responsibilities of each department in the GHG Emissions Management Procedures.

| Department/position<br>部門／職位                         | Duties<br>職責                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>General manager</b><br>總經理                        | Coordinating the management of the Group's greenhouse gas emissions, including but not limited to formulating greenhouse gas emissions management policies, selecting management representatives, and coordinating and providing necessary resources.<br>統籌本集團溫室氣體排放管理工作，包括但不限於制訂溫室氣體排放管理政策、確定管理者代表及協調提供必要資源。                   |
| <b>Management representatives</b><br>管理者代表           | Organizing greenhouse gas inventory and determining emission reduction plans and targets. In addition, the management representatives will make rational suggestions to the general manager based on the actual situation of the Group's greenhouse gas emissions.<br>組織溫室氣體盤查工作，並確定減排方案及目標。此外，管理者代表將根據本集團溫室氣體排放實際情況向總經理提出合理建議。 |
| <b>Injection Molding Quality Department</b><br>注塑品質部 | Assisting various departments in collecting, summarizing and verifying greenhouse gas data.<br>協助各部門執行溫室氣體數據收集、匯總及驗證工作。                                                                                                                                                                                                         |
| <b>Responsible departments</b><br>各責任部門              | Responsible for implementing greenhouse gas emission control measures in actual operations and recording relevant data according to actual conditions.<br>負責於實際操作中執行溫室氣體排放控制措施，並按實際情況紀錄相關數據。                                                                                                                                    |

The Group continued to entrust the independent consulting company Carbon Care Asia with the carbon evaluation during the year to quantify the greenhouse gas emissions (or "carbon emission") in the operation in accordance with the Guide<sup>4</sup> promulgated by the National Development and Reform Commission of the People's Republic of China and international standards such as ISO14064-1 and Greenhouse Gas Protocol.

## 排放物

### 溫室氣體排放

本集團的營運涉及燃燒化石燃料及使用電力，因而產生溫室氣體排放。為有效管理溫室氣體，減少對環境的影響，本集團《溫室氣體排放管理程序》中已明確說明各部門的管理職責。

本集團於本年度繼續委託獨立顧問公司低碳亞洲進行碳評估，以量化本集團營運產生的溫室氣體排放(或稱「碳排放」)；量化的過程根據中華人民共和國國家發展和改革委員會發布的指南<sup>4</sup>以及參考ISO14064-1和溫室氣體核算體系等國際標準而進行。

<sup>4</sup> Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Machinery Manufacturing Enterprises (Trial)

<sup>4</sup> 《機械設備製造企業溫室氣體排放核算方法與報告指南(試行)》

During the year, the Group's total carbon emissions were 45,974.1 tons, which were mainly generated using purchased electricity with Scope II, accounting for 98.8% of the total emissions. In addition, although the refrigerant R-22 used in air-conditioning equipment is not included in the six greenhouse gases covered by the Kyoto Protocol<sup>5</sup>, in order to more fully disclose the performance of greenhouse gas emissions, the Group included 302 tonnes of CO<sub>2</sub> equivalent emitted by air-conditioning equipment in Scope 1.

本年度，本集團的總碳排放為45,974.1噸，主要由範圍二之外購電力使用所產生，佔總排放量的98.8%。此外，儘管空調設備中使用的製冷劑R-22未包含在《京都議定書》<sup>5</sup>所涵蓋的六種溫室氣體之內，但為了更為全面的披露溫室氣體排放方面的表現，本集團依然將空調設備所排放的302噸二氧化碳當量包含於範圍一中。

| Emission of greenhouse gases<br>溫室氣體排放                                                                   | Emission quantity for the current year<br>(tonnes of CO <sub>2</sub> equivalent)<br>本年度排放量<br>(噸二氧化碳當量) | Emission quantity for 2018<br>(tonnes of CO <sub>2</sub> equivalent)<br>二零一八年排放量<br>(噸二氧化碳當量) |
|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Scope I – Direct emissions 範圍1 – 直接溫室氣體排放                                                                |                                                                                                         |                                                                                               |
| Fossil fuel combustion – stationary sources<br>化石燃料燃燒 – 固定源                                              | 0.4                                                                                                     | 0.3                                                                                           |
| Fossil fuel combustion – mobile sources<br>化石燃料燃燒 – 移動源                                                  | 44.8                                                                                                    | 40.3                                                                                          |
| Greenhouse gases emitted during the operation of equipment and systems<br>設備及系統運作時釋放的溫室氣體                | 302.0                                                                                                   | 315.3 <sup>^</sup>                                                                            |
| Scope II – Energy indirect emissions<br>範圍2 – 能源間接溫室氣體排放                                                 |                                                                                                         |                                                                                               |
| Purchased electricity<br>外購電力                                                                            | 45,406.1                                                                                                | 34,721.8*                                                                                     |
| Scope III-emissions <sup>6</sup> 範圍3 – 排放 <sup>6</sup>                                                   |                                                                                                         |                                                                                               |
| Aircraft business travel<br>飛機商務旅行                                                                       | 220.8                                                                                                   | –                                                                                             |
| <b>Total greenhouse gas emissions<br/>溫室氣體排放總量</b>                                                       | <b>45,974.1</b>                                                                                         | <b>35,077.7</b>                                                                               |
| Greenhouse gas emission density (based on revenue per million Hong Kong dollars)<br>溫室氣體排放密度（依每百萬港元收入額計） | 19.9                                                                                                    | 15.3                                                                                          |

<sup>^</sup> As the calculation of greenhouse gas emissions during the operation of equipment and systems this year includes the fugitive emissions of refrigerant R-22 involved in greenhouse gas emissions, the greenhouse gas emissions emitted by equipment and systems during the previous year has been recalculated for a fair comparison.

\* The calculation of electricity greenhouse gas emissions in the current year has changed to the average emission factors of China's national power grid<sup>7</sup>, and therefore, the indirect energy greenhouse gas emissions of the previous year have been recalculated for a fair comparison.

<sup>5</sup> The main objective of Kyoto Protocol (Kyoto Protocol to the United Nations Framework Convention on Climate Change) is to “stabilize greenhouse gas levels in the atmosphere at an appropriate level”, and the specified greenhouse gases include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>).

<sup>6</sup> The Company has included greenhouse gas emissions from business travel in the calculation of Scope III during the year.

<sup>7</sup> Notice on the 2018 Carbon Emission Report, Verification and Emissions Monitoring Planning

<sup>^</sup> 本年度的設備及系統運作時釋放的溫室氣體的計算包括了製冷劑R-22涉及溫室氣體的逃逸性排放，故重新計算了上年度的設備及系統運作時釋放的溫室氣體以作公平的比較。

\* 本年度的電力溫室氣體排放的計算改用了全國電網平均排放因子<sup>7</sup>，故重新計算了上年度的能源間接溫室氣體排放以作公平的比較。

<sup>5</sup> 《京都議定書》（全稱《聯合國氣候變化綱要公約的京都議定書》）的主要目標是「將大氣中的溫室氣體含量穩定在一個適當的水平」，其中規定的溫室氣體包括二氧化碳（CO<sub>2</sub>）、甲烷（CH<sub>4</sub>）、氧化亞氮（N<sub>2</sub>O）、氫氟碳化物（HFCs）、全氟化碳（PFCs）和六氟化硫（SF<sub>6</sub>）。

<sup>6</sup> 本年度已將商務旅行所產生的溫室氣體排放納入範圍3的計算。

<sup>7</sup> 《關於做好2018年度碳排放報告與核查及排放監測計劃制定工作的通知》

Compared with 2018, the total greenhouse gas emissions and emission intensity during the year (based on revenue per million Hong Kong dollars) increased by 31.1% and 30.1% respectively, mainly due to an increase in Scope II greenhouse gas emissions of 30.8%. This was also related to increased orders and capacity expansion. Regarding the main sources of carbon emissions, the Group will continue to evaluate, record and disclose its greenhouse gas emissions and other environmental data every year, and use the data from previous years as a benchmark to continuously review the effectiveness of current measures, which will help to further develop emission reduction targets in the future.

### Exhaust emissions

The injection molding plants generate exhaust gas including spraying exhaust gas, printing exhaust gas, injection molding exhaust gas and dust during the daily production process. In order to ensure that the emission of exhaust gas meets the requirements of relevant national laws and regulations, the Group has formulated the Environmental Monitoring and Control Procedures to regulate the exhaust gas monitoring procedures and record the monitoring results in the Environmental Monitoring Record Form. For projects which the Group is not capable of self-monitoring for the time being, the state-approved environmental testing agencies will test and keep reports.

The Group has invited third-party testing companies to conduct organized exhaust gas tests this year. The detected exhaust emissions are in compliance with relevant national standards. At the same time, in order to further reduce exhaust emissions, the Group also entrusted third-party environmental protection agencies to propose a scheme for the design of injection molding exhaust treatment facilities in the workshop. Such scheme has been completed and put into use in late 2019, and it is estimated that it can reduce the organized non-methane hydrocarbon emissions.

Compared with 2018, the nitrogen oxides, sulfur oxides and respirable suspended particulates emitted by fossil fuel consumption from stationary and mobile sources this year decreased by 18.5%, 8.3% and 18.1% respectively. The main source of air pollutants from combustion fuel was diesel combustion of forklift equipment in the production base.

和二零一八年度相比，本年度的溫室氣體排放總量和排放密度(依每百萬港元收入額計)分別上升了31.1%和30.1%。主要原因為範圍二溫室氣體排放增加了30.8%。這和訂單增加、產能擴充有關。針對碳排放的主要來源，本集團將繼續評估、紀錄及每年披露其溫室氣體排放及其他環境數據，並以往年的數據作基準，持續地檢討現行措施成效，有助日後進一步制定減排目標。

### 廢氣排放

注塑廠房於日常生產過程中產生噴塗廢氣、印刷廢氣、注塑廢氣及粉塵等在內的廢氣。為確保廢氣的排放符合國家相關法律法規要求，本集團已制訂《環境監測控制程序》規範廢氣監測程序，並將監測結果紀錄於《環境監測記錄表》。對於本集團暫無能力自行監測的項目，則由國家認可的環境檢測機構進行檢測並保存報告。

本集團已於本年度邀請第三方檢測公司進行有組織廢氣檢測。檢測的廢氣排放量均符合國家相關標準。同時，為進一步減少廢氣排放，本集團亦委託第三方環保機構對車間注塑廢氣治理設施的設計提出方案，該方案已於二零一九年底建設完成並投入使用，預計可減少有組織非甲烷總烴的排放。

本年度固定源和移動源化石燃料消耗所排放的氮氧化物、硫氧化物和可吸入懸浮粒子與二零一八年度相比分別減少了18.5%，8.3%和18.1%。燃燒燃料排放的空氣污染物主要來源為生產基地內叉車設備的柴油燃燒。

| Emission 排放物                                           | Emission quantity in the current year (kg)<br>本年度排放量<br>(千克) | Emission quantity in 2018 (kg)<br>二零一八年排放量<br>(千克) |
|--------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------|
| Nitrogen oxides (NOx) 氮氧化物 (NOx)                       | 103.9                                                        | 127.5                                              |
| Sulfur oxides (SOx) 硫氧化物 (SOx)                         | 3.3                                                          | 3.6                                                |
| Respirable suspended particulates (PM)<br>可吸入懸浮粒子 (PM) | 6.8                                                          | 8.3                                                |

## Waste

The Logistics Department is responsible for the centralised collection and disposal of the waste. General waste will be handed over to the environmental health stations for further treatment, and the hazardous waste will be transferred and reported by qualified institutes designated by the Logistics Department according to the Hazardous Waste Disposal Regulations.

Total non-hazardous waste produced during the year increased by 49.7% compared with that of 2018, mainly due to approximately 500 tonnes of household waste included in the calculation. Total hazardous waste produced during the year decreased by 35.3% compared with that of 2018, mainly due to the higher frequency of reuse of waste water for painting booth in the factory.

## Wastewater and liquid waste

During the year, the Group has spent a total of RMB200,000 to introduce the water-based cutting fluid filtration and purification system, so as to reduce the liquid waste and save water. After put into use, the system is expected to help to reduce 60% of waste cutting fluid. Save for the liquid waste, industrial wastewater and domestic wastewater produced in the course of operation of the Group will be discharged in separated pipelines as well to guarantee the effective treatment of such wastewater.

In respect of emissions, the Group complies with relevant laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China and the Atmospheric Pollution Prevention Law of the People's Republic of China. The Group didn't have any violations related to emissions during the year.

## 廢棄物

後勤服務部負責廢棄物的統一回收及處理。一般廢棄物於回收後交由環境衛生站進一步處理。危險廢棄物則按照《危險廢棄物處理規定》由後勤服務部聯繫合資格機構進行轉運及申報。

本年度的無害廢物總量和二零一八年度相比增加了49.7%，主要由於本年度新增了對生活垃圾的統計，約為500噸。有害廢棄物方面，本年度的危險廢物總量相比二零一八年度減少了35.3%，主要為廠房噴漆廢水增加循環使用頻率所致。

## 廢水及廢液

本年度，本集團共投資二十萬元人民幣引進水性切削液過濾淨化系統，以減少廢液的產生及水資源的使用。該系統投入使用後，預計將減少60%廢切削液的產生。除廢液外，本集團日常營運產生的工業廢水及生活廢水亦會通過不同管道排放，確保得到有效處理。

排放物方面，本集團遵守如《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》及《中華人民共和國大氣污染防治法》等法律法規。本集團在本年度並無發生與排放物相關的違法違規個案。

## USE OF RESOURCES

In order to continuously enhance the resource utilization efficiency, the Group has formulated various resources management policies and reviewed the objectives and measures for the resource utilization regularly. As illustrated in the Resource and Energy Control Procedures, resources management should be conducted based on the principle of 3R<sup>8</sup>. The statistics on resources and energy consumption of the Group is prepared by the organization team; while the statistics on water and power consumption of the Group is prepared by the Facility Planning Department; and the statistics on paper consumption is prepared by the general manager's office. In addition, seminars are held by each department within the Group on an irregular basis to raise employees' awareness of saving.

Total energy consumption of the Group amounted to 74,606.5 Mwh equivalent during the year, representing an increase of 30.7% as compared with 2018. Consumption of direct energy<sup>9</sup> and indirect energy<sup>10</sup> increased by 11.9% and 30.8% respectively as compared with 2018. Such increase in power consumption was also related to the improvement of production capacity.

## 資源使用

本集團通過制訂不同資源管理政策，定期檢討資源使用的目標和措施，持續提升本集團的資源使用效率。《資源能源控制程序》中說明，本集團以3R<sup>8</sup>原則為基準進行資源管理工作。本集團主要由體系組負責資源能源消耗統計；設施策劃部負責統計本集團水資源及電力的消耗數據；及總經辦負責紙張消耗情況的數據統計。此外，本集團各部門亦會不定期舉辦講座，提高員工節約意識。

本集團於本年度的能源總耗量為74,606.5兆瓦時等值，和二零一八年度相比增加了30.7%。直接能源<sup>9</sup>與間接能源<sup>10</sup>使用和二零一八年度相比分別增加了11.9%和30.8%。用電量的增加亦與產能提升有關。

| Energy use 能源使用                                                              | Consumption for the year<br>本年度耗用量 | Consumption in 2018<br>二零一八年耗用量 |
|------------------------------------------------------------------------------|------------------------------------|---------------------------------|
| Gasoline (GJ) 汽油(吉焦耳)                                                        | 520.5                              | 420.9                           |
| Diesel (GJ) 柴油(吉焦耳)                                                          | 129.6                              | 161.4                           |
| Liquefied petroleum gas (GJ) 液化石油氣(吉焦耳)                                      | 6.8                                | 4.8                             |
| Electricity (Mwh) 電力(兆瓦時)                                                    | 74,424.0                           | 56,911.6                        |
| Total energy consumption (Mwh equivalent)<br>能源總耗量(兆瓦時等值)                    | 74,606.5                           | 57,074.7                        |
| Energy intensity (Mwh equivalent/million HKD revenue)<br>能源密度(每百萬港元營業額兆瓦時等值) | 32.3                               | 24.8                            |

<sup>8</sup> 3R refers to "Reuse, Recycle and Reduce Waste"

<sup>9</sup> Direct energy represents non-renewable fuel or renewable fuel such as gasoline, diesel, natural gas, coal and solar energy, etc.

<sup>10</sup> Indirect energy represents purchased energy such as electric power, heating, air conditioning and steam, etc.

<sup>8</sup> 3R即重複利用資源(Reuse)、回收資源(Recycle)及減少浪費(Reduce Waste)。

<sup>9</sup> 直接能源是指汽油、柴油、天然氣、煤及太陽能等不可再生燃料或可再生燃料。

<sup>10</sup> 間接能源是電力、暖氣、冷氣及蒸氣等購買能源。

## THE ENVIRONMENT AND NATURAL RESOURCES

The Group has established the Emergency Preparation and Response Procedures to ensure that correct response measures will be adopted by the Group in case of environmental emergency, and reduce the impacts on surrounding environment. The Emergency Preparation and Response Procedures requires that relevant departments shall investigate reasons for the accident after the occurrence of an accident according to the Reporting, Investigation and Treatment Procedures for Accidents, and report the outcome of investigation and treatment to the board of directors of the Group and the competent authorities for review.

During the daily operation, each department shall organize employees to have regular emergency drilling such as chemical leakage drills and emergency evacuation drills, in order to enhance employees' emergency response capability. Meanwhile, each department shall conduct regular inspection on the usage and maintenance of emergency equipment.

### RESPONSIBLE OPERATION

The Group strives to provide responsible products and services by adhering to its business ethics, hence it has developed a series of policies and measures in relation to supply chain management, product liability and anti-corruption, in efforts to safeguard the brand reputation and market performance of the Group with sound and comprehensive operation system.

## SUPPLY CHAIN MANAGEMENT

TK Group places high emphasis on managing environmental and social risks of the supply chain and encourages suppliers to take responsibilities for environment and the society. Suppliers management systems such as the Social Responsibility Management System and Supplier Management Processes have been formulated by the Group to select suppliers qualified for its requirements, and all suppliers are required to sign the suppliers' social responsibility letter.

## 環境及天然資源

為確保發生環境緊急情況時本集團能夠採取正確的處理方法，本集團已制訂《應急準備和響應程序》，減少對周圍環境造成的影響。《應急準備和響應程序》規定，緊急情況發生後，相關部門應按照《事件報告、調查與處理程序》進行調查，並將調查及處理結果上報本集團董事會及政府主管部門審閱。

於日常營運中，各部門定期組織員工接受應急演練，包括化學品洩漏演習及緊急疏散逃生演習等，提高員工的應急處理能力。同時，各部門亦定期檢查應急設備的使用及保養情況。

### 負責任的營運

本集團恪守商業道德，提供負責任的產品及服務，因此已制訂一系列有關於供應鏈管理、產品責任及反貪污方面的政策及措施，致力通過完善的營運制度，維護本集團品牌及市場表現。

## 管理供應鏈

東江集團重視對於供應鏈中環境及社會風險的管理，鼓勵供應商對環境和社會負責。本集團已制訂《社會責任管理制度》及《供應商管理流程》等供應商管理制度，篩選符合本集團要求的供應商，並要求所有供應商簽署《供應商社會責任承諾函》。

The procurement department of the Group is responsible for establishing social responsibility profiles for suppliers and subcontractors and maintaining evaluation results and improvement measures records of suppliers. Pursuant to the Supplier Management Processes, the Group shall conduct on-site audit of the suppliers to determine its compliance with the Group's environmental and social requirements as detailed below:

本集團由採購部負責建立供應商及分包商社會責任檔案，並保留供應商評估結果及改善措施記錄。按照《供應商管理流程》的規定，本集團應對需接受現場考核的供應商進行評估，以確定其符合本集團的環境及社會要求。具體要求如下：

| Risk Types 風險類別            | Selection Criterias 篩選準則                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Social</b><br>社會        | <ul style="list-style-type: none"> <li>• In case of any usage of child and forced labour or any non-compliance with other labour related laws and regulations on the part of a supplier or subcontractor, the Group will immediately cease its business relationship with such supplier or subcontractor;<br/>若發現供應商或分包商存在使用童工、強制勞工或其他違反勞動相關法律法規的現象，立即停止合作關係；</li> <li>• Suppliers should not act improperly against their employees due to races, religions, nationality or sexual orientation; and<br/>供應商不應因種族、宗教、國籍或性別取向等因素，對其員工採取不正當行為；及</li> <li>• Minimise health and safety related risks in workplace by adoption of appropriate measures according to the laws and regulations in relation to health and safety.<br/>遵守有關健康與安全的法律法規，採取適當措施，降低工作場所的健康與安全風險。</li> </ul> |
| <b>Environmental</b><br>環境 | <ul style="list-style-type: none"> <li>• Suppliers undertake to adopt energy-saving and emission-reduction measures to mitigate impacts caused by its operation on the environment; and<br/>供應商應承諾採取節能減排的措施，減少營運對周圍環境的影響；及</li> <li>• Hazardous substances which are possible to provoke detrimental harm to the environment, should be inspected and treated timely.<br/>對於可能對環境造成危害的有害物質，應及時檢測及處理。</li> </ul>                                                                                                                                                                                                                                                                                                                                                                 |

## PRODUCT LIABILITY

As an enterprise which is principally engaged in the manufacturing of molds and plastic components, the Group highly recognizes the importance of product liability to the its development. Hence, the Group has a series of policies on product liability in place to standardize the management process.

## 產品責任

作為一間從事注塑組件製造和模具製作的企業，本集團十分明白產品責任對於本集團發展的重要性。為此，本集團已制訂一系列關於產品責任的政策，規範管理流程。

## Product Quality

In order to guarantee the product quality of the Group comply with customer's requirements and relevant laws and regulations, the Group has developed a number of policies such as Raw Material Quality Control Procedures, Processing Quality Control Procedures, Finished Product Quality Control Procedures and Non-conforming Product Control Procedures. Any products which fail to pass four quality control procedures stipulated in respective policies including raw material inspection, initial product recognition and patrol inspection when processing and inspection of finished products before warehousing, should be disposed in accordance with the Non-conforming Product Control Procedures. Any non-conforming products, once found, shall be labeled and placed by the person in charge of QC<sup>11</sup> in the designated area for non-conforming products. Besides, Feedback Sheet of Unqualified Raw Material shall be completed by QC in QA<sup>12</sup> system and submitted to the QC team leader for review.

The Group received four complaints related to product quality from customers during the year, decreasing by three compared with last year. The Group has implemented various approaches to strengthen product quality control, such as on-site inspection, product replacement and employee trainings.

## Customer Privacy

The Group has established the Confidentiality Management System to protect the customer data from leakage, so as to realise sound corporate governance. The System stipulates that confidential information of any business partners and other connected persons shall be protected and all staff is required to sign the Employee Confidentiality Agreement. The Group will give a warning to, dismiss or take litigation actions against the employees of failure to comply with relevant requirements.

## 產品質量

為保證產品的質量符合客戶要求及相關法律法規，本集團已制訂《來料品質控制程序》、《製程品質控制程序》、《成品品質控制程序》及《不合格品控制流程》等政策。若產品未通過相關政策中規定的來料檢驗、製程首件確認、製程巡檢以及成品入庫前檢驗四項品質控制程序，則按照《不合格品控制流程》進行處理。若產品出現不合格情況，則應由QC<sup>11</sup>責任人做標識處理並置於不合格品區。另外，QC亦應於QA<sup>12</sup>系統中填寫《來料不合格信息反饋表》並交由QC組長審批。

本集團於本年度共接獲四次客戶投訴，同比下降三次。投訴事件均與產品質量相關，本集團已透過現場勘查、更換產品及員工培訓等方式，加強產品質量控制。

## 客戶隱私

為保護顧客的資料不被洩露，實現企業的良好管治，本集團已制訂《保密管理制度》。該制度規定任何合作夥伴及其他相關人員的隱私信息均受保護，且所有員工均需簽署《員工保密協議》。若發現員工違反相關規定，本集團會採取警告、辭退或訴諸法律等手段。

<sup>11</sup> Refers to Quality Control

<sup>12</sup> Refers to Quality Assurance

<sup>11</sup> 指Quality Control，質量控制。

<sup>12</sup> 指Quality Assurance，質量保證。

## Intellectual property

Attaching high attention on product design and manufacturing, TK Group's part of focus is on the protection of intellectual property owned by the Group and its business partners. It is stipulated in the Intellectual Property Management System that the Legal Department is mainly responsible for the management of intellectual property and establishment of employee incentive mechanism. Employees obtaining related patent certificates will be granted awards of different degrees by the Group depending on practical conditions. In addition, the Group values intellectual property of any business partners or other enterprises, and promises not to infringe upon other's patent right.

Our business doesn't involve product advertisements and labels currently. The Group will update its policies as appropriate in line with its business development. The Group abides by laws and regulations in relation to product liability such as the Product Quality Law of the People's Republic of China and the Patent Law of the People's Republic of China. During the year, the Group didn't have any violations of laws and regulations related to product liability.

## 知識產權

作為一間關注產品設計及生產的企業，如何保障本集團與合作夥伴的知識產權是東江集團關注的重點之一。《知識產權管理制度》中說明，法務部門主要負責知識產權管理工作及建立員工激勵機制。若員工獲得相關專利證書，本集團會根據實際情況作不同程度的獎勵。此外，本集團尊重任何合作夥伴或其他企業的知識產權，承諾不侵犯他人專利權。

本集團暫時未涉及產品廣告及標籤的使用。本集團將根據業務發展，適時更新相關政策。本集團遵守與產品責任相關的法律及規例，如《中華人民共和國產品質量法》及《中華人民共和國專利法》等。本年度，本集團並無發生與產品責任相關的違法違規個案。

## ANTI-CORRUPTION

The Group understands that anti-corruption not only represents the expectation of society as a whole for corporates, but also is an important part of fulfilling social responsibilities within the Company. The Group has established relevant systems such as the Ethics and Commercial Behavior Management System, Complaint Management System and Internal Investigation Guide, endeavoring to perform its commitment to anti-corruption.

It is stipulated in the Ethics and Commercial Behavior Management System that any employees are prohibited from offering improper benefits to third party units or individuals including customers, government officials and other stakeholders in the name of the Company or individuals. Any third party units or individuals are encouraged to monitor or make complaints on integrity of the Group's employees according to the Complaint Management System. The Group promises to keep all complaints record strictly confidential.

## 防止貪污

本集團明白反貪腐不僅是社會對於企業的要求，亦是企業體現其社會責任感的重要方式。本集團已通過制訂《道德規範和商業行為管理制度》、《投訴管理制度》及《內部調查指引》等文件，努力踐行本集團關於反貪腐的承諾。

《道德規範和商業行為管理制度》中規定，本集團嚴禁任何員工以企業或個人名義，對包括客戶、政府官員或其他利益相關方在內的第三方組織或個人提供不恰當的利益。本集團歡迎第三方組織或個人按照《投訴管理制度》的規定，就本集團員工廉潔行為進行監督或投訴。本集團承諾所有投訴均會受到嚴格保密。

In respect of anti-corruption, the Group complies with relevant laws and regulations such as the Law of the People's Republic of China Against Unfair Competition, Anti-Money Laundering Law of the People's Republic of China. During the year, the Group didn't have any violations of laws and regulations related to anti-corruption, nor involved in any corruption related litigation cases.

## SUPPORTING COMMUNITY DEVELOPMENT

The Group understands that enterprise development cannot be separated from local community's support. Being a responsible enterprise, the Group strives to reinforce the communication with local community, and understand the actual needs of communities where its operations are located. In order to standardize the community investment, the Group has formulated the Policy of Community Investment, Donation and Sponsorship Management during the year.

The assessment and application of community investment shall be conducted by the chairman's office, and the related community activities shall be organized and carried out by the Trade Union. Areas of community investment which the Group is primarily dedicated to include communication with universities and public welfare activities.

於反貪污方面，本集團遵守包括《中華人民共和國反不正當競爭法》及《中華人民共和國反洗錢法》等在內的相關法律及規例。本年度，本集團並無發生與反貪污相關的違法違規個案，亦不涉及任何貪污訴訟案件。

## 支持社區發展

本集團明白企業的發展離不開當地社區的支持。作為一家負責任的企業，本集團致力與當地社區加強聯繫，了解營運所在地社區的真實需要。為此，本集團於本年度制訂了《社區投資、捐贈及贊助管理制度》，規範社區投資行為。

董事長辦公室負責進行關於社區投資工作的評估及申請，並由本集團工會負責組織及開展活動。本集團主要關注的社區投資範疇包括與高校的交流及公益活動。

| Areas of Concerns<br>關注範疇                       | Implementation Approaches<br>執行措施                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Case Study For the Year<br>本年度案例分享                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Communication with universities</b><br>與高校交流 | <ul style="list-style-type: none"> <li>Human Resource Department will visit universities and develop training systems with the selected qualified universities under the cooperation mechanism established by both parties, so as to facilitate students' early adaption to the work requirements. Furthermore, qualified students will be offered scholarship and the outstanding ones can join into the Group; and<br/>人力資源部負責考察高校，與合資格高校建立合作機制，共同開發課程體系，幫助學生盡早適應工作需求。同時，為合資格學生提供獎學金，優秀者亦可加入本集團工作；及</li> <li>Invited students in Guangdong, Hong Kong and Macau to visit the Group, promoting the cooperation and communication among youth in such locations.<br/>邀請粵港澳學生參觀本集團，推動粵港澳青年的合作與交流。</li> </ul> | <ul style="list-style-type: none"> <li>Carried out communication and cooperation with Guangdong Industry Polytechnic and Hebei University of Technology, and granted scholarship to outstanding students in these universities.<br/>與廣東輕工職業技術學院和河北工業大學進行校企合作，為優秀學生頒發獎學金並開展交流活動。</li> <li>Invited over 100 young Hong Kong students to visit the Group, and valuable entrepreneurial experience has been shared by the Chairman of the Group with them.<br/>邀請逾100名香港青年蒞臨參觀本集團，並由本集團主席作為嘉賓分享創業經歷。</li> </ul> |
| <b>Public welfare activities</b><br>公益活動        | <ul style="list-style-type: none"> <li>The Trade Union has organized employees to participate related public welfare activities initiated by social welfare organizations.<br/>由工會組織員工參與由社會公益組織發起的相關活動。</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Donated books to Shenzhen Guangming Dongzhou Primary School (深圳市光明東周小學) and Guangming Foreign Language School (光明外國語學校).<br/>分別向深圳市光明東周小學及光明外國語學校捐贈書籍。</li> <li>Made donation to poverty alleviation projects launched by the charity committee of Shenzhen Guangming District.<br/>贊助深圳市光明區慈善會扶貧濟困項目。</li> </ul>                                                                                                                                                    |

During the year, the total community investment made by the Group amounted to HKD3,849,000, representing an increase of approximately 41.1% compared with last year.

本年度，本集團合計社區投資額約達港幣3,849,000元，同比增加約41.1%。

## OVERVIEW OF KEY PERFORMANCE INDICATORS

## 關鍵績效指標總覽

## Environmental performance

## 環境表現

| Key performance indicators of the environment<br>環境關鍵績效指標     | During the year<br>本年度 | 2018<br>二零一八年 | Unit<br>單位                                                       |
|---------------------------------------------------------------|------------------------|---------------|------------------------------------------------------------------|
| <b>Type of emissions and relevant data 排放物種類及相關排放數據</b>       |                        |               |                                                                  |
| Nitrogen oxides (NOx) 氮氧化物 (NOx)                              | 103.9                  | 127.5         | Kg 千克                                                            |
| Sulfur oxides (SOx) 硫氧化物 (SOx)                                | 3.3                    | 3.6           | Kg 千克                                                            |
| Particulate matters (PM)<br>可吸入懸浮粒子 (PM)                      | 6.8                    | 8.3           | Kg 千克                                                            |
| <b>Other air emissions<sup>13</sup> 其他廢氣排放<sup>13</sup></b>   |                        |               |                                                                  |
| Benzene 苯 (Benzene)                                           | 42.9                   | –             | Kg 千克                                                            |
| Toluene 甲苯 (Toluene)                                          | 173.4                  | 106.6         | Kg 千克                                                            |
| Xylene 二甲苯 (Xylene)                                           | 105.6                  | 15.6          | Kg 千克                                                            |
| Non-methane hydrocarbon (NMHC)<br>非甲烷總烴 (NMHC)                | 4,178.8                | 898.0         | Kg 千克                                                            |
| Volatile organic compounds (VOC)<br>揮發性有機化合物 (VOC)            | 1,693.2                | 773.1         | Kg 千克                                                            |
| Particulate matters (PM)<br>可吸入懸浮粒子 (PM)                      | 1,344.7                | 1,925.7       | Kg 千克                                                            |
| <b>Greenhouse gas emissions in total 溫室氣體總排放量</b>             |                        |               |                                                                  |
| Scope I – Direct emission<br>範圍1 – 直接排放                       | 347.2                  | 355.9         | tonnes of CO <sub>2</sub> equivalent<br>噸二氧化碳當量                  |
| Scope II – Indirect emission<br>範圍2 – 間接排放                    | 45,406.1               | 34,721.8      | tonnes of CO <sub>2</sub> equivalent<br>噸二氧化碳當量                  |
| Scope III – Indirect emission<br>範圍3 – 間接排放                   | 220.8                  | –             | tonnes of CO <sub>2</sub> equivalent<br>噸二氧化碳當量                  |
| Greenhouse gas emissions in total<br>溫室氣體總排放量                 | 45,974.1               | 35,077.7      | tonnes of CO <sub>2</sub> equivalent<br>噸二氧化碳當量                  |
| Greenhouse gas intensity (as per revenue)<br>溫室氣體密度 (以收入計算)   | 19.9                   | 15.3          | tonnes of CO <sub>2</sub> equivalent/million HKD<br>噸二氧化碳當量/百萬港幣 |
| <b>Hazardous waste in total 有害廢棄物總量</b>                       |                        |               |                                                                  |
| Hazardous waste produced in total<br>有害廢棄物總產生量                | 269.2                  | 415.9         | tonnes 噸                                                         |
| Hazardous waste intensity (as per revenue)<br>有害廢棄物密度 (以收入計算) | 0.12                   | 0.18          | tonnes/million HKD<br>噸/百萬港幣                                     |

<sup>13</sup> Data calculation for 2019 is based on the test reports of production bases in Shenzhen headquarter, Suzhou and Huizhou. Test data for 2018 excluded production base in Huizhou. Besides, other air emissions increased in 2019 due to the capacity expansion.

<sup>13</sup> 二零一九年數據計算基於深圳總部生產基地、蘇州生產基地及惠州生產基地的檢測報告。二零一八年檢測數據不包含惠州生產基地。此外，二零一九年由於產能擴大而導致其他廢氣排放量增高。

| Key performance indicators of the environment<br>環境關鍵績效指標                | During the year<br>本年度 | 2018<br>二零一八年 | Unit<br>單位                              |
|--------------------------------------------------------------------------|------------------------|---------------|-----------------------------------------|
| <b>Non-hazardous waste in total 無害廢棄物總量</b>                              |                        |               |                                         |
| Non-hazardous waste produced in total<br>無害廢棄物總產生量                       | 1,771.9                | 1,183.3       | tonnes 噸                                |
| Non-hazardous waste intensity (as per revenue)<br>無害廢棄物密度 (以收入計算)        | 0.77                   | 0.51          | tonnes/million HKD<br>噸/百萬港幣            |
| <b>Energy consumption in total 能源總耗量</b>                                 |                        |               |                                         |
| Direct energy 直接能源                                                       | 656.9                  | 587.1         | GJ 吉焦耳                                  |
| Indirect energy 間接能源                                                     | 74,424.0               | 56,911.6      | Mwah 兆瓦時                                |
| Energy intensity (as per revenue)<br>能源密度 (以收入計算)                        | 32.3                   | 24.8          | Mwah/million HKD<br>兆瓦時/百萬港幣            |
| <b>Water consumption in total 總耗水量</b>                                   |                        |               |                                         |
| Water consumption in total 總耗水量                                          | 262,373                | 231,118       | m <sup>3</sup> 立方米                      |
| Water consumption intensity (as per revenue)<br>耗水密度 (以收入計算)             | 114                    | 101           | m <sup>3</sup> /million HKD<br>立方米/百萬港幣 |
| <b>Packing materials used by finished products in total 製成品所用包裝材料的總量</b> |                        |               |                                         |
| Packing materials in total 包裝材料總量                                        | 2,794.1                | 2,269.7       | tonnes 噸                                |
| Packing materials intensity (as per revenue)<br>包裝物料密度 (以收入計算)           | 1.2                    | 1.0           | tonnes/million HKD<br>噸/百萬港幣            |

## Social performance

## 社會表現

| Category of employees<br>員工分類 |                          | Existing employees<br>distribution<br>在職員工<br>人數分佈 | New employees<br>distribution <sup>14</sup><br>新員工人數分佈 <sup>14</sup> | Resigned employees<br>distribution <sup>14</sup><br>離職員工人數分佈 <sup>14</sup> |
|-------------------------------|--------------------------|----------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------------|
| Gender<br>性別                  | Male 男性                  | 2,647                                              | 653                                                                  | 459                                                                        |
|                               | Female 女性                | 2,036                                              | 650                                                                  | 679                                                                        |
| Age<br>年齡                     | 18-30 years old 18-30歲   | 1,557                                              | 655                                                                  | 544                                                                        |
|                               | 31-45 years old 31-45歲   | 2,864                                              | 633                                                                  | 576                                                                        |
|                               | Above 45 years old 45歲以上 | 262                                                | 15                                                                   | 18                                                                         |

<sup>14</sup> Including regular employees only.

