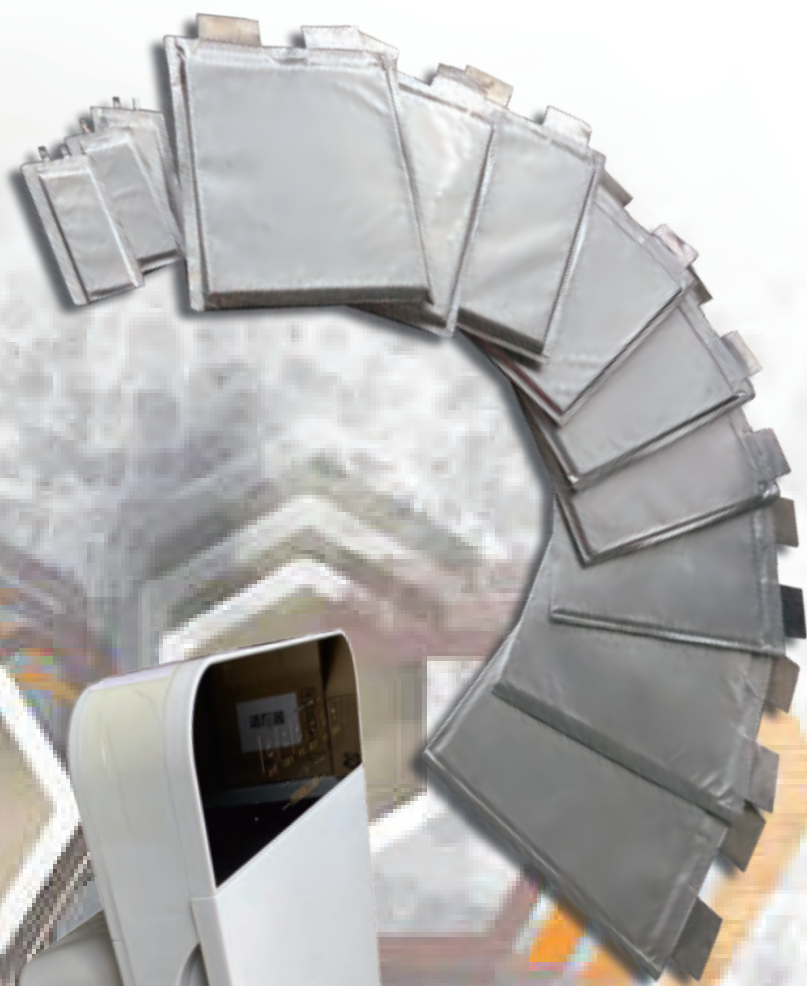


寶峰時尚

boree

2019  
年度報告  
ANNUAL REPORT

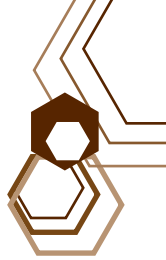


[www.baofengmodern.com](http://www.baofengmodern.com)  
Stock Code :1121

baop

寶峰時尚國際控股有限公司  
(於開曼群島註冊成立的有限公司)  
股份代號 :1121

Baofeng Modern International Holdings Company Limited  
(Incorporated in the Cayman Islands with limited liability)



## BOARD OF DIRECTORS

### Executive Directors

Mr. ZHENG Jingdong (Chairman)  
Mr. LEUNG Tsz Chung (Vice-chairman)