<sup>14</sup> 僅包括正式員工。

| Occupational safety and health performance<br>職業安全健康績效 | Total 總計 |
|--------------------------------------------------------|----------|
|--------------------------------------------------------|----------|

Number and percentage of work-related deaths for the past three years  
過去三年因工關係而死亡的人數及比率

0 : 0%

Number of work-related injuries 因工受傷人數

15

Number of working days lost due to work-related injuries  
因工傷損失工作日數

636.6

Days of absenteeism  
缺勤日數

45,951.9

| Category of employees<br>員工分類 |                          | Trained employee distribution<br>培訓人數分佈 | Percentage of employees receiving training <sup>15</sup><br>培訓僱員比例 <sup>15</sup> | Total training (hours)<br>培訓總時數 (小時) | Average training hours <sup>16</sup><br>平均培訓時數 <sup>16</sup> (小時) |
|-------------------------------|--------------------------|-----------------------------------------|----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------|
| Gender<br>性別                  | Male 男性                  | 1,668                                   | 63.0%                                                                            | 34,227.4                             | 12.9                                                              |
|                               | Female 女性                | 1,089                                   | 53.5%                                                                            | 13,482.5                             | 6.6                                                               |
| Age<br>年齡                     | 18-30 years old 18-30歲   | 817                                     | 52.5%                                                                            | 14,412.1                             | 9.3                                                               |
|                               | 31-45 years old 31-45歲   | 1,785                                   | 62.3%                                                                            | 31,000.5                             | 10.8                                                              |
|                               | Above 45 years old 45歲以上 | 155                                     | 59.2%                                                                            | 2,297.3                              | 8.8                                                               |

| Region where suppliers are located 供應商所在地區 | Number of suppliers 供應商數量 |
|--------------------------------------------|---------------------------|
| Mainland China 中國大陸                        | 1,622                     |
| Hong Kong 香港地區                             | 177                       |
| Others 其他地區                                | 125                       |
| Total 合計                                   | 1,924                     |

| Product quality 產品質量 | Total 總計 |
|----------------------|----------|
|----------------------|----------|

Percentage of products that shall be reclaimed due to safety and health reasons  
因安全與健康理由須回收的百分比

0%

Number of complaints related to products or service  
關於產品或服務的投訴數目

4

<sup>15</sup> Percentage of employees receiving training is calculated by dividing the number of trained employees of specific category by the total number of employees of such category.

<sup>16</sup> Average training hours is calculated by dividing the total training hours received by employees of specific category by the total number of employees of such category.

<sup>15</sup> 培訓比例計算方式為特定類別僱員受訓人數／該類別僱員總數。

<sup>16</sup> 培訓平均小時的計算方式為特定類別僱員的總受訓時數／特定類別的僱員總人數。

## CONTENT INDEX TO THE ESG REPORTING GUIDE

## 《環境、社會及管治報告指引》報告內容索引

| Subject Areas<br>主要範疇      | Content<br>內容                                                                                                                                                                                                                                                                                                                                                           | Page<br>頁碼索引 |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>A1 Emissions 排放物</b>    |                                                                                                                                                                                                                                                                                                                                                                         |              |
| General Disclosure<br>一般披露 | Information on:<br>有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：<br><br>(a) the policies; and<br>(a) 政策；及<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.<br>(b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 68, 72       |
| A1.1                       | The types of emissions and respective emissions data<br>排放物種類及相關排放數據                                                                                                                                                                                                                                                                                                    | 71-72, 80    |
| A1.2                       | Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)<br>溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)                                                                                                                                                                                            | 70, 80       |
| A1.3                       | Total hazardous waste produced (in tonnes)<br>所產生有害廢棄物總量(以噸計算)                                                                                                                                                                                                                                                                                                          | 80           |
| A1.4                       | Total non-hazardous waste produced (in tonnes)<br>所產生無害廢棄物總量(以噸計算)                                                                                                                                                                                                                                                                                                      | 81           |
| A1.5                       | Description of measures to mitigate emissions and results achieved<br>描述減低排放量的措施及所得成果                                                                                                                                                                                                                                                                                   | 69, 71       |
| A1.6                       | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives, and results achieved<br>描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果                                                                                                                                                                                                                         | 72           |

| Subject Areas<br>主要範疇                                   | Content<br>內容                                                                                                                                                                                                                                                                                                                                                                                                                     | Page<br>頁碼索引                                             |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>A2 Use of Resources 資源使用</b>                         |                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                          |
| General Disclosure<br>一般披露                              | Policies on the efficient use of resources, including energy, water and other raw materials.<br>有效使用資源(包括能源、水及其他原材料)的政策。                                                                                                                                                                                                                                                                                                          | 73                                                       |
| A2.1                                                    | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)<br>按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)                                                                                                                                                                                              | 73, 81                                                   |
| A2.2                                                    | Water consumption in total and intensity (e.g. per unit of production volume, per facility)<br>總耗水量及密度(如以每產量單位、每項設施計算)                                                                                                                                                                                                                                                                                                            | 81                                                       |
| A2.3                                                    | Description of energy use efficiency initiatives and results achieved<br>描述能源使用效益計劃及所得成果                                                                                                                                                                                                                                                                                                                                          | 73                                                       |
| A2.4                                                    | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved<br>描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果                                                                                                                                                                                                                                                         | The Group has no issue in sourcing water<br>本集團在求取水源上無問題 |
| A2.5                                                    | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced<br>製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量                                                                                                                                                                                                                                                                        | 81                                                       |
| <b>A3 The Environment and Natural Resources 環境及天然資源</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                          |
| General Disclosure<br>一般披露                              | Policies on minimising the issuer's significant impact on the environment and natural resources<br>減低發行人對環境及天然資源造成重大影響的政策                                                                                                                                                                                                                                                                                                         | 74                                                       |
| A3.1                                                    | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them<br>描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動                                                                                                                                                                                                                                                            | 74                                                       |
| <b>B1 Employment 僱傭</b>                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                          |
| General Disclosure<br>一般披露                              | Information on:<br>有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：<br><br>(a) the policies; and<br>(a) 政策；及<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.<br>(b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 67                                                       |
| B1.1                                                    | Total workforce by gender, employment type, age group, and geographical region<br>按性別、僱傭類型、年齡組別及地區劃分的僱員總數                                                                                                                                                                                                                                                                                                                         | 81                                                       |
| B1.2                                                    | Employee turnover rate by gender, age group, and geographical region<br>按性別、年齡組別及地區劃分的僱員流失比率                                                                                                                                                                                                                                                                                                                                      | 81                                                       |

| Subject Areas<br>主要範疇                    | Content<br>內容                                                                                                                                                                                                                                                                                                                  | Page<br>頁碼索引 |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>B2 Health and Safety 健康與安全</b>        |                                                                                                                                                                                                                                                                                                                                |              |
| General Disclosure<br>一般披露               | Information on:<br>有關提供安全工作環境及保障僱員避免職業性危害的：<br><br>(a) the policies; and<br>(a) 政策；及<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.<br>(b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 61, 64       |
| B2.1                                     | Number and rate of work-related fatalities<br>因工作關係而死亡的人數及比率                                                                                                                                                                                                                                                                   | 82           |
| B2.2                                     | Lost days due to work injury<br>因工傷損失工作日數                                                                                                                                                                                                                                                                                      | 82           |
| B2.3                                     | Description of occupational health and safety measures adopted, and how they are implemented and monitored.<br>描述所採納的職業健康與安全措施，以及相關執行及監察方法。                                                                                                                                                                                    | 61-64        |
| <b>B3 Development and Training 發展及培訓</b> |                                                                                                                                                                                                                                                                                                                                |              |
| General Disclosure<br>一般披露               | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.<br>有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。                                                                                                                                                                     | 65-66        |
| B3.1                                     | The percentage of employees trained by gender and employee category (e.g. senior management, middle management)<br>按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比                                                                                                                                                                           | 82           |
| B3.2                                     | The average training hours completed per employee by gender and employee category<br>按性別及僱員類別劃分，每名僱員完成受訓的平均時數                                                                                                                                                                                                                  | 82           |
| <b>B4 Labour Standards 勞工準則</b>          |                                                                                                                                                                                                                                                                                                                                |              |
| General Disclosure<br>一般披露               | Information on:<br>有關防止童工或強制勞工的：<br><br>(a) the policies; and<br>(a) 政策；及<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.<br>(b) 遵守對發行人有重大影響的相關法律及規例的資料。                                                                 | 68           |
| B4.1                                     | Description of measures to review employment practices to avoid child and forced labour<br>描述檢討招聘慣例的措施以避免童工及強制勞工                                                                                                                                                                                                               | 68           |
| B4.2                                     | Description of steps taken to eliminate such practices when discovered<br>描述在發現違規情況時消除有關情況所採取的步驟                                                                                                                                                                                                                               | 68           |

| Subject Areas<br>主要範疇                   | Content<br>內容                                                                                                                                                                                                                                                                                                                                                                   | Page<br>頁碼索引 |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>B5 Supply Chain Management 供應鏈管理</b> |                                                                                                                                                                                                                                                                                                                                                                                 |              |
| General Disclosure<br>一般披露              | Policies on managing environmental and social risks of the supply chain<br>管理供應鏈的環境及社會風險政策。                                                                                                                                                                                                                                                                                     | 74           |
| B5.1                                    | Number of suppliers by geographical region<br>按地區劃分的供應商數目                                                                                                                                                                                                                                                                                                                       | 82           |
| B5.2                                    | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.<br>描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。                                                                                                                                                                  | 75           |
| <b>B6 Product Responsibility 產品責任</b>   |                                                                                                                                                                                                                                                                                                                                                                                 |              |
| General Disclosure<br>一般披露              | Information on:<br>有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：<br><br>(a) the policies; and<br>(a) 政策；及<br><br>(b) compliance with relevant laws and regulations that have significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.<br>(b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 76-77        |
| B6.1                                    | Percentage of total products sold or shipped subject to recalls for safety and health reasons.<br>已售或已運送產品總數中因安全與健康理由而須回收的百分比。                                                                                                                                                                                                                                                  | 82           |
| B6.2                                    | Number of products and service related complaints received and how they are dealt with<br>接獲關於產品及服務的投訴數目以及應對方法                                                                                                                                                                                                                                                                  | 76, 82       |
| B6.3                                    | Description of practices relating to observing and protecting intellectual property rights.<br>描述與維護及保障知識產權有關的慣例。                                                                                                                                                                                                                                                               | 77           |
| B6.4                                    | Description of quality assurance process<br>描述質量檢定過程                                                                                                                                                                                                                                                                                                                            | 76           |
| B6.5                                    | Description of consumer data protection and privacy policies, how they are implemented and monitored<br>描述消費者資料保障及私隱政策，以及相關執行及監察方法                                                                                                                                                                                                                                              | 76           |

| Subject Areas<br>主要範疇               | Content<br>內容                                                                                                                                                                                                                                                                   | Page<br>頁碼索引 |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>B7 Anti-corruption 反貪污</b>       |                                                                                                                                                                                                                                                                                 |              |
| General Disclosure<br>一般披露          | Information on:<br>有關防止賄賂、勒索、欺詐及洗黑錢的：<br><br>(a) the policies; and<br>(a) 政策；及<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.<br>(b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 77-78        |
| B7.1                                | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases<br>於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果                                                                         | 78           |
| B7.2                                | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored<br>描述防範措施及舉報程序，以及相關執行及監察方法                                                                                                                                            | 77           |
| <b>B8 Community Investment 社區投資</b> |                                                                                                                                                                                                                                                                                 |              |
| General Disclosure<br>一般披露          | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.<br>有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。                                                 | 78           |
| B8.1                                | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)<br>專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)                                                                                                                                    | 78           |
| B8.2                                | Resources contributed (e.g. money or time) to the focus area<br>在專注範疇所動用資源(如金錢或時間)                                                                                                                                                                                              | 79           |

## DIRECTORS' REPORT

### 董事會報告書

The Board has pleasure in presenting the annual report and the audited accounts of the Group for the year ended 31 December 2019.

### PRINCIPAL ACTIVITIES

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

### SEGMENT INFORMATION

An analysis on revenue and operation of the Group for the year ended 31 December 2019 by principal activities and places of operation is set out in Note 5 to the financial statements.

### BUSINESS REVIEW

The Group's business review for the year ended 31 December 2019, which includes a discussion on principal risks and uncertainties facing by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the year, and an indication of likely future developments in the Group's business is set out in the sections headed "Financial Highlights" and "Management Discussion and Analysis" in this annual report. In addition, discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are also set out in the sections headed "Management Discussion and Analysis", "Corporate Governance Report" and "Environmental, Social and Governance Report".

### RESULTS AND DIVIDEND

The Group's results for the year ended 31 December 2019 are set out in the consolidated statement of comprehensive income on page 116.

董事會欣然提呈本集團截至2019年12月31日止年度的年報及經審計賬目。

### 主要業務

本公司的主要業務為投資控股。附屬公司的主要業務載於財務報表附註12。

### 分部資料

本集團截至2019年12月31日止年度按主要業務及營業地區劃分之收益及經營分析載於財務報表附註5。

### 業務回顧

本集團截至2019年12月31日止年度的業務回顧，包括年內有關本集團所面對主要風險及不明朗因素的討論、運用重要財務績效指標對本集團表現的分析、影響本集團的重要事件詳情及對本集團業務未來發展的預測，載於本年報「財務摘要」及「管理層討論及分析」內。此外，有關本集團環保政策、與主要持份者的關係及遵守相關法律法規的討論亦載於「管理層討論及分析」、「企業管治報告」及「環境、社會及管治報告」內。

### 業績及股息

本集團截至2019年12月31日止年度的業績載於第116頁的合併綜合收益表。

## Directors' Report (continued)

### 董事會報告書(續)

It is the policy of the Board, in considering the payment of dividends, to allow shareholders of the Company to participate in the Company's profits whilst retaining adequate reserves for the Group's future growth. The Board shall consider the following factors before declaring or recommending dividends:

- the Group's actual and expected financial performance;
- retained earnings and distributable reserves of the Company and each of the members of the Group;
- the Group's working capital requirements, capital expenditure requirements and future expansion plans;
- the Group's liquidity position;
- general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- other factors that the Board deems relevant.

The payment of dividend is also subject to compliance with applicable laws and regulations including the laws of the Cayman Islands and the Articles. The Board will continually review the said dividend policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

After considering the above-mentioned factors, the Board has recommended the payment of a final dividend of HK\$0.09 per share for the year ended 31 December 2019 to the shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 9 June 2020, amounting to a total of approximately HK\$74,993,000. The proposed final dividend is subject to the approval of the shareholders at the forthcoming annual general meeting of the Company (the "AGM"). The final dividend, if approved, is expected to be paid on Wednesday, 24 June 2020.

董事會當釐訂股息分派時，採納的政策是一方面讓本公司股東分享本公司溢利，同時預留足夠儲備以供本集團日後發展之用。董事會在宣佈派發或建議派發股息前，須考慮下列因素：

- 本集團的實際和預期財務業績；
- 本公司及本集團各成員公司的留存收益和可分配儲備金；
- 本集團預期營運資本要求，資本開支要求及未來擴展計劃；
- 本集團的流動資金狀況；
- 整體經濟狀況、本集團業務的商業週期，以及對本集團業務、財務業績和財務狀況可能有影響的內在或外在因素；及
- 董事會認為相關的其他因素。

本公司派付股息亦須遵守適用的法例及規例，包括開曼群島法例及細則。董事會將不時檢討上述股息政策，並不保證會在任何指定期間派付任何特定金額的股息。

經考慮上述因素，董事會建議向於2020年6月9日(星期二)營業時間結束時名列本公司股東名冊的股東派付截至2019年12月31日止年度的末期股息每股0.09港元，合共約74,993,000港元。建議末期股息須於本公司應屆股東週年大會(「股東週年大會」)上獲得股東批准。如獲批准，預期末期股息將於2020年6月24日(星期三)派付。

## Directors' Report (continued)

### 董事會報告書(續)

#### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on Monday, 1 June 2020, the register of members of the Company will be closed from Wednesday, 27 May 2020 to Monday, 1 June 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered shareholders of the Company should ensure that all share transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 26 May 2020.

For determining the entitlement to the aforesaid proposed final dividend, the register of members of the Company will be closed from Friday, 5 June 2020 to Tuesday, 9 June 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be qualified for the proposed final dividend, unregistered holders of shares of the Company should ensure that all share transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong at the above address for registration not later than 4:30 p.m. on Thursday, 4 June 2020.

#### FIVE YEAR FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the past five financial years is set out on page 212. The summary does not form part of the audited financial statements.

#### PROPERTY, PLANT AND EQUIPMENT

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

#### BANK BORROWINGS

Particulars of the bank borrowings of the Group as at 31 December 2019 are set out in Note 26 to the financial statements.

#### 暫停辦理股份過戶登記手續

為釐定出席將於2020年6月1日(星期一)舉行的股東週年大會並於會上投票的資格，本公司將自2020年5月27日(星期三)至2020年6月1日(星期一)(首尾兩日包括在內)暫停辦理股份過戶登記手續，期間概不會受理任何股份過戶登記。為符合資格出席股東週年大會並於會上投票，本公司股份的未登記持有人須確保所有股份過戶文件連同相關股票不遲於2020年5月26日(星期二)下午4時30分送達本公司香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心54樓)辦理登記手續。

為釐定收取上述建議末期股息的資格，本公司將自2020年6月5日(星期五)至2020年6月9日(星期二)(首尾兩日包括在內)暫停辦理股份過戶登記手續，期間概不會受理任何股份過戶登記。為符合資格收取建議末期股息，本公司股份的未登記持有人須確保所有股份過戶文件連同相關股票不遲於2020年6月4日(星期四)下午4時30分送達如上所示地址的本公司香港股份過戶登記分處辦理登記手續。

#### 五年財務概要

本集團過往五個財務年度的業績、資產及負債的概要載於第212頁。該概要並不構成經審計財務報表的一部分。

#### 物業、廠房及設備

本集團物業、廠房及設備於年內變動的詳情載於財務報表附註13。

#### 銀行借貸

本集團於2019年12月31日的銀行借貸詳情載於財務報表附註26。

## SHARE CAPITAL

Details of the movement in the Company's share capital during the year are set out in Note 21 to the financial statements.

## PRE-EMPTIVE RIGHTS

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

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

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

## RESERVES

Details of the movement in reserves of the Group and the Company during the year are set out in Notes 21, 22, 23, 24 and Note 36(a) to the financial statements and the consolidated statement of changes in equity on pages 192 to 193, page 209, and pages 119 to 120 respectively.

## DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's reserves available for distribution, calculated in accordance with the Companies Law of the Cayman Islands amounted to approximately HK\$498,718,000 (2018: HK\$542,710,000), of which approximately HK\$74,993,000 has been proposed as a final dividend for the year.

## CHARITABLE DONATIONS

Charitable donations made by the Group during the year ended 31 December 2019 were around HK\$3,849,000 (2018: HK\$2,728,000).

## 股本

本公司股本於年內變動的詳情載於財務報表附註21。

## 優先權

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

## 購買、出售或贖回本公司的上市證券

本公司及其任何附屬公司概無於截至2019年12月31日止年度購買、出售或贖回本公司任何上市證券。

## 儲備

本集團及本公司儲備於年內變動的詳情分別載於第192至193頁、第209頁的財務報表附註21、22、23、24和附註36(a)以及第119至120頁的合併權益變動表。

## 可供分配儲備

於2019年12月31日，本公司根據《開曼群島公司法》計算的可供分派儲備約為498,718,000港元(2018年：542,710,000港元)，當中約74,993,000港元已建議派付為年內的末期股息。

## 慈善捐款

本集團於截至2019年12月31日止年度作出的慈善捐款約3,849,000港元(2018年：2,728,000港元)。

## Directors' Report (continued)

### 董事會報告書(續)

#### DIRECTORS

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

##### Executive Directors

Mr. Li Pui Leung  
Mr. Yung Kin Cheung Michael  
Mr. Lee Leung Yiu  
Mr. Cheung Fong Wa

##### Independent Non-executive Directors

Dr. Chung Chi Ping Roy  
Ms. Christine Wan Chong Leung  
(appointed on 20 December 2019)  
Mr. Tsang Wah Kwong  
Mr. Ho Kenneth Kai Chung  
(resigned on 20 December 2019)

Pursuant to the Articles, Mr. Li Pui Leung, Mr. Lee Leung Yiu and Ms. Christine Wan Chong Leung will retire at the AGM and, being eligible, will offer themselves for re-election at the AGM.

#### PARTICULARS OF BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of biographies of directors and senior management of the Group are set out on pages 27 to 33 of this annual report.

#### DIRECTORS' REMUNERATION AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of directors' remuneration and those of the five highest paid individuals in the Group are set out in Notes 37 and 8 to the financial statements.

#### DIRECTORS' SERVICE AGREEMENTS

Each of the executive directors entered into a service agreement with the Company for a term of three years commencing from 20 December 2019, which may be terminated by either party giving not less than three months' notice in writing.

#### 董事

於年內及至本報告日期的董事為：

##### 執行董事

李沛良先生  
翁建翔先生  
李良耀先生  
張芳華先生

##### 獨立非執行董事

鍾志平博士  
梁蘊莊女士  
(於2019年12月20日獲委任)  
曾華光先生  
何啟忠先生  
(於2019年12月20日辭任)

根據細則，李沛良先生、李良耀先生及梁蘊莊女士將於股東週年大會上退任，且符合資格並願意於股東週年大會上膺選連任。

#### 董事及高級管理層履歷詳情

本集團董事及高級管理層之履歷詳情載於本年報第27頁至33頁。

#### 董事薪酬及五名最高薪酬人士

董事薪酬及本集團五名最高薪酬人士的詳情載於財務報表附註37和8。

#### 董事的服務協議

各執行董事與本公司訂立一項服務協議，自2019年12月20日起計為期三年，該服務協議可由任何一方發出不少於三個月的書面通知予以終止。

## Directors' Report (continued)

### 董事會報告書(續)

The Company has issued a letter of appointment to each of the independent non-executive directors for a term of three years commencing from 20 December 2019, unless terminated by either party giving not less than three months' notice in writing.

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

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Connected Transactions" in this report and Note 34 (Related Party Transactions) to the financial statements, no director nor a connected entity of a director had a material interest, either directly or indirectly, in any transactions, arrangements or contract of significance in relation to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisted at the end of the year or at any time during the Year under Review.

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Share Option Scheme" and "Share Award Scheme" below, at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangements and the objects of or one of the objects of such arrangements is/are to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate.

### MANAGEMENT CONTRACTS

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

本公司已向各獨立非執行董事發出委任函，自2019年12月20日起計為期三年，除非任何一方發出不少於三個月的書面通知予以終止則另當別論。

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

### 董事於交易、安排或合約中擁有的權益

除本報告「關連交易」一節及財務報表附註34(關連方交易)所披露者外，於年末或回顧年內的任何時間，概無董事或董事的關連實體直接或間接於本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立的對本集團業務而言屬重大的任何交易、安排或合約中擁有重大權益。

### 董事收購股份或債券的權利

除下文「購股權計劃」及「股份獎勵計劃」所披露者外，於年內任何時間，本公司、其控股公司或任何其附屬公司或同系附屬公司概無訂立任何安排，而其目的(或目的之一為)致使本公司董事可藉收購本公司或任何其他法人團體的股份或債務證券(包括債券)而獲益。

### 管理合約

本年度並無訂立或存在有關本公司全部或任何主要業務分部之管理及行政之合約。

## Directors' Report (continued)

### 董事會報告書(續)

#### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, the interests of the directors or chief executive of the Company in the shares of the Company which were recorded in the register required to be kept pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code (Appendix 10 to the Listing Rules), were as follows:

#### 董事及最高行政人員於股份、相關股份及債券中的權益

於2019年12月31日，本公司董事或最高行政人員於本公司的股份中擁有須根據證券及期貨條例(「證券及期貨條例」)第352條記錄於該條所指的登記冊內的權益，或須根據標準守則(上市規則附錄10)知會本公司及聯交所的權益如下：

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

#### 於本公司股份的好倉

| Name of director                                            | Capacity/Nature of interests                                     | Number of shares | Approximate percentage of shareholding in the Company* |
|-------------------------------------------------------------|------------------------------------------------------------------|------------------|--------------------------------------------------------|
| 董事姓名                                                        | 身份／權益性質                                                          | 股份數目             | 於本公司的概約股權百分比*                                          |
| Mr. Li Pui Leung ("Mr. Li")<br>李沛良先生(「李沛良先生」)               | Interests in controlled corporations<br>(Note 1)<br>受控制法團權益(附註1) | 425,054,000      | 51.01%                                                 |
| Mr. Yung Kin Cheung Michael<br>("Mr. Yung")<br>翁建翔先生(「翁先生」) | Interests in controlled corporation<br>(Note 2)<br>受控制法團權益(附註2)  | 55,620,000       | 6.67%                                                  |
| Mr. Lee Leung Yiu<br>("Mr. Lee")<br>李良耀先生(「李良耀先生」)          | Interests in controlled corporation<br>(Note 3)<br>受控制法團權益(附註3)  | 53,640,000       | 6.44%                                                  |

## Directors' Report (continued)

### 董事會報告書(續)

#### Notes:

1. These shares were held by Eastern Mix Company Limited ("Eastern Mix") (for 335,654,000 shares) and Lead Smart Development Limited ("Lead Smart") (for 89,400,000 shares) respectively. The issued share capital of Eastern Mix is owned as to 45%, 28% and 27% by Mr. Li, Mr. Yung and Mr. Lee, respectively; and Lead Smart is wholly-owned and controlled by Mr. Li. As Eastern Mix and Lead Smart are controlled corporations of Mr. Li, he is deemed to be interested in these shares held by these two corporations pursuant to Part XV of the SFO.
  2. These shares were held by Cheer Union Development Ltd. ("Cheer Union"), a corporation wholly-owned and controlled by Mr. Yung.
  3. These shares were held by Normal Times International Limited ("Normal Times"), a corporation wholly-owned and controlled by Mr. Lee.
- \* The percentage represents the number of ordinary shares involved divided by the number of the Company's issued shares as at 31 December 2019.

Save as disclosed above, as at 31 December 2019, none of the directors nor chief executive of the Company had any interests or short positions in shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which has been recorded in the register required to be kept pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

#### 附註：

1. 該等股份分別由集東有限公司(「集東」)(佔335,654,000股股份)及安領發展有限公司(「安領」)(佔89,400,000股股份)持有。集東的已發行股本分別由李沛良先生、翁先生及李良耀先生持有45%、28%及27%；另外，李沛良先生全資擁有及控制安領。由於集東及安領為李沛良先生的受控制法團，故根據證券及期貨條例第XV部，彼被視為於該兩間公司持有的股份中擁有權益。
  2. 該等股份由興邦發展有限公司(「興邦」)持有，該公司由翁先生全資擁有及控制。
  3. 該等股份由適時國際有限公司(「適時」)持有，該公司由李良耀先生全資擁有及控制。
- \* 百分比指所涉及的普通股數目除以本公司於2019年12月31日已發行的股份數目。

除上文所披露者外，於2019年12月31日，概無本公司董事或最高行政人員於本公司或其任何相關法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有根據證券及期貨條例第352條須予存置的登記冊內所記錄的權益或淡倉，或須根據標準守則知會本公司及聯交所的權益或淡倉。

## Directors' Report (continued)

### 董事會報告書(續)

#### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, the following corporations had interests in 5% or more of the issued share capital of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or as known by the Company:

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

#### 主要股東於股份及相關股份的權益

於2019年12月31日，本公司根據證券及期貨條例第336條規定須由本公司存置的權益登記冊所記錄或就本公司所知，以下法團擁有本公司5%或以上的已發行股本的權益：

#### 於本公司股份的好倉

| Name of shareholder                                                                        | Capacity/Nature of interests                   | Number of shares | Approximate percentage of shareholding in the Company*<br>於本公司的概約股權百分比* |
|--------------------------------------------------------------------------------------------|------------------------------------------------|------------------|-------------------------------------------------------------------------|
| 股東姓名                                                                                       | 身份／權益性質                                        | 股份數目             |                                                                         |
| Eastern Mix (Note 1)<br>集東(附註1)                                                            | Beneficial owner<br>實益擁有人                      | 335,654,000      | 40.28%                                                                  |
| Lead Smart (Note 1)<br>安領(附註1)                                                             | Beneficial owner<br>實益擁有人                      | 89,400,000       | 10.73%                                                                  |
| Cheer Union (Note 2)<br>興邦(附註2)                                                            | Beneficial owner<br>實益擁有人                      | 55,620,000       | 6.67%                                                                   |
| Normal Times (Note 3)<br>適時(附註3)                                                           | Beneficial owner<br>實益擁有人                      | 53,640,000       | 6.44%                                                                   |
| Value Partners Group Limited<br>(Note 4)<br>惠理集團有限公司(附註4)                                  | Interest in controlled corporations<br>受控制法團權益 | 65,302,000       | 7.84%                                                                   |
| Value Partners High-Dividend<br>Stocks Fund<br>Value Partners High-Dividend<br>Stocks Fund | Beneficial owner<br>實益擁有人                      | 64,410,000       | 7.73%                                                                   |
| FMR LLC (Note 5)<br>FMR LLC(附註5)                                                           | Interest in controlled corporations<br>受控制法團權益 | 59,403,690       | 7.13%                                                                   |

## Directors' Report (continued)

### 董事會報告書(續)

#### Notes:

1. The above interests of Eastern Mix and Lead Smart were also disclosed as the interests of Mr. Li in the above section headed "Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures".
  2. The above interests of Cheer Union were also disclosed as the interests of Mr. Yung in the above section headed "Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures".
  3. The above interests of Normal Times were also disclosed as the interests of Mr. Lee in the above section headed "Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures".
  4. These 65,302,000 shares were held by Value Partners Limited, a wholly-owned subsidiary of Value Partners Hong Kong Limited, which in turn was a wholly-owned subsidiary of Value Partners Group Limited. Accordingly, Value Partners Hong Kong Limited and Value Partners Group Limited were deemed to be interested in these shares pursuant to Part XV of the SFO.
  5. FMR LLC was deemed to be interested in these 59,403,690 shares through a series of subsidiaries pursuant to Part XV of the SFO.
- \* The percentage represents the number of ordinary shares involved divided by the number of the Company's issued shares as at 31 December 2019.

Save as disclosed above, as at 31 December 2019, no person, other than the directors and chief executive of the Company whose interests are set out in the section headed "Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures" above, had any interests or short positions in the shares or underlying shares of the Company as recorded in the register of interests required to be kept pursuant to Section 336 of the SFO.

#### 附註：

1. 以上集東及安領之權益於上文「董事及最高行政人員於股份、相關股份及債券中的權益」一節中亦已披露為李沛良先生的權益。
  2. 以上興邦之權益於上文「董事及最高行政人員於股份、相關股份及債券中的權益」一節中亦已披露為翁先生的權益。
  3. 以上適時之權益於上文「董事及最高行政人員於股份、相關股份及債券中的權益」一節中亦已披露為李良耀先生的權益。
  4. 該等65,302,000股股份由惠理基金管理香港有限公司的全資附屬公司惠理基金管理公司持有，而惠理基金管理香港有限公司為惠理集團有限公司的全資附屬公司。因此，根據證券及期貨條例第XV部，惠理基金管理香港有限公司及惠理集團有限公司被視為於該等股份中擁有權益。
  5. 根據證券及期貨條例第XV部，FMR LLC被視為透過一系列附屬公司間接擁有該等59,403,690股股份的權益。
- \* 百分比指所涉及的普通股數目除以本公司於2019年12月31日已發行的股份數目。

除上文所披露者外，於2019年12月31日，概無人士（權益載於上文「董事及最高行政人員於股份、相關股份及債券中的權益」一節的本公司董事及最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須存置的權益登記冊所記錄的權益或淡倉。

## Directors' Report (continued)

### 董事會報告書(續)

#### SHARE OPTION SCHEME

The Company adopted a share option scheme on 29 November 2013 (the "Share Option Scheme") for the purpose of providing incentives or rewards to eligible participants (including employees, executives or officers, directors including non-executive directors and independent non-executive directors, advisers, consultants, suppliers, customers and agents of the Company or any of its subsidiaries) for their contribution to the long term growth of the Group and to enable the Company to attract and retain high caliber employees.

The Share Option Scheme became effective on the date of the Company's listing (20 December 2013) and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The total number of securities of the Company available for issue under the Share Option Scheme was 73,340,000 shares, representing approximately 8.80% of the shares of the Company in issue as at the date of this annual report. The maximum number of shares issuable under share options granted to each eligible participant in the Share Option Scheme (including both exercised and outstanding options) within any 12-month period is limited to 1% of the shares of the Company in issue. Any grant or further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting. A grant of share options under the Share Option Scheme to a director, chief executive or substantial shareholder of the Company, or to any of their associates, is subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the Options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, which would result in the shares issued and to be issued, upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding), to such person in the 12-month period up to and including the date of the grant in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, are subject to shareholders' approval in advance in a general meeting.

#### 購股權計劃

本公司已於2013年11月29日採納一項購股權計劃(「購股權計劃」)，以就合資格參與者(包括本公司或其任何附屬公司的僱員、行政人員或高級職員、董事(包括非執行董事及獨立非執行董事)、顧問、諮詢人士、供應商、客戶及代理)為本集團的長期增長作出的貢獻向他們提供獎勵或回報，並有助本公司吸引及挽留有才能的僱員。

購股權計劃於本公司上市日期(2013年12月20日)開始生效及將自該日起計十年內持續有效(除非另行註銷或修訂)。

購股權計劃下可予發行之本公司證券總數為73,340,000股，佔本年報日期本公司已發行股份的約8.80%。於任何12個月期間根據購股權計劃向每位合資格參與者授出的購股權(包括已行使及尚未行使的購股權)可予以發行的股份數目上限以本公司已發行股份之1%為限。授出或進一步授出超過此限額的任何購股權均須經股東在股東大會上批准。根據購股權計劃向本公司董事、主要行政人員或主要股東，或任何彼等的聯繫人士授出購股權須經獨立非執行董事(不包括身為購股權承授人的任何獨立非執行董事)提前批准。此外，若於截至授出日期(包括該日)的12個月期間內，向本公司主要股東或獨立非執行董事或任何彼等的聯繫人士授出的任何購股權，將導致於行使所有已授出及將授出的購股權(包括已行使、已註銷及尚未行使購股權)時向該等人士發行及將予發行的股份超過本公司已發行股份0.1%及總價值(根據本公司股份於授出日期的收市價計算)超過5百萬港元，則須經股東在股東大會上提前批准。

The offer of a grant of share options may be accepted within 30 days from the date of offer upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determined by the directors, save that such a period shall not be more than 10 years from the date of offer of the share options and subject to the provisions for early termination as set out in the Share Option Scheme. There is no requirement of a minimum period for which an option must be held before it can be exercised.

The exercise price of the share options shall be not less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options, which must be a date on which the Stock Exchange is open for business of dealing in securities; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of a share of the Company on the date of offer.

For the year ended 31 December 2019, there was no outstanding share option for the subscription of new shares held by any parties.

## SHARE AWARD SCHEME

The Company adopted a share award scheme on 25 February 2019 (the "Share Award Scheme") as means to recognise the contribution by the Group's personnel and to provide them with incentives to retain them for the continual operation and development of the Group. The shares of the Company to be awarded under the Share Award Scheme will be purchased by the trustee from the open market out of cash contributed by the Group or subscribed by the trustee when allotted and issued by the Company under a general mandate granted or to be granted by the shareholders of the Company from time to time to allot, issue or otherwise deal with the Company's shares in accordance with the Listing Rules for the purpose of the trust and be held on trust for the Eligible Participants (as defined under the Share Award Scheme) (other than Excluded Participants (as defined under the Share Award Scheme)) until such shares are vested with the relevant Selected Participants (as defined under the Share Award Scheme) in accordance with the provisions of the Share Award Scheme.

For the year ended 31 December 2019, the Company through its trustee, Bank of Communications Trustee Limited, acquired a total of 1,154,000 of the Company's shares. Details of the Share Award Scheme are set out in Note 25 to the financial statements.

授出購股權的要約可於承授人支付總額為1港元的名義代價後，自要約日期起計的30日內獲接納。已授出購股權的行使期由董事釐定，惟倘有關行使期自購股權要約日期起計不超過十年，及須受購股權計劃所載的提前終止條文規限。購股權獲行使前並無須持有購股權的最短期間的規定。

購股權之行使價不得低於(以最高者為準)：(i)本公司股份於購股權要約日期(須為聯交所開市進行證券買賣的日子)在聯交所的收市價；(ii)本公司股份於緊接要約日期前五個交易日在聯交所的平均收市價；及(iii)本公司股份於要約日期的面值。

於截至2019年12月31日止年度，概無任何人士持有可認購新股份且尚未行使之購股權。

## 股份獎勵計劃

本公司已於2019年2月25日，採納一項股份獎勵計劃(「股份獎勵計劃」)，作為肯定本集團人員所作出貢獻及向彼等提供獎勵以挽留彼等繼續協助本集團營運及發展的方法。根據股份獎勵計劃將予獎勵的本公司股份將由受託人以本集團提供的現金於公開市場購入，或由受託人於本公司就信託而言根據本公司股東根據上市規則不時授出或將授出以配發、發行或以其他方式處置本公司股份的一般授權進行配發及發行時認購，並以信託形式代合資格參與者(股份獎勵計劃所定義)(不包括除外參與者(股份獎勵計劃所定義))持有，直至該等股份根據股份獎勵計劃條文歸屬予相關選定參與者(股份獎勵計劃所定義)為止。

於截至2019年12月31日止年度，本公司透過其受託人交通銀行信託有限公司購買合共1,154,000股本公司股份。有關股份獎勵計劃的詳情載於財務報表附註25。

## Directors' Report (continued)

### 董事會報告書(續)

#### DEED OF NON-COMPETITION

Each of Mr. Li, Lead Smart and Eastern Mix (collectively the "Covenantors") have entered into a Deed of Non-Competition in favour of the Company (on behalf of itself and the Group) dated 29 November 2013 (the "Deed"). Pursuant to the Deed, each of the Covenantors shall procure their respective associates not to directly or indirectly engage in any business in competition with the existing businesses of the Group. Relevant information on the Deed was disclosed in the Prospectus in the section headed "Relationship with Controlling Shareholders". The Company has received confirmations from the Covenantors of their compliance with the terms of the Deed. The Covenantors declared that they have fully complied with the Deed for the year ended 31 December 2019. The independent non-executive directors have reviewed the confirmations from the Covenantors and concluded that the Deed has been complied with and enforced in an effective manner.

#### PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout the year.

#### CONNECTED TRANSACTIONS

The Group entered into the following continuing connected transactions during the year. The directors confirmed that those transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. All applicable percentage ratios (other than the profits ratio) as defined in Rule 14.07 of the Listing Rules in respect of the proposed annual caps for those transactions are expected to be less than 5%. Those transactions are exempt from shareholders' approval under Rule 14A.76(2) of the Listing Rules and in the interests of the shareholders of the Company as a whole.

#### 不競爭契據

李沛良先生、安領及集東(統稱「契約方」)已代表本身及本集團以本公司為受益人訂立一份日期為2013年11月29日的不競爭契據(「契據」)。根據契據，各契約方須促使他們各自的聯繫人士不會直接或間接從事與本集團現有業務構成競爭的任何業務。契據相關資料披露於招股章程「與控股股東的關係」一節。本公司已接獲契約方有關他們遵守契據條款的確認函。契約方宣佈，他們於截至2019年12月31日止年度已全面遵守契據。獨立非執行董事已審閱契約方的確認函，並推定契據已獲遵守並有效實施。

#### 獲准許彌償條文

有關惠及本公司董事的獲准許彌償條文(定義見香港公司條例)於現在及年內均為有效。

#### 關連交易

年內本集團訂立以下持續關連交易。董事確認該等交易乃於本集團日常及一般業務過程中按公平合理之正常商業條款訂立，並符合本公司股東之整體利益。根據上市規則第14.07條的定義，該等交易之建議年度上限所有適用百分比率(盈利比率除外)預期低於5%。根據上市規則第14A.76(2)條，該等交易獲豁免遵守股東批准的規定，並符合本公司股東之整體利益。

## Directors' Report (continued)

### 董事會報告書(續)

The table below sets out the annual caps and the actual transaction amounts of those continuing connected transactions in 2019:

下表載列該等持續關連交易於2019年之年度上限及實際交易額：

| No.<br>編號                              | Connected Transaction<br>關連交易                                              | Connected Person<br>關連人士                                                                 | Annual Cap<br>年度上限 |                 | Actual Transaction Amount<br>實際交易額 |                 |
|----------------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------|-----------------|------------------------------------|-----------------|
|                                        |                                                                            |                                                                                          | RMB'000<br>人民幣千元   | HK\$'000<br>千港元 | RMB'000<br>人民幣千元                   | HK\$'000<br>千港元 |
| 1                                      | Hong Kong Tenancy Agreement<br>香港租賃協議                                      | TK Technology Holdings Limited<br>("TK Technology Holdings")<br>東江科技集團有限公司<br>(「東江科技集團」) | 146                | 168             | 146                                | 168             |
| 2                                      | Shenzhen Tangjia Plant No. 1 Lease Agreement<br>深圳塘家廠房1號租賃協議               | TK Technology (Shenzhen)<br>東江科技(深圳)                                                     | 18,261             | 21,483          | 15,682                             | 17,807          |
| 3                                      | Shenzhen Tangjia Plant No. 2 Lease Agreement<br>深圳塘家廠房2號租賃協議               | TK Technology (Shenzhen)<br>東江科技(深圳)                                                     | 30,213             | 35,544          | 28,965                             | 32,889          |
| 4                                      | Shenzhen Tangjia Plant No. 3 Lease Agreement<br>深圳塘家廠房3號租賃協議               | TK Technology (Shenzhen)<br>東江科技(深圳)                                                     | 6,510              | 7,663           | 6,109                              | 6,934           |
| 5                                      | Shenzhen Tangjia Plant No. 4 Lease Agreement<br>深圳塘家廠房4號租賃協議               | TK Technology (Shenzhen)<br>東江科技(深圳)                                                     | 20                 | 23              | 9                                  | 10              |
| 6                                      | Shenzhen Tangjia Plant Dormitory Block A Lease Agreement<br>深圳塘家廠房A棟宿舍租賃協議 | TK Technology (Shenzhen)<br>東江科技(深圳)                                                     | 675                | 795             | 454                                | 516             |
| 7                                      | Shenzhen Tangjia Plant Parking Space Lease Agreement<br>深圳塘家廠房車位租賃協議       | TK Technology (Shenzhen)<br>東江科技(深圳)                                                     | 914                | 1,076           | 914                                | 1,038           |
| 8                                      | Shenzhen Tangjia Plant Farm Land Lease Agreement<br>深圳塘家廠房農莊租賃協議           | TK Technology (Shenzhen)<br>東江科技(深圳)                                                     | 557                | 655             | 557                                | 632             |
| 9                                      | Shenzhen Tangjia Plant Football Field Lease Agreement<br>深圳塘家廠房足球場租賃協議     | TK Technology (Shenzhen)<br>東江科技(深圳)                                                     | 264                | 311             | 264                                | 300             |
| Subtotal of lease agreements<br>租賃協議小計 |                                                                            |                                                                                          | 57,560             | 67,718          | 53,100                             | 60,294          |

## Directors' Report (continued)

### 董事會報告書(續)

#### (1) Hong Kong Tenancy Agreement

A tenancy agreement dated 27 December 2018 (the "Hong Kong Tenancy Agreement") was entered into between TK Technology Holdings as landlord and TK Group International (Hong Kong) Limited ("TK Group International (Hong Kong)", a subsidiary of the Company) as tenant in respect of the premises located at Workshop No. 19 on 9th Floor, Block B, Hi-Tech Industrial Centre, No. 491-501 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong (the "Hong Kong Premises") with an area of approximately 77.67 square metres for a term of three years commencing on 1 January 2019 and expiring on 31 December 2021 at a monthly rent of HK\$14,000. The property is used as the principal place of business for the Group in Hong Kong. At any time during the term of the Hong Kong Tenancy Agreement, TK Group International (Hong Kong) may terminate the Hong Kong Tenancy Agreement by giving not less than one month's prior written notice to the landlord or by paying one month's rent to the landlord.

TK Technology Holdings is a property holding company and indirectly held as to 45.0% by Mr. Li, 28.0% by Mr. Yung and 27.0% by Mr. Lee. According to the Listing Rules, TK Technology Holdings is an associate of Mr. Li, Mr. Yung and Mr. Lee, and is thus a connected person of the Company.

Pursuant to the Hong Kong Tenancy Agreement, the annual rent of the Hong Kong Premises in 2019 amounted to HK\$168,000, payable by TK Group International (Hong Kong) in advance on the first day of each calendar month. The annual rent payable to TK Technology Holdings was determined at after arm's length negotiation between the parties to the Hong Kong Tenancy Agreement. The independent property valuer of the Company has also confirmed that the terms of the Hong Kong Tenancy Agreement are fair and reasonable and the rental payment under the Hong Kong Tenancy Agreement reflects the prevailing market rate.

#### (1) 香港租賃協議

東江科技集團(作為業主)與東江集團國際(香港)有限公司(「東江集團國際(香港)」, 本公司之附屬公司)(作為承租人)於2018年12月27日訂立租賃協議(「香港租賃協議」), 內容有關香港新界荃灣青山道491-501號嘉力工業中心B座9樓第19號車間的物業(「香港物業」), 面積約77.67平方米, 租期三年, 自2019年1月1日起至2021年12月31日屆滿, 月租為14,000港元。該物業被用作本集團在香港的主要營業地點。於香港租賃協議期限內, 東江集團國際(香港)可隨時向業主發出不少於一個月事先書面通知, 或向業主支付一個月的租金終止香港租賃協議。

東江科技集團為物業控股公司, 由李沛良先生、翁先生及李良耀先生分別間接持有45.0%、28.0%及27.0%。根據上市規則, 東江科技集團為李沛良先生、翁先生及李良耀先生的聯繫人, 故為本公司的關連人士。

根據香港租賃協議, 2019年香港物業的年租為168,000港元, 由東江集團國際(香港)於各曆月首日預先支付。應付予東江科技集團的年租乃經香港租賃協議訂約方公平磋商後釐定。本公司的獨立物業估值師亦已確認香港租賃協議的條款屬公平合理, 及香港租賃協議項下的租金反映了現行市價。

## (2) Shenzhen Tangjia Plants Lease Agreements

The following lease agreements were entered into between TK Technology (Shenzhen) as landlord and TK Mold (Shenzhen) Limited ("TK Mold (Shenzhen)"), TK Precision Plastics (Shenzhen) Limited ("TK Precision Plastics"), YD Mold (Shenzhen) Limited ("YD Mold") and TK Supply Chain Management Services (Shenzhen) Limited ("TK Supply Chain") as tenants respectively:

## (2) 深圳塘家廠房租賃協議

東江科技(深圳)(作為業主)與東江模具(深圳)有限公司(「東江模具(深圳)」)、東江精創注塑(深圳)有限公司(「東江精創注塑」)、佑東模具(深圳)有限公司(「佑東模具」)及東江供應鏈管理服務(深圳)有限公司(「東江供應鏈」)(作為承租人)分別訂立下列租賃協議：

| Agreement<br>協議                                 | Parties to the Agreement<br>協議訂約方                                                        | Date of Agreement<br>協議日期 | Leased Property<br>租賃物業                                                                                                                                                                                                                             | Term<br>年期                            | Monthly Rent<br>月租<br>(RMB)<br>(人民幣) |
|-------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------|
| Shenzhen Tangjia Plant No. 1<br>Lease Agreement | TK Technology (Shenzhen) as landlord<br>and TK Mold (Shenzhen) and<br>YD Mold as tenants | 1 January 2019            | Workshop A, B, C, D, E and F Phase 1 of<br>TK Technology Park, Tangjia Community,<br>Fenghuang Sub-District Office,<br>Guangming District, Shenzhen City, the PRC                                                                                   | 1 January 2019 to<br>31 December 2021 | 1,306,864                            |
| 深圳塘家廠房1號租賃協議                                    | 東江科技(深圳)(作為業主)與<br>東江模具(深圳)及佑東模具<br>(作為承租人)                                              | 2019年1月1日                 | 中國深圳市光明區鳳凰辦事處塘家社區<br>東江科技工業園(一期)廠房A、B、C、D、E、F棟                                                                                                                                                                                                      | 2019年1月1日至<br>2021年12月31日             |                                      |
| Shenzhen Tangjia Plant No. 2<br>Lease Agreement | TK Technology (Shenzhen) as landlord<br>and TK Precision Plastics as tenant              | 1 January 2019            | Workshop G and H Phase 2, Zone A Workshop J,<br>Phase 3, the 4th, 5th, and 6th floor of Zone B,<br>Workshop J, Phase 3 of TK Technology Park,<br>Tangjia Community, Fenghuang Sub-District<br>Office, Guangming District, Shenzhen City,<br>the PRC | 1 January 2019 to<br>31 December 2021 | 2,413,744                            |
| 深圳塘家廠房2號租賃協議                                    | 東江科技(深圳)(作為業主)與<br>東江精創注塑(作為承租人)                                                         | 2019年1月1日                 | 中國深圳市光明區鳳凰辦事處塘家社區<br>東江科技工業園(二期)廠房G、H棟；<br>(三期)廠房J棟A區、J棟B區第4、5、6層                                                                                                                                                                                   | 2019年1月1日至<br>2021年12月31日             |                                      |
| Shenzhen Tangjia Plant No. 3<br>Lease Agreement | TK Technology (Shenzhen) as landlord<br>and TK Precision Plastics as tenant              | 1 January 2019            | The 1st, 2nd, 3rd, 8th, 9th and 10th floor of Zone B,<br>Workshop J, Phase 3 of TK Technology Park,<br>Tangjia Community, Fenghuang Sub-District<br>Office, Guangming District, Shenzhen City,<br>the PRC                                           | 1 January 2019 to<br>31 December 2021 | 508,827                              |
| 深圳塘家廠房3號租賃協議                                    | 東江科技(深圳)(作為業主)與<br>東江精創注塑(作為承租人)                                                         | 2019年1月1日                 | 中國深圳市光明區鳳凰辦事處塘家社區<br>東江科技工業園(三期)廠房J棟B區<br>第1、2、3、8、9、10層                                                                                                                                                                                            | 2019年1月1日至<br>2021年12月31日             |                                      |

## Directors' Report (continued)

### 董事會報告書(續)

| Agreement<br>協議                                          | Parties to the Agreement<br>協議訂約方                                                                | Date of Agreement<br>協議日期 | Leased Property<br>租賃物業                                                                                                                                | Term<br>年期                         | Monthly Rent<br>月租<br>(RMB)<br>(人民幣) |
|----------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------|
| Shenzhen Tangjia Plant No. 4 Lease Agreement             | TK Technology (Shenzhen) as landlord and TK Supply Chain as tenant                               | 15 June 2019              | Zone B Level 7 Workshop J, Phase 3 of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC | 15 June 2019 to 31 December 2021   | 1,375                                |
| 深圳塘家廠房4號租賃協議                                             | 東江科技(深圳)(作為業主)與東江供應鏈(作為承租人)                                                                      | 2019年6月15日                | 中國深圳市光明區鳳凰辦事處塘家社區東江科技工業園(三期)廠房J棟B區第7層                                                                                                                  | 2019年6月15日至2021年12月31日             |                                      |
| Shenzhen Tangjia Plant Dormitory Block A Lease Agreement | TK Technology (Shenzhen) as landlord and TK Precision Plastics and TK Mold (Shenzhen) as tenants | 1 January 2019            | Dormitory Block A of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC                  | 1 January 2019 to 31 December 2019 | 37,868                               |
| 深圳塘家廠房A棟宿舍租賃協議                                           | 東江科技(深圳)(作為業主)與東江精創注塑及東江模具(深圳)(作為承租人)                                                            | 2019年1月1日                 | 中國深圳市光明區鳳凰辦事處塘家社區東江科技工業園A棟宿舍                                                                                                                           | 2019年1月1日至2019年12月31日              |                                      |
| Shenzhen Tangjia Plant Parking Space Lease Agreement     | TK Technology (Shenzhen) as landlord and TK Precision Plastics and TK Mold (Shenzhen) as tenants | 1 January 2019            | Parking Space of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC                      | 1 January 2019 to 31 December 2021 | 76,200                               |
| 深圳塘家廠房車位租賃協議                                             | 東江科技(深圳)(作為業主)與東江精創注塑及東江模具(深圳)(作為承租人)                                                            | 2019年1月1日                 | 中國深圳市光明區鳳凰辦事處塘家社區東江科技工業園車位                                                                                                                             | 2019年1月1日至2021年12月31日              |                                      |
| Shenzhen Tangjia Plant Farm Land Lease Agreement         | TK Technology (Shenzhen) as landlord and TK Precision Plastics as tenant                         | 1 January 2019            | Farm Land of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC                          | 1 January 2019 to 31 December 2021 | 46,400                               |
| 深圳塘家廠房農莊租賃協議                                             | 東江科技(深圳)(作為業主)與東江精創注塑(作為承租人)                                                                     | 2019年1月1日                 | 中國深圳市光明區鳳凰辦事處塘家社區東江科技工業園農莊                                                                                                                             | 2019年1月1日至2021年12月31日              |                                      |
| Shenzhen Tangjia Plant Football Field Lease Agreement    | TK Technology (Shenzhen) as landlord and TK Precision Plastics as tenant                         | 1 January 2019            | Football Field of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC                     | 1 January 2019 to 31 December 2021 | 22,000                               |
| 深圳塘家廠房足球場租賃協議                                            | 東江科技(深圳)(作為業主)與東江精創注塑(作為承租人)                                                                     | 2019年1月1日                 | 中國深圳市光明區鳳凰辦事處塘家社區東江科技工業園足球場                                                                                                                            | 2019年1月1日至2021年12月31日              |                                      |

TK Mold (Shenzhen), TK Precision Plastics, YD Mold and TK Supply Chain are entitled to renew the Shenzhen Tangjia Plants Lease Agreements by notifying the landlord one month before the expiration of the Shenzhen Tangjia Plants Lease Agreements, and TK Mold (Shenzhen), TK Precision Plastics, YD Mold and TK Supply Chain are entitled to a right of first refusal in the renewal. Moreover, in the event that the landlord intends to sell the subject properties during the term of the Shenzhen Tangjia Plants Lease Agreements, including any renewal thereof, the landlord shall inform TK Mold (Shenzhen), TK Precision Plastics, YD Mold and TK Supply Chain of the intended sale in writing and TK Mold (Shenzhen), TK Precision Plastics, YD Mold and TK Supply Chain are entitled to a right of first refusal to purchase, which is deemed to be waived if TK Mold (Shenzhen), TK Precision Plastics, YD Mold and TK Supply Chain do not accept the offer within 30 days after receiving such notice. TK Mold (Shenzhen), TK Precision Plastics, YD Mold and TK Supply Chain are further entitled to terminate the Shenzhen Tangjia Plants Lease Agreements by giving one month's notice to the landlord without cause. Mr. Li, Mr. Yung and Mr. Lee, being the ultimate shareholders of TK Technology (Shenzhen), undertake to use their best endeavour to procure TK Technology (Shenzhen) to fulfil its obligations under the Shenzhen Tangjia Plants Lease Agreements.

TK Technology (Shenzhen) is a company indirectly held as to 45.0% by Mr. Li, 28.0% by Mr. Yung and 27.0% by Mr. Lee. According to the Listing Rules, TK Technology (Shenzhen) is an associate of Mr. Li, Mr. Yung and Mr. Lee, and is thus a connected person of the Company.

The annual rent payable to TK Technology (Shenzhen) was determined at after arm's length negotiation between the parties to the Shenzhen Tangjia Plants Lease Agreements. The independent property valuer of the Company has also confirmed that, having taken into account of, among other things, the title defects of the Shenzhen Tangjia Plants, the terms of the Shenzhen Tangjia Plants Lease Agreements (including the rental payable thereunder) are fair and reasonable and the rental payable under the Shenzhen Tangjia Plants Lease Agreements reflects the prevailing market rate. Our directors consider that the Shenzhen Tangjia Plants Lease Agreements have been entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

東江模具(深圳)、東江精創注塑、佑東模具及東江供應鏈有權於深圳塘家廠房租賃協議屆滿前一個月通知業主續簽深圳塘家廠房租賃協議，且東江模具(深圳)、東江精創注塑、佑東模具及東江供應鏈擁有續期的優先權。此外，倘業主擬於深圳塘家廠房租賃協議期限(包括該協議的任何續期)內出售物業，業主須以書面形式告知東江模具(深圳)、東江精創注塑、佑東模具及東江供應鏈該擬定出售，且東江模具(深圳)、東江精創注塑、佑東模具及東江供應鏈擁有優先購買權，倘東江模具(深圳)、東江精創注塑、佑東模具及東江供應鏈於接獲該通知後30日內並無接受要約，則視作放棄該優先購買權。東江模具(深圳)、東江精創注塑、佑東模具及東江供應鏈有權給予業主一個月通知予以終止深圳塘家廠房租賃協議，而毋須任何理由。東江科技(深圳)最終股東李沛良先生、翁先生及李良耀先生承諾，盡他們最大努力促使東江科技(深圳)根據深圳塘家廠房租賃協議履行其責任。

東江科技(深圳)為由李沛良先生、翁先生及李良耀先生分別間接持有45.0%、28.0%及27.0%的公司。根據上市規則，東江科技(深圳)為李沛良先生、翁先生及李良耀先生的聯繫人，故為本公司的關連人士。

應付東江科技(深圳)的年租乃經深圳塘家廠房租賃協議的各方公平磋商後釐定。本公司的獨立物業估值師經考慮(其中包括)深圳塘家廠房產權瑕疵後，亦已確認深圳塘家廠房租賃協議的條款(包括其項下的應付租金)屬公平合理，且深圳塘家廠房租賃協議項下的應付租金反映了現行市價。我們的董事認為，深圳塘家廠房租賃協議於本集團日常及一般業務過程中按正常商業條款訂立。

## Directors' Report (continued)

### 董事會報告書(續)

Pursuant to Rules 14A.81, 14A.82 and 14A.83 of the Listing Rules, the transactions under the Hong Kong Tenancy Agreement and Shenzhen Tangjia Plants Lease Agreements (collectively the "Connected Lease Agreements") have been aggregated for the purposes of determining the category of continuing connected transaction that the Connected Lease Agreements shall fall into under the Listing Rules.

The independent non-executive directors of the Company have, for the purpose of Rule 14A.55 of the Listing Rules, reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions have been entered into by the Group (i) in the ordinary and usual course of its business; (ii) on normal commercial terms or better; and (iii) according to the agreements governing such transactions on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter in respect of the continuing connected transactions disclosed above by the Group. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

根據上市規則第14A.81、14A.82及14A.83條，香港租賃協議及深圳塘家廠房租賃協議(統稱「關連租賃協議」)項下的交易乃合併計算，以釐定關連租賃協議根據上市規則所屬的持續關連交易類別。

就上市規則第14A.55條而言，本公司獨立非執行董事已檢討上述持續關連交易並確認，該等持續關連交易乃由本集團(i)於其日常及一般業務過程中訂立；(ii)按正常商業條款或更佳之條款；及(iii)根據規管該等交易之協議之公平合理條款進行，並符合本公司股東的整體利益。

根據上市規則第14A.56條，本公司核數師獲委聘根據《香港核證聘用準則3000》「歷史財務資料審計或審閱以外的核證工作」及參照香港會計師公會頒佈的《實務說明》第740號「關於香港上市規則所述持續關連交易的核數師函件」匯報本集團之持續關連交易。核數師已就本集團於上文披露之持續關連交易作出無保留意見的報告。本公司已向聯交所提交該核數師函件副本。

## RELATED PARTY TRANSACTIONS

The details of the related party transactions are set out in Note 34 to the financial statements.

The Company confirms that in relation to the related party transactions for the year ended 31 December 2019, it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers accounted for 38.9% of the Group's total sales and the sales attributable to the Group's largest customer was approximately 13.3% of the Group's total sales. The aggregate purchases attributable to the Group's five largest suppliers were approximately 13.6% of the Group's total purchases and the purchase attributable to the Group's largest supplier was approximately 4.0% of the Group's total purchases.

None of the directors or any of their close associates or any shareholder of the Company (which to the knowledge of the directors own more than 5% of the Company's issued share capital) had beneficial interests in the Group's top five suppliers or customers referred to above.

## COMPLIANCE OF RELEVANT LAWS AND REGULATIONS

During the year, there was no material breach or non-compliance with the applicable laws regulations by the Group.

## EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed "Share Option Scheme" and "Share Award Scheme" in this annual report, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares entered into by the Company during the Year under Review or subsisted at the end of the year.

## CONTRACTS OF SIGNIFICANCE

No contracts of significance were entered into between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries during the year.

## 關連方交易

關連方交易的詳情載於財務報表附註34。

本公司確認，截至2019年12月31日止年度的關連方交易已根據上市規則第14A章遵守披露規定。

## 主要客戶及供應商

年內，本集團五大客戶應佔的銷售總額佔本集團銷售總額的38.9%，而本集團最大客戶應佔的銷售額約為本集團銷售總額的13.3%。本集團五名最大供應商應佔的採購總額約為本集團採購總額的13.6%，而本集團最大供應商應佔的採購額約為本集團採購總額的4.0%。

本公司董事、他們的任何緊密聯繫人或任何股東（據董事所知擁有本公司5%以上已發行股本的股東）概無於上文所述的本集團五大供應商或客戶中擁有實益權益。

## 遵守相關法律法規

年內，本集團概無重大違反或不遵守適用法律法規的情況。

## 股票掛鈎協議

除本年報「購股權計劃」及「股份獎勵計劃」章節所披露者外，本公司於回顧年內概無訂立或於年末概無存續任何股票掛鈎協議將會或可能導致本公司發行股份，或規定本公司訂立任何協議將會或可能導致本公司發行股份。

## 重大合約

於本年度，本公司或其任何附屬公司並無與任何控股股東或其附屬公司訂立任何重大合約。

## Directors' Report (continued)

### 董事會報告書(續)

#### PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors as at the date of this annual report, there was a sufficient prescribed public float of the issued shares of the Company under the Listing Rules.

#### PROFESSIONAL TAX ADVICE

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

#### AUDITOR

PricewaterhouseCoopers will retire and a resolution for their re-appointment as auditor of the Company will be proposed at the AGM.

By the order of the Board  
**Li Pui Leung**  
*Chairman*

Hong Kong, 27 March 2020

#### 公眾持股量

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

#### 諮詢專業稅務意見

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

#### 核數師

羅兵咸永道會計師事務所將退任，本公司將於股東週年大會上提呈一項續聘其為本公司核數師的決議案。

承董事會命  
**李沛良**  
*主席*

香港，2020年3月27日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



**To the Shareholders of TK Group (Holdings) Limited**  
(Incorporated in the Cayman Islands with limited liability)

### OPINION

#### What we have audited

The consolidated financial statements of TK Group (Holdings) Limited (the "Company") and its subsidiaries (the "Group") set out on pages 116 to 211, which comprise:

- the consolidated balance sheet as at 31 December 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

#### Our opinion

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.

致東江集團(控股)有限公司列位股東  
(於開曼群島註冊成立之有限公司)

### 意見

#### 本所已審計的內容

東江集團(控股)有限公司(「貴公司」)及其附屬公司(「貴集團」)載於第116至第211頁的合併財務報表，當中包括：

- 於2019年12月31日的合併資產負債表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，其包括主要會計政策概要。

#### 本所的意見

本所認為，該等合併財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映 貴集團於2019年12月31日的合併財務狀況以及截至該日止年度的合併財務表現及合併現金流量，並已遵照香港公司條例的披露規定妥為編製。

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong  
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

## Independent Auditor's Report (continued)

### 獨立核數師報告(續)

#### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

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.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to impairment of trade receivables.

#### 意見的基礎

本所已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。本所就該等準則承擔的責任在本報告的核數師就審計合併財務報表承擔的責任一節中進一步闡述。

本所相信，本所獲得的審計憑證能充足及適當地為本所的意見提供基礎。

#### 獨立性

根據香港會計師公會的職業會計師道德守則(「守則」)，本所獨立於貴集團，並已履行守則中的其他道德責任。

#### 關鍵審計事項

關鍵審計事項乃根據本所的職業判斷，對本期間合併財務報表的審計最為重要的事項。該等事項在本所審計整體合併財務報表及出具意見時進行處理。本所不會對該等事項提供個別意見。

本所識別的關鍵審計事項與貿易應收款項減值有關。

## Independent Auditor's Report (continued)

### 獨立核數師報告(續)

#### Key Audit Matter 關鍵審計事項

##### Impairment of trade receivables

Refer to note 4.1(b) – Critical accounting estimates and assumptions and note 18(c) – Trade and other receivables to the consolidated financial statements.

We focused on this area because the allowance for impairment of trade receivables is mainly related to specific customers (HK\$4.36 million as at 31 December 2019) and has decreased by approximately HK\$1.89 million or 30.24% comparing with that of last year.

In addition, the assessment for impairment of trade receivables involves critical accounting estimates and judgments relating to the extent and duration that amount will be recovered.

##### 貿易應收款項減值

請參閱合併財務報表附註4.1(b) – 關鍵會計估計及假設以及附註18(c) – 貿易及其他應收款項。

本所關注此事項乃由於貿易應收款項減值撥備主要與特定客戶有關(於2019年12月31日為4.36百萬港元)，較去年減少約1.89百萬港元或30.24%。

此外，評估貿易應收款項減值涉及與將予收回的金額及時間有關的關鍵會計估計及判斷。

#### How our audit addressed the Key Audit Matter 本所的審計如何處理關鍵審計事項

In responding to this key audit matter, we performed the following procedures:

- (i) We understood, evaluated and tested credit control procedures of the trade receivables including the monthly management review of ageing, repayment and impairment assessment of trade receivables;
- (ii) For those items with impairment provision being made, we reviewed the impairment calculations, focusing on the estimated amount to be recovered and timing of the recovery with reference to the supporting documents, e.g. repayment schedules of trade receivables;
- (iii) We requested confirmations for major year end balances. Where confirmations had not been received or received with difference, we sought explanation from management and checked to their original sales contracts, delivery documents and their subsequent settlement after year end date.

Based on the procedures performed and evidence obtained, we found accounting estimates and judgments in relation to the provision for impairment of trade receivables as at 31 December 2019 was supported by the evidence we obtained.

為配合此關鍵審計事項，本所已執行以下程序：

- (i) 本所了解、評估並測試貿易應收款項的信貸控制程序，包括管理層每月對貿易應收款項的賬齡、償還及減值評估情況進行的檢討；
- (ii) 就作出減值撥備的項目而言，本所已檢討其減值計算，並經參考相關證明文件(如貿易應收款項的償還時間表)，重點關注將予收回的估計金額及收回的時間；
- (iii) 本所已就主要年末結餘獲得確認。倘本所未獲任何確認或所獲確認存在差異，本所將向管理層尋求解釋，並查看原銷售合約、交付文件及其後於年結日後的結算情況。

基於所執行的程序及所取得的證據，本所認為與於2019年12月31日的貿易應收款項減值撥備有關的會計估計及判斷合理有據。

## Independent Auditor's Report (continued) 獨立核數師報告(續)

### OTHER INFORMATION

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

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

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

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

### RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Audit Committee is responsible for overseeing the Group's financial reporting process.

### 其他資料

貴公司董事須對其他資料負責。其他資料包括載於年報的所有資料(惟不包括合併財務報表及本所就此發出的核數師報告)。

本所對合併財務報表的意見並不涵蓋其他資料，本所亦不對其他資料發表任何形式的鑒證結論。

在本所審計合併財務報表時，本所的責任為閱讀其他資料，在此過程中，考慮其他資料是否與合併財務報表或本所在審計過程中所了解的情況有重大不一致，或者似乎有重大錯誤陳述。

基於本所已執行的工作，如果本所認為其他資料有重大錯誤陳述，本所需要報告該事實。就此，本所沒有任何報告。

### 董事及審核委員會就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而中肯的合併財務報表，並對其認為使合併財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

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

審核委員會負責監督貴集團之財務報告程序。

## Independent Auditor's Report (continued) 獨立核數師報告(續)

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

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

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

### 核數師就審計合併財務報表承擔的責任

本所的目標乃對整體合併財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括本所意見的核數師報告。本所的報告僅向閣下（作為整體）編製，並不可作其他目的。本所不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證為高水平的保證，惟不能保證根據香港審計準則進行的審計總能發現可能存在的重大錯誤陳述。錯誤陳述可由欺詐或錯誤引起，倘合理預期其單獨或匯總可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關錯誤陳述被視作重大錯誤陳述。

在根據香港審計準則進行審計的過程中，本所運用職業判斷，保持職業懷疑態度。本所亦：

- 識別及評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及取得充足及適當的審計憑證，作為本所意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險比較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露資料的合理性。

## Independent Auditor's Report (continued)

### 獨立核數師報告(續)

- 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.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果本所認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露資料不足，則修訂本所的意見。本所的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評估合併財務報表的整體列報方式、結構及內容，包括披露資料，以及合併財務報表是否公允反映交易及事項。
- 就貴集團中實體或業務活動的財務資料獲取充分、適當的審計憑證，以對合併財務報表發表意見。本所負責指導、監督及執行集團審計。本所對審計意見承擔全部責任。

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.

本所與審核委員會溝通計劃的審計範圍、時間安排、重大審計發現等事項，包括本所在審計期間識別出內部控制的任何重大缺陷。

本所還向審核委員會提交聲明，說明本所已符合有關獨立性的相關職業道德要求，並與彼等溝通所有合理地被認為會影響本所獨立性的關係及其他事項，以及在適用的情況下，相關的防範措施。

## Independent Auditor's Report (continued) 獨立核數師報告(續)

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

The engagement partner on the audit resulting in this independent auditor's report is Cheung Chin Hoo, Albert.

從與審核委員會溝通的事項中，本所決定哪些事項對本期間合併財務報表的審計最為重要，因而構成關鍵審計事項。本所會在核數師報告中描述該等事項，除非法律法規不允許對該事項作出公開披露，或在極端罕見的情況下，若有合理預期在本所報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，本所將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審計項目合夥人為張展豪。

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 27 March 2020

**羅兵咸永道會計師事務所**  
執業會計師

香港，2020年3月27日

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 合併綜合收益表

|                                                                           |                     | Year ended 31 December |                |             |
|---------------------------------------------------------------------------|---------------------|------------------------|----------------|-------------|
|                                                                           |                     | 截至12月31日止年度            |                |             |
|                                                                           |                     | 2019                   | 2018           |             |
|                                                                           |                     | HK\$'000               | HK\$'000       |             |
|                                                                           |                     | 千港元                    | 千港元            |             |
|                                                                           | Note                |                        |                |             |
|                                                                           | 附註                  |                        |                |             |
| Revenue                                                                   | 收入                  | 5                      | 2,310,842      | 2,298,609   |
| Cost of sales                                                             | 銷售成本                | 7                      | (1,643,367)    | (1,574,191) |
| <b>Gross profit</b>                                                       | <b>毛利</b>           |                        | <b>667,475</b> | 724,418     |
| Other income                                                              | 其他收入                | 6                      | 50,147         | 24,730      |
| Other losses — net                                                        | 其他虧損—淨額             | 6                      | (5,842)        | (2,739)     |
| Selling expenses                                                          | 銷售開支                | 7                      | (80,690)       | (88,341)    |
| Administrative expenses                                                   | 行政開支                | 7                      | (269,567)      | (257,733)   |
| <b>Operating profit</b>                                                   | <b>經營溢利</b>         |                        | <b>361,523</b> | 400,335     |
| Interest income                                                           | 利息收入                | 9                      | 20,220         | 9,965       |
| Interest expenses                                                         | 利息開支                | 9                      | (21,615)       | (3,166)     |
| Finance (cost)/income — net                                               | 融資(成本)／收入—淨額        |                        | (1,395)        | 6,799       |
| Share of net profit of an associate accounted for using the equity method | 使用權益法入賬之應佔聯營公司純利    | 12a                    | 371            | —           |
| <b>Profit before income tax</b>                                           | <b>除所得稅前溢利</b>      |                        | <b>360,499</b> | 407,134     |
| Income tax expense                                                        | 所得稅開支               | 10                     | (58,696)       | (56,949)    |
| <b>Profit for the year attributable to owners of the Company</b>          | <b>本公司擁有人應佔年內溢利</b> |                        | <b>301,803</b> | 350,185     |
| <b>Other comprehensive income</b>                                         | <b>其他綜合收益</b>       |                        |                |             |
| Item that may be reclassified to profit and loss:                         | 或可能重新分類至損益之項目：      |                        |                |             |
| Currency translation differences                                          | 匯兌差額                |                        | (23,199)       | (36,258)    |
| <b>Total comprehensive income for the year</b>                            | <b>年內綜合收益總額</b>     |                        | <b>278,604</b> | 313,927     |
| <b>Earnings per share for the year</b>                                    | <b>年內每股盈利</b>       |                        |                |             |
| — basic and diluted (HK\$ per share)                                      | —基本及攤薄(每股港元)        | 11                     | 0.36           | 0.42        |

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

以上合併綜合收益表應連同隨附附註一併閱讀。

# CONSOLIDATED BALANCE SHEET

## 合併資產負債表

|                                                       |                        | As at 31 December |           |
|-------------------------------------------------------|------------------------|-------------------|-----------|
|                                                       |                        | 於12月31日           |           |
|                                                       |                        | 2019              | 2018      |
|                                                       | Note                   | HK\$'000          | HK\$'000  |
|                                                       | 附註                     | 千港元               | 千港元       |
| ASSETS                                                | 資產                     |                   |           |
| Non-current assets                                    | 非流動資產                  |                   |           |
| Property, plant and equipment                         | 物業、廠房及設備13             | 592,278           | 516,190   |
| Intangible assets                                     | 無形資產15                 | 13,831            | 11,693    |
| Right-of-use assets                                   | 使用權資產14                | 142,530           | —         |
| Financial assets at fair value through profit or loss | 以公允價值計量且其變動計入損益的金融資產19 | 33,621            | 23,621    |
| Investment in an associate                            | 於聯營公司之投資12a            | 15,526            | —         |
| Prepayments for property, plant and equipment         | 物業、廠房及設備的預付款           | 22,812            | 38,160    |
|                                                       |                        | 820,598           | 589,664   |
| Current assets                                        | 流動資產                   |                   |           |
| Inventories                                           | 存貨17                   | 397,041           | 343,168   |
| Trade and other receivables                           | 貿易及其他應收款項18            | 371,794           | 355,318   |
| Deposits for bank borrowings                          | 銀行借貸的按金26              | 134,594           | 84,975    |
| Restricted cash                                       | 受限制現金20                | 17,638            | 36,553    |
| Cash and cash equivalents                             | 現金及現金等價物20             | 582,878           | 753,811   |
|                                                       |                        | 1,503,945         | 1,573,825 |
| Total assets                                          | 總資產                    | 2,324,543         | 2,163,489 |
| EQUITY                                                | 權益                     |                   |           |
| Equity attributable to owners of the Company          | 本公司擁有人應佔權益             |                   |           |
| Share capital                                         | 股本21                   | 83,326            | 83,326    |
| Share premium                                         | 股份溢價21                 | 251,293           | 251,293   |
| Shares held for employee share scheme                 | 就僱員股份計劃持有之股份22         | (5,517)           | —         |
| Other reserves                                        | 其他儲備24                 | 21,188            | 25,224    |
| Retained earnings                                     | 保留溢利23                 | 841,175           | 715,615   |
| Total equity                                          | 權益總額                   | 1,191,465         | 1,075,458 |

## Consolidated Balance Sheet (continued)

### 合併資產負債表(續)

|                                      |           |    | As at 31 December<br>於12月31日 |           |
|--------------------------------------|-----------|----|------------------------------|-----------|
|                                      |           |    | 2019                         | 2018      |
|                                      |           |    | HK\$'000                     | HK\$'000  |
|                                      |           |    | 千港元                          | 千港元       |
|                                      |           |    | Note                         |           |
|                                      |           |    | 附註                           |           |
| <b>LIABILITIES</b>                   |           |    |                              |           |
| <b>Non-current liabilities</b>       |           |    |                              |           |
| Bank borrowings                      | 銀行借貸      | 26 | 75,911                       | 235,014   |
| Deferred income on government grants | 政府補助遞延收入  | 27 | 36,442                       | 23,793    |
| Deferred income tax liabilities      | 遞延所得稅負債   | 29 | 43,737                       | 21,928    |
| Lease liabilities                    | 租賃負債      | 14 | 92,671                       | —         |
|                                      |           |    | 248,761                      | 280,735   |
| <b>Current liabilities</b>           |           |    |                              |           |
| Trade and other payables             | 貿易及其他應付款項 | 28 | 411,751                      | 456,501   |
| Contract liabilities                 | 合約負債      |    | 226,663                      | 198,911   |
| Income tax liabilities               | 所得稅負債     |    | 21,299                       | 44,666    |
| Bank borrowings                      | 銀行借貸      | 26 | 166,049                      | 107,218   |
| Lease liabilities                    | 租賃負債      | 14 | 58,555                       | —         |
|                                      |           |    | 884,317                      | 807,296   |
| <b>Total liabilities</b>             |           |    | 1,133,078                    | 1,088,031 |
| <b>Total equity and liabilities</b>  |           |    | 2,324,543                    | 2,163,489 |

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

以上合併資產負債表應連同隨附附註一併閱讀。

The financial statements on pages 116 to 211 were approved by the Board of Directors on 27 March 2020 and were signed on its behalf.