### Non-Executive Director

Ms. LIN Weihuan

### Independent Non-Executive Directors

Ms. AN Na  
Mr. CHEN Shaohua  
Professor ZHAO Jinbao

## BOARD COMMITTEES

### Audit Committee

Mr. CHEN Shaohua (Chairperson)  
Professor ZHAO Jinbao  
Ms. AN Na

### Remuneration Committee

Ms. AN Na (Chairperson)  
Professor ZHAO Jinbao  
Mr. CHEN Shaohua

### Nomination Committee

Professor ZHAO Jinbao (Chairperson)  
Mr. CHEN Shaohua  
Ms. AN Na

## COMPANY SECRETARY

Mr. IP Pui Sum

## AUTHORISED REPRESENTATIVES

Mr. ZHENG Jingdong  
Mr. LEUNG Tsz Chung

## STOCK CODE

01121

## 董事會

### 執行董事

鄭景東先生（主席）  
梁子冲先生（副主席）

### 非執行董事

林煒歡女士

### 獨立非執行董事

安娜女士  
陳少華先生  
趙金保教授

## 董事委員會

### 審核委員會

陳少華先生（主席）  
趙金保教授  
安娜女士

### 薪酬委員會

安娜女士（主席）  
趙金保教授  
陳少華先生

### 提名委員會

趙金保教授（主席）  
陳少華先生  
安娜女士

## 公司秘書

葉沛森先生

## 授權代表

鄭景東先生  
梁子冲先生

## 股份代號

01121





## Corporate Information

### 公司資料

#### COMPANY WEBSITE

www.baofengmodern.com

#### HEAD OFFICE IN THE PRC

Huoju Industrial Zone  
Jiangnan Town  
Licheng District  
Quanzhou City  
Fujian Province  
PRC

#### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 504, 5/F  
OfficePlus @Sheung Wan  
93-103 Wing Lok Street  
Sheung Wan  
Hong Kong

#### REGISTERED OFFICE

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

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

SMP Partners (Cayman) Limited  
Royal Bank House – 3rd Floor  
24 Shedden Road, P. O. Box 1586  
Grand Cayman KY1-1110  
Cayman Islands

#### HONG KONG SHARE REGISTRAR

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

#### AUDITORS

Confucius International CPA Limited

#### PRINCIPAL BANKERS

Bank of China (Hong Kong)  
China Construction Bank

#### 公司網站

www.baofengmodern.com

#### 中國總部

中國  
福建省  
泉州市  
鯉城區  
江南鎮  
火炬工業區

#### 香港主要營業地點

香港  
上環  
永樂街93-103號  
協成行上環中心  
5樓504室

#### 註冊辦事處

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

#### 開曼群島主要股份過戶登記處

SMP Partners (Cayman) Limited  
Royal Bank House – 3rd Floor  
24 Shedden Road, P. O. Box 1586  
Grand Cayman KY1-1110  
Cayman Islands

#### 香港證券登記處

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

#### 核數師

天健國際會計師事務所有限公司

#### 主要往來銀行

中國銀行(香港)  
中國建設銀行



# Content 目錄



Corporate Information	公司資料	1
Five-Year Financial Summary	五年財務概要	4
Chairman's Statement	主席報告書	5
Management Discussion and Analysis	管理層討論及分析	7
Corporate Governance Report	企業管治報告	16
Environmental, Social and Governance Report	環境、社會及管治報告	32
Biographical Details of Directors	董事履歷詳情	48
Report of the Directors	董事會報告	51
Independent Auditor's Report	獨立核數師報告	67
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	75
Consolidated Statement of Financial Position	綜合財務狀況表	76
Consolidated Statement of Changes in Equity	綜合權益變動表	78
Consolidated Statement of Cash Flows	綜合現金流量表	79
Notes to the Consolidated Financial Statements	綜合財務報表附註	81



# Five-Year Financial Summary

## 五年財務概要

For the year ended 31 December  
截至十二月三十一日止年度

		2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年
<b>Profitability data</b> (RMB million)	<b>盈利能力數據</b> (人民幣百萬元)					
Revenue	收益	169.7	164.5	125.5	215.8	171.7
Gross profit	毛利	30.1	39.5	28.5	75.3	42.9
Loss for the year	年內虧損	(314.4)	(275.3)	(435.4)	(317.6)	(25.7)
<b>Profitability ratios (%)</b>	<b>盈利能力比率(%)</b>					
Gross profit margin	毛利率	17.7%	24.0%	22.7%	34.9%	25.0%
Net loss margin	淨虧損率	(185.3)%	(167.4)%	(346.9)%	(147.2)%	(15.0)%
<b>Assets and liabilities data</b> (RMB million)	<b>資產及負債數據</b> (人民幣百萬元)					
Non-current assets	非流動資產	153.9	441.9	705.3	1,417.0	1,597.4
Current assets	流動資產	120.5	128.8	110.4	117.6	870.4
Current liabilities	流動負債	223.3	251.9	294.1	224.8	821.7
Non-current liabilities	非流動負債	3.1	4.8	108.2	466.5	517.1
Shareholders' equity	股東權益	48.0	313.9	413.4	843.4	1,129.0
<b>Asset and working capital data</b>	<b>資產及營運資金數據</b>					
Current asset ratios (%)	流動資產比率(%)	43.9%	22.6%	13.5%	7.7%	35.3%
Current ratios (time)	流動比率(倍)	0.5x	0.5x	0.4x	0.5x	1.1x
Debt ratios (%)	負債比率(%)	82.3%	44.7%	49.0%	44.6%	54.2%

# Chairman's Statement

## 主席報告書



Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Baofeng Modern International Holdings Company Limited ("Baofeng Modern" or the "Company"), I am pleased to present the financial report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2019.