第116至211頁的財務報表於2020年3月27日經董事會批准，並由其代表簽署。

**Li Pui Leung**  
李沛良  
Director  
董事

**Yung Kin Cheung Michael**  
翁建翔  
Director  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 合併權益變動表

|                                                                                       |                          | Other reserves<br>其他儲備 |                         |                                                       |                         |                              |                              |                         |                       |
|---------------------------------------------------------------------------------------|--------------------------|------------------------|-------------------------|-------------------------------------------------------|-------------------------|------------------------------|------------------------------|-------------------------|-----------------------|
|                                                                                       |                          | Share capital          | Share premium           | Shares held for employee share scheme<br>就僱員股份計劃持有之股份 | Statutory reserves      | Share-based payments         | Currency translation reserve | Retained earnings       | Total                 |
|                                                                                       |                          | 股本<br>HK\$'000<br>千港元  | 股份溢價<br>HK\$'000<br>千港元 | 以股份為基礎之付款<br>HK\$'000<br>千港元                          | 法定儲備<br>HK\$'000<br>千港元 | 以股份為基礎之付款<br>HK\$'000<br>千港元 | 匯兌儲備<br>HK\$'000<br>千港元      | 保留溢利<br>HK\$'000<br>千港元 | 總計<br>HK\$'000<br>千港元 |
| Balance at 1 January 2018                                                             | 於2018年1月1日的結餘            | 83,326                 | 251,293                 | —                                                     | 56,649                  | —                            | (18,183)                     | 538,433                 | 911,518               |
| <b>Comprehensive income</b>                                                           | <b>綜合收益</b>              |                        |                         |                                                       |                         |                              |                              |                         |                       |
| Profit for the year                                                                   | 年內溢利                     | —                      | —                       | —                                                     | —                       | —                            | —                            | 350,185                 | 350,185               |
| Currency translation differences                                                      | 匯兌差額                     | —                      | —                       | —                                                     | —                       | —                            | (36,258)                     | —                       | (36,258)              |
| <b>Total comprehensive income</b>                                                     | <b>綜合收益總額</b>            | —                      | —                       | —                                                     | —                       | —                            | (36,258)                     | 350,185                 | 313,927               |
| <b>Contributions by and distributions to owners of the Company</b>                    | <b>本公司擁有人出資及應佔分派</b>     |                        |                         |                                                       |                         |                              |                              |                         |                       |
| Dividends                                                                             | 股息                       | —                      | —                       | —                                                     | —                       | —                            | —                            | (149,987)               | (149,987)             |
| <b>Total contributions by and distributions to owners of the Company for the year</b> | <b>年內本公司擁有人出資及應佔分配總額</b> | —                      | —                       | —                                                     | —                       | —                            | (36,258)                     | 200,198                 | 163,940               |
| Transfer to statutory reserves                                                        | 轉撥至法定儲備                  | —                      | —                       | —                                                     | 23,016                  | —                            | —                            | (23,016)                | —                     |
| <b>Total transactions with owners of the Company</b>                                  | <b>與本公司擁有人的交易總額</b>      | —                      | —                       | —                                                     | 23,016                  | —                            | (36,258)                     | 177,182                 | 163,940               |
| <b>Balance at 31 December 2018</b>                                                    | <b>於2018年12月31日的結餘</b>   | 83,326                 | 251,293                 | —                                                     | 79,665                  | —                            | (54,441)                     | 715,615                 | 1,075,458             |

## Consolidated Statement of Changes In Equity (continued)

### 合併權益變動表(續)

|                                                                                       |                          |    | Other reserves<br>其他儲備                 |                                          |                                                                          |                                               |                                                      |                                                         |                                              |                                |
|---------------------------------------------------------------------------------------|--------------------------|----|----------------------------------------|------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------|---------------------------------------------------------|----------------------------------------------|--------------------------------|
|                                                                                       |                          |    | Share capital<br>股本<br>HK\$'000<br>千港元 | Share premium<br>股份溢價<br>HK\$'000<br>千港元 | Shares held for employee share scheme<br>就僱員股份計劃持有的股份<br>HK\$'000<br>千港元 | Statutory reserves<br>法定儲備<br>HK\$'000<br>千港元 | Share-based payments<br>以股份為基礎之付款<br>HK\$'000<br>千港元 | Currency translation reserve<br>匯兌儲備<br>HK\$'000<br>千港元 | Retained earnings<br>保留溢利<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|                                                                                       |                          |    |                                        |                                          |                                                                          |                                               |                                                      |                                                         |                                              |                                |
|                                                                                       |                          |    |                                        |                                          |                                                                          |                                               |                                                      |                                                         |                                              |                                |
| Note<br>附註                                                                            |                          |    |                                        |                                          |                                                                          |                                               |                                                      |                                                         |                                              |                                |
| Balance at 1 January 2019                                                             | 於2019年1月1日的結餘            |    | 83,326                                 | 251,293                                  | —                                                                        | 79,665                                        | —                                                    | (54,441)                                                | 715,615                                      | 1,075,458                      |
| <b>Comprehensive income</b>                                                           | <b>綜合收益</b>              |    |                                        |                                          |                                                                          |                                               |                                                      |                                                         |                                              |                                |
| Profit for the year                                                                   | 年內溢利                     |    | —                                      | —                                        | —                                                                        | —                                             | —                                                    | —                                                       | 301,803                                      | 301,803                        |
| Currency translation differences                                                      | 匯兌差額                     | 24 | —                                      | —                                        | —                                                                        | —                                             | —                                                    | (23,199)                                                | —                                            | (23,199)                       |
| <b>Total comprehensive income</b>                                                     | <b>綜合收益總額</b>            |    | —                                      | —                                        | —                                                                        | —                                             | —                                                    | (23,199)                                                | 301,803                                      | 278,604                        |
| <b>Contributions by and distributions to owners of the Company</b>                    | <b>本公司擁有人出資及應佔分派</b>     |    |                                        |                                          |                                                                          |                                               |                                                      |                                                         |                                              |                                |
| Acquisition of shares under employee share scheme                                     | 根據僱員股份計劃收購股份             | 22 | —                                      | —                                        | (5,517)                                                                  | —                                             | —                                                    | —                                                       | —                                            | (5,517)                        |
| Employee share schemes—value of employee services                                     | 僱員股份計劃—僱員服務價值            | 25 | —                                      | —                                        | —                                                                        | —                                             | 1,239                                                | —                                                       | —                                            | 1,239                          |
| Dividends                                                                             | 股息                       | 30 | —                                      | —                                        | —                                                                        | —                                             | —                                                    | —                                                       | (158,319)                                    | (158,319)                      |
| <b>Total contributions by and distributions to owners of the Company for the year</b> | <b>年內本公司擁有人出資及應佔分配總額</b> |    | —                                      | —                                        | (5,517)                                                                  | —                                             | 1,239                                                | —                                                       | (158,319)                                    | (162,597)                      |
| Transfer to statutory reserves                                                        | 轉撥至法定儲備                  | 23 | —                                      | —                                        | —                                                                        | 17,924                                        | —                                                    | —                                                       | (17,924)                                     | —                              |
| <b>Total transactions with owners of the Company</b>                                  | <b>與本公司擁有人的交易總額</b>      |    | —                                      | —                                        | (5,517)                                                                  | 17,924                                        | 1,239                                                | (23,199)                                                | 125,560                                      | 116,007                        |
| <b>Balance at 31 December 2019</b>                                                    | <b>於2019年12月31日的結餘</b>   |    | 83,326                                 | 251,293                                  | (5,517)                                                                  | 97,589                                        | 1,239                                                | (77,640)                                                | 841,175                                      | 1,191,465                      |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

以上合併權益變動表應連同隨附附註一併閱讀。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 合併現金流量表

|                                                                        |                               | Year ended 31 December<br>截至12月31日止年度 |                         |
|------------------------------------------------------------------------|-------------------------------|---------------------------------------|-------------------------|
|                                                                        |                               | 2019<br>HK\$'000<br>千港元               | 2018<br>HK\$'000<br>千港元 |
|                                                                        | Note<br>附註                    |                                       |                         |
| <b>Cash flows from operating activities</b>                            | <b>來自經營活動的現金流量</b>            |                                       |                         |
| Cash generated from operations                                         | 經營產生的現金                       | 488,797                               | 512,174                 |
| Interest received                                                      | 已收利息                          | 14,951                                | 4,673                   |
| Income tax paid                                                        | 已付所得稅                         | (59,948)                              | (25,401)                |
| Net cash generated from operating activities                           | 經營活動所產生的現金淨額                  | 443,800                               | 491,446                 |
| <b>Cash flows from investing activities</b>                            | <b>來自投資活動的現金流量</b>            |                                       |                         |
| Purchase of property, plant and equipment and construction in progress | 購買物業、廠房及設備以及<br>在建工程          | (206,197)                             | (262,732)               |
| Purchase of intangible assets                                          | 購買無形資產                        | (6,689)                               | (4,359)                 |
| Proceeds from disposal of property, plant and equipment                | 出售物業、廠房及設備的<br>所得款項           | 8,540                                 | 1,812                   |
| Additions of investment in an associate                                | 添置於聯營公司之投資                    | (15,155)                              | —                       |
| Additions of financial assets at fair value through profit or loss     | 添置以公允價值計量且<br>其變動計入損益的金融資產    | (596,808)                             | (553,644)               |
| Proceeds from financial assets at fair value through profit or loss    | 以公允價值計量且其變動計入<br>損益的金融資產所得款項  | 592,063                               | 535,349                 |
| Net cash used in investing activities                                  | 投資活動所用現金淨額                    | (224,246)                             | (283,574)               |
| <b>Cash flows from financing activities</b>                            | <b>來自融資活動的現金流量</b>            |                                       |                         |
| Proceeds from bank borrowings                                          | 銀行借貸所得款項                      | 369,489                               | 370,966                 |
| Repayments of bank borrowings                                          | 償還銀行借貸                        | (469,761)                             | (126,649)               |
| Increase in deposits for bank borrowings                               | 銀行借貸按金增加                      | (49,619)                              | (84,975)                |
| Interest paid                                                          | 已付利息                          | (12,745)                              | (3,166)                 |
| Principal elements of lease payments                                   | 租賃付款之本金部分                     | (60,966)                              | —                       |
| Acquisition of shares for employee share scheme                        | 就僱員股份計劃收購股份                   | (5,517)                               | —                       |
| Dividends paid                                                         | 已付股息                          | (158,319)                             | (149,987)               |
| Net cash (used in)/generated from financing activities                 | 融資活動(所用)/所產生現金淨額              | (387,438)                             | 6,189                   |
| <b>Net (decrease)/increase in cash and cash equivalents</b>            | <b>現金及現金等價物<br/>(減少)/增加淨額</b> | <b>(167,884)</b>                      | <b>214,061</b>          |
| Cash and cash equivalents at beginning of the year                     | 年初現金及現金等價物                    | 753,811                               | 540,815                 |
| Currency translation losses on cash and cash equivalents               | 現金及現金等價物匯兌虧損                  | (3,049)                               | (1,065)                 |
| Cash and cash equivalents at end of the year                           | 年末現金及現金等價物                    | 582,878                               | 753,811                 |
| Analysis of balances of cash and cash equivalents:                     | 現金及現金等價物結餘分析：                 |                                       |                         |
| Cash and cash on hand                                                  | 現金及手頭現金                       | 600,516                               | 790,364                 |
| Restricted cash                                                        | 受限制現金                         | (17,638)                              | (36,553)                |
|                                                                        |                               | 582,878                               | 753,811                 |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

以上合併現金流量表應連同隨附附註一併閱讀。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 28 March 2013 as an exempted company with limited liability. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company, an investment holding company, and its subsidiaries (collectively the "Group") are principally engaged in the manufacturing, sales, subcontracting, fabrication and modification of molds and plastic components in the People's Republic of China (the "PRC"). As at 31 December 2019, the ultimate shareholders of the Group are Mr. Li Pui Leung, Mr. Yung Kin Cheung Michael and Mr. Lee Leung Yiu (collectively the "Ultimate Shareholders"), each holding an effective equity interest of 28.86%, 17.95% and 17.31% in the Company, respectively.

On 20 December 2013, shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These consolidated financial statements are presented in Hong Kong dollar ("HK\$"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 27 March 2020.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") and requirements of the Hong Kong Companies ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss which are carried at fair value.

### 1 一般資料

本公司於2013年3月28日於開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處的地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司為投資控股公司，連同其附屬公司（統稱為「本集團」）主要在中華人民共和國（「中國」）從事模具及注塑組件的製造、銷售、代工、製作及修改。於2019年12月31日，本集團的最終股東為李沛良先生、翁建翔先生及李良耀先生（統稱為「最終股東」），彼等各自於本公司分別持有28.86%、17.95%及17.31%的有效股本權益。

於2013年12月20日，本公司的股份在香港聯合交易所有限公司（「聯交所」）上市。

除另有所述者外，該等合併財務報表乃以港元（「港元」）呈列。該等合併財務報表經本公司董事會於2020年3月27日授權批准刊發。

### 2 主要會計政策概要

編製該等合併財務報表時應用的主要會計政策載列如下。除另有說明者外，該等政策已於所呈報年度得到貫徹採納。

#### 2.1 編製基準

本公司的合併財務報表已按所有適用的香港財務報告準則（「香港財務報告準則」）及第622章香港公司條例的規定編製。合併財務報表已根據歷史成本法（經重估以公允價值計量且其變動計入損益的金融資產予以修訂）編製。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Group's accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

#### (a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

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

The Group had to change its accounting policies as a result of adopting HKFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed in note 2.2. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

編製符合香港財務報告準則的財務報表需要使用若干關鍵會計估計。管理層亦須在應用本集團的會計政策過程中行使其判斷。涉及高度的判斷或複雜性的範疇，或涉及對合併財務報表作出重大假設和估計的範疇於附註4中披露。

#### (a) 本集團採納的新訂及經修訂準則

本集團已於2019年1月1日開始之年度報告期間首次採納下列準則及修訂：

- 香港財務報告準則第16號租賃
- 具有負補償的提前還款特性—香港財務報告準則第9號的修訂
- 於聯營公司及合營企業的長期權益—香港會計準則第28號的修訂
- 2015年至2017年週期香港財務報告準則的年度改進
- 計劃修訂、縮減或結算—香港會計準則第19號的修訂
- 詮釋第23號所得稅不確定性的處理。

於採納香港財務報告準則第16號後，本集團須更改其會計政策。本集團已選擇追溯採納有關新規定，惟已確認於2019年1月1日首次應用新準則的累計影響。有關詳情於附註2.2披露。上述其他修訂大部分對過往期間確認的金額並無任何重大影響，且預期不會對當前或未來期間構成重大影響。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) New standards and interpretations not yet adopted

Standards, amendments and interpretations that have been issued but not yet effective for the financial year beginning 1 January 2019 and not been early adopted by the Group for the year are as follows:

|                                                                     |                                                                                                                    | Effective for annual periods beginning on or after<br>於以下日期或之後開始之年度期間生效 |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| HKFRS 17<br>香港財務報告準則第17號                                            | Insurance Contracts<br>保險合約                                                                                        | 1 January 2021<br>2021年1月1日                                             |
| Amendments to HKAS 1 and HKAS 8<br>香港會計準則第1號及香港會計準則第8號的修訂           | Definition of Material<br>重大的定義                                                                                    | 1 January 2020<br>2020年1月1日                                             |
| Amendments to HKFRS 3<br>香港財務報告準則第3號的修訂                             | Definition of a Business<br>業務的定義                                                                                  | 1 January 2020<br>2020年1月1日                                             |
| Conceptual Framework for Financial Reporting 2018<br>2018年財務報告的概念框架 | Revised Conceptual Framework for Financial Reporting<br>經修訂的財務報告概念框架                                               | 1 January 2020<br>2020年1月1日                                             |
| Amendments to HKFRS 10 and HKAS 28<br>香港財務報告準則第10號及香港會計準則第28號的修訂    | Sales or contribution of assets between an investor and its associate or joint venture<br>投資者與其聯營公司或合營企業之間的資產出售或注入 | The effective date has now been deferred<br>生效日期現已延遲                    |

The Group has already commenced an assessment of the impact of the new or revised standards that have been issued but either not yet effective for the financial period beginning 1 January 2019 or not been early adopted by the Group which are relevant to the Group's operation. The Group believes that the application of amendments to HKFRSs, amendments to HKASs and the new interpretations is unlikely to have a material impact on the Group's statement of financial position and performance as well as disclosure in the future.

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (b) 尚未採納的新訂準則及詮釋

於2019年1月1日開始的財政年度已頒佈但尚未生效且於本年度未獲本集團提前採納的準則、修訂及詮釋如下：

|                                                                     | Effective for annual periods beginning on or after<br>於以下日期或之後開始之年度期間生效 |
|---------------------------------------------------------------------|-------------------------------------------------------------------------|
| HKFRS 17<br>香港財務報告準則第17號                                            | 1 January 2021<br>2021年1月1日                                             |
| Amendments to HKAS 1 and HKAS 8<br>香港會計準則第1號及香港會計準則第8號的修訂           | 1 January 2020<br>2020年1月1日                                             |
| Amendments to HKFRS 3<br>香港財務報告準則第3號的修訂                             | 1 January 2020<br>2020年1月1日                                             |
| Conceptual Framework for Financial Reporting 2018<br>2018年財務報告的概念框架 | 1 January 2020<br>2020年1月1日                                             |
| Amendments to HKFRS 10 and HKAS 28<br>香港財務報告準則第10號及香港會計準則第28號的修訂    | The effective date has now been deferred<br>生效日期現已延遲                    |

本集團已開始評估於2019年1月1日開始的財政期間已頒佈但尚未生效或未獲本集團提前採納的與本集團業務有關的新訂或經修訂準則的影響。本集團相信，日後應用香港財務報告準則的修訂、香港會計準則的修訂及新詮釋不大可能對本集團財務狀況及表現以及披露事項造成重大影響。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 Leases on the Group's financial statements.

As indicated in note 2.1 above, the Group has adopted HKFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 2.27.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 were 4.76%.

#### (i) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review — there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases

## 2 主要會計政策概要(續)

### 2.2 會計政策變動

本附註解釋採納香港財務報告準則第16號租賃對本集團財務報表的影響。

誠如上文附註2.1所示，本集團已自2019年1月1日追溯採納香港財務報告準則第16號租賃，惟按該準則特定過渡條文所許可，並無重列2018年報告期間的比較資料。因此，新租賃規則產生的重新分類及調整於2019年1月1日的期初資產負債表中確認。新會計政策於附註2.27披露。

於採納香港財務報告準則第16號時，本集團就先前已根據香港會計準則第17號租賃的原則分類為「經營租賃」的租賃確認租賃負債。該等負債按採用2019年1月1日承租人增量借款利率貼現的餘下租賃付款現值計量。於2019年1月1日用於租賃負債的加權平均承租人增量借款利率為4.76%。

#### (i) 所採用的實際權宜方法

於首次應用香港財務報告準則第16號時，本集團已使用該準則所允許的以下實際權宜方法：

- 對具有合理相似特徵的租賃組合採用單一貼現率
- 依賴過往有關租賃是否屬虧損性質的評估以替代減值檢討—於2019年1月1日並無虧損性合約
- 將於2019年1月1日剩餘租期少於12個月的經營租賃入賬列作短期租賃

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (i) Practical expedients applied (Continued)

- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

#### (ii) Measurement of lease liabilities

## 2 主要會計政策概要(續)

### 2.2 會計政策變動(續)

#### (i) 所採用的實際權宜方法(續)

- 於首次應用日期計量使用權資產時撇除初始直接成本，及
- 當合約包含延長或終止租賃的選擇權時，於事後釐定租期。

本集團亦已選擇不重新評估合約於首次應用日期是否屬租賃或包含租賃。反之，對於過渡日期前訂立的合約，本集團依賴其應用香港會計準則第17號及詮釋第4號釐定安排是否包含租賃所作出的評估。

#### (ii) 租賃負債的計量

|                                                                                                |                          | 2019<br>HK\$'000<br>千港元 |
|------------------------------------------------------------------------------------------------|--------------------------|-------------------------|
| Operating lease commitments disclosed as at 31 December 2018                                   | 於2018年12月31日披露的經營租賃承擔    | 232,641                 |
| Discounted using the lessee's incremental borrowing rate of at the date of initial application | 使用承租人於首次應用日期的增量借款利率貼現    | 212,608                 |
| (Less): short-term leases not recognised as a liability                                        | (減)：並無確認為負債的短期租賃         | (422)                   |
| (Less): low-value leases not recognised as a liability                                         | (減)：並無確認為負債的低價值租賃        | (39)                    |
| <b>Lease liability recognised as at 1 January 2019</b>                                         | <b>於2019年1月1日確認的租賃負債</b> | <b>212,147</b>          |
| Of which are:                                                                                  | 其中：                      |                         |
| Current lease liabilities                                                                      | 流動租賃負債                   | 58,039                  |
| Non-current lease liabilities                                                                  | 非流動租賃負債                  | 154,108                 |
|                                                                                                |                          | 212,147                 |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

#### (iv) Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets — increase by HK\$212,147,000
- lease liabilities — increase by HK\$212,147,000

There was no impact on retained earnings on 1 January 2019.

## 2 主要會計政策概要(續)

### 2.2 會計政策變動(續)

#### (iii) 使用權資產的計量

物業租賃相關的使用權資產乃按追溯基準計量，猶如有關新規定一直獲應用。其他使用權資產按租賃負債的等值金額計量，並按與於2018年12月31日的資產負債表內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。

#### (iv) 於2019年1月1日在資產負債表內確認的調整

會計政策變動影響下列於2019年1月1日的資產負債表項目：

- 使用權資產 — 增加 212,147,000港元
- 租賃負債 — 增加 212,147,000港元

於2019年1月1日概無對保留溢利產生任何影響。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Principles of consolidation and equity accounting

#### 2.3.1 Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.4).

#### 2.3.2 Associates

An associate is an entity over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see 2.3.3 below), after initially being recognised at cost.

#### 2.3.3 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

## 2 主要會計政策概要(續)

### 2.3 合併原則及權益會計法

#### 2.3.1 附屬公司

附屬公司為本集團擁有控制權的實體(包括結構性實體)。當本集團承受或享有參與實體所得之可變回報，且有能力透過其對實體之權力影響該等回報時，則本集團控制該實體。自控制權轉移至本集團的日期起，附屬公司獲合併入賬。附屬公司於控制權終止之日不再獲合併入賬。

收購會計法乃用於入賬本集團的業務合併(參閱附註2.4)。

#### 2.3.2 聯營公司

聯營公司指本集團對其有重大影響力而無控制權或共同控制權的實體，通常情況乃本集團持有20%至50%表決權。於聯營公司的投資乃初步按成本確認後，使用權益會計法(見下文2.3.3)入賬。

#### 2.3.3 權益會計法

根據權益會計法，投資初步按成本確認，隨後予以調整以確認本集團在被投資方損益中所佔收購後溢利或虧損及於被投資方其他綜合收益中所佔其他綜合收益變動。已收或應收聯營公司股息乃確認為投資賬面值的減少。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Principles of consolidation and equity accounting (Continued)

#### 2.3.3 Equity method (Continued)

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.12

### 2.4 Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

## 2 主要會計政策概要(續)

### 2.3 合併原則及權益會計法(續)

#### 2.3.3 權益會計法(續)

當本集團分佔以權益法入賬投資的虧損等於或超過其佔實體的權益(包括任何其他無抵押長期應收款項)時,本集團不再確認進一步虧損,除非本集團代表其他實體承擔義務或支付款項。

本集團及其聯營公司間交易所產生未變現收益的對銷,只限於本集團於該等實體的應佔權益。未變現虧損亦會對銷,除非該交易有證據顯示所轉讓資產出現減值則作別論。以權益法入賬的被投資方的會計政策已按需要變更,以確保與本集團所採納政策貫徹一致。

以權益法入賬的投資的賬面值根據附註2.12所述政策進行減值測試。

### 2.4 業務合併

本集團就業務合併以收購法入賬。收購附屬公司之轉讓代價為所轉讓資產、對被收購方之前擁有人所產生負債及本集團所發行股權之公允價值。所轉讓代價包括或然代價安排產生之任何資產或負債之公允價值。於業務合併時所收購之可識別資產及所承擔之負債及或然負債,初步按收購日之公允價值計量。本集團按個別收購基準,確認在被收購方的任何非控股權益。被收購方的非控股權益為現時的擁有權權益,並賦予其持有人權利可於清盤時按比例分佔實體的資產淨值,可按公允價值或按現時擁有權權益應佔被收購方可識別資產淨值的確認金額比例而計量。非控股權益的所有其他組成部分按收購日期的公允價值計量,除非香港財務報告準則規定須以其他計量基準計算。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Business combinations (Continued)

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income (note 2.9(c)).

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

## 2 主要會計政策概要(續)

### 2.4 業務合併(續)

收購相關成本在產生時支銷。

本集團將轉讓之任何或然代價於收購日期按公允價值確認。被視為資產或負債之或然代價公允價值之其後變動將根據香港會計準則第39號在損益中或作為其他綜合收益的變動確認。分類為股權之或然代價不會重新計量，其後續結算於股權內入賬。

所轉讓代價、於被收購方的任何非控股權益金額及任何先前於被收購方的股權於收購日期的公允價值超出所收購可識別資產淨值的公允價值的部分列為商譽。就議價購買而言，如所轉讓代價、已確認非控股權益及先前持有的權益總額低於所收購附屬公司資產淨值的公允價值，則差額將直接在合併綜合收益表確認(附註2.9(c))。

集團內公司之間的交易、交易結餘及未變現收益乃予撇銷。未變現虧損亦予撇銷。附屬公司所報告之金額已按需要作出調整，以與本集團之會計政策貫徹一致。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Business combinations (Continued)

#### Merger accounting

In preparing for the Company's listing on the Main Board of the Stock Exchange in December 2013, the Group underwent a reorganisation involving entities under the same ownership of the ultimate shareholders.

The consolidated financial statements incorporate the financial statements of the combining entities or businesses as if they had been combined from the date when the combining entities or businesses first came under the common control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing carrying amounts from the controlling parties' perspective. No amount is recognised for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, whichever is shorter, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

## 2 主要會計政策概要(續)

### 2.4 業務合併(續)

#### 合併會計法

為籌備本公司於2013年12月於聯交所主板上市，本集團已進行涉及最終股東相同所有權下之實體之重組。

合併財務報表包括合併實體或業務之財務報表，猶如合併於合併實體或業務首次受控股方共同控制當日進行。

合併實體或業務的資產淨值自控股方之角度以現有賬面值合併。概無就商譽或收購方於被收購方的可識別資產、負債及或然負債公允價值淨值的權益在共同控制合併時超出成本的部分確認任何金額，惟前提是控制方的權益存續。

合併綜合收益表包括各合併實體或業務自最早呈列日期或自合併實體或業務首次受共同控制起期間(以較短者為準)之業績，而不論共同控制合併日期。

合併財務報表的比較金額按猶如實體或業務已於先前資產負債表日期或首次受共同控制起期間(以較短者為準)合併般呈列。

該等實體採用統一的會計政策。所有集團內公司間的交易、結餘及合併實體或業務之間交易的未變現收益於合併時被對銷。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

### 2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who makes strategic decisions.

### 2.7 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Renminbi ("RMB") is the functional currency of principal operating subsidiaries of the Group. These consolidated financial statements are presented in Hong Kong dollar, which is the presentation and functional currency of the Company.

## 2 主要會計政策概要(續)

### 2.5 獨立財務報表

於附屬公司的投資以成本扣除減值列賬。成本包括投資直接應佔成本。附屬公司業績由本公司按已收及應收股息基準列賬。

當收到於附屬公司之投資之股息時，且股息超過附屬公司在宣派股息期間之綜合收益總額，或在獨立財務報表之投資賬面值超過被投資方資產淨值(包括商譽)在合併財務報表之賬面值時，則必須對有關投資進行減值測試。

### 2.6 分部報告

經營分部乃以與提交予主要經營決策者的內部報告一致的方式呈報。主要經營決策者被認為作出策略性決定的執行董事，負責分配資源及評估經營分部表現。

### 2.7 外幣折算

#### (a) 功能及呈列貨幣

本集團各實體財務報表所列的項目，均以該實體經營所在主要經濟環境所使用的貨幣(「功能貨幣」)計量。人民幣(「人民幣」)乃本集團的主要營運附屬公司的功能貨幣。該等合併財務報表乃以港元呈列，港元乃本公司的呈列及功能貨幣。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Foreign currency translation (Continued)

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income within 'Other losses — net'.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'Finance (cost)/income — net'. All other foreign exchange gains and losses are presented in statement of comprehensive income within 'Other losses — net'.

#### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transaction); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

## 2 主要會計政策概要(續)

### 2.7 外幣折算(續)

#### (b) 交易及結餘

外幣交易採用交易當日或於項目重新計量時估值當日的現行匯率換算為功能貨幣。因上述交易結算及按年末匯率兌換以外幣計值的貨幣資產及負債而產生的匯兌盈虧，均於合併綜合收益表內的「其他虧損—淨額」確認。

與借貸以及現金及現金等價物有關的匯兌盈虧於綜合收益表中呈列為「融資(成本)/收入—淨額」。所有其他匯兌盈虧於綜合收益表中呈列為「其他虧損—淨額」。

#### (c) 集團公司

倘本集團的所有實體(全部均非採用嚴重通脹經濟體系的貨幣)的功能貨幣有別於呈列貨幣，則其業績及財務狀況會按下列方法兌換為呈列貨幣：

- (i) 每份列報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；
- (ii) 每份綜合收益表內的收入和開支按平均匯率換算(除非此平均匯率並非交易日期匯率的累計影響的合理約數，在此情況下，收入和開支按該交易日期的匯率換算)；及
- (iii) 所有由此產生的匯兌差額均於其他綜合收益確認。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Foreign currency translation (Continued)

#### (c) Group companies (Continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised as a separate component of equity in other comprehensive income.

### 2.8 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Construction in progress is property, plant and equipment on which construction work has not been completed and stated at cost. Cost includes acquisition and construction expenditure incurred, interest and other direct costs attributable to the development. Depreciation is not provided on construction in progress until the related asset is completed for intended use.

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

## 2 主要會計政策概要(續)

### 2.7 外幣折算(續)

#### (c) 集團公司(續)

收購海外實體所產生之商譽及公允價值調整被視為該海外實體的資產及負債處理，並按收市匯率換算。所產生的匯兌差額均於其他綜合收益確認為權益單獨組成部分。

### 2.8 物業、廠房及設備

所有物業、廠房及設備均按歷史成本減折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔之開支。

在建工程指建造工程仍未完成的物業、廠房及設備，按成本列賬。成本包括所產生的購置及建造開支、利息及與項目發展有關的其他直接成本。在建工程不計提折舊，直至相關資產按既定用途完成為止。

只有在與項目有關之未來經濟利益有可能流入本集團及項目成本能可靠計量時，其後成本才會計入資產賬面值或確認為一項獨立資產(如適當)。已更換部分之賬面值則取消確認。所有其他維修及維護則於產生之財政期間內於損益表內扣除。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

|                                            |                                                                                |
|--------------------------------------------|--------------------------------------------------------------------------------|
| Buildings                                  | 20 years                                                                       |
| 樓宇                                         | 20年                                                                            |
| Leasehold improvements                     | Over 5 years or the remaining term of the relevant lease, whichever is shorter |
| 租賃物業裝修                                     | 超過5年或按有關租約剩餘年期(以較短者為準)                                                         |
| Plant and machinery                        | 5–10 years                                                                     |
| 廠房及機器                                      | 5至10年                                                                          |
| Furniture, fixtures and computer equipment | 3 years                                                                        |
| 傢具、裝置及電腦設備                                 | 3年                                                                             |
| Motor vehicles                             | 5 years                                                                        |
| 汽車                                         | 5年                                                                             |

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other losses — net' in the consolidated statement of comprehensive income.

## 2 主要會計政策概要(續)

### 2.8 物業、廠房及設備(續)

物業、廠房及設備折舊按其估計可使用年期以直線法將其成本分配至其剩餘價值計算如下：

資產的剩餘價值及可使用年期於各報告期間末進行審閱，並於適當時作出調整。

若資產賬面值高於其估計可收回金額，其賬面值即時撇減至可收回金額。

出售盈虧透過比較所得款項與賬面值釐定，並於合併綜合收益表的「其他虧損—淨額」內確認。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.9 Intangible assets

#### (a) Computer software

Acquired software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives of 3 to 10 years.

#### (b) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method at 3 years over the expected life of the customer relationship.

#### (c) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or Groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

## 2 主要會計政策概要(續)

### 2.9 無形資產

#### (a) 電腦軟件

購入軟件特許權按購入及將特定軟件達致使用所產生的成本基準而撥充資本。該等成本乃按直線法於其估計可使用年期(3年至10年)攤銷。

#### (b) 合約客戶關係

在業務合併中獲得的合約客戶關係按收購當日的公允價值確認。合約客戶關係具有有限使用年期，乃按成本減累計攤銷列賬，並採用直線法於合約客戶關係的估計可使用三年年期攤銷。

#### (c) 商譽

收購附屬公司產生之商譽指所轉讓代價、於被收購方的任何非控股權益金額及任何先前於被收購方的股權於收購日期的公允價值超出所收購可識別資產淨值的公允價值的部分。

就減值測試而言，業務合併所獲得的商譽會分配至預期將受益於合併產生的協同效應之各現金產生單位(「現金產生單位」)或現金產生單位組別。商譽所分配的各單位或單位組別為實體內就內部管理目的而監察商譽的最低層次。商譽乃於經營分部層次進行監察。

商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。含有商譽之現金產生單位賬面值與可收回金額作比較，可收回金額為使用價值與公允價值減出售成本的較高者。任何減值即時確認為開支，且其後不會撥回。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.10 Research and development expenditure

Research expenditures is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development cost previously recognised as an expense is not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over their estimated useful lives.

## 2 主要會計政策概要(續)

### 2.10 研發開支

研究開支於發生時確認為開支。發展項目(與設計及測試新型及經改良產品有關)所產生的成本於符合下列條件時確認為無形資產：

- 完成該無形資產並將其付諸使用在技術上可行；
- 管理層有意完成該無形資產並使用或出售；
- 有能力使用或出售該無形資產；
- 能夠證明該無形資產將如何產生可能的未來經濟利益；
- 擁有足夠的技術、財務及其他資源，以完成開發及使用或出售該無形資產；及
- 在無形資產的發展過程中與其有關的支出能夠可靠地計量。

不符合以上標準的其他發展開支將於其發生時確認為開支。過往確認為開支的發展成本於往後期間並不確認為資產。資本化發展成本列為無形資產，並從該資產可供使用之時起於其估計可使用年期以直線法攤銷。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.11 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.12 Investments and other financial assets

#### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss and,
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

The Group reclassifies equity investments when and only when its business model for managing those assets changes.

## 2 主要會計政策概要(續)

### 2.11 非金融資產減值

使用年期不確定的商譽及無形資產或尚未可供使用的無形資產毋須進行攤銷，且每年進行減值測試。須予以攤銷的資產於出現事件或情況改變顯示可能無法收回賬面值時就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產公允價值減銷售成本及使用價值兩者之較高者為準。就評估減值而言，資產按可獨立識別現金流量之最低水準（現金產生單位）分類。出現減值的非金融資產（除商譽外）於各報告日期檢討是否可能撥回減值。

### 2.12 投資及其他金融資產

#### (i) 分類

本集團按下列計量類別分類其金融資產：

- 其後按公允價值計量且其變動計入損益，及
- 按攤銷成本計量。

該分類取決於實體管理金融資產之業務模式及現金流量之合約條款。

就按公允價值計量的資產而言，其收益及虧損將於損益入賬。

僅當管理該等資產之業務模式發生變動時，本集團方會對股權投資重新分類。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Investments and other financial assets (Continued)

#### (ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### (iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

## 2 主要會計政策概要(續)

### 2.12 投資及其他金融資產(續)

#### (ii) 確認及取消確認

金融資產的一般買賣於交易日(即本集團承諾購入或出售該資產當日)確認。當從金融資產收取現金流量的權利已逾期或已轉讓,而本集團已將擁有權之絕大部分風險和回報轉讓時,有關金融資產將取消確認。

#### (iii) 計量

於初始確認時,本集團按公允價值另加(倘金融資產並非按公允價值計量且其變動計入損益(「按公允價值計量且其變動計入損益」))收購金融資產直接應佔的交易成本計量金融資產。按公允價值計量且其變動計入損益的金融資產之交易成本於損益中列作開支。

#### *債務工具*

債務工具的後續計量取決於本集團管理資產之業務模式及該等資產的現金流量特徵。本集團將其債務工具分類為兩種計量類別:

- **攤銷成本:**倘持有資產旨在收取合約現金流量,而該等資產的現金流量僅為本金及利息付款,該等資產按攤銷成本計量。該等金融資產的利息收入以實際利率法計入財務收入。取消確認產生任何收益或虧損直接於損益中確認並連同匯兌收益及虧損於其他收益/(虧損)中呈列。減值虧損於合併綜合收益表中呈列為獨立項目。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Investments and other financial assets (Continued)

#### (iii) Measurement (Continued)

##### *Debt instruments (Continued)*

- FVPL: Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a equity investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

#### (iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 18 for further details.

### 2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

## 2 主要會計政策概要(續)

### 2.12 投資及其他金融資產(續)

#### (iii) 計量(續)

##### *債務工具(續)*

- 按公允價值計量且其變動計入損益：不符合攤銷成本標準的資產乃以按公允價值計量且其變動計入損益計量。隨後按公允價值計量且其變動計入損益的股權投資的損益於其產生期間在損益中確認並在其他收益／(虧損)中呈列為淨值。

#### (iv) 減值

本集團以前瞻性基準評估其按攤銷成本列賬的債務工具的預期信貸虧損。所應用的減值方法取決於信貸風險是否大幅增加。

就貿易應收款項而言，本集團應用香港財務報告準則第9號所允許的簡化方法，其中要求全期預期虧損須自首次確認應收款項時確認，請參閱附註18以了解進一步詳情。

### 2.13 對銷金融工具

當存在合法可執行權利對銷已確認金額及當有意按淨額基準償付責任或同時變現資產與償付負債，金融資產及負債於資產負債表對銷及呈報淨金額。可依法強制執行的權利不得取決於未來事件，且必須在日常業務過程中及倘本公司或對手方違約、無力償還或破產時均可強制執行。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excluded borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 2.15 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold and service provided in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 18 for further information about the Group's accounting for trade receivables and note 3.1(c) for a description of the Group's impairment policies.

### 2.16 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less.

## 2 主要會計政策概要(續)

### 2.14 存貨

存貨按成本與可變現淨值兩者之較低者列賬。成本以加權平均法釐定。製成品及半成品之成本包括原材料、直接勞工、其他直接成本及相關生產開支(根據正常運作能力)，惟不包括借貸成本。可變現淨值乃按日常業務過程中之估計售價減去適用變動銷售開支計算。

### 2.15 貿易及其他應收款項

貿易應收款項乃就日常業務過程中就已售商品及提供服務而應收客戶的款項。倘預期於一年或少於一年(或倘時間較長，則於正常營運週期內)追收貿易及其他應收款項，則該等款項會分類為流動資產，否則呈列為非流動資產。

除非貿易應收款項含有重大融資成分，否則其於初始確認時之代價金額須為無條件且按公允價值確認。本集團持有貿易應收款項旨在收取合約現金流量，因此，其後乃採用實際利率法按攤銷成本計量。請分別參閱附註18及3.1(c)以了解有關本集團貿易應收款項的會計處理及本集團減值政策的進一步資料。

### 2.16 現金及現金等價物

在合併現金流量表內，現金及現金等價物包括手頭現金、銀行活期存款、原到期日為三個月或以下且高流通性的其他短期投資。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.17 Share capital and shares held for employee share scheme

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the company.

Shares held by the Bank Of Communications Trustee Limited on behalf of the Group are disclosed as shares held for employee share scheme and deducted from contributed equity.

### 2.18 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 2 主要會計政策概要(續)

### 2.17 股本及就僱員股份計劃持有的股份

普通股被列為權益。

直接歸屬於發行新股份的新增成本在權益中列為所得款項的減少(扣除稅項)。

倘任何集團公司購買公司股本工具，例如因股份購回或以股份為基礎之付款計劃，已付代價(包括任何直接應佔新增成本(扣除所得稅))作為庫存股份自公司擁有人應佔權益中扣除，直至有關股份被註銷或獲再發行。倘該等普通股其後獲再發行，任何已收代價(扣除任何直接應佔新增交易成本及相關所得稅影響)計入公司擁有人應佔權益。

交通銀行信託有限公司代表本集團持有的股份披露為就僱員股份計劃持有的股份及自實繳權益中扣除。

### 2.18 貿易應付款項

貿易應付款項為在日常業務過程中從供應商購買產品或服務而應支付的款項。倘應付款項的支付日期為一年或以內(或倘時間較長，則在正常業務經營週期內)，則貿易應付款項被列為流動負債；否則呈列為非流動負債。

貿易應付款項初始以公允價值確認，其後使用實際利率法按攤銷成本計量。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.19 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

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

### 2.20 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.21 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2 主要會計政策概要(續)

### 2.19 借貸

借貸初始按公允價值扣除所產生的交易成本予以確認。借貸其後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值間的任何差額使用實際利率法於借貸期間在合併綜合收益表中確認。

除非本集團有權無條件將債務結算日期遞延至報告期末後至少12個月，否則借貸將被列為流動負債。

### 2.20 借貸成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理方可達到其擬定用途或銷售的資產)的一般及特定借貸成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定借貸而言，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借貸成本中扣除。

所有其他借貸成本在產生期間於損益中確認。

### 2.21 即期及遞延所得稅

期內的稅項開支包括即期及遞延稅項。稅項於合併綜合收益表中確認，惟與於其他綜合收益或直接於權益中確認的項目有關的稅項除外。在此情況下，稅項亦分別於其他綜合收益或直接於權益內確認。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.21 Current and deferred income tax (Continued)

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (b) Deferred income tax

##### *Inside basis differences*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## 2 主要會計政策概要(續)

### 2.21 即期及遞延所得稅(續)

#### (a) 即期所得稅

即期所得稅支出根據本公司及其附屬公司經營及產生應課稅收入的國家於資產負債表日期已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

#### (b) 遞延所得稅

##### *內在差異*

遞延所得稅使用負債法確認資產及負債的稅基與資產及負債在合併財務報表的賬面值產生的暫時性差異。然而，若遞延稅項負債來自對商譽的初步確認，則毋需確認，若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延所得稅採用在資產負債表日期前已頒佈或實質上已頒佈，並在有關的遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延所得稅資產僅於很可能有未來應課稅溢利可抵銷可用暫時性差異而確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.21 Current and deferred income tax (Continued)

#### (b) Deferred income tax (Continued)

##### *Outside basis differences*

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

#### (c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 2 主要會計政策概要(續)

### 2.21 即期及遞延所得稅(續)

#### (b) 遞延所得稅(續)

##### *外在差異*

遞延所得稅負債乃就於附屬公司、聯營公司及合營安排的投資產生之應課稅暫時性差異計提撥備，惟倘本集團控制暫時性差異撥回時間，以及暫時性差異在可見將來很可能不會撥回的遞延所得稅負債除外。一般而言，本集團無法控制聯營公司的暫時性差異的撥回。僅當存在協議賦予本集團能力於可見未來控制暫時性差異的撥回時，因聯營公司未分配溢利產生的有關應課稅暫時性差異之遞延稅項負債不予確認。

遞延所得稅資產乃就附屬公司、聯營公司及合營安排投資產生的可扣減暫時性差異確認，但只限於暫時性差異很可能在將來轉回，並有充足的應課稅溢利抵銷可用的暫時性差異。

#### (c) 抵銷

當有法定可執行權力將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債涉及由同一稅務機關對應課稅實體或不同應課稅實體徵收所得稅但有意以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.22 Employee benefits

#### Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### 2.23 Share-based payments

The Group operates equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (award shares) of the Group. The fair value of the employee services received in exchange for the grant of the award shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the award shares granted.

## 2 主要會計政策概要(續)

### 2.22 僱員福利

#### 退休金責任

界定供款計劃為本集團向獨立實體支付固定供款的退休金計劃。倘有關基金並無足夠資產向所有僱員支付即期及過往期間的僱員服務福利，本集團亦無法定或推定責任支付任何進一步供款。

就界定供款計劃而言，本集團以向由公共或私人機構管理的退休金保險計劃支付強制、合約或自願性供款。本集團在支付供款後即無進一步付款責任。供款於到期時確認為僱員福利開支。倘若有現金退款或未來供款額出現下調，預付供款可確認為資產。

#### 利潤分成及獎金計劃

本集團按計及本公司股東應佔溢利（經若干調整後）的公式就獎金及利潤分成確認負債及開支。倘有合約規定或過往行為已產生推定責任，則本集團確認撥備。

### 2.23 以股份為基礎之付款

本集團設有以權益結算的股份基礎酬金計劃，據此，實體視僱員所提供服務為本集團權益工具（獎勵股份）的代價。僱員就獲授獎勵股份所提供服務的公允價值確認為開支。將予支銷總金額參照所授出獎勵股份的公允價值而釐定。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.23 Share-based payments (Continued)

The grant by the Company of equity instruments over its equity instruments to the employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the parent entity accounts.

### 2.24 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when control of the products has transferred, and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised as follows:

#### (a) Sales of goods

Revenue from the sale of good directly to the customers is recognised at the point that the control of the inventory have passed to the customers, which is primarily upon the acceptance of the products by the customers. The customers have full discretion over the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. The Group collects cash or bank acceptance notes from the customers before or upon deliveries of products through banks. Cash or bank acceptance notes collected from the customers before product delivery is recognised as contract liabilities.

## 2 主要會計政策概要(續)

### 2.23 以股份為基礎之付款(續)

本公司就其股本工具向本集團附屬公司僱員授出股本工具視作注資。已收僱員服務的公允價值乃參考授出日期的公允價值計量並於歸屬期內確認為於附屬公司投資增加，並相應計入母公司實體賬目權益。

### 2.24 收入確認

收入包括本集團在日常業務過程中出售產品及服務之已收或應收代價之公允價值。收入在扣除增值稅、退貨、回扣及折扣及經撇銷本集團的銷售額後予以呈列。

本集團於產品的控制權已轉讓，且已符合下述本集團各業務的特定條件時確認收益。與銷售相關的所有或有項目解決後，收入金額方視為能可靠計量。本集團按過往業績作出估計，並考慮客戶種類、交易種類及各項安排的具體細節。收入確認如下：

#### (a) 銷售商品

直接向客戶銷售商品所得收入於存貨的控制權已轉移予客戶時（主要於客戶接受產品後）確認。客戶對產品有充分酌情權且並無未履行責任可影響客戶對該等產品的接納。本集團在產品交付之前或之後透過銀行向客戶收取現金或銀行承兌票據。在產品交付前自客戶收取的現金或銀行承兌票據確認為合約負債。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.24 Revenue recognition (Continued)

#### (b) Modification services income

Revenue from mold modification services is recognised in the accounting period in which the services are rendered.

#### (c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

### 2.25 Dividend income

Dividend income is recognised when the right to receive payment is established.

### 2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

## 2 主要會計政策概要(續)

### 2.24 收入確認(續)

#### (b) 修改服務收入

來自模具修改服務的收入在提供該服務的會計期間確認。

#### (c) 利息收入

利息收入使用實際利率法按時間比例確認。

### 2.25 股息收入

股息收入於收取股息之權利確立時確認。

### 2.26 政府補助

當能合理確定將收到政府的補助，而本集團將遵守所有附帶條件時，補助按其公允價值確認。

有關成本的政府補助將被遞延，並於將有關補助與其擬定補償的成本配對所需的期間內於損益中確認。

有關物業、廠房及設備的政府補助被納入非流動負債列為遞延政府補助，並於有關資產的預期年限內按直線法計入合併綜合收益表。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.27 Leases

As explained in note 2.2 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in note 2.2.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases (note 14). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

## 2 主要會計政策概要(續)

### 2.27 租賃

誠如上文附註2.2所闡釋，本集團已更改其作為承租人時有關租賃的政策。新政策載於下文，變更的影響載於附註2.2。

倘租賃所有權的絕大部分風險及回報並未轉移至本集團（作為承租人），租賃分類為經營租賃（附註14）。根據經營租賃支付的款項（扣除自出租人收取的任何激勵措施後）於租賃期內以直線法自損益扣除。

自2019年1月1日起，租賃於租賃資產可供本集團使用當日確認為使用權資產及相應負債。

合約可能包含租賃及非租賃組成部分。本集團按照租賃及非租賃組成部分相應的獨立價格，將合約代價分配至租賃及非租賃組成部分。然而，就本集團為承租人的房地產租賃而言，其選擇將租賃及非租賃組成部分入賬為單一租賃組成部分，並無將兩者區分。

租賃產生的資產及負債初步以現值基準計量。租賃負債包括下列租賃付款的淨現值：

- 固定付款（包括實質上的固定付款），減去任何應收租賃優惠
- 基於指數或利率的可變租賃付款，採用於開始日期的指數或利率初步計量
- 本集團於剩餘價值擔保下預計應付的金額
- 倘本集團合理確定行使購買選擇權，則為該選擇權的行使價，及
- 倘租賃期反映本集團行使該選擇權，則支付終止租賃的罰款。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.27 Leases (Continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## 2 主要會計政策概要(續)

### 2.27 租賃(續)

根據合理確定延續選擇權支付的租賃付款亦計入負債計量之內。

租賃付款使用租賃中隱含的利率進行貼現。倘無法輕易確定該利率(為本集團租賃的一般情況)，則使用承租人的增量借款利率，即個別承租人在類似經濟環境中按類似條款、抵押及條件借入獲得與使用權資產具有類似價值的資產所需資金而必須支付的利率。

為釐定增量借款利率，本集團：

- 在可能情況下，使用個別承租人最近獲得的第三方融資為出發點作出調整，以反映自獲得第三方融資以來融資條件的變動
- 使用累加法，首先就本集團所持有租賃的信貨風險(最近並無第三方融資)調整無風險利率，及
- 進行特定於租約的調整，例如期限、國家、貨幣及抵押。

本集團未來可能根據指數或利率增加可變租賃付款額，而有關指數或利率在生效前不會計入租賃負債。當根據指數或利率對租賃付款作出的調整生效時，租賃負債根據使用權資產進行重新評估及調整。

租賃付款於本金及財務成本之間作出分配。財務成本在租賃期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.27 Leases (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

### 2.28 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved.

## 2 主要會計政策概要(續)

### 2.27 租賃(續)

使用權資產按成本計量，包括以下各項：

- 租賃負債的初始計量金額
- 在開始日期或之前支付的任何租賃付款減去已收任何租賃優惠
- 任何初始直接成本，及
- 修復費用。

使用權資產一般於資產可使用年期或租賃期(以較短者為準)按直線法計算折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年期內予以折舊。本集團在對其土地及樓宇(於物業、廠房及設備內呈列)重新估值時，已選擇不就本集團所持有的使用權樓宇行使有關權利。

與設備及汽車的短期租賃及所有低價值資產租賃相關的付款以直線法於損益確認為開支。短期租賃為租賃期12個月或以下的租賃。低價值資產包括資訊科技設備及小型辦公家具。

### 2.28 股息分派

分派予股東的股息於股息獲批准期間的財務報表內確認為負債。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group and approved by the Board of Directors.

##### (a) Foreign exchange risk

The Group mainly operates in the PRC, and is exposed to foreign currency risks, mainly with respect to HK dollar ("HK\$"), US dollar ("USD") and Euro dollar ("EUR"). Exchange rate fluctuations and market trends have always been the concern of the Group. Foreign currency hedging of the Group has been managed by our chief financial officer, and overseen by the Group's chief executive officer. In accordance with our hedging needs and the then foreign exchange situation, the Group's chief financial officer would gather and analyse information regarding various hedging instruments and determine stop-loss thresholds. The Group's chief financial officer would then obtain quotations from various banks as to the financial instrument and present such quotations to the Group's chief executive officer, who would then evaluate and make a decision as to whether to enter into the relevant hedging agreement. No hedging contract has been entered into during the year. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

### 3 財務風險管理

#### 3.1 財務風險因素

本集團因其業務活動面臨各種財務風險：市場風險（外匯風險、價格風險、現金流量及公允價值利率風險）、信貸風險及流動資金風險。本集團之整體風險管理計劃著重於金融市場之變數及致力減低對本集團財務表現產生之潛在負面影響。風險管理由本集團高級管理層進行，並經董事會批准。

##### (a) 外匯風險

本集團主要在中國經營業務，因而面對多種外幣產生的外匯風險，主要為港元、美元及歐元。本集團一直以來都很關注匯率波動和市場趨勢。本集團的首席財務官管理本集團的外匯對沖，而本集團的首席執行官則監控本集團的外匯對沖。根據本集團的對沖需要及當時的外匯情況，本集團的首席財務官將收集有關各種對沖工具的資料進行分析，並釐定止損點。隨後本集團的首席財務官將收集各銀行有關財務工具的報價，並向本集團的首席執行官呈報該報價，而本集團的首席執行官其後將評估及就是否訂立相關對沖協議作出決定。年內並無訂立對沖合約。人民幣兌換成外幣須遵守中國政府頒佈的外匯管理條例及規定。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3 財務風險管理(續)

#### 3.1 Financial risk factors (Continued)

#### 3.1 財務風險因素(續)

##### (a) Foreign exchange risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the respective balance sheet dates are as follows:

##### (a) 外匯風險(續)

於各資產負債表日期，本集團以外幣計值的貨幣資產及貨幣負債之賬面值載列如下：

|                    |           | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|--------------------|-----------|-------------------------|-------------------------|
| <b>Assets</b>      | <b>資產</b> |                         |                         |
| HK\$               | 港元        | 93,942                  | 98,786                  |
| USD                | 美元        | 501,450                 | 823,191                 |
| EUR                | 歐元        | 30,021                  | 25,480                  |
| Total              | 總計        | 625,413                 | 947,457                 |
| <b>Liabilities</b> | <b>負債</b> |                         |                         |
| HK\$               | 港元        | 141,234                 | 271,787                 |
| USD                | 美元        | 20,575                  | 50,960                  |
| EUR                | 歐元        | 108,939                 | 77,823                  |
| Total              | 總計        | 270,748                 | 400,570                 |

If RMB had strengthened/weakened by 5% against the relevant foreign currencies, with all other variable held constant, the profit before income tax would have been higher/(lower) as follows:

倘人民幣兌有關外幣升值／貶值5%，而所有其他變量保持不變，則除所得稅前溢利增加／(減少)情況如下：

|      |    | 2019<br>higher/(lower) on profit<br>before income tax if<br>exchanges rates change by<br>倘匯率變動如下，除所得稅前<br>溢利增加／(減少) |                        | 2018<br>higher/(lower) on profit<br>before income tax if<br>exchanges rates change by<br>倘匯率變動如下，除所得稅前<br>溢利增加／(減少) |                        |
|------|----|---------------------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------------|------------------------|
|      |    | +5%<br>HK\$'000<br>千港元                                                                                              | -5%<br>HK\$'000<br>千港元 | +5%<br>HK\$'000<br>千港元                                                                                              | -5%<br>HK\$'000<br>千港元 |
| HK\$ | 港元 | 2,365                                                                                                               | (2,365)                | 8,650                                                                                                               | (8,650)                |
| USD  | 美元 | (24,044)                                                                                                            | 24,044                 | (38,612)                                                                                                            | 38,612                 |
| EUR  | 歐元 | 3,946                                                                                                               | (3,946)                | 2,617                                                                                                               | (2,617)                |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Price risk

The Group is not exposed to equity securities price risk or commodity price risk and the Group has not entered into any long term contracts with the suppliers. Fluctuations in the price of raw materials are usually passed on to customers.

##### (c) Credit risk

Credit risk arises from cash and cash equivalents, trade and other receivable and equity investments that are measured at fair value through profit or loss.

##### (i) Risk management and Security

For cash and cash equivalents and deposits for bank borrowings, the Group manages the credit risk by placing all the bank deposits in state-owned financial institutions or reputable banks which are all high-credit-quality financial institutions.

To manage the credit risk in respect of trade and other receivables, the Group performs ongoing credit evaluations of its debtors' financial condition and does not require collateral from the debtors on the outstanding balances. Based on the expected recoverability and timing for collection of the outstanding balances, the Group maintains an allowance for doubtful accounts and actual losses incurred have been within management's expectations.

As at 31 December 2019, the Group faced some concentration of credit risk as the Group's five largest customers accounted for approximately 44% (2018: 52%) of the total trade receivables.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 價格風險

本集團並未面對股本證券價格風險或商品價格風險，本集團亦尚未與供應商簽訂任何長期合約。原材料價格的波動通常轉嫁予客戶。

##### (c) 信貸風險

信貸風險源自現金及現金等價物、貿易及其他應收款項以及按公允價值計量且其變動計入損益的股權投資。

##### (i) 風險管理及安全

就現金及現金等價物以及銀行借貸的按金而言，本集團通過將所有銀行存款置於國有金融機構或聲譽良好銀行（均為擁有高信貸質素的金金融機構），以管理信貸風險。

為管理有關貿易及其他應收款項的信貸風險，本集團會對其債務人的財務狀況持續進行信貸評估，並不要求債務人就未償還結餘作出抵押。根據未收回結餘的預期可收回性及收集時間，本集團對呆賬進行撥備，而產生的實際虧損一直在管理層的預期內。

於2019年12月31日，由於本集團五大客戶佔貿易應收款項總額約44%（2018年：52%），故本集團面對一定程度的信貸集中風險。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Credit risk (Continued)

###### (ii) Impairment of financial assets

The Group has one type of financial assets that is subject to the expected credit loss model:

- trade and other receivables

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

###### *Trade and other receivables*

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

As at 31 December 2019, the Group has assessed that the expected loss rate for other receivables was immaterial. Thus, no loss allowance for other receivables was recognised.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2019. The forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the loss rates based on expected changes in these factors.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 信貸風險(續)

###### (ii) 金融資產之減值

本集團有一類金融資產須遵守預期信貸虧損模式規定：

- 貿易及其他應收款項

儘管現金及現金等價物亦須遵守香港財務報告準則第9號的減值規定，惟已識別減值虧損並不重大。

###### *貿易及其他應收款項*

本集團使用香港財務報告準則第9號簡易法計量預期信貸虧損，即就所有貿易應收款項則採用全期的預期虧損計提撥備。

於2019年12月31日，本集團已評定其他應收款項的預期虧損率屬輕微。因此，並無就其他應收款項確認虧損撥備。

預期虧損率乃基於2019年12月31日前36個月期間銷售的付款情況而得出。宏觀經濟因素的前瞻性資料影響客戶結算應收款項的能力。本集團已識別其產品及服務銷往國家的國內生產總值及失業率為最相關因素，並據此基於該等因素的預期變動而調整虧損率。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

Trade and other receivables (Continued)

On that basis, the loss allowance as at 31 December 2019 and 31 December 2018 was determined as follows for trade receivables:

|                         |                    | Current<br>即期 | More than<br>90 days<br>past due<br>逾期超過<br>90日 | More than<br>360 days<br>past due<br>逾期超過<br>360日 | Total<br>總計 |
|-------------------------|--------------------|---------------|-------------------------------------------------|---------------------------------------------------|-------------|
| <b>31 December 2019</b> | <b>2019年12月31日</b> |               |                                                 |                                                   |             |
| Expected loss rate      | 預期虧損率              | 1.00%         | 6.54%                                           | —                                                 | 1.38%       |
| Gross carrying amount   | 賬面總值               |               |                                                 |                                                   |             |
| — trade receivables     | —貿易應收款項            | 294,175       | 21,692                                          | —                                                 | 315,867     |
| <b>Loss allowance</b>   | <b>虧損撥備</b>        | 2,942         | 1,419                                           | —                                                 | 4,361       |
|                         |                    |               |                                                 |                                                   |             |
|                         |                    | Current<br>即期 | More than<br>90 days<br>past due<br>逾期超過<br>90日 | More than<br>360 days<br>past due<br>逾期超過<br>360日 | Total<br>總計 |
| <b>31 December 2018</b> | <b>2018年12月31日</b> |               |                                                 |                                                   |             |
| Expected loss rate      | 預期虧損率              | 1.38%         | 4.54%                                           | 100.00%                                           | 2.03%       |
| Gross carrying amount   | 賬面總值               |               |                                                 |                                                   |             |
| — trade receivables     | —貿易應收款項            | 284,170       | 23,289                                          | 1,260                                             | 308,719     |
| <b>Loss allowance</b>   | <b>虧損撥備</b>        | 3,933         | 1,057                                           | 1,260                                             | 6,250       |

Trade receivables is written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 1 year.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

貿易應收款項於並無合理預期可收回時予以撇銷。無合理預期可收回的指標包括(其中包括)債務人無法與本集團達成還款計劃,且無法就逾期超過1年的款項作出合約付款。

貿易應收款項的減值虧損於經營溢利內呈列為減值虧損淨額。其後收回先前已撇銷的金額則計入同一項目內。

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 信貸風險(續)

##### (ii) 金融資產之減值(續)

貿易及其他應收款項(續)

按此基準,就貿易應收款項釐定於2019年12月31日及2018年12月31日的虧損撥備如下:

|                         | Current<br>即期 | More than<br>90 days<br>past due<br>逾期超過<br>90日 | More than<br>360 days<br>past due<br>逾期超過<br>360日 | Total<br>總計 |
|-------------------------|---------------|-------------------------------------------------|---------------------------------------------------|-------------|
| <b>31 December 2019</b> |               |                                                 |                                                   |             |
| Expected loss rate      | 1.00%         | 6.54%                                           | —                                                 | 1.38%       |
| Gross carrying amount   |               |                                                 |                                                   |             |
| — trade receivables     | 294,175       | 21,692                                          | —                                                 | 315,867     |
| <b>Loss allowance</b>   | 2,942         | 1,419                                           | —                                                 | 4,361       |
|                         |               |                                                 |                                                   |             |
|                         | Current<br>即期 | More than<br>90 days<br>past due<br>逾期超過<br>90日 | More than<br>360 days<br>past due<br>逾期超過<br>360日 | Total<br>總計 |
| <b>31 December 2018</b> |               |                                                 |                                                   |             |
| Expected loss rate      | 1.38%         | 4.54%                                           | 100.00%                                           | 2.03%       |
| Gross carrying amount   |               |                                                 |                                                   |             |
| — trade receivables     | 284,170       | 23,289                                          | 1,260                                             | 308,719     |
| <b>Loss allowance</b>   | 3,933         | 1,057                                           | 1,260                                             | 6,250       |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Credit risk (Continued)

###### (iii) Financial assets at fair value through profit or loss

The Group is also exposed to credit risk in relation to equity investments that are measured at fair value through profit or loss. The maximum exposure at the end of the year is the carrying amount of these investments HK\$33,621,000 (2018 :HK\$23,621,000).

##### (d) Liquidity risk

The Group exercises prudent liquidity risk management by maintaining sufficient cash and bank balances. The Group's liquidity risk is further mitigated through the availability of financing through its own cash resources and the availability of banking facilities to meet its financial commitments. In the opinion of the directors, the Group does not have any significant liquidity risk.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows including interest elements computed using contractual rates, or if floating based on rates at the year-end date.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 信貸風險(續)

###### (iii) 以公允價值計量且其變動計入損益的金融資產

本集團亦面臨以公允價值計量且其變動計入損益的股權投資所產生的信貸風險。於本年末所面臨的最大風險為該等投資的賬面值33,621,000港元(2018年:23,621,000港元)。

##### (d) 流動資金風險

本集團透過備有充足現金及銀行結餘審慎地管理流動資金風險。本集團的流動資金風險進一步透過其自有現金資源維持備用資金以及備有銀行融資以滿足財政承擔而得以緩解。董事認為，本集團並無任何重大流動資金風險。

下表乃根據資產負債表日期至合約到期日的剩餘期間，按相關到期組別分析本集團的金融負債。表內披露的金額為合約未貼現現金流量，包括使用合約比率計算的利息部分，或倘屬浮動，則按年結日的比率計算。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (d) Liquidity risk (Continued)

|                                                                |                     | On demand     | 3 months or less | 3 months to 1 year | Over 1 year    | Total          |
|----------------------------------------------------------------|---------------------|---------------|------------------|--------------------|----------------|----------------|
|                                                                |                     | 按要求           | 三個月或以下           | 三個月至一年             | 超過一年           | 總計             |
|                                                                |                     | HK\$'000      | HK\$'000         | HK\$'000           | HK\$'000       | HK\$'000       |
|                                                                |                     | 千港元           | 千港元              | 千港元                | 千港元            | 千港元            |
| <b>At 31 December 2019</b>                                     | <b>於2019年12月31日</b> |               |                  |                    |                |                |
| Bank borrowings                                                | 銀行借貸                | —             | 119,307          | 51,208             | 78,490         | 249,005        |
| Trade and other payables (excluding non-financial liabilities) | 貿易及其他應付款項 (非金融負債除外) | 5,329         | 291,026          | —                  | —              | 296,355        |
| Lease liabilities                                              | 租賃負債                | —             | 16,980           | 50,939             | 102,783        | 170,702        |
| <b>Total</b>                                                   | <b>總計</b>           | <b>5,329</b>  | <b>427,313</b>   | <b>102,147</b>     | <b>181,273</b> | <b>716,062</b> |
|                                                                |                     | On demand     | 3 months or less | 3 months to 1 year | Over 1 year    | Total          |
|                                                                |                     | 按要求           | 三個月或以下           | 三個月至一年             | 超過一年           | 總計             |
|                                                                |                     | HK\$'000      | HK\$'000         | HK\$'000           | HK\$'000       | HK\$'000       |
|                                                                |                     | 千港元           | 千港元              | 千港元                | 千港元            | 千港元            |
| <b>At 31 December 2018</b>                                     | <b>於2018年12月31日</b> |               |                  |                    |                |                |
| Bank borrowings                                                | 銀行借貸                | —             | 12,993           | 102,913            | 246,028        | 361,934        |
| Trade and other payables (excluding non-financial liabilities) | 貿易及其他應付款項 (非金融負債除外) | 16,428        | 310,591          | —                  | —              | 327,019        |
| <b>Total</b>                                                   | <b>總計</b>           | <b>16,428</b> | <b>323,584</b>   | <b>102,913</b>     | <b>246,028</b> | <b>688,953</b> |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (e) Cash flow and fair value interest rate risk

The Group's interest-rate risk arises from bank borrowings. Bank borrowings at variable rates expose the Group to cash flow interest-rate risk. Bank borrowings at fixed rates expose the Group to fair value interest-rate risk. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the needs arise. If interest rate for variable rate borrowings had been 1% higher/lower for the year ended 31 December 2019 with all other variables held at constant, the Group's profit before tax would have been lower/higher by HK\$2,420,000 (2018: HK\$3,422,000).

As at 31 December 2019 and 2018, changes in interest rates within an expected range had no material impact on the interest income of cash and cash equivalents.

#### 3.2 Capital management

The Group's 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 benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may vary the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (e) 現金流量及公允價值利率風險

本集團的利率風險來自銀行借貸。浮息銀行借貸使本集團承受現金流量利率風險。定息銀行借貸使本集團承受公允價值利率風險。本集團目前並無使用任何利率掉期安排，惟會考慮是否需要對沖面臨的利率風險。倘於截至2019年12月31日止年度的浮息借貸利率增加／減少1%，而其他所有變量保持不變，則本集團的除稅前溢利可能減少／增加2,420,000港元（2018年：3,422,000港元）。

於2019年及2018年12月31日，預期範圍內的利率變動不會對現金及現金等價物的利息收入造成重大影響。

#### 3.2 資本管理

本集團管理資本的目標為保障本集團持續營運的能力，從而為股東提供回報並為其他持份者提供利益，以及維持最佳的資本架構以減低資本成本。

為維持或調整資本架構，本集團或會更改支付予股東的股息金額、發行新股或出售資產以減低債務。

本集團按資產負債比率的基準監察資本。該比率乃按借貸總額除以權益總額計算。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.2 Capital management (Continued)

The gearing ratio is as follows:

|                   |           | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-------------------|-----------|-------------------------|-------------------------|
| Total borrowings  | 借貸總額      | 241,960                 | 342,232                 |
| Total equity      | 權益總額      | 1,191,465               | 1,075,458               |
| Gearing ratio (%) | 資產負債比率(%) | 20%                     | 32%                     |

Gearing ratio has decreased to 20% as at 31 December 2019, which is due to increase in equity and decrease in total borrowings.

#### 3.3 Fair value estimation

The fair values of current financial assets, including cash and cash equivalents, restricted cash, deposits for bank borrowings and trade and other receivables, as well as current financial liabilities including trade and other payables and current bank borrowings approximate their carrying amounts due to their short maturities as at 31 December 2019.

The table below analyses financial instruments carried at fair value, by the levels of inputs to valuation techniques. The inputs to valuation techniques are categorized into three levels within a fair value hierarchy, as follows:

- Level 1 — Quoted prices unadjusted in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included within level 1 that are observable for the asset.
- Level 3 — Inputs for the asset or liability that are not based on observable market data that is, unobservable inputs.