2019 was a challenging year to the Group, under the negative impact of the trade dispute between the People's Republic of China ("PRC") and the United States of America ("US"), due to the effort of sales team, the Group still managed to record an increase in revenue of approximately RMB5.2 million or 3.2% to approximately RMB169.7 million during the year. As some customers of the Original Equipment Manufacturer ("OEM") business changed to place orders to manufacturers in Southeast Asia and India instead to the Group during the year, the Group is forced to reduce its gross profit margin to retain existing customers and acquire new orders. Therefore, the gross profit margin of the Group during the year was reduced to approximately 17.7%.

Looking ahead to 2020, it is expected that the outbreak of the novel coronavirus ("COVID-19") epidemic together with the ongoing tension arising from the trade talks between the PRC and the US will inevitably bring undesirable short-term impact to operational and financial performance of the Group, especially on the OEM business and the retail sales of slippers. To alleviate the impact of the outbreak of the epidemic, the Group will focus on the design and sales of indoor slippers and will allocate more resources on online sales and local sales in the PRC in 2020.

Besides, the Group would focus on uplifting our "Boree" branded automated customized graphene-based slippers ("Graphene-based Slippers") through cross-over collaboration with cooperative stores by placing the new generation do-it-yourself ("DIY") automated vending system. This cross-over cooperation can penetrate and expand the PRC market rapidly and most important of all, can foster the popularity of our brand. However, due to the impact of the outbreak of the epidemic, the launch of the new generation of DIY automated vending system would be delayed to June 2020 and the number of DIY automated vending system installed would be substantially reduced. As a result, the sales of Graphene-based Slippers would be significantly lower than our original plan.

各位尊敬的股東：

本人謹代表寶峰時尚國際控股有限公司（「寶峰時尚」或「本公司」）董事（「董事」）會（「董事會」）提呈本公司及其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止年度的財務報告。

二零一九年對本集團而言是充滿挑戰的一年，在中華人民共和國（「中國」）及美利堅合眾國（「美國」）貿易糾紛的負面影響下，由於銷售團隊的努力，本集團於年內仍錄得收益上升約人民幣5,200,000元或3.2%至約人民幣169,700,000元。年內，由於部份原設備製造商（「OEM」）業務的客戶已改為向東南亞及印度的製造商下達訂單，本集團被迫降低毛利率以挽留現有客戶及取得新訂單。因此，本集團於年內的毛利率減少至約17.7%。

展望二零二零年，爆發新型冠狀病毒（「COVID-19」）疫情以及中美貿易談判帶來的持續緊張局勢預計將不可避免地對本集團營運及財務表現（尤其是OEM業務及拖鞋零售）帶來不良短期影響。為減輕疫情爆發的影響，本集團將集中室內拖鞋設計及銷售，並將於二零二零年分配更多資源至線上銷售及中國本地銷售。

此外，本集團將主力通過放置新一代自助（「DIY」）自動售貨系統於合作商店以開展交互合作來提升我們的「寶人」牌自動售賣私人定制之石墨烯拖鞋（「石墨烯拖鞋」）。這一交互合作可以快速打入及擴大中國市場及最重要的是可促進我們品牌的普及性。然而，由於疫情爆發帶來的影響，新一代DIY自動售貨系統將延遲至二零二零年六月推出，且安裝DIY自動售貨系統的數量將會大幅減少。因此，石墨烯拖鞋的銷售將遠低於我們的原計劃。





## Chairman's Statement

### 主席報告書

For other graphene application products, the Group is focused on the development for air purifier and sterilizer for household as there is a strong demand in the public for air purifier and sterilizer due to the outbreak of the epidemic. Hopefully, we can diversify our products to include both large-scale air conditioning system and household air purifier and sterilizer in the coming years.