### 3 財務風險管理(續)

#### 3.2 資本管理(續)

資產負債比率如下：

|                   |           | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-------------------|-----------|-------------------------|-------------------------|
| Total borrowings  | 借貸總額      | 241,960                 | 342,232                 |
| Total equity      | 權益總額      | 1,191,465               | 1,075,458               |
| Gearing ratio (%) | 資產負債比率(%) | 20%                     | 32%                     |

於2019年12月31日，資產負債比率已減至20%，此乃由於權益增加及借貸總額減少所致。

#### 3.3 公允價值估計

由於到期日較短，於2019年12月31日，流動金融資產(包括現金及現金等價物、受限制現金、銀行借貸的按金以及貿易及其他應收款項)及流動金融負債(包括貿易及其他應付款項以及即期銀行借貸)的公允價值均與其賬面值相若。

下表透過估值技術的輸入數據層級分析按公允價值列賬的金融工具。估值技術輸入數據在公允價值層級範圍內被分類為以下三個層級：

- 第一層 — 相同資產或負債在活躍市場的報價(未經調整)。
- 第二層 — 除了第一層所包括的報價外，該資產可觀察的輸入數據。
- 第三層 — 資產或負債並非依據可觀察市場數據的輸入數據(即非可觀察輸入數據)。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

##### (i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

### 3 財務風險管理(續)

#### 3.3 公允價值估計(續)

##### (i) 公允價值層級

本節闡述釐定於財務報表中確認及按公允價值計量的金融工具公允價值所作出的判斷及估計。為得出有關釐定公允價值所用輸入數據之可靠性指標，本集團已按會計準則規定將其金融工具分為三個等級。各等級於下表闡述。

|                                                                               |                                        | Level 1<br>第一層<br>HK\$'000<br>千港元 | Level 2<br>第二層<br>HK\$'000<br>千港元 | Level 3<br>第三層<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|-------------------------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| <b>Recurring fair value measurements at 31 December 2019</b>                  | <b>於2019年12月31日<br/>經常性公允價值<br/>計量</b> |                                   |                                   |                                   |                                |
| <b>Financial assets</b>                                                       | <b>金融資產</b>                            |                                   |                                   |                                   |                                |
| Financial assets at fair value through profit or loss — non current (note 19) | 以公允價值計量且其變動計入損益的金融資產—非流動(附註19)         |                                   |                                   |                                   |                                |
| Unlisted equity investments                                                   | 非上市股權投資                                | —                                 | —                                 | 33,621                            | 33,621                         |
| Total financial assets                                                        | 金融資產總值                                 | —                                 | —                                 | 33,621                            | 33,621                         |

|                                                                     |                                        | Level 1<br>第一層<br>HK\$'000<br>千港元 | Level 2<br>第二層<br>HK\$'000<br>千港元 | Level 3<br>第三層<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---------------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| <b>Recurring fair value measurements at 31 December 2018</b>        | <b>於2018年12月31日<br/>經常性公允價值<br/>計量</b> |                                   |                                   |                                   |                                |
| <b>Financial assets</b>                                             | <b>金融資產</b>                            |                                   |                                   |                                   |                                |
| Financial assets at fair value through profit or loss — non current | 以公允價值計量且其變動計入損益的金融資產—非流動               |                                   |                                   |                                   |                                |
| Unlisted equity investments                                         | 非上市股權投資                                | —                                 | —                                 | 23,621                            | 23,621                         |
| Total financial assets                                              | 金融資產總值                                 | —                                 | —                                 | 23,621                            | 23,621                         |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

##### (i) Fair value hierarchy (Continued)

Note that all the resulting fair value estimates are included in level 3 during the year. For transfers in and out of level 3 measurements see (iii) below. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity investments.

##### (ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- for unlisted equity investments — discounted cash flow analysis.

All of the resulting fair value estimates are included in level 3 where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

### 3 財務風險管理(續)

#### 3.3 公允價值估計(續)

##### (i) 公允價值層級(續)

據此發現，於年內因而產生的公允價值估計均納入第三層。有關第三層計量的轉入及轉出，請參閱下文(iii)。本集團按其政策於報告期末確認公允價值層級的轉入及轉出。

第三層：倘一項或多項重大輸入數據並非根據可觀察市場數據釐定，則該項工具會納入第三層。非上市股權投資屬此情況。

##### (ii) 用於釐定公允價值的估值技術

用於評估金融工具價值的特定估值技術包括：

- 就非上市股權投資一貼現現金流量分析。

倘公允價值已按現值釐定及所用貼現率就對手方或自身信貸風險而調整，則所有所產生的公允價值估計乃納入第三層。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

##### (iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year:

|                                                   |                       | Unlisted<br>equity<br>investments<br>非上市股權投資<br>HK\$'000<br>千港元 |
|---------------------------------------------------|-----------------------|-----------------------------------------------------------------|
| <b>Closing balance as at<br/>31 December 2018</b> | 於2018年12月31日<br>的期終結餘 | <b>23,621</b>                                                   |
| Additions in 2019                                 | 2019年添置               | <b>10,000</b>                                                   |
| <b>Closing balance as at<br/>31 December 2019</b> | 於2019年12月31日<br>的期終結餘 | <b>33,621</b>                                                   |

##### (iv) Valuation inputs and relationships to fair value (FV)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

### 3 財務風險管理(續)

#### 3.3 公允價值估計(續)

##### (iii) 使用重大不可觀察輸入數據的公允價值計量(第三層)

下表列示第三層項目於本年度的變動：

##### (iv) 估值輸入數據及與公允價值的關係

下表概述第三層公允價值計量所用重大不可觀察輸入數據的量化資料。有關所採納的估值技術，請參閱上文(ii)。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

##### (iv) Valuation inputs and relationships to fair value (FV) (Continued)

| Description                                                                            | Fair value at<br>於下列日期的<br>公允價值                           |                                                           | Unobservable<br>inputs*<br>不可觀察<br>輸入資料*                                                         | Range of inputs (probability-<br>weighted average)<br>輸入資料範圍<br>(可能性加權平均) |                        | Relationship of unobservable<br>inputs to fair value<br>不可觀察輸入數據與<br>公允價值的關係                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 概述                                                                                     | 31 December<br>2019<br>2019年<br>12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年<br>12月31日<br>HK\$'000<br>千港元 |                                                                                                  | 2019                                                                      | 2018                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Unlisted equity investments<br>— Precision Robotics<br>非上市股權投資<br>— Precision Robotics | 23,621                                                    | 23,621                                                    | Discount rate for discounting estimated cash flows<br>貼現估計現金流量之貼現率<br><br>Net profit rate<br>淨利率 | 19%–21%<br><br>15%–17%                                                    | 19%–21%<br><br>20%–22% | Lower discount rate for discounting estimated cash flows (-1%) and higher net profit rate (+1%) would increase fair value by HK\$6,091,000;<br>Higher discount rate for discounting estimated cash flows (+1%) and lower net profit rate (-1%) would decrease fair value by HK\$ 3,080,000.<br>貼現估計現金流量之貼現率下降(-1%)及淨利率上升(+1%)將令公允價值增加6,091,000港元；<br>貼現估計現金流量之貼現率上升(+1%)及淨利率下降(-1%)將令公允價值減少3,080,000港元。<br>(2018: Lower discount rate for discounting estimated cash flows (-1%) and higher net profit rate (+1%) would increase fair value by HK\$8,604,000;<br>Higher discount rate for discounting estimated cash flows (+1%) and lower net profit rate (-1%) would decrease fair value by HK\$6,546,000.<br>2018年：貼現估計現金流量之貼現率下降(-1%)及淨利率上升(+1%)將令公允價值增加8,604,000港元；<br>貼現估計現金流量之貼現率上升(+1%)及淨利率下降(-1%)將令公允價值減少6,546,000港元。) |

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3 財務風險管理(續)

#### 3.3 Fair value estimation (Continued)

#### 3.3 公允價值估計(續)

#### (iv) Valuation inputs and relationships to fair value (FV) (Continued)

#### (iv) 估值輸入數據及與公允價值的關係(續)

| Description                                                                                 | Fair value at<br>於下列日期的<br>公允價值                           |                                                           | Unobservable<br>inputs*<br>不可觀察<br>輸入資料*                                                         | Range of inputs (probability-<br>weighted average)<br>輸入資料範圍<br>(可能性加權平均) | Relationship of unobservable<br>inputs to fair value<br>不可觀察輸入數據與<br>公允價值的關係                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 概述                                                                                          | 31 December<br>2019<br>2019年<br>12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年<br>12月31日<br>HK\$'000<br>千港元 |                                                                                                  | 2019<br>2018                                                              |                                                                                                                                                                                                                                                                                                                                                                                                       |
| Unlisted equity investments<br>— Intelligent Precision Micro-systems<br>非上市股權投資<br>— 精密睿創系統 | 10,000                                                    | —                                                         | discount rate for discounting estimated cash flows<br>貼現估計現金流量之貼現率<br><br>Net profit rate<br>淨利率 | 19%–21%<br><br><br>15%–17%                                                | — Lower discount rate for discounting estimated cash flows (-1%) and higher net profit rate (+1%) would increase fair value by HK\$2,893,000;<br>Higher discount rate for discounting estimated cash flows (+1%) and lower net profit rate (-1%) would decrease fair value by HK\$ 240,000.<br>貼現估計現金流量之貼現率下降(-1%)及淨利率上升(+1%)將令公允價值增加2,893,000港元;<br>貼現估計現金流量之貼現率上升(+1%)及淨利率下降(-1%)將令公允價值減少240,000港元。 |

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

\* 不可觀察輸入數據之間並無任何嚴重影響公允價值的重大內部關係。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

##### (v) Valuation processes

The finance department of the Group includes a team that performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every six months, in line with the Group's half-yearly reporting periods.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Discount rates for financial assets are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Net profit rate for unlisted equity investments are estimated based on market information for similar types of companies.

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

### 3 財務風險管理(續)

#### 3.3 公允價值估計(續)

##### (v) 估值程序

本集團財務部設有一個小組，專責就財務報告目的對非財產項目進行估值，包括第三層公允價值。此小組直接向首席財務官和審核委員會匯報。為配合本集團每半年度報告的日期，首席財務官、審核委員會與估值小組最少每六個月開會一次，討論估值流程和相關結果。

本集團使用的主要第三層輸入數據乃從下列各項取得和評估：

- 金融資產貼現率乃使用資本資產定價模式釐定，藉此計算反映當前對時間金錢值的市場評估和資產特定風險的稅前貼現率。
- 基於同類公司的市場信息估計非上市股權投資的淨利率。

### 4 關鍵會計估計及判斷

本公司按過往經驗及其他因素繼續檢討估計及判斷，包括於有關情況下對日後事件作出合理估計。

#### 4.1 關鍵會計估計及假設

本集團對未來作出估計及假設。顧名思義，會計估計結果很少等同相關實際結果。下文論述可能會導致於下個財政年度內對資產及負債賬面值作出重大調整的重大風險之估計及假設。

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

##### 4.1 Critical accounting estimates and assumptions (Continued)

###### (a) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment and consequently the related depreciation charges. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

###### (b) Impairment of trade receivables

The Group makes allowance for impairment of trade receivables based on an assessment about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in note 3.1(c).

###### (c) Allowance for inventories

In determining the amount of allowance required for obsolete and slow-moving inventories, the Group would evaluate customers' orders, ageing analysis of inventories and compare the carrying amount of inventories to their respective net realisable value. A considerable amount of judgments is required in determining such allowances. If conditions which have impact on the net realisable value of inventories deteriorate, additional allowances may be required.

#### 4. 關鍵會計估計及判斷(續)

##### 4.1 關鍵會計估計及假設(續)

###### (a) 物業、廠房及設備的可使用年期

本集團管理層釐定其物業、廠房及設備的估計可使用年期以及隨後的相關折舊開支。該估計乃根據類似性質和功能的物業、廠房及設備的實際使用年期的歷史經驗而作出。可能因技術革新及應對嚴峻的行業週期競爭行為而產生顯著變化。倘使用年期少於以往估計的年期，或將撇銷或撇減技術上過時或已棄用或出售的非戰略性資產，管理層將增加折舊開支。

###### (b) 貿易應收款項減值

本集團乃根據違約風險及預期虧損率的評估就貿易應收款項減值計提撥備。本集團於各報告期末根據本集團過往歷史、現時市況及前瞻性估計使用判斷，以作出該等假設及選擇減值計算之輸入數據。所用的主要假設及輸入數據詳情於附註3.1(c)的列表中披露。

###### (c) 存貨撥備

於釐定過時及滯銷存貨所需的撥備金額時，本集團將評估客戶訂單、存貨的賬齡分析並對比存貨的賬面值與其各自的可變現淨值。釐定該撥備需要進行大量判斷。倘影響存貨可變現淨值的狀況惡化，則須作出額外撥備。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

##### 4.1 Critical accounting estimates and assumptions (Continued)

###### (d) Income taxes and deferred taxation

Significant judgments is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be recognised. The outcome of their actual recognition may be different.

###### (e) Estimation of the fair value of certain financial assets

The fair value of FVPL that is not traded in an active market is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see note 3.3.

#### 4. 關鍵會計估計及判斷(續)

##### 4.1 關鍵會計估計及假設(續)

###### (d) 所得稅及遞延稅項

在釐定所得稅的撥備時須作出重大判斷。在日常業務過程中，多項交易及計算方式均會導致未能確定最終所定稅項。倘這些事宜最終所得稅務與最初錄得的款額有所差異，有關差額將會影響釐定稅項期間的即期及遞延所得稅資產及負債。

倘管理層認為有可能動用日後應課稅溢利以抵銷可予以確認的暫時差異或稅項虧損，則確認有關若干暫時差異及稅項虧損的遞延稅項資產。實際確認結果或會有所不同。

###### (e) 估計若干金融資產的公允價值

以公允價值計量且其變動計入損益，且並非於活躍市場買賣之金融工具乃使用估值技術釐定其公允價值。本集團憑藉其判斷選擇不同方法並主要根據各報告期末出現的市況而作出假設。所用的主要假設及變動對該等假設之影響的詳情見附註3.3。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

##### 4.2 Critical judgments in applying accounting policies

With effect from 1 January 2008, companies within the PRC are required to withhold income tax at 10% of the amount of dividend declared to their immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding income tax rate is applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil certain requirements under the tax treaty arrangements between the PRC and Hong Kong. During the year, the directors reassessed the cash requirement of the Group and the dividend policy of its major subsidiaries established in the PRC, namely TK Mold (Shenzhen) Limited, YD Mold (Shenzhen) limited, TK Precision Plastics (Shenzhen) Limited and TK Plastic Products (Suzhou) Limited, based on the Group's current business plan and financial position. The profit generated by these subsidiaries for the year amounting to HK\$214,886,000 would be distributed and deferred tax liability was accrued accordingly. This involves critical judgments by the directors.

#### 5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Group. The executive directors review the Group's internal reporting in order to assess performance and allocate resources and have determined the operating segments based on the internal reports that are used to make strategic decisions. During the year, the Group has 21 operating segments, out of which 11 operating segments relating to the mold business are aggregated into 'mold fabrication' operating segment as they have similar economic characteristics and satisfy all conditions and meet all the aggregation criteria in HKFRS 8; the remaining 10 operating segments relating to the plastic business are aggregated into 'plastic components manufacturing' operating segment as they have similar economic characteristics and satisfy all conditions and meet all the aggregation criteria in HKFRS 8. Accordingly, the executive directors considered the nature of the Group's business and determined that the Group has two reportable segments as follows: (i) mold fabrication and (ii) plastic components manufacturing.

#### 4. 關鍵會計估計及判斷(續)

##### 4.2 應用會計政策的關鍵判斷

自2008年1月1日起，當中國境外直接控股公司的中國附屬公司於2008年1月1日後就所賺取的溢利中宣派股息，則中國境內公司須對向該等直接控股公司宣派的股息金額繳付10%的預扣所得稅。若中國附屬公司的直接控股公司於香港成立並符合中國與香港所訂立的稅務條約安排的若干規定，則按5%的較低稅率繳納預扣所得稅。年內，董事根據本集團現有業務計劃及財務狀況，對本集團的現金需求以及其於中國成立的主要附屬公司（即東江模具（深圳）有限公司、佑東模具（深圳）有限公司、東江精創注塑（深圳）有限公司及東江塑膠製品（蘇州）有限公司）的股息政策予以重新評估，該等附屬公司於本年度所產生的溢利214,886,000港元將會進行分派，亦會產生相應遞延稅項負債。此涉及董事的關鍵判斷。

#### 5 分部資料

主要經營決策者已被認為本集團執行董事。執行董事審閱本集團的內部報告以評估表現及分配資源，並根據用於作出戰略決策的內部報告釐定經營分部。本年度內，本集團擁有21個經營分部。其中，11個與模具業務有關的經營分部因具備相似的經濟特徵、達成香港財務報告準則第8號的所有條件並符合當中所有加總披露準則而被合併為「模具製作」經營分部；而餘下10個與注塑業務有關的經營分部則因具備相似的經濟特徵、達成香港財務報告準則第8號的所有條件並符合當中所有整合準則而被合併為「注塑組件製造」經營分部。因此，執行董事考慮本集團業務的性質並釐定本集團兩個可報告分部如下：(i) 模具製作及(ii) 注塑組件製造。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 5 SEGMENT INFORMATION (Continued)

The executive directors assess the performance of the operating segments based on their revenue and gross profit and do not assess the assets and liabilities of the operating segments.

#### Segment information for consolidated statement of comprehensive income

- (a) The following table presents information on revenue of the Group by geographical segments for the year.

##### Revenue from external customers

|                               |        | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-------------------------------|--------|-------------------------|-------------------------|
| PRC                           | 中國     | 1,084,315               | 889,601                 |
| South East Asia and Hong Kong | 東南亞及香港 | 339,995                 | 600,010                 |
| Europe                        | 歐洲     | 385,965                 | 398,137                 |
| USA                           | 美國     | 480,057                 | 364,785                 |
| Mexico                        | 墨西哥    | 6,384                   | 19,306                  |
| Others                        | 其他     | 14,126                  | 26,770                  |
|                               |        | 2,310,842               | 2,298,609               |

The revenue information above is based on delivery location of the customers.

Non-current assets, other than financial instruments and deferred income tax assets, by country:

|         |    | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|---------|----|-------------------------|-------------------------|
| PRC     | 中國 | 760,163                 | 557,426                 |
| Germany | 德國 | 11,288                  | 8,617                   |
|         |    | 771,451                 | 566,043                 |

#### 5 分部資料(續)

執行董事根據經營分部的收入及毛利評估分部表現，但並無評估經營分部的資產及負債。

#### 合併綜合收益表的分部資料

- (a) 下表呈列本集團於年內按地區分部劃分的收入資料。

##### 外界客戶收入

|                               |        | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-------------------------------|--------|-------------------------|-------------------------|
| PRC                           | 中國     | 1,084,315               | 889,601                 |
| South East Asia and Hong Kong | 東南亞及香港 | 339,995                 | 600,010                 |
| Europe                        | 歐洲     | 385,965                 | 398,137                 |
| USA                           | 美國     | 480,057                 | 364,785                 |
| Mexico                        | 墨西哥    | 6,384                   | 19,306                  |
| Others                        | 其他     | 14,126                  | 26,770                  |
|                               |        | 2,310,842               | 2,298,609               |

上述收入資料乃基於客戶的交付地點。

按國家劃分的非流動資產(金融工具及遞延所得稅資產除外)：

|         |    | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|---------|----|-------------------------|-------------------------|
| PRC     | 中國 | 760,163                 | 557,426                 |
| Germany | 德國 | 11,288                  | 8,617                   |
|         |    | 771,451                 | 566,043                 |

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

### 5 SEGMENT INFORMATION (Continued)

#### Segment information for consolidated statement of comprehensive income (Continued)

(b) The segment information for the reportable segments is set out as below:

### 5 分部資料(續)

#### 合併綜合收益表的分部資料(續)

(b) 可報告分部的分部資料載列如下：

|                                                                           |                  | Mold fabrication |          | Plastic components manufacturing |           | Total          |                |
|---------------------------------------------------------------------------|------------------|------------------|----------|----------------------------------|-----------|----------------|----------------|
|                                                                           |                  | 模具製作             |          | 注塑組件製造                           |           | 總計             |                |
|                                                                           |                  | 2019             | 2018     | 2019                             | 2018      | 2019           | 2018           |
|                                                                           |                  | HK\$'000         | HK\$'000 | HK\$'000                         | HK\$'000  | HK\$'000       | HK\$'000       |
|                                                                           |                  | 千港元              | 千港元      | 千港元                              | 千港元       | 千港元            | 千港元            |
| <b>Revenue</b>                                                            | <b>收入</b>        |                  |          |                                  |           |                |                |
| Segment revenue                                                           | 分部收入             | 743,804          | 783,399  | 1,720,056                        | 1,606,197 | 2,463,860      | 2,389,596      |
| Inter-segment revenue elimination                                         | 分部間收入抵銷          | (153,018)        | (90,987) | —                                | —         | (153,018)      | (90,987)       |
| Revenue from external customers                                           | 外界客戶收入           | 590,786          | 692,412  | 1,720,056                        | 1,606,197 | 2,310,842      | 2,298,609      |
| Timing of revenue recognition                                             | 收入確認時間           |                  |          |                                  |           |                |                |
| At a point in time                                                        | 於某時間點            | 590,786          | 692,412  | 1,720,056                        | 1,606,197 | 2,310,842      | 2,298,609      |
| Segment results                                                           | 分部業績             | 207,667          | 258,748  | 459,808                          | 465,670   | 667,475        | 724,418        |
| Other income and other losses — net                                       | 其他收入及其他虧損一淨額     |                  |          |                                  |           | 44,305         | 21,991         |
| Selling expenses                                                          | 銷售開支             |                  |          |                                  |           | (80,690)       | (88,341)       |
| Administrative expenses                                                   | 行政開支             |                  |          |                                  |           | (269,567)      | (257,733)      |
| Finance (cost)/income — net                                               | 融資(成本)/收入一淨額     |                  |          |                                  |           | (1,395)        | 6,799          |
| Share of net profit of an associate accounted for using the equity method | 使用權益法入賬之應佔聯營公司純利 |                  |          |                                  |           | 371            | —              |
| <b>Profit before income tax</b>                                           | <b>除所得稅前溢利</b>   |                  |          |                                  |           | <b>360,499</b> | <b>407,134</b> |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 5 SEGMENT INFORMATION (Continued)

Segment information for consolidated statement of comprehensive income (Continued)

(c) Information regarding the Group's revenue by nature:

|                             |        | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-----------------------------|--------|-------------------------|-------------------------|
| Sales of goods              | 銷售商品   | 2,251,875               | 2,239,258               |
| Modification service income | 修改服務收益 | 58,967                  | 59,351                  |
|                             |        | 2,310,842               | 2,298,609               |

(d) Revenues of approximately HK\$307,965,000 (2018: HK\$302,719,000) were derived from a single external customer. These revenues are attributable to the plastic components manufacturing segment.

#### 5 分部資料(續)

合併綜合收益表的分部資料(續)

(c) 有關本集團按性質劃分的收入資料：

(d) 約 307,965,000 港元 (2018 年：302,719,000 港元) 的收入乃來自單一外界客戶。該等收入來自注塑組件製造分部。

#### 6 OTHER INCOME AND OTHER LOSSES — NET

|                                                                |                        | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|----------------------------------------------------------------|------------------------|-------------------------|-------------------------|
| <b>Other income</b>                                            | <b>其他收入</b>            |                         |                         |
| Sales of scrap and surplus materials                           | 銷售廢料及剩餘材料              | 18,918                  | 13,921                  |
| Government subsidies                                           | 政府補貼                   | 30,301                  | 10,121                  |
| Others                                                         | 其他                     | 928                     | 688                     |
|                                                                |                        | 50,147                  | 24,730                  |
| <b>Other losses — net</b>                                      | <b>其他虧損—淨額</b>         |                         |                         |
| Net foreign exchange loss                                      | 匯兌虧損淨額                 | (7,325)                 | (3,142)                 |
| Gain on disposal of property, plant and equipment (note 31(b)) | 出售物業、廠房及設備的收益(附註31(b)) | 1,483                   | 403                     |
|                                                                |                        | (5,842)                 | (2,739)                 |

#### 6 其他收入及其他虧損—淨額

Notes to the Financial Statements (continued)  
財務報表附註(續)

7 EXPENSES BY NATURE

7 按性質劃分的開支

|                                                                                     |                         | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| Changes in inventories of finished goods and work in progress                       | 製成品及半成品存貨變動             | (49,916)                | (32,461)                |
| Raw materials and consumables used                                                  | 原材料及耗材                  | 835,686                 | 820,698                 |
| Employee benefit expenses (note 8)                                                  | 僱員福利開支(附註8)             | 622,739                 | 585,866                 |
| Subcontracting expenses                                                             | 代工費用                    | 182,474                 | 191,257                 |
| Depreciation of property, plant and equipment and amortization of intangible assets | 物業、廠房及設備折舊以及無形資產攤銷      | 134,597                 | 103,322                 |
| Depreciation of right-of-use assets                                                 | 使用權資產折舊                 | 66,874                  | —                       |
| Water and electricity expenditures                                                  | 水電費用                    | 52,856                  | 41,716                  |
| Transportation and travelling expenses                                              | 運輸及差旅開支                 | 48,303                  | 56,605                  |
| Commission expenses                                                                 | 佣金費用                    | 16,060                  | 8,491                   |
| Other taxes and levies                                                              | 其他稅費                    | 13,280                  | 18,478                  |
| Advisory and legal service expenses                                                 | 諮詢及法律服務開支               | 11,369                  | 13,771                  |
| Maintenance expenses                                                                | 維修費用                    | 10,010                  | 13,641                  |
| Security and estate management expenses                                             | 保安及物業管理費                | 6,993                   | 6,601                   |
| Advertising and promotion fees                                                      | 廣告及推廣費用                 | 6,329                   | 4,938                   |
| Allowance/(reversal of allowance) for impairment of inventories                     | 存貨減值撥備／(撥備撥回)           | 5,848                   | (917)                   |
| (Reversal of allowance)/allowance for receivables                                   | 應收款項(撥備撥回)／撥備           | (1,759)                 | 408                     |
| Utilities and postage fees                                                          | 雜費及郵費                   | 4,084                   | 4,228                   |
| Donations                                                                           | 捐款                      | 3,849                   | 2,728                   |
| Auditors' remuneration                                                              | 核數師薪酬                   |                         |                         |
| — Audit services                                                                    | — 核數服務                  | 3,747                   | 4,581                   |
| — Non-audit services                                                                | — 非核數服務                 | 501                     | 575                     |
| Custom declaration charges                                                          | 報關費                     | 2,503                   | 2,584                   |
| Recruitment expenses                                                                | 招聘費用                    | 2,417                   | 3,285                   |
| Operating lease payments                                                            | 經營租賃付款                  | 1,587                   | 58,075                  |
| Bank charges and handling fees                                                      | 銀行收費及手續費                | 1,476                   | 1,221                   |
| Other expenses                                                                      | 其他開支                    | 11,717                  | 10,574                  |
| <b>Total cost of sales, selling expenses and administrative expenses</b>            | <b>銷售成本、銷售開支及行政開支總額</b> | <b>1,993,624</b>        | <b>1,920,265</b>        |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 7 EXPENSES BY NATURE (Continued)

Research and development expenses represented:

|                                    |        | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|------------------------------------|--------|-------------------------|-------------------------|
| Raw materials and consumables used | 原材料及耗材 | 31,813                  | 27,437                  |
| Employee benefit expenses          | 僱員福利開支 | 33,798                  | 27,162                  |
|                                    |        | 65,611                  | 54,599                  |

#### 7 按性質劃分的開支(續)

研發費用代表：

#### 8 EMPLOYEE BENEFIT EXPENSES

|                                                |                | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|------------------------------------------------|----------------|-------------------------|-------------------------|
| Wages and bonuses                              | 工資及花紅          | 561,823                 | 530,298                 |
| Pension costs — defined contribution plans (a) | 退休成本—定額供款計劃(a) | 19,135                  | 18,320                  |
| Other social security costs                    | 其他社保成本         | 24,300                  | 22,850                  |
| Other allowances and benefits                  | 其他津貼及福利        | 16,242                  | 14,398                  |
| Share award scheme (note 25)                   | 股份獎勵計劃(附註25)   | 1,239                   | —                       |
|                                                |                | 622,739                 | 585,866                 |

#### 8 僱員福利開支

(a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contributes funds which are calculated as 10%–20% (2018: 10%–20%) of the average employee salary for the year as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

(a) 本集團中國附屬公司的僱員須參與由地方市政府管理及運作的定額供款退休計劃。本集團的中國附屬公司按地方市政府協定的僱員年內平均薪金的10%至20%(2018年：10%至20%)計算的數額向該計劃供款，以向僱員退休福利提供資金。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 8 EMPLOYEE BENEFIT EXPENSES (Continued)

##### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2019 include four (2018: three) directors whose emoluments are reflected in the analysis shown in note 37. The emoluments paid to the remaining one (2018: two) individual during year are as follows:

|                                               |               | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-----------------------------------------------|---------------|-------------------------|-------------------------|
| Wages, salaries, allowance and other benefits | 工資、薪金、津貼及其他福利 | 1,635                   | 2,536                   |
| Bonus                                         | 花紅            | 2,008                   | 8,702                   |
| Contributions to pension plans                | 退休金計劃供款       | 18                      | 36                      |
| Share award scheme                            | 股份獎勵計劃        | 50                      | —                       |
|                                               |               | <b>3,711</b>            | <b>11,274</b>           |

The emoluments paid to this individual fell within the following bands:

向該人士支付的酬金介乎下列組別：

|                             |                         | 2019 | 2018 |
|-----------------------------|-------------------------|------|------|
| <b>Emolument bands</b>      | <b>酬金組別</b>             |      |      |
| HK\$3,500,001–HK\$4,000,000 | 3,500,001港元至4,000,000港元 | 1    | —    |
| HK\$4,500,001–HK\$5,000,000 | 4,500,001港元至5,000,000港元 | —    | 1    |
| HK\$6,500,001–HK\$7,000,000 | 6,500,001港元至7,000,000港元 | —    | 1    |

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

### 9 FINANCE (COST)/INCOME — NET

### 9 融資(成本)/收入—淨額

|                                                                              |                             | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|------------------------------------------------------------------------------|-----------------------------|-------------------------|-------------------------|
| Interest income:                                                             | 利息收入：                       |                         |                         |
| — Interest income on bank deposits                                           | — 銀行存款的利息收入                 | 14,965                  | 4,639                   |
| — Interest income from financial assets at fair value through profit or loss | — 以公允價值計量且其變動計入損益的金融資產的利息收入 | 5,255                   | 5,326                   |
|                                                                              |                             | 20,220                  | 9,965                   |
| Interest expense:                                                            | 利息開支：                       |                         |                         |
| — Bank borrowings                                                            | — 銀行借貸                      | (12,745)                | (3,166)                 |
| — Lease liabilities (note 14)                                                | — 租賃負債(附註14)                | (8,870)                 | —                       |
|                                                                              |                             | (21,615)                | (3,166)                 |
| Finance (cost)/income — net                                                  | 融資(成本)/收入—淨額                | (1,395)                 | 6,799                   |

### 10 INCOME TAX EXPENSE

### 10 所得稅開支

|                                                      |                       | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|------------------------------------------------------|-----------------------|-------------------------|-------------------------|
| Current income tax                                   | 即期所得稅                 |                         |                         |
| — Hong Kong profits tax                              | — 香港利得稅               | 13,930                  | 10,579                  |
| — PRC corporate income tax                           | — 中國企業所得稅             | 21,730                  | 32,535                  |
| — Income tax under/(over)-provided in previous years | — 過往年度撥備不足／(超額撥備)的所得稅 | 921                     | (495)                   |
| <b>Total current tax expense</b>                     | <b>即期稅項開支總額</b>       | <b>36,581</b>           | <b>42,619</b>           |
| Deferred income tax                                  | 遞延所得稅                 |                         |                         |
| Increase in deferred tax assets (note 29)            | 遞延稅項資產增加(附註29)        | (12,515)                | (2,650)                 |
| Increase in deferred tax liabilities (note 29)       | 遞延稅項負債增加(附註29)        | 34,630                  | 16,980                  |
| <b>Total deferred tax expense</b>                    | <b>遞延稅項開支總額</b>       | <b>22,115</b>           | <b>14,330</b>           |
| <b>Income tax expense</b>                            | <b>所得稅開支</b>          | <b>58,696</b>           | <b>56,949</b>           |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 10 INCOME TAX EXPENSES (Continued)

##### (a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and accordingly, is exempted from Cayman Islands income tax.

##### (b) Hong Kong profits tax

Under the current Hong Kong Inland Revenue Ordinance, from the year of assessment 2018/2019 onwards, the subsidiaries in Hong Kong are subject to profits tax at the rate of 8.25% on assessable profits up to HK\$2,000,000, and 16.5% on any part of assessable profits over HK\$2,000,000. The payments of dividends by these companies to their shareholders are not subject to any Hong Kong withholding tax.

##### (c) PRC corporate income tax ("CIT")

CIT is provided on the assessable income of entities within the Group incorporated in the PRC, calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits. The applicable CIT rate is 25% (2018: 25%). TK Mold (Shenzhen) Limited, TK Precision Plastics (Shenzhen) Limited and TK Plastic Products (Suzhou) Limited, subsidiaries of the Group, were recognised as "New and High Technology Enterprise" and thus enjoy a preferential CIT rate of 15% from 1 January 2017 to 31 December 2019, 1 January 2018 to 31 December 2020 and 1 January 2019 to 31 December 2021 respectively.

##### (d) PRC withholding income tax

According to the CIT Law, starting from 1 January 2008, a withholding income tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding income tax rate is applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil certain requirements under the tax treaty arrangements between the PRC and Hong Kong.

#### 10 所得稅開支(續)

##### (a) 開曼群島所得稅

本公司於開曼群島註冊成立為一間獲豁免有限公司。因此，本公司獲豁免繳納開曼群島所得稅。

##### (b) 香港利得稅

根據當前香港稅務條例，自2018/2019課稅年度起，香港附屬公司2,000,000港元以下的應課稅溢利按8.25%稅率繳納利得稅，而2,000,000港元以上的任何應課稅溢利按16.5%稅率繳納利得稅。該等公司向其股東派付股息無須繳納任何香港預扣稅。

##### (c) 中國企業所得稅(「企業所得稅」)

企業所得稅乃按本集團旗下於中國註冊成立的實體產生的應課稅收入作出撥備，於計及可獲得的稅項優惠後根據中國的相關法規計算。適用企業所得稅稅率為25%(2018年：25%)。本集團之附屬公司東江模具(深圳)有限公司、東江精創注塑(深圳)有限公司及東江塑膠製品(蘇州)有限公司被認定為「高新技術企業」，故分別自2017年1月1日至2019年12月31日期間、2018年1月1日至2020年12月31日期間及2019年1月1日至2021年12月31日期間享有15%的企業所得稅優惠稅率。

##### (d) 中國預扣所得稅

根據企業所得稅法，自2008年1月1日起，當中國境外直接控股公司的中國附屬公司於2008年1月1日後就所賺取的溢利中宣派股息，則對該等直接控股公司徵收10%的預扣所得稅。若中國附屬公司的直接控股公司於香港成立並符合中國與香港所訂立的稅務條約安排的若干規定，則按5%的較低稅率繳納預扣所得稅。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 10 INCOME TAX EXPENSES (Continued)

##### (e) The British Virgin Islands (the "BVI") income tax

No provision for income tax in BVI has been made as the Group has no income assessable for income tax in BVI during the year (2018: nil).

##### (f) Taxation on the Group's profit

The taxation on the Group's profit before income tax differs from the theoretical amount that would have arisen using the main statutory tax rate applicable to profit of the Group due to the following:

#### 10 所得稅開支(續)

##### (e) 英屬處女群島(「英屬處女群島」)所得稅

由於本集團於年內在英屬處女群島並無應課所得稅收入，故並無計提英屬處女群島的所得稅撥備(2018年：無)。

##### (f) 本集團溢利稅

就本集團除所得稅前溢利繳納的稅項因下列各項而與採用本集團溢利適用主要法定稅率計算的理論金額存在差異：

|                                                                                          |                        | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|------------------------------------------------------------------------------------------|------------------------|-------------------------|-------------------------|
| Profit before income tax                                                                 | 除所得稅前溢利                | 360,499                 | 407,134                 |
| Tax calculated at corporate income tax rate of 25%                                       | 按25%企業所得稅稅率計算的稅項       | 90,124                  | 101,784                 |
| Effects of:                                                                              | 下列各項的影響：               |                         |                         |
| — Different tax rates applied                                                            | — 採用不同稅率               | (38,089)                | (39,808)                |
| — Income not subject to tax                                                              | — 毋須課稅收入               | (3,363)                 | (176)                   |
| — Accelerated deduction of research and development expenses                             | — 研發費用加計扣除             | (13,036)                | (6,588)                 |
| — Tax losses not recognised                                                              | — 未確認稅項虧損              | 3,475                   | 1,526                   |
| — Expenses not deductible for tax                                                        | — 不可扣稅開支               | 8,383                   | 706                     |
| — Under/(over) provision in prior years                                                  | — 過往年度撥備不足／(超額撥備)      | 921                     | (495)                   |
| — Withholding income tax on profit to be distributed from the Group companies in the PRC | — 將自本集團中國公司分派之溢利的預扣所得稅 | 10,281                  | —                       |
|                                                                                          |                        | 58,696                  | 56,949                  |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 11 EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue for the year excluding shares held for employee share scheme (note 22).

|                                                               |                  | 2019    | 2018    |
|---------------------------------------------------------------|------------------|---------|---------|
| Profit attributable to owners of the Company (HK\$'000)       | 本公司擁有人應佔溢利(千港元)  | 301,803 | 350,185 |
| Weighted average number of ordinary shares issued (thousands) | 已發行普通股的加權平均數(千股) | 832,972 | 833,260 |
| Basic earnings per share (HK\$)                               | 每股基本盈利(港元)       | 0.36    | 0.42    |

### (b) Diluted

Diluted earnings per share is the same as basic earnings per share due to the absence of dilutive ordinary shares at the year ended 31 December 2019 (2018: Diluted earnings per share is the same as basic earnings per share due to the absence of dilutive ordinary shares).

## 11 每股盈利

### (a) 基本

每股基本盈利乃以本年度溢利除以本年度已發行普通股(不包括就僱員股份計劃持有之股份(附註22))的加權平均數計算。

### (b) 攤薄

由於截至2019年12月31日止年度並無攤薄普通股，故每股攤薄盈利與每股基本盈利相同(2018年：由於並無任何攤薄普通股，故每股攤薄盈利與每股基本盈利相同)。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 12 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2019, all of which are limited liability companies:

## 12 附屬公司

下文為於2019年12月31日的主要附屬公司(均為有限公司)列表：

| Company name<br>公司名稱                                            | Place of<br>incorporation<br>註冊成立地點 | Principal activities<br>and place of operation<br>主要業務及經營地點     | Particulars of<br>issued share capital<br>已發行股本詳情                 | Interest<br>held<br>所持權益 |
|-----------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------|--------------------------|
| TK Group International<br>(Hong Kong) Limited<br>東江集團國際(香港)有限公司 | BVI<br>英屬處女群島                       | Trading of plastic products<br>and molds/HK<br>塑膠製品及模具<br>貿易/香港 | 50,000 ordinary shares of<br>1 USD each<br>50,000股每股面值1美元的<br>普通股 | *100%<br>*100%           |
| TK Plastic Products (Suzhou)<br>Limited<br>東江塑膠製品(蘇州)有限公司       | PRC<br>中國                           | Manufacture of plastic<br>products/PRC<br>製造塑膠製品/中國             | Paid in capital of HK\$10,000,000<br>實繳資本10,000,000港元             | 100%<br>100%             |
| TK Mold (Shenzhen) Limited<br>東江模具(深圳)有限公司                      | PRC<br>中國                           | Fabrication of mold/PRC<br>模具製作/中國                              | Paid in capital of HK\$132,000,000<br>實繳資本132,000,000港元           | 100%<br>100%             |
| YD Mold (Shenzhen) Limited<br>佑東模具(深圳)有限公司                      | PRC<br>中國                           | Fabrication of mold/PRC<br>模具製作/中國                              | Paid in capital of HK\$10,000,000<br>實繳資本10,000,000港元             | 100%<br>100%             |
| TK Precision Plastics (Shenzhen)<br>Limited<br>東江精創注塑(深圳)有限公司   | PRC<br>中國                           | Manufacture of plastic<br>products/PRC<br>製造塑膠製品/中國             | Paid in capital of HK\$166,000,000<br>實繳資本166,000,000港元           | 100%<br>100%             |
| TK Mold Germany GmbH                                            | Germany<br>德國                       | Fabrication of mold/<br>Germany<br>模具製作/德國                      | Paid in capital of EUR25,600<br>實繳資本25,600歐元                      | 100%<br>100%             |

\* Shares held directly by the Company.

\* 本公司直接持有股份。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

### 12 SUBSIDIARIES (Continued)

### 12 附屬公司(續)

#### (a) Investments accounted for using the equity method

#### (a) 使用權益法入賬之投資

##### Immaterial associate

##### 非重大聯營公司

| Name of entity                        | Place of business/<br>country of<br>incorporation | % of ownership<br>interest 2019 | Nature of<br>relationship | Measurement<br>method | Carrying amount                |
|---------------------------------------|---------------------------------------------------|---------------------------------|---------------------------|-----------------------|--------------------------------|
| 實體名稱                                  | 營業地點／註冊<br>成立國家                                   | 所有權權益<br>百分比2019<br>%           | 關係性質                      | 計量方法                  | 賬面值<br>2019<br>HK\$'000<br>千港元 |
| Motlles i Matrius Fisas Navarro, S.L. | Spain                                             | 43.01                           | Associate*                | Equity method         | 15,526                         |
| Motlles i Matrius Fisas Navarro, S.L. | 西班牙                                               | 43.01                           | 聯營公司*                     | 權益法                   | 15,526                         |

\* Motlles i Matrius Fisas Navarro, S.L. is a private company incorporated in Spain. Its principal activities are the provision of mold after-sales services in Europe.

\* Motlles i Matrius Fisas Navarro, S.L. 為於西班牙註冊成立的私營公司。其主要業務為於歐洲提供模具售後服務。

2019  
HK\$'000  
千港元

|                              |          |        |
|------------------------------|----------|--------|
| At the beginning of the year | 於年初      | —      |
| Addition in 2019             | 於2019年添置 | 15,155 |
| Profit for the year          | 年內溢利     | 371    |
| Other comprehensive income   | 其他綜合收益   | —      |
| At the end of the year       | 於年末      | 15,526 |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 13 PROPERTY, PLANT AND EQUIPMENT

#### 13 物業、廠房及設備

|                                         |                  | Leasehold<br>Improvements | Plant and<br>machinery   | Furniture,<br>fixture and<br>computer<br>equipment<br>傢具、裝置<br>及電腦設備 | Motor<br>vehicles     | Construction<br>in progress | Total                 |
|-----------------------------------------|------------------|---------------------------|--------------------------|----------------------------------------------------------------------|-----------------------|-----------------------------|-----------------------|
|                                         |                  | 租賃物業裝修<br>HK\$'000<br>千港元 | 廠房及機器<br>HK\$'000<br>千港元 | 及電腦設備<br>HK\$'000<br>千港元                                             | 汽車<br>HK\$'000<br>千港元 | 在建工程<br>HK\$'000<br>千港元     | 合計<br>HK\$'000<br>千港元 |
| Year ended 31 December 2018             | 截至2018年12月31日止年度 |                           |                          |                                                                      |                       |                             |                       |
| Opening net book amount                 | 年初賬面淨值           | 55,665                    | 331,489                  | 8,837                                                                | 2,747                 | 16,959                      | 415,697               |
| Currency translation differences        | 匯兌差額             | (1,147)                   | (8,660)                  | (152)                                                                | (8)                   | (494)                       | (10,461)              |
| Additions                               | 添置               | —                         | —                        | 6,353                                                                | 271                   | 204,528                     | 211,152               |
| Transfer                                | 轉撥               | 27,452                    | 129,606                  | —                                                                    | —                     | (157,058)                   | —                     |
| Disposals                               | 出售               | —                         | (1,408)                  | (1)                                                                  | —                     | —                           | (1,409)               |
| Depreciation                            | 折舊               | (21,952)                  | (71,133)                 | (4,527)                                                              | (1,177)               | —                           | (98,789)              |
| Closing net book amount                 | 年末賬面淨值           | 60,018                    | 379,894                  | 10,510                                                               | 1,833                 | 63,935                      | 516,190               |
| At 31 December 2018                     | 於2018年12月31日     |                           |                          |                                                                      |                       |                             |                       |
| Cost                                    | 成本               | 140,449                   | 769,531                  | 40,879                                                               | 5,965                 | 63,935                      | 1,020,759             |
| Accumulated depreciation                | 累計折舊             | (80,431)                  | (389,637)                | (30,369)                                                             | (4,132)               | —                           | (504,569)             |
| Net book amount                         | 賬面淨值             | 60,018                    | 379,894                  | 10,510                                                               | 1,833                 | 63,935                      | 516,190               |
| Year ended 31 December 2019             | 截至2019年12月31日止年度 |                           |                          |                                                                      |                       |                             |                       |
| Opening net book amount                 | 年初賬面淨值           | 60,018                    | 379,894                  | 10,510                                                               | 1,833                 | 63,935                      | 516,190               |
| Currency translation differences        | 匯兌差額             | (675)                     | (5,825)                  | (131)                                                                | (2)                   | (1,214)                     | (7,847)               |
| Additions                               | 添置               | —                         | —                        | 3,403                                                                | 5                     | 218,137                     | 221,545               |
| Transfer                                | 轉撥               | 53,407                    | 191,205                  | —                                                                    | —                     | (244,612)                   | —                     |
| Disposals (note 31(b))                  | 出售(附註31(b))      | (11)                      | (6,227)                  | (819)                                                                | —                     | —                           | (7,057)               |
| Depreciation                            | 折舊               | (31,921)                  | (92,492)                 | (4,735)                                                              | (1,054)               | —                           | (130,202)             |
| Impairment loss                         | 減值虧損             | —                         | (324)                    | (27)                                                                 | —                     | —                           | (351)                 |
| Closing net book amount                 | 年末賬面淨值           | 80,818                    | 466,231                  | 8,201                                                                | 782                   | 36,246                      | 592,278               |
| At 31 December 2019                     | 於2019年12月31日     |                           |                          |                                                                      |                       |                             |                       |
| Cost                                    | 成本               | 179,745                   | 911,739                  | 39,569                                                               | 5,935                 | 36,246                      | 1,173,234             |
| Accumulated depreciation and impairment | 累計折舊及減值          | (98,927)                  | (445,508)                | (31,368)                                                             | (5,153)               | —                           | (580,956)             |
| Net book amount                         | 賬面淨值             | 80,818                    | 466,231                  | 8,201                                                                | 782                   | 36,246                      | 592,278               |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 13 PROPERTY, PLANT AND EQUIPMENT (Continued)

#### 13 物業、廠房及設備(續)

Depreciation charges were included in the following categories in the profit or loss:

折舊支出計入損益的下列類別：

|                         |      | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-------------------------|------|-------------------------|-------------------------|
| Cost of sales           | 銷售成本 | 107,515                 | 75,062                  |
| Administrative expenses | 行政開支 | 22,516                  | 23,457                  |
| Selling expenses        | 銷售開支 | 171                     | 270                     |
|                         |      | 130,202                 | 98,789                  |

#### 14 LEASE

#### 14 租賃

(a) Amounts recognised in the balance sheet

(a) 於資產負債表確認之金額

|                            |              | 31 December<br>2019<br>2019年<br>12月31日<br>HK\$'000<br>千港元 | 1 January<br>2019<br>2019年<br>1月1日<br>HK\$'000<br>千港元 |
|----------------------------|--------------|-----------------------------------------------------------|-------------------------------------------------------|
| <b>Right-of-use assets</b> | <b>使用權資產</b> |                                                           |                                                       |
| Properties                 | 物業           | 142,530                                                   | 212,147                                               |
| <b>Lease liabilities</b>   | <b>租賃負債</b>  |                                                           |                                                       |
| Current                    | 流動           | 58,555                                                    | 58,039                                                |
| Non-current                | 非流動          | 92,671                                                    | 154,108                                               |
|                            |              | 151,226                                                   | 212,147                                               |

Additions to the right-of-use assets during the 2019 financial year were HK\$45,000.

於2019財政年度添置使用權資產45,000港元。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 14 LEASES (Continued)

(b) Amounts recognised in the statement of comprehensive income

#### 14 租賃(續)

(b) 於綜合收益表確認之金額

|                                                                                                                                             |                                       | Year ended 31 December |          |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------------|----------|
|                                                                                                                                             |                                       | 截至12月31日止年度            |          |
|                                                                                                                                             |                                       | 2019                   | 2018     |
|                                                                                                                                             |                                       | HK\$'000               | HK\$'000 |
|                                                                                                                                             |                                       | 千港元                    | 千港元      |
| Depreciation charge of right-of-use assets — Properties (note 7)                                                                            | 使用權資產折舊支出—物業(附註7)                     | 66,874                 | —        |
| Interest expense (included in finance cost) (note 9)                                                                                        | 利息開支(計入融資成本)(附註9)                     | 8,870                  | —        |
| Expense relating to short-term leases (included in cost of goods sold and administrative expenses) (note 7)                                 | 與短期租賃相關的開支(計入已售貨物成本及行政開支)(附註7)        | 1,548                  | —        |
| Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses) (note 7) | 與並非上述列為短期租賃的低價值資產租賃相關的開支(計入行政開支)(附註7) | 39                     | —        |

The total cash outflow for leases in 2019 was HK\$71,423,000.

2019年租賃的現金流出總額為71,423,000港元。

(c) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 8 years, but may have extension options as described in (d) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(c) 本集團租賃活動及入賬方式

本集團租賃多項辦公室、倉庫、設備及汽車。作出的租約一般固定期限為6個月至8年，惟可有下文(d)項所述的延長選擇權。

租期乃按個別基準磋商並載有多項不同的條款及條件。除出租人所持租賃資產的抵押權益外，租賃協議並無施加任何契諾。租賃資產或不可用作借貸的抵押品。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 14 LEASES (Continued)

##### (d) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

#### 14 租賃(續)

##### (d) 延長及終止選擇權

本集團多項物業及設備租賃均包含延長及終止選擇權。就管理本集團營運所用資產而言，此等條款乃用以盡量增加營運彈性。大部分所持有的延長及終止選擇權僅可由本集團行使，相關出租人無權行使。

#### 15 INTANGIBLE ASSETS

#### 15 無形資產

|                                  |                      | Computer software<br>電腦軟件<br>HK\$'000<br>千港元 | Contractual customer relationships<br>合約客戶關係<br>HK\$'000<br>千港元 | Goodwill<br>商譽<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|----------------------------------|----------------------|----------------------------------------------|-----------------------------------------------------------------|-----------------------------------|--------------------------------|
| <b>Year ended</b>                | <b>截至2018年12月31日</b> |                                              |                                                                 |                                   |                                |
| <b>31 December 2018</b>          | <b>止年度</b>           |                                              |                                                                 |                                   |                                |
| Opening net book amount          | 年初賬面淨值               | 11,250                                       | —                                                               | 874                               | 12,124                         |
| Currency translation differences | 匯兌差額                 | (228)                                        | —                                                               | (29)                              | (257)                          |
| Additions                        | 添置                   | 4,359                                        | —                                                               | —                                 | 4,359                          |
| Amortisation charge              | 攤銷支出                 | (4,533)                                      | —                                                               | —                                 | (4,533)                        |
| <b>Closing net book amount</b>   | <b>年末賬面淨值</b>        | <b>10,848</b>                                | <b>—</b>                                                        | <b>845</b>                        | <b>11,693</b>                  |
| <b>At 31 December 2018</b>       | <b>於2018年12月31日</b>  |                                              |                                                                 |                                   |                                |
| Cost                             | 成本                   | 29,300                                       | 913                                                             | 845                               | 31,058                         |
| Accumulated amortisation         | 累計攤銷                 | (18,452)                                     | (913)                                                           | —                                 | (19,365)                       |
| <b>Net book amount</b>           | <b>賬面淨值</b>          | <b>10,848</b>                                | <b>—</b>                                                        | <b>845</b>                        | <b>11,693</b>                  |
| <b>Year ended</b>                | <b>截至2019年12月31日</b> |                                              |                                                                 |                                   |                                |
| <b>31 December 2019</b>          | <b>止年度</b>           |                                              |                                                                 |                                   |                                |
| Opening net book amount          | 年初賬面淨值               | 10,848                                       | —                                                               | 845                               | 11,693                         |
| Currency translation differences | 匯兌差額                 | (132)                                        | —                                                               | (24)                              | (156)                          |
| Additions                        | 添置                   | 6,689                                        | —                                                               | —                                 | 6,689                          |
| Amortisation charge              | 攤銷支出                 | (4,395)                                      | —                                                               | —                                 | (4,395)                        |
| <b>Closing net book amount</b>   | <b>年末賬面淨值</b>        | <b>13,010</b>                                | <b>—</b>                                                        | <b>821</b>                        | <b>13,831</b>                  |
| <b>At 31 December 2019</b>       | <b>於2019年12月31日</b>  |                                              |                                                                 |                                   |                                |
| Cost                             | 成本                   | 35,431                                       | 887                                                             | 821                               | 37,139                         |
| Accumulated amortisation         | 累計攤銷                 | (22,421)                                     | (887)                                                           | —                                 | (23,308)                       |
| <b>Net book amount</b>           | <b>賬面淨值</b>          | <b>13,010</b>                                | <b>—</b>                                                        | <b>821</b>                        | <b>13,831</b>                  |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 15 INTANGIBLE ASSETS (Continued)

Amortisation charges were included in the following categories in profit or loss:

|                         |      | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-------------------------|------|-------------------------|-------------------------|
| Administrative expenses | 行政開支 | 4,395                   | 4,533                   |

Goodwill arose from the acquisition of 100% equity interest in TK Mold Germany GmbH in 2014.

The recoverable amount of the CGU related to TK Mold Germany GmbH is determined based on value-in-use calculations. The calculation uses pre-tax cash flow projections based on financial forecasts prepared by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The key assumptions used for value-in-use calculation are as follows:

|                           |           | 2019 | 2018 |
|---------------------------|-----------|------|------|
| Net book value (HK\$'000) | 賬面淨值(千港元) | 821  | 845  |
| Net profit margin (%)     | 淨利率(%)    | 7%   | 7%   |
| Revenue growth rate (%)   | 收入增長率(%)  | 2%   | 2%   |
| Discount rate (%)         | 貼現率(%)    | 16%  | 16%  |

The directors of the Company consider that no impairment charge was required after performing the impairment assessment for the year (2018: nil).

If the estimated future cash flows had been 10% lower than management's estimates as at 31 December 2019, the Group would still have recognised no impairment loss on the goodwill.

If the discount rate had increased 2% as at 31 December 2019, the Group would still have recognised no impairment loss on the goodwill.

#### 15 無形資產(續)

攤銷支出計入損益的下列類別：

|                         |      | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-------------------------|------|-------------------------|-------------------------|
| Administrative expenses | 行政開支 | 4,395                   | 4,533                   |

商譽因2014年收購TK Mold Germany GmbH的100%股本權益而產生。

有關TK Mold Germany GmbH的現金產生單位之可收回金額乃根據使用價值計算方式釐定。該計算根據管理層所作出涵蓋五年期間的財務預測，使用稅前現金流量預測作出。超過五年期間的現金流量乃使用下文所述的估計增長率推斷。

用於計算使用價值的主要假設如下：

|                           |           | 2019 | 2018 |
|---------------------------|-----------|------|------|
| Net book value (HK\$'000) | 賬面淨值(千港元) | 821  | 845  |
| Net profit margin (%)     | 淨利率(%)    | 7%   | 7%   |
| Revenue growth rate (%)   | 收入增長率(%)  | 2%   | 2%   |
| Discount rate (%)         | 貼現率(%)    | 16%  | 16%  |

於年內進行減值評估後，本公司董事認為毋須計提減值撥備(2018年：無)。

倘估計未來現金流量較管理層於2019年12月31日的估計值低10%，本集團仍將確認商譽並無減值虧損。

倘貼現率於2019年12月31日增加2%，本集團仍將確認商譽並無減值虧損。

Notes to the Financial Statements (continued)  
財務報表附註(續)

16 FINANCIAL INSTRUMENTS BY CATEGORY

16 按類別劃分的金融工具

|                                                                           |                            | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|---------------------------------------------------------------------------|----------------------------|-------------------------|-------------------------|
| <b>Assets as per balance sheet</b>                                        | <b>資產負債表內資產</b>            |                         |                         |
| Loans and receivables:                                                    | 貸款及應收款項：                   |                         |                         |
| — Trade and other receivables (excluding prepayments and tax recoverable) | — 貿易及其他應收款項(不包括預付款項及可收回稅項) | 317,552                 | 308,344                 |
| — Restricted cash                                                         | — 受限制現金                    | 17,638                  | 36,553                  |
| — Deposits for bank borrowings                                            | — 銀行借貸的按金                  | 134,594                 | 84,975                  |
| — Cash and cash equivalents                                               | — 現金及現金等價物                 | 582,878                 | 753,811                 |
| Financial assets at fair value through profit or loss                     | 以公允價值計量且其變動計入損益的金融資產       | 33,621                  | 23,621                  |
|                                                                           |                            | 1,086,283               | 1,207,304               |
| <b>Liabilities as per balance sheet</b>                                   | <b>資產負債表內負債</b>            |                         |                         |
| Liabilities measured at amortised cost:                                   | 按攤銷成本計量之負債：                |                         |                         |
| Trade and other payables (excluding non-financial liabilities)            | 貿易及其他應付款項(不包括非金融負債)        | 296,355                 | 327,019                 |
| Bank borrowings                                                           | 銀行借貸                       | 241,960                 | 342,232                 |
| Lease liabilities                                                         | 租賃負債                       | 151,226                 | —                       |
|                                                                           |                            | 689,541                 | 669,251                 |

17 INVENTORIES

17 存貨

|                                |        | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|--------------------------------|--------|-------------------------|-------------------------|
| Raw materials                  | 原材料    | 38,352                  | 28,648                  |
| Work in progress               | 半成品    | 302,565                 | 248,300                 |
| Finished goods                 | 製成品    | 64,312                  | 68,661                  |
|                                |        | 405,229                 | 345,609                 |
| Less: allowance for impairment | 減：減值撥備 | (8,188)                 | (2,441)                 |
|                                |        | 397,041                 | 343,168                 |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 17 INVENTORIES (Continued)

The movements of allowance for impairment are analysed as follows:

|                                                                 |               | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-----------------------------------------------------------------|---------------|-------------------------|-------------------------|
| At beginning of the year                                        | 年初            | 2,441                   | 3,395                   |
| Currency translation difference                                 | 匯兌差額          | (101)                   | (37)                    |
| Allowance/(reversal of allowance) for impairment of inventories | 存貨減值撥備／(撥備撥回) | 5,848                   | (917)                   |
| At end of the year                                              | 年末            | 8,188                   | 2,441                   |

The cost of inventories included in cost of sales for the year was HK\$1,630,088,000 (2018: HK\$1,555,713,000).

減值撥備變動分析如下：

計入年內銷售成本之存貨成本為1,630,088,000港元(2018年：1,555,713,000港元)。

#### 18 TRADE AND OTHER RECEIVABLES

#### 18 貿易及其他應收款項

|                                |          | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|--------------------------------|----------|-------------------------|-------------------------|
| Trade receivables              | 貿易應收款項   | 315,867                 | 308,719                 |
| Less: allowance for impairment | 減：減值撥備   | (4,361)                 | (6,250)                 |
| Trade receivables, net         | 貿易應收款項淨額 | 311,506                 | 302,469                 |
| Export tax refund receivables  | 出口退稅應收款項 | 21,051                  | 10,568                  |
| Prepayments and deposits       | 預付款項及按金  | 31,270                  | 27,827                  |
| Value-added tax recoverable    | 可收回增值稅   | 1,921                   | 8,579                   |
| Advances to employees          | 為僱員墊款    | 4,037                   | 4,510                   |
| Others                         | 其他       | 2,009                   | 1,365                   |
|                                |          | 371,794                 | 355,318                 |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 18 TRADE AND OTHER RECEIVABLES (Continued)

- (a) The carrying amounts of the trade receivables are denominated in the following currencies:

|     |     | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-----|-----|-------------------------|-------------------------|
| USD | 美元  | 221,181                 | 229,559                 |
| RMB | 人民幣 | 78,782                  | 60,749                  |
| EUR | 歐元  | 12,006                  | 7,811                   |
| HKD | 港元  | 3,898                   | 10,561                  |
| GBP | 英磅  | —                       | 39                      |
|     |     | <b>315,867</b>          | <b>308,719</b>          |

- (b) The credit period granted to customers is generally between 30 and 90 days. The ageing analysis of the trade receivables from the date of sales is as follows:

|                                             |             | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|---------------------------------------------|-------------|-------------------------|-------------------------|
| Less than 3 months                          | 三個月以內       | 294,175                 | 284,170                 |
| More than 3 months but not exceeding 1 year | 超過三個月但不超過一年 | 21,692                  | 23,289                  |
| More than 1 year                            | 一年以上        | —                       | 1,260                   |
|                                             |             | <b>315,867</b>          | <b>308,719</b>          |

The Group's sales are made to various customers. While there is concentration of credit risk within a few major customers, these customers are reputable and with good track record.

本集團的銷售乃向不同客戶作出。雖然信貸風險集中於若干主要客戶，但該等客戶信譽昭著並擁有良好的往績記錄。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 18 TRADE AND OTHER RECEIVABLES (Continued)

- (c) Movements for the Group's allowance for impairment of trade receivables are as follows:

|                                      |        | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|--------------------------------------|--------|-------------------------|-------------------------|
| At beginning of the year             | 年初     | 6,250                   | 5,922                   |
| Allowance for impairment             | 減值撥備   | 673                     | 13,487                  |
| Reversal of allowance for impairment | 減值撥備撥回 | (2,432)                 | (13,079)                |
| Currency translation differences     | 匯兌差額   | (130)                   | (80)                    |
| At end of the year                   | 年末     | 4,361                   | 6,250                   |

The creation and release of allowance for impairment have been included in administrative expenses in the consolidated statement of comprehensive income.

新增及撥回之減值撥備已計入合併綜合收益表內之行政開支。

#### (d) Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be approximate as their fair value.

#### (d) 貿易應收款項的公允價值

由於現有應收款項的到期日較短，其賬面值被視為與公允價值相若。

#### 19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

- (a) Financial assets mandatorily measured at FVPL include the following:

#### 19 以公允價值計量且其變動計入損益的金融資產

- (a) 強制以公允價值計量且其變動計入損益的金融資產包括下列各項：

|                             |              | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-----------------------------|--------------|-------------------------|-------------------------|
| <b>Non-current assets</b>   | <b>非流動資產</b> |                         |                         |
| Unlisted equity investments | 非上市股權投資      | 33,621                  | 23,621                  |
| <b>Current assets</b>       | <b>流動資產</b>  |                         |                         |
| Wealth management products  | 財富管理產品       |                         |                         |
| — Beginning of the year     | — 年初         | —                       | —                       |
| — Additions                 | — 添置         | 586,808                 | 530,023                 |
| — Disposals                 | — 出售         | (586,808)               | (530,023)               |
| End of the year             | 年末           | —                       | —                       |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

- (a) Financial assets mandatorily measured at FVPL include the following: (Continued)

The wealth management products managed by high credit quality commercial banks in the PRC with expected return range from 3.0% to 3.9% (2018: 3.0% to 4.4%) per annum and will mature within one year.

##### (b) Amounts recognised in profit or loss

During the year, the following gains were recognised in profit or loss:

|                                                                                         |                               | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-----------------------------------------------------------------------------------------|-------------------------------|-------------------------|-------------------------|
| Interest income on wealth management products recognised in finance income—net (note 9) | 於融資收入—淨額確認的財富管理產品的利息收入 (見附註9) | 5,255                   | 5,326                   |

##### (c) Fair value measurements

For information about the methods and assumptions used in determining fair value, please refer to note 3.3.

#### 19 以公允價值計量且其變動計入損益的金融資產(續)

- (a) 強制以公允價值計量且其變動計入損益的金融資產包括下列各項：(續)

財富管理產品乃由中國高信貸質素商業銀行管理，預期年回報率介乎3.0%至3.9%（2018年：3.0%至4.4%），並將於一年內到期。

##### (b) 於損益中確認的金額

年內，於損益中確認的收益如下：

##### (c) 公允價值計量

有關釐定公允價值所採用方法及假設的資料，請參閱附註3.3。

#### 20 CASH AND CASH EQUIVALENTS

|                        |         | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|------------------------|---------|-------------------------|-------------------------|
| Cash and bank balances | 現金及銀行結餘 | 600,516                 | 790,364                 |
| Restricted cash        | 受限制現金   | (17,638)                | (36,553)                |
|                        |         | 582,878                 | 753,811                 |

As at 31 December 2019, restricted cash mainly represented restricted deposits held at bank as reserve for issuance of guarantee letter for the import of raw materials.

The fair values of cash and cash equivalents approximate to their carrying amount and represent maximum exposure to credit risk.

#### 20 現金及現金等價物

於2019年12月31日，受限制現金主要指就進口原材料發出擔保函而於銀行持有作儲備的受限制存款。

現金及現金等價物的公允價值與其賬面值相若，且為最大信貸風險。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

## 21 SHARE CAPITAL AND SHARE PREMIUM

## 21 股本及股份溢價

|                       |               | Number of<br>ordinary shares<br>普通股數目<br>(thousands)<br>(千股) | Share capital<br>股本<br>(HK\$'000)<br>(千港元) | Share premium<br>股份溢價<br>(HK\$'000)<br>(千港元) | Total<br>總計<br>(HK\$'000)<br>(千港元) |
|-----------------------|---------------|--------------------------------------------------------------|--------------------------------------------|----------------------------------------------|------------------------------------|
| As at 1 January 2018, | 於2018年1月1日、   |                                                              |                                            |                                              |                                    |
| 31 December 2018 and  | 2018年12月31日   |                                                              |                                            |                                              |                                    |
| 31 December 2019      | 以及2019年12月31日 | 833,260                                                      | 83,326                                     | 251,293                                      | 334,619                            |

(a) All shares issued rank pari passu with each other.

(a) 所有已發行股份彼此享有同等權益。

## 22 SHARES HELD FOR EMPLOYEE SHARE SCHEME

## 22 就僱員股份計劃持有的股份

|                                       |              | 2019<br>shares<br>(thousands)<br>(千股) | 2019<br>Total<br>consideration<br>(HK\$'000)<br>(千港元) |
|---------------------------------------|--------------|---------------------------------------|-------------------------------------------------------|
| Shares held for employee share scheme | 就僱員股份計劃持有的股份 | 1,154                                 | 5,517                                                 |

The Group through its trustee, Bank of Communications Trustee Limited, acquired a total of 1,154,000 of the Company's shares during 2019. The total consideration paid to acquisition of these shares was HK\$5,517,000, which has been presented as a deduction from equity attributable to owners of the Company. These shares are held by the trustee for the purpose of granting share award under the Company's employee share award scheme (see note 2.17).

本集團於2019年透過其受託人交通銀行信託有限公司購買合共1,154,000股本公司股份。購買該等股份的已付總代價為5,517,000港元，已呈列為自本公司擁有人應佔權益中扣除。該等股份由受託人根據本公司僱員股份獎勵計劃(見附註2.17)授出獎勵股份而代為持有。

| Details                              | 詳情              | Number<br>of shares<br>股份數目<br>(thousands)<br>(千股) | Total<br>consideration<br>總代價<br>(HK\$'000)<br>(千港元) |
|--------------------------------------|-----------------|----------------------------------------------------|------------------------------------------------------|
| Opening balance 1 January 2019       | 於2019年1月1日的期初結餘 | —                                                  | —                                                    |
| Acquisition of shares by the trustee | 受託人購買股份         | 1,154                                              | 5,517                                                |
| Balance 31 December 2019             | 於2019年12月31日的結餘 | 1,154                                              | 5,517                                                |

Notes to the Financial Statements (continued)  
財務報表附註(續)

23 RETAINED EARNINGS

23 保留溢利

|                                |         | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|--------------------------------|---------|-------------------------|-------------------------|
| At 1 January                   | 於1月1日   | 715,615                 | 538,433                 |
| Profit for the year            | 年內溢利    | 301,803                 | 350,185                 |
| Dividends paid                 | 已付股息    | (158,319)               | (149,987)               |
| Transfer to statutory reserves | 轉撥至法定儲備 | (17,924)                | (23,016)                |
| At 31 December                 | 於12月31日 | 841,175                 | 715,615                 |

24 OTHER RESERVES

24 其他儲備

|                                    |                     | Statutory<br>reserves<br>法定儲備<br>HK\$'000<br>千港元 | Shares-based<br>payments<br>以股份為<br>基礎之付款<br>HK\$'000<br>千港元 | Currency<br>translation<br>reserve<br>匯兌儲備<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|------------------------------------|---------------------|--------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------|--------------------------------|
| <b>At 1 January 2018</b>           | <b>於2018年1月1日</b>   | 56,649                                           | —                                                            | (18,183)                                                      | 38,466                         |
| Transfer to statutory reserves (a) | 轉撥至法定儲備(a)          | 23,016                                           | —                                                            | —                                                             | 23,016                         |
| Currency translation differences   | 匯兌差額                | —                                                | —                                                            | (36,258)                                                      | (36,258)                       |
| <b>At 31 December 2018</b>         | <b>於2018年12月31日</b> | 79,665                                           | —                                                            | (54,441)                                                      | 25,224                         |
| <b>At 1 January 2019</b>           | <b>於2019年1月1日</b>   | 79,665                                           | —                                                            | (54,441)                                                      | 25,224                         |
| Share-based payment expenses       | 以股份為基礎之<br>付款開支     | —                                                | 1,239                                                        | —                                                             | 1,239                          |
| Transfer to statutory reserves (a) | 轉撥至法定儲備(a)          | 17,924                                           | —                                                            | —                                                             | 17,924                         |
| Currency translation differences   | 匯兌差額                | —                                                | —                                                            | (23,199)                                                      | (23,199)                       |
| <b>At 31 December 2019</b>         | <b>於2019年12月31日</b> | 97,589                                           | 1,239                                                        | (77,640)                                                      | 21,188                         |

(a) Statutory reserves

In accordance with the relevant laws and regulations of the PRC, the PRC subsidiaries of the Group should make appropriation of not less than 10% of its net income after taxes to legal reserve. Further appropriation is optional when the accumulated statutory reserve is 50% or more of its registered capital. Upon approval from the board of directors, the statutory reserves can be used to offset accumulated losses of the PRC subsidiaries of the Group.

(a) 法定儲備

根據中國相關法律及法規，本集團的中國附屬公司應將其稅後淨收入不少於10%撥作法定儲備。當累計法定儲備達到其註冊資本50%或以上時，可自行決定是否進一步撥備。經董事會批准後，法定儲備可用於抵銷本集團的中國附屬公司之累計虧損。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 25 EMPLOYEE SHARE SCHEME

The share-based compensation expense recognised during the year are as follows:

|                    |        | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|--------------------|--------|-------------------------|-------------------------|
| Share award scheme | 股份獎勵計劃 | 1,239                   | —                       |

The Company adopted a share award scheme on 25 February 2019 (the "Share Award Scheme") as means to recognise the contribution by the Group's personnel and to provide them with incentives to retain them for the continual operation and development of the Group. Pursuant to the Share Award Scheme, the vesting period of the awarded shares is 5 years from their respective grant dates.

The Group planned to use shares held for employee share scheme to award the grantees of the Share Award Scheme. The awarded shares are held by Bank Of Communications Trustee Limited. This Trust is consolidated in accordance with note 2.3.

Movements in the number of Awarded Shares are as follows:

|                |         | 2019      |
|----------------|---------|-----------|
| At 1 January   | 於1月1日   | —         |
| Granted        | 已授出     | 1,154,000 |
| Lapsed         | 已失效     | —         |
| At 31 December | 於12月31日 | 1,154,000 |

The Group has to estimate the expected retention rate of the share award scheme in order to determine the amount of share-based compensation expenses charged to profit or loss. As at 31 December 2019, the expected retention rate was assessed to be 100%.

#### 25 僱員股份計劃

年內確認的以股份為基礎補償開支如下：

|                    | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|--------------------|-------------------------|-------------------------|
| Share award scheme | 1,239                   | —                       |

本公司於2019年2月25日採納股份獎勵計劃(「股份獎勵計劃」)，作為認可本集團人員所作貢獻以及提供獎勵挽留彼等繼續為本集團的經營及發展作出貢獻的途徑。根據股份獎勵計劃，獎勵股份的歸屬期為各自授出日期起計5年。

本集團計劃使用就僱員股份計劃持有的股份獎勵股份獎勵計劃的承授人。獎勵股份乃由交通銀行信託有限公司持有。該信託根據附註2.3予以合併。

獎勵股份數目變動如下：

|                | 2019      |
|----------------|-----------|
| At 1 January   | —         |
| Granted        | 1,154,000 |
| Lapsed         | —         |
| At 31 December | 1,154,000 |

本集團須估計股份獎勵計劃的預期留存率以釐定自損益扣除的以股份為基礎補償開支金額。於2019年12月31日，預期留存率經評估為100%。

Notes to the Financial Statements (continued)  
財務報表附註(續)

26 BORROWINGS

26 借貸

|                                                 |              | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-------------------------------------------------|--------------|-------------------------|-------------------------|
| <b>Non-current</b>                              | <b>非即期</b>   |                         |                         |
| Bank borrowings                                 | 銀行借貸         |                         |                         |
| — unsecured                                     | — 無抵押        | 134,950                 | 265,262                 |
| Less: current portion of non-current borrowings | 減：非即期借貸之流動部分 | (59,039)                | (30,248)                |
|                                                 |              | 75,911                  | 235,014                 |
| <b>Current</b>                                  | <b>即期</b>    |                         |                         |
| Bank borrowings                                 | 銀行借貸         |                         |                         |
| — secured (a)                                   | — 有抵押(a)     | 107,010                 | 76,970                  |
| Current portion of non-current borrowings       | 非即期借貸之流動部分   | 59,039                  | 30,248                  |
|                                                 |              | 166,049                 | 107,218                 |
| <b>Total borrowings</b>                         | <b>借貸總額</b>  | <b>241,960</b>          | <b>342,232</b>          |

(a) As at 31 December 2019, bank borrowings amounting to HK\$107,010,000 as at 31 December 2019 were secured by the bank deposits of HK\$134,594,000 (As at 31 December 2018: bank borrowings amounting to HK\$76,970,000 were secured by bank deposits of HK\$84,975,000).

(a) 於 2019 年 12 月 31 日，為數 107,010,000 港元的銀行借貸乃以銀行存款 134,594,000 港元作抵押（於 2018 年 12 月 31 日：為數 76,970,000 港元的銀行借貸以銀行存款 84,975,000 港元作抵押）。

(b) The carrying amounts of the borrowings are denominated in the following currencies:

(b) 借貸的賬面值按下列貨幣計值：

|      |    | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|------|----|-------------------------|-------------------------|
| HK\$ | 港元 | 134,950                 | 265,262                 |
| EUR  | 歐元 | 107,010                 | 76,970                  |
|      |    | 241,960                 | 342,232                 |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 26 BORROWINGS (Continued)

- (c) The exposure of the borrowings to interest-rate changes and the contractual repricing dates at the balance sheet dates are as follows:

|                              |        | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|------------------------------|--------|-------------------------|-------------------------|
| Borrowings at floating rates | 浮動利率借貸 |                         |                         |
| 6 months or less             | 6個月或以內 | 241,960                 | 342,232                 |

- (d) The borrowings are repayable as follows:

|                       |      | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-----------------------|------|-------------------------|-------------------------|
| Within 1 year         | 1年內  | 166,049                 | 107,218                 |
| Between 1 and 2 years | 1至2年 | 75,911                  | 99,103                  |
| Between 2 and 5 years | 2至5年 | —                       | 135,911                 |
|                       |      | 241,960                 | 342,232                 |

- (e) The effective weighted average interest rates at the balance sheet dates are as follows:

|                                 |               | 2019  | 2018  |
|---------------------------------|---------------|-------|-------|
| Bank borrowings denominated in: | 以下列貨幣計值的銀行借貸： |       |       |
| HK\$                            | 港元            | 2.72% | 2.45% |
| EUR                             | 歐元            | 0.59% | 0.50% |

- (f) The carrying amounts and fair value of non-current borrowings are as follows:

|                                                        |                 | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|--------------------------------------------------------|-----------------|-------------------------|-------------------------|
| Carrying amounts                                       | 賬面值             | 75,911                  | 235,014                 |
| Fair value (level 2)                                   | 公允價值(第2層)       | 74,390                  | 231,223                 |
| Weighted average discount rate used for fair value (%) | 公允價值的加權平均貼現率(%) | 2.72%                   | 2.45%                   |

#### 26 借貸(續)

- (c) 於資產負債表日期，就借貸面對的利率變動風險及合約重新定價日期如下：

- (d) 借貸須於以下期限內償還：

- (e) 於資產負債表日期的實際加權平均率如下：

- (f) 非即期借貸的賬面值及公允價值如下：

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 27 DEFERRED INCOME ON GOVERNMENT GRANTS

The amount represented various subsidies granted by and received from local government authorities in the PRC. The movements in deferred income on government grants are as follows:

#### 27 政府補助遞延收入

有關金額指中國當地政府機關授出並給予的多項補助。政府補助遞延收入的變動如下：

|                                   |              | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-----------------------------------|--------------|-------------------------|-------------------------|
| Opening balance as at 1 January   | 於1月1日的期初結餘   | 23,793                  | 11,443                  |
| Receipt of grants                 | 收到補助金        | 20,804                  | 16,894                  |
| Recognised in the profit or loss  | 於損益確認        | (7,483)                 | (3,742)                 |
| Currency translation differences  | 匯兌差額         | (672)                   | (802)                   |
| Closing balance as at 31 December | 於12月31日的期終結餘 | 36,442                  | 23,793                  |

#### 28 TRADE AND OTHER PAYABLES

#### 28 貿易及其他應付款項

|                                             |                | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|---------------------------------------------|----------------|-------------------------|-------------------------|
| Trade payables                              | 貿易應付款項         | 273,906                 | 307,774                 |
| Wages and staff welfare benefits payable    | 應付工資及僱員福利      | 108,981                 | 121,906                 |
| Accrual for expenses and other payables (a) | 應計開支及其他應付款項(a) | 22,449                  | 19,245                  |
| Other taxes payable                         | 其他應付稅項         | 6,415                   | 7,576                   |
|                                             |                | 411,751                 | 456,501                 |

(a) The amount mainly represented accruals for commission and professional service expenses.

(a) 該款項主要指佣金及專業服務開支應計費用。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 28 TRADE AND OTHER PAYABLES (Continued)

- (b) Trade payables were denominated in the following currencies:

|      |     | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|------|-----|-------------------------|-------------------------|
| RMB  | 人民幣 | 245,118                 | 242,898                 |
| USD  | 美元  | 20,575                  | 50,960                  |
| HK\$ | 港元  | 6,284                   | 6,525                   |
| EUR  | 歐元  | 1,929                   | 853                     |
| JPY  | 日圓  | —                       | 6,538                   |
|      |     | 273,906                 | 307,774                 |

The carrying amounts of accrued expenses and other payables were primary denominated in RMB.

應計開支及其他應付款項的賬面值主要以人民幣計值。

- (c) The ageing analysis of trade payables based on the goods/services receipt date is as follows:

|                |          | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|----------------|----------|-------------------------|-------------------------|
| 0 – 90 days    | 0至90日    | 206,165                 | 235,252                 |
| 91 – 120 days  | 91至120日  | 42,799                  | 41,388                  |
| 121 – 365 days | 121至365日 | 20,801                  | 29,893                  |
| Over 365 days  | 超過365日   | 4,141                   | 1,241                   |
|                |          | 273,906                 | 307,774                 |

- (c) 貿易應付款項按貨物／服務接收日期的賬齡分析如下：

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 29 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same taxation authority. The analysis of deferred tax assets and liabilities is as follows:

#### 29 遞延所得稅

倘有法定可行使權利將即期稅項資產與即期稅項負債抵銷，並為同一稅務機構徵收之遞延所得稅，則會將遞延所得稅資產及負債互相抵銷。遞延稅項資產及負債分析如下：

|                                             |               | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|---------------------------------------------|---------------|-------------------------|-------------------------|
| <b>Before offsetting</b>                    | <b>抵銷前</b>    |                         |                         |
| Deferred income tax assets:                 | 遞延所得稅資產：      |                         |                         |
| — to be recovered after more than 12 months | — 將於超過12個月後收回 | 5,466                   | 3,569                   |
| — to be recovered within 12 months          | — 將於12個月內收回   | 11,324                  | 1,769                   |
|                                             |               | <b>16,790</b>           | <b>5,338</b>            |
| Deferred income tax liabilities:            | 遞延所得稅負債：      |                         |                         |
| — to be settled after more than 12 months   | — 將於超過12個月後結算 | (42,855)                | (16,776)                |
| — to be settled within 12 months            | — 將於12個月內結算   | (17,672)                | (10,490)                |
|                                             |               | <b>(60,527)</b>         | <b>(27,266)</b>         |
| <b>After offsetting</b>                     | <b>抵銷後</b>    |                         |                         |
| Deferred income tax liabilities             | 遞延所得稅負債       | <b>(43,737)</b>         | <b>(21,928)</b>         |

As at 31 December 2019, deferred income tax assets and deferred income tax liabilities were offset, where they are in the same entity, to the extent of HK\$16,790,000 (31 December 2018: HK\$5,338,000).

於2019年12月31日，於相同實體的遞延所得稅資產及遞延所得稅負債已相互抵銷16,790,000港元（2018年12月31日：5,338,000港元）。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 29 DEFERRED INCOME TAX (Continued)

The movements in deferred income tax assets and liabilities are as follows:

#### 29 遞延所得稅(續)

遞延所得稅資產及負債的變動如下：

| Deferred income tax assets       |              | Accelerated tax depreciation | Accrued expenses        | Deferred income on government grants | Total                 |
|----------------------------------|--------------|------------------------------|-------------------------|--------------------------------------|-----------------------|
| 遞延所得稅資產                          |              | 加速稅項折舊<br>HK\$'000<br>千港元    | 應計開支<br>HK\$'000<br>千港元 | 政府補助<br>遞延收入<br>HK\$'000<br>千港元      | 總計<br>HK\$'000<br>千港元 |
| As at 1 January 2018             | 於2018年1月1日   | 313                          | 767                     | 1,716                                | 2,796                 |
| Currency translation differences | 匯兌差額         | —                            | (31)                    | (77)                                 | (108)                 |
| Recognised in profit or loss     | 於損益確認        | (313)                        | 1,033                   | 1,930                                | 2,650                 |
| As at 31 December 2018           | 於2018年12月31日 | —                            | 1,769                   | 3,569                                | 5,338                 |
| As at 1 January 2019             | 於2019年1月1日   | —                            | 1,769                   | 3,569                                | 5,338                 |
| Currency translation differences | 匯兌差額         | —                            | (962)                   | (101)                                | (1,063)               |
| Recognised in profit or loss     | 於損益確認        | —                            | 10,517                  | 1,998                                | 12,515                |
| As at 31 December 2019           | 於2019年12月31日 | —                            | 11,324                  | 5,466                                | 16,790                |

| Deferred income tax liabilities  |              | Accelerated tax depreciation | Withholding income tax   | Revaluation surplus in related to business combination | Total                 |
|----------------------------------|--------------|------------------------------|--------------------------|--------------------------------------------------------|-----------------------|
| 遞延所得稅負債                          |              | 加速稅項折舊<br>HK\$'000<br>千港元    | 預扣所得稅<br>HK\$'000<br>千港元 | 與業務<br>合併相關之<br>重估盈餘<br>HK\$'000<br>千港元                | 總計<br>HK\$'000<br>千港元 |
| As at 1 January 2018             | 於2018年1月1日   | —                            | (10,490)                 | —                                                      | (10,490)              |
| Currency translation differences | 匯兌差額         | 195                          | —                        | 9                                                      | 204                   |
| Recognised in profit or loss     | 於損益確認        | (16,980)                     | —                        | —                                                      | (16,980)              |
| As at 31 December 2018           | 於2018年12月31日 | (16,785)                     | (10,490)                 | 9                                                      | (27,266)              |
| As at 1 January 2019             | 於2019年1月1日   | (16,785)                     | (10,490)                 | 9                                                      | (27,266)              |
| Currency translation differences | 匯兌差額         | 1,361                        | —                        | 8                                                      | 1,369                 |
| Recognised in profit or loss     | 於損益確認        | (27,448)                     | (7,182)                  | —                                                      | (34,630)              |
| As at 31 December 2019           | 於2019年12月31日 | (42,872)                     | (17,672)                 | 17                                                     | (60,527)              |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 29 DEFERRED INCOME TAX (Continued)

Deferred income tax assets are recognised for tax losses carry-forward to the extent that the realisation of the related tax benefits through the future taxable profits is probable. As at 31 December 2019, no deferred tax asset has been recognised in respect of the unused tax losses amounting to HK\$33,389,000 (31 December 2018: HK\$19,499,000) as its realisation is uncertain. Such tax losses may be carried forward indefinitely.

#### 29 遞延所得稅(續)

遞延所得稅資產乃以相關稅項優惠可透過未來應課稅溢利變現而結轉之稅項虧損確認入賬。於2019年12月31日，本集團並未就未使用稅項虧損33,389,000港元(2018年12月31日：19,499,000港元)確認遞延稅項資產，乃由於其變現存在不確定性。有關稅項虧損或會無限期結轉。

#### 30 DIVIDENDS

#### 30 股息

|                                                                                     |                                            | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|-------------------------------------------------------------------------------------|--------------------------------------------|-------------------------|-------------------------|
| Interim dividend paid of HK\$0.05<br>(2018 Interim: HK\$0.06) per ordinary<br>share | 按每股普通股0.05港元<br>(2018年中期：0.06港元)<br>派付中期股息 | 41,663                  | 49,996                  |
| Proposed final dividend of HK\$0.09<br>(2018: HK\$0.14) per ordinary share          | 按每股普通股0.09港元<br>(2018年：0.14港元)<br>派付建議末期股息 | 74,993                  | 116,656                 |
|                                                                                     |                                            | 116,656                 | 166,652                 |

The dividends paid in 2019 and 2018 were HK\$158,319,000 (HK\$0.19 per share) and HK\$149,987,000 (HK\$0.18 per share) respectively. A final dividend in respect of the year ended 31 December 2019 of HK\$0.09 per share, amounting to a total of approximately HK\$74,993,000, is to be proposed at the forthcoming annual general meeting.

於2019年及2018年派付的股息分別為158,319,000港元(每股股份0.19港元)及149,987,000港元(每股股份0.18港元)。本公司將於應屆股東週年大會上建議派付截至2019年12月31日止年度之末期股息每股0.09港元，股息總額約74,993,000港元。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 31 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

#### 31 合併現金流量表附註

(a) Reconciliation of profit before income tax to cash generated from operations:

(a) 除所得稅前溢利與經營所得現金之對賬：

|                                                                                |                        | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|--------------------------------------------------------------------------------|------------------------|-------------------------|-------------------------|
| Profit before income tax                                                       | 除所得稅前溢利                | 360,499                 | 407,134                 |
| Adjustments for:                                                               | 調整：                    |                         |                         |
| Finance expenses (note 9)                                                      | 融資開支(附註9)              | 12,745                  | 3,166                   |
| Interest income (note 9)                                                       | 利息收入(附註9)              | (20,220)                | (9,965)                 |
| Depreciation of property, plant and equipment (note 13)                        | 物業、廠房及設備折舊(附註13)       | 130,202                 | 98,789                  |
| Impairment of property, plant and equipment (note 13)                          | 物業、廠房及設備減值(附註13)       | 351                     | —                       |
| Depreciation of right-of-use assets (note 7)                                   | 使用權資產折舊(附註7)           | 66,874                  | —                       |
| Amortisation of intangible assets (note 15)                                    | 無形資產攤銷(附註15)           | 4,395                   | 4,533                   |
| Gain on disposal of property, plant and equipment (note 6)                     | 出售物業、廠房及設備收益(附註6)      | (1,483)                 | (403)                   |
| Allowance/(reversal of allowance) for impairment of inventories (note 7)       | 存貨減值撥備／(撥備撥回)(附註7)     | 5,848                   | (917)                   |
| (Reversal of allowance)/allowance for impairment of trade receivables (note 7) | 貿易應收賬款減值(撥備撥回)／撥備(附註7) | (1,759)                 | 408                     |
| Share based payments (note 25)                                                 | 以股份為基礎之付款(附註25)        | 1,239                   | —                       |
| Share of net profit of an associate (note 12a)                                 | 應佔聯營公司純利(附註12a)        | (371)                   | —                       |
| Changes in working capital:                                                    | 營運資金變動：                |                         |                         |
| Inventories                                                                    | 存貨                     | (59,620)                | (36,746)                |
| Restricted cash                                                                | 受限制現金                  | 18,915                  | (27,141)                |
| Trade and other receivables                                                    | 貿易及其他應收款項              | (14,573)                | (8,462)                 |
| Trade and other payables                                                       | 貿易及其他應付款項              | (14,245)                | 81,778                  |
| Cash generated from operations                                                 | 經營所得現金                 | 488,797                 | 512,174                 |

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

### 31 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) In the consolidated statement of cash flows, proceeds from disposals of property, plant and equipment comprise:

|                           |           | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|---------------------------|-----------|-------------------------|-------------------------|
| Net book amount disposed  | 已出售賬面淨值   | 7,057                   | 1,409                   |
| Gain on disposal (note 6) | 出售收益(附註6) | 1,483                   | 403                     |
| Proceeds from disposal    | 出售所得款項    | 8,540                   | 1,812                   |

#### (c) Net assets reconciliation

This section sets out an analysis of net asset and the movements in net asset for each of the periods presented.

|                                                |                | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|------------------------------------------------|----------------|-------------------------|-------------------------|
| Cash and cash equivalents                      | 現金及現金等價物       | 582,878                 | 753,811                 |
| Borrowings — repayable within one year         | 借貸—須於一年內償還     | (166,049)               | (107,218)               |
| Borrowings — repayable after one year          | 借貸—須於一年後償還     | (75,911)                | (235,014)               |
| Lease liabilities                              | 租賃負債           | (151,226)               | —                       |
| Net assets                                     | 資產淨值           | 189,692                 | 411,579                 |
| Cash and cash equivalents                      | 現金及現金等價物       | 582,878                 | 753,811                 |
| Gross debt — fixed interest rates              | 總債務—固定利率       | (151,226)               | —                       |
| Gross debt — variable interest rates (note 26) | 總債務—浮動利率(附註26) | (241,960)               | (342,232)               |
| Net assets                                     | 資產淨值           | 189,692                 | 411,579                 |

### 31 合併現金流量表附註(續)

(b) 於合併現金流量表內，出售物業、廠房及設備所得款項包括：

#### (c) 資產淨值對賬

本節載列各呈列期間資產淨值與資產淨值變動之分析。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 31 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

##### (c) Net assets reconciliation (Continued)

| Net assets                                               |                                     | Other assets                |                       | Liabilities from financing activities |                              | Total                 |
|----------------------------------------------------------|-------------------------------------|-----------------------------|-----------------------|---------------------------------------|------------------------------|-----------------------|
|                                                          |                                     | Cash and cash equivalents   | Leases                | Borrowings due within 1 year          | Borrowings due after 1 year  |                       |
| 資產淨值                                                     |                                     | 現金及現金等價物<br>HK\$'000<br>千港元 | 租賃<br>HK\$'000<br>千港元 | 於1年內到期的借貸<br>HK\$'000<br>千港元          | 於1年後到期的借貸<br>HK\$'000<br>千港元 | 總計<br>HK\$'000<br>千港元 |
| <b>As at 1 January 2018</b>                              | <b>於2018年1月1日</b>                   | 540,815                     | –                     | (32,705)                              | (65,210)                     | 442,900               |
| Cash flows                                               | 現金流量                                | 214,061                     | –                     | (74,513)                              | (169,804)                    | (30,256)              |
| Foreign exchange adjustments                             | 外匯調整                                | (1,065)                     | –                     | —                                     | —                            | (1,065)               |
| <b>As at 31 December 2018</b>                            | <b>於2018年12月31日</b>                 | 753,811                     | –                     | (107,218)                             | (235,014)                    | 411,579               |
| <b>Recognised on adoption of HKFRS 16 (see note 2.2)</b> | <b>於採納香港財務報告準則第16號時確認 (參閱附註2.2)</b> | <b>753,811</b>              | <b>(212,147)</b>      | <b>(107,218)</b>                      | <b>(235,014)</b>             | <b>199,432</b>        |
| Cash flows                                               | 現金流量                                | (167,884)                   | 60,966                | (55,450)                              | 159,103                      | (3,265)               |
| Acquisition – leases                                     | 添置－租賃                               | –                           | (45)                  | –                                     | –                            | (45)                  |
| Foreign exchange adjustments                             | 外匯調整                                | (3,049)                     | –                     | (3,381)                               | —                            | (6,430)               |
| <b>As at 31 December 2019</b>                            | <b>於2019年12月31日</b>                 | <b>582,878</b>              | <b>(151,226)</b>      | <b>(166,049)</b>                      | <b>(75,911)</b>              | <b>189,692</b>        |

#### 31 合併現金流量表附註(續)

##### (c) 資產淨值對賬(續)

#### 32 CONTINGENT LIABILITIES

As at 31 December 2019, the Group had no significant contingent liabilities (31 December 2018: nil).

#### 32 或然負債

於2019年12月31日，本集團並無任何重大或然負債(2018年12月31日：無)。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

### 33 COMMITMENTS

### 33 承擔

#### (a) Capital commitments

#### (a) 資本承擔

The Group had the following capital commitments:

本集團有以下資本承擔：

|                                      |           | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|--------------------------------------|-----------|-------------------------|-------------------------|
| Acquisitions of plant and equipment: | 購置廠房及設備：  |                         |                         |
| — Contracted but not provided for    | — 已訂約但未撥備 | 52,312                  | 86,925                  |

#### (b) Operating lease commitments

#### (b) 經營租賃承擔

The Group leases premises under non-cancellable operating lease agreements. The Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

本集團根據不可撤銷經營租賃協議租賃物業。本集團於不可撤銷經營租賃項下支付的未來最低租賃款項總額如下：

|                                                   |         | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|---------------------------------------------------|---------|-------------------------|-------------------------|
| Not later than one year                           | 一年內     |                         |                         |
| — to related companies                            | — 關聯公司  | 314                     | 60,432                  |
| — to third parties                                | — 第三方   | —                       | 7,042                   |
|                                                   |         | 314                     | 67,474                  |
| Later than one year and not later than five years | 一年後但五年內 |                         |                         |
| — to related companies                            | — 關聯公司  | —                       | 134,852                 |
| — to third parties                                | — 第三方   | —                       | 18,241                  |
|                                                   |         | —                       | 153,093                 |
| More than five years                              | 五年以上    |                         |                         |
| — to third parties                                | — 第三方   | —                       | 12,074                  |
|                                                   |         | 314                     | 232,641                 |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 34 RELATED PARTY TRANSACTIONS

##### (a) Names and relationship

The following companies and individuals were related parties of the Group that had transactions or balances with the Group for the year ended 31 December 2019:

| Name of the related party<br>關連方名稱            | Relationship with the Group<br>與本集團之關係                     |
|-----------------------------------------------|------------------------------------------------------------|
| TK Technology Holdings Ltd.<br>東江科技集團有限公司     | An entity controlled by Ultimate Shareholders<br>最終股東控制的實體 |
| TK Technology (Shenzhen) Ltd.<br>東江科技(深圳)有限公司 | An entity controlled by Ultimate Shareholders<br>最終股東控制的實體 |

##### (b) Transactions with related parties during the year

Other than the related party transactions disclosed in note 37, the following transactions with related parties were undertaken by the Group during the year.

#### 34 關連方交易

##### (a) 名稱及關係

以下公司及個別人士為於截至2019年12月31日止年度與本集團有交易或結餘的本集團關連方：

##### (b) 年內與關連方之交易

除附註37所披露的關連方交易外，本集團於年內與關連方進行的交易如下。

|                                       |           | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|---------------------------------------|-----------|-------------------------|-------------------------|
| Addition of right-of-use assets       | 添置使用權資產   | 45                      | —                       |
| Interest expense on lease liabilities | 租賃負債利息開支  | 7,455                   | —                       |
| Repayment of lease liabilities (i)    | 償還租賃負債(i) | 52,668                  | —                       |
| Operating lease expenses paid         | 已付經營租賃開支  | 171                     | 50,004                  |
|                                       |           | 60,294                  | 50,004                  |

(i) The amounts mainly represented rental expenses for land and buildings for factory and office purposes paid to TK Technology Holdings Ltd. and TK Technology (Shenzhen) Ltd, and capitalised as right-of-use assets. All rental expenses were determined with reference to independent property valuation.

(i) 該款項主要指向東江科技集團有限公司及東江科技(深圳)有限公司支付的用於工廠及辦公用途的土地和樓宇的租金開支，並資本化為使用權資產。所有租金開支均參考獨立物業估值釐定。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 34 RELATED PARTY TRANSACTIONS (Continued)

##### (c) Key management personnel compensation

The compensations paid or payable to key management personnel for employee services are shown below:

|                                            |              | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|--------------------------------------------|--------------|-------------------------|-------------------------|
| Wages, salaries and bonuses                | 工資、薪金及花紅     | 33,504                  | 49,988                  |
| Share award scheme                         | 股份獎勵計劃       | 375                     | —                       |
| Pension costs — defined contribution plans | 退休金成本一定額供款計劃 | 241                     | 256                     |
|                                            |              | 34,120                  | 50,244                  |

##### (d) Indemnity

Each of Ultimate Shareholders jointly and severally has undertaken to indemnify and keep each of the Group's companies fully indemnified against all claims and losses suffered or incurred by any company of the Group as a result of or in connection with, amongst others, the use of the land and buildings owned by certain related companies by any company of the Group as tenants, as these related companies have not obtained the approval from the relevant authorities in relation to the lease arrangements of such land and buildings.

#### 35 SUBSEQUENT EVENTS

Since early 2020, the epidemic of Coronavirus Disease 2019 ("the COVID-19 outbreak") has spread across China and other countries, and it has affected business and economic activities to some extent. The Group has already assessed the overall impact of the situation on the operation of the Group and taken all possible effective measures to limit and keep the impact in control in the future. The Group will pay close attention to the development of the COVID-19 outbreak and its impact, and will continue to perform relevant assessments and take proactive measures in the future.

The Group does not have other significant subsequent events.

#### 34 關連方交易(續)

##### (c) 主要管理人員薪酬

就僱員服務已付或應付主要管理人員之薪酬載列如下：

|                                            |              | 2019<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 |
|--------------------------------------------|--------------|-------------------------|-------------------------|
| Wages, salaries and bonuses                | 工資、薪金及花紅     | 33,504                  | 49,988                  |
| Share award scheme                         | 股份獎勵計劃       | 375                     | —                       |
| Pension costs — defined contribution plans | 退休金成本一定額供款計劃 | 241                     | 256                     |
|                                            |              | 34,120                  | 50,244                  |

##### (d) 彌償

各最終股東各自己共同及個別承諾就因或涉及(其中包括)使用本集團任何公司的若干關連公司擁有之土地及樓宇(作為租客)而令本集團任何公司蒙受或產生的所有索償及損失向本集團各成員公司提供彌償保證及維持全面彌償，原因為該等關連公司並未獲得有關機關就該等土地及樓宇的租賃安排之批准。

#### 35 期後事項

自2020年年初，新型冠狀病毒肺炎疫情(「新冠肺炎爆發」)席捲中國及其他國家，對業務及經濟活動造成一定程度的影響。本集團已評估當前形勢對本集團經營的整體影響並採取一切可能的有效措施限制及控制日後的影響。本集團將密切關注新冠肺炎爆發的進展及其影響，日後將持續進行相關評估及採取積極措施。

本集團並無其他重大期後事項。

Notes to the Financial Statements (continued)  
財務報表附註(續)

36 BALANCE SHEET AND RESERVE MOVEMENT  
OF THE COMPANY

36 本公司資產負債表及儲備變動

|            |                                                     | As at 31 December<br>於12月31日 |                         |
|------------|-----------------------------------------------------|------------------------------|-------------------------|
|            |                                                     | 2019<br>HK\$'000<br>千港元      | 2018<br>HK\$'000<br>千港元 |
| Note<br>附註 |                                                     |                              |                         |
|            | <b>Assets</b>                                       |                              |                         |
|            | <b>Non-current assets</b>                           |                              |                         |
|            | Investments in subsidiaries                         | 222,294                      | 221,055                 |
|            | <b>Current assets</b>                               |                              |                         |
|            | Amounts due from subsidiaries                       | 355,397                      | 404,547                 |
|            | Other receivables                                   | —                            | 409                     |
|            | Cash and cash equivalents                           | 211                          | 172                     |
|            | Total current assets                                | 355,608                      | 405,128                 |
|            | <b>Total assets</b>                                 | <b>577,902</b>               | <b>626,183</b>          |
|            | <b>Equity and liabilities</b>                       |                              |                         |
|            | <b>Equity attributable to owners of the company</b> |                              |                         |
|            | Share capital                                       | 83,326                       | 83,326                  |
|            | Share premium                                       | 425,815                      | 425,815                 |
|            | Shares held for employee share scheme               | (5,517)                      | —                       |
|            | Other reserves                                      | 1,239                        | —                       |
|            | Retained earnings                                   | 72,903                       | 116,895                 |
|            | <b>Total equity</b>                                 | <b>577,766</b>               | <b>626,036</b>          |
|            | <b>Liabilities</b>                                  |                              |                         |
|            | <b>Current liabilities</b>                          |                              |                         |
|            | Other payables                                      | 136                          | 147                     |
|            | <b>Total liabilities</b>                            | <b>136</b>                   | <b>147</b>              |
|            | <b>Total equity and liabilities</b>                 | <b>577,902</b>               | <b>626,183</b>          |

Notes to the Financial Statements (continued)  
財務報表附註(續)

**36 BALANCE SHEET AND RESERVE MOVEMENT  
OF THE COMPANY (Continued)**

**36 本公司資產負債表及儲備變動(續)**

(a) Reserve movement of the Company

(a) 本公司儲備變動

|                              |                     | <b>Retained<br/>earnings</b><br>保留溢利<br>HK\$'000<br>千港元 | <b>Other<br/>reserves</b><br>其他儲備<br>HK\$'000<br>千港元 |
|------------------------------|---------------------|---------------------------------------------------------|------------------------------------------------------|
| At 1 January 2018            | 於2018年1月1日          | 102,344                                                 | —                                                    |
| Profit for the year          | 年內溢利                | 164,538                                                 | —                                                    |
| Dividends                    | 股息                  | (149,987)                                               | —                                                    |
| <b>At 31 December 2018</b>   | <b>於2018年12月31日</b> | 116,895                                                 | —                                                    |
| At 1 January 2019            | 於2019年1月1日          | <b>116,895</b>                                          | —                                                    |
| Profit for the year          | 年內溢利                | <b>114,327</b>                                          | —                                                    |
| Employee share schemes       | 僱員股份計劃              |                                                         |                                                      |
| — Value of employee services | — 僱員服務價值            | —                                                       | <b>1,239</b>                                         |
| Dividends                    | 股息                  | <b>(158,319)</b>                                        | —                                                    |
| <b>At 31 December 2019</b>   | <b>於2019年12月31日</b> | <b>72,903</b>                                           | <b>1,239</b>                                         |

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

#### 37 BENEFITS AND INTERESTS OF DIRECTORS

##### (a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

**For the year ended 31 December 2019:**

|                                            |            | Employer's contribution to retirement benefit scheme |          |                     |                              |          |
|--------------------------------------------|------------|------------------------------------------------------|----------|---------------------|------------------------------|----------|
| Name                                       |            | Fees                                                 | Salary   | Discretionary bonus | to retirement benefit scheme | Total    |
| 姓名                                         |            | 袍金                                                   | 薪金       | 酌情花紅                | 僱主的退休福利計劃供款                  | 總計       |
|                                            |            | HK\$'000                                             | HK\$'000 | HK\$'000            | HK\$'000                     | HK\$'000 |
|                                            |            | 千港元                                                  | 千港元      | 千港元                 | 千港元                          | 千港元      |
| <b>Executive Directors</b>                 |            | <b>執行董事</b>                                          |          |                     |                              |          |
| Mr. Li Pui Leung                           | 李沛良先生      | —                                                    | 2,999    | 3,288               | 18                           | 6,305    |
| Mr. Yung Kin Cheung Michael (i)            | 翁建翔先生(i)   | —                                                    | 2,605    | 2,855               | 18                           | 5,478    |
| Mr. Lee Leung Yiu                          | 李良耀先生      | —                                                    | 1,911    | 1,612               | 18                           | 3,541    |
| Mr. Cheung Fong Wa                         | 張芳華先生      | —                                                    | 2,078    | 1,752               | 18                           | 3,848    |
| <b>Independent non-executive Directors</b> |            | <b>獨立非執行董事</b>                                       |          |                     |                              |          |
| Dr. Chung Chi Ping Roy                     | 鍾志平博士      | 291                                                  | —        | —                   | —                            | 291      |
| Mr. Ho Kenneth Kai Chung (ii)              | 何啟忠先生(ii)  | 281                                                  | —        | —                   | —                            | 281      |
| Mr. Tsang Wah Kwong                        | 曾華光先生      | 291                                                  | —        | —                   | —                            | 291      |
| Ms. Christine Wan Chong Leung (iii)        | 梁蘊莊女士(iii) | 10                                                   | —        | —                   | —                            | 10       |
|                                            |            | 873                                                  | 9,593    | 9,507               | 72                           | 20,045   |

(i) Mr. Yung Kin Cheung Michael is also the chief executive officer.

(ii) Mr. Ho Kenneth Kai Chung was resigned on 20 December 2019.

(iii) Ms. Christine Wan Chong Leung was appointed on 20 December 2019.

#### 37 董事福利及權益

##### (a) 董事及主要行政人員酬金

各董事及主要行政人員的薪酬載列如下：

**截至2019年12月31日止年度：**

(i) 翁建翔先生亦為首席執行官。

(ii) 何啟忠先生已於2019年12月20日辭任。

(iii) 梁蘊莊女士已於2019年12月20日獲委任。

## Notes to the Financial Statements (continued)

### 財務報表附註(續)

### 37 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

### 37 董事福利及權益(續)

#### (a) Directors' and chief executive's emoluments (Continued)

#### (a) 董事及主要行政人員酬金(續)

For the year ended 31 December 2018:

截至2018年12月31日止年度：

| Name                                       | Fees     | Salary   | Discretionary bonus | Employer's contribution to retirement benefit scheme | Total    |
|--------------------------------------------|----------|----------|---------------------|------------------------------------------------------|----------|
| 姓名                                         | 袍金       | 薪金       | 酌情花紅                | 僱主的退休福利計劃供款                                          | 合計       |
|                                            | HK\$'000 | HK\$'000 | HK\$'000            | HK\$'000                                             | HK\$'000 |
|                                            | 千港元      | 千港元      | 千港元                 | 千港元                                                  | 千港元      |
| <b>Executive Directors</b>                 |          |          |                     |                                                      |          |
| <b>執行董事</b>                                |          |          |                     |                                                      |          |
| Mr. Li Pui Leung                           | –        | 2,671    | 6,392               | 18                                                   | 9,081    |
| Mr. Yung Kin Cheung Michael                | –        | 2,385    | 4,710               | 18                                                   | 7,113    |
| Mr. Lee Leung Yiu                          | –        | 1,772    | 2,691               | 18                                                   | 4,481    |
| Mr. Cheung Fong Wa                         | –        | 1,922    | 3,222               | 18                                                   | 5,162    |
| <b>Independent non-executive Directors</b> |          |          |                     |                                                      |          |
| <b>獨立非執行董事</b>                             |          |          |                     |                                                      |          |
| Dr. Chung Chi Ping Roy                     | 290      | –        | –                   | –                                                    | 290      |
| Mr. Ho Kenneth Kai Chung                   | 290      | –        | –                   | –                                                    | 290      |
| Mr. Tsang Wah Kwong                        | 290      | –        | –                   | –                                                    | 290      |
|                                            | 870      | 8,750    | 17,015              | 72                                                   | 26,707   |

(b) There was no directors' retirement benefits, directors' termination benefits, consideration provided to third parties for making available directors' services and no loans, quasi-loans or other dealings entered into by the Group in favour of any directors, controlled bodies corporate by and connected entities with such directors during the year (2018 : Nil).

(b) 年內，概無就提供董事服務而向第三方安排任何董事退休福利、董事終止服務福利及代價以及以任何董事、董事的受控制法團及關連實體為受益人的貸款、準貸款或本集團所訂立之其他交易(2018年：無)。

#### (c) Directors' material interests in transactions, arrangements or contracts

#### (c) 董事於交易、安排或合約的重大權益

Saved for contracts amongst Group companies and as disclosed in note 34, there was no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

除集團內公司間合約及附註34所披露者外，於年末或年內任何時間，概無存在與本集團業務有關，且本公司董事於當中直接或間接擁有重大權益的交易、安排或合約。

## FIVE YEAR FINANCIAL SUMMARY

### 五年財務概要

|                                                                   |              | Year ended 31 December<br>截至12月31日止年度 |                         |                         |                         | 2019            |
|-------------------------------------------------------------------|--------------|---------------------------------------|-------------------------|-------------------------|-------------------------|-----------------|
|                                                                   |              | 2015<br>HK\$'000<br>千港元               | 2016<br>HK\$'000<br>千港元 | 2017<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 | HK\$'000<br>千港元 |
| Revenue                                                           | 收入           | 1,606,205                             | 1,626,611               | 1,860,900               | 2,298,609               | 2,310,842       |
| Net profit for the Year attributable to the owners of the Company | 本公司擁有人應佔年內純利 | 187,088                               | 205,698                 | 301,833                 | 350,185                 | 301,803         |

|                   |      | As at 31 December<br>於12月31日 |                         |                         |                         | 2019            |
|-------------------|------|------------------------------|-------------------------|-------------------------|-------------------------|-----------------|
|                   |      | 2015<br>HK\$'000<br>千港元      | 2016<br>HK\$'000<br>千港元 | 2017<br>HK\$'000<br>千港元 | 2018<br>HK\$'000<br>千港元 | HK\$'000<br>千港元 |
| Total assets      | 總資產  | 1,300,219                    | 1,402,093               | 1,638,607               | 2,163,489               | 2,324,543       |
| Total liabilities | 總負債  | 694,718                      | 717,083                 | 727,089                 | 1,088,031               | 1,133,078       |
| Total equity      | 權益總額 | 605,501                      | 685,010                 | 911,518                 | 1,075,458               | 1,191,465       |

#### Notes:

1. The consolidated results of the Group for each of the year ended 31 December 2018 and 2019 and the consolidated assets and liabilities of the Group as at 31 December 2018 and 2019 are set out on pages 116 to 118 of this annual report.
2. The consolidated results of the Group for each of the year ended 31 December 2015, 2016 and 2017 and the consolidated assets and liabilities of the Group as at 31 December 2015, 2016 and 2017 are set out in the 2015, 2016 and 2017 annual report of the Group.
3. The above summary was prepared as if the current structure of the Group had been in existence throughout these financial years.

#### 附註：

1. 本集團截至2018年及2019年12月31日止年度各年的合併業績以及本集團於2018年及2019年12月31日的合併資產及負債載於本年報第116頁至118頁。
2. 本集團截至2015年、2016年及2017年12月31日止年度各年的合併業績以及本集團於2015年、2016年及2017年12月31日的合併資產及負債載於本集團2015年、2016年及2017年年報內。
3. 編製以上概要時乃假設本集團目前的架構於該等財政年度一直存在。



**東江集團(控股)有限公司**  
TK GROUP (HOLDINGS) LIMITED