After paying continuous effort and capital investment in the past few years, the Group gradually transformed from a traditional manufacturing company to a material technology company and started to diversify our business to environmental protection and energy related field. Considering the above, the Group set up a carbon-based energy storage batteries research and development line in the first half of 2019. The Group targets to set up a production line in the coming year and commence mass production by the end of 2020. The Group aims to produce low cost and long useful life carbon-based energy storage batteries including energy storage batteries for solar power stations and grid systems, and batteries for electric vehicles. After the scale expansion, the Group would be able to enter the energy storage industry, which would become the driving force of higher profit growth for the future.

Last but not the least, on behalf of the Board, I would like to thank our management and all staff for their dedication and contribution to the development of the Group. I would also like to take this opportunity to express my sincere gratitude to our customers, suppliers, business partners and shareholders for their continuous commitment and support.

**Zheng Jingdong**

*Chairman*

Hong Kong, 30 March 2020

就其他石墨烯應用產品，由於疫情爆發，公眾對空氣淨化器及殺菌器的需求強勁，本集團正在專注開發家用空氣淨化器及殺菌器。我們有望於未來幾年實現產品多樣化，從而囊括大型空調系統以及家用空氣淨化器及殺菌器。

經過過去幾年的不懈努力及資金投入，本集團已逐漸由傳統製造企業轉型為材料科技公司，並開始將業務擴展至環保及能源相關領域。考慮到上文所述，本集團於二零一九年上半年建立了一條碳基儲能電池研發線。本集團計劃於來年建立生產線，並於二零二零年底開始量產。本集團旨在生產低成本及使用壽命長的碳基儲能電池，包括提供予太陽能電站及電網系統的儲能電池，以及予電動汽車的電池。於規模擴大後，本集團將能夠進入儲能行業，這將成為未來更高利潤增長的推動力。

最後，本人謹代表董事會，向本集團管理層及全體僱員致謝，感謝各位為本集團發展作出的努力和貢獻。本人亦謹此對本集團客戶、供應商、業務夥伴及股東的鼎力支持致以衷心的感謝。

主席

**鄭景東**

香港，二零二零年三月三十日



# Management Discussion and Analysis

## 管理層討論及分析



Under the negative impact of the trade dispute between the PRC and the US, due to the effort of sales team, the Group still recorded an increase in revenue of approximately RMB5.2 million or 3.2% to approximately RMB169.7 million (2018: RMB164.5 million) during the year.

As some customers of the OEM business changed to place orders to manufacturers in Southeast Asia and India instead to the Group during the year, the Group is forced to reduce its gross profit margin to retain existing customers and acquire new orders. Therefore, the gross profit margin of the Group during the year was reduced to approximately 17.7% (2018: 24.0%).

During the year, the Group recorded a net loss of approximately RMB314.4 million (2018: RMB275.3 million), which was mainly attributable to (i) amortisation of intangible assets of approximately RMB52.7 million (2018: RMB77.6 million) and impairment loss on intangible assets of approximately RMB234.3 million (2018: RMB195.1 million); (ii) share-based payment expenses of approximately RMB5.3 million (2018: RMB15.2 million) in relation to the share options granted by the Company on 10 December 2015, 24 June 2016, 16 December 2016 and 19 June 2018; (iii) impairment loss on assets held for sale of approximately RMB3.0 million (2018: Nil); net-off by (iv) the fair value gain on provision for contingent consideration at fair value through profit or loss ("FVTPL") of approximately RMB4.7 million (2018: RMB43.5 million).

在中國及美國貿易糾紛的負面影響下，由於銷售團隊的努力，本集團於年內仍錄得收益上升約人民幣5,200,000元或3.2%至約人民幣169,700,000元（二零一八年：人民幣164,500,000元）。

年內，由於部分OEM業務的客戶已經改為向東南亞及印度的製造商下達訂單，本集團被迫降低毛利率以挽留現有客戶及取得新訂單。因此，本集團於年內的毛利率減少至約17.7%（二零一八年：24.0%）。

年內，本集團錄得淨虧損約人民幣314,400,000元（二零一八年：人民幣275,300,000元），主要是由於：(i)無形資產攤銷約人民幣52,700,000元（二零一八年：人民幣77,600,000元）及無形資產減值虧損約人民幣234,300,000元（二零一八年：人民幣195,100,000元）；(ii)有關本公司於二零一五年十二月十日、二零一六年六月二十四日、二零一六年十二月十六日及二零一八年六月十九日授出購股權之以股份支付的開支約人民幣5,300,000元（二零一八年：人民幣15,200,000元）；(iii)有關持有待售資產減值虧損約人民幣3,000,000元（二零一八年：無）；及(iv)按公平值計入損益（「按公平值計入損益」）之或然代價撥備之公平值收益約人民幣4,700,000元（二零一八年：人民幣43,500,000元）互相抵銷所致。





# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Revenue by Product Category

		2019 RMB'000	2018 RMB'000	Increase/ (decrease) % change 增加/ (減少) %變動
		二零一九年 人民幣千元	二零一八年 人民幣千元	
Revenue (Boree Products)	收益(寶人牌產品)	2,721	3,463	(21.4)%
Revenue (Graphene-based Products)	收益(石墨烯產品)	4,024	4,510	(10.8)%
Revenue (OEM Business)	收益(OEM業務)	162,942	156,507	4.1%
<b>Revenue (Total)</b>	<b>收益(總額)</b>	<b>169,687</b>	<b>164,480</b>	<b>3.2%</b>

#### Boree Products

Revenue from Boree Products decreased by 21.4% to approximately RMB2.7 million during the year (2018: RMB3.5 million) because of the decrease of online sales.

#### Graphene-based Products

Revenue of Graphene-based Products amounted to approximately RMB4.0 million (2018: RMB4.5 million) during the year. As the wireless connection issue of the third-generation DIY automated vending system, which restricts the choice of locations, can only be alleviated or resolved through 5G network services, the management of the Group decided to focus on the development of a new generation of DIY automated vending system. The commissioning and improvement of the new generation of DIY automated vending system took longer than expected and due to the outbreak of COVID-19 epidemic, the Group expected that the launch of the new generation of DIY automated vending system will be delayed to June 2020. As a result, revenue of Graphene-based Products decreased during the year.

For other graphene application products, the Group has sent samples of the graphene deodorizing and sterilizing chips for air purifiers and air conditioners ("Sterilizing Chips") to an overseas well-known producer of air conditioning system for testing and recognition. As some parameters did not meet the required standard, our research and development team is working on the modification and improvement of the samples and expects to resend the samples for testing soon. As a result, the mass production of the Sterilizing Chips was delayed.

### 財務回顧

#### 按產品類別分類的收益

		2019 RMB'000	2018 RMB'000	Increase/ (decrease) % change 增加/ (減少) %變動
		二零一九年 人民幣千元	二零一八年 人民幣千元	
Revenue (Boree Products)	收益(寶人牌產品)	2,721	3,463	(21.4)%
Revenue (Graphene-based Products)	收益(石墨烯產品)	4,024	4,510	(10.8)%
Revenue (OEM Business)	收益(OEM業務)	162,942	156,507	4.1%
<b>Revenue (Total)</b>	<b>收益(總額)</b>	<b>169,687</b>	<b>164,480</b>	<b>3.2%</b>

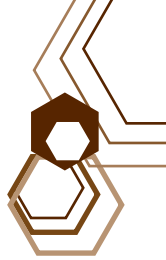
#### 寶人牌產品

由於線上銷售下降，寶人牌產品的收益於年內減少21.4%至約人民幣2,700,000元（二零一八年：人民幣3,500,000元）。

#### 石墨烯產品

年內，石墨烯產品的收益約人民幣4,000,000元（二零一八年：人民幣4,500,000元）。由於第三代DIY自動售貨系統的無線連接問題限制了位置選擇，僅可透過5G網路服務緩解或解決此問題。因此，本集團管理層決定專注開發新一代DIY自動售貨系統。由於新一代DIY自動售貨系統的調試及改良所需時間較預期長且因COVID-19疫情爆發，本集團預計新一代DIY自動售貨系統將延遲至二零二零年六月推出，因此，年內石墨烯產品的收益下降。

就其他石墨烯應用產品，本集團已向一家海外知名空調系統製造商寄發用於空氣淨化器和空調的石墨烯除臭及殺菌芯片（「殺菌芯片」）的樣品，以作測試及認證。由於一些參數未能達到要求標準，我們的研發團隊正就樣品作出修改及改進，並預期快將重發樣品以供測試。因此，殺菌芯片的量產延期。



### FINANCIAL REVIEW (continued)

#### OEM Business

Revenue from OEM business increased by 4.1% to approximately RMB162.9 million during the year (2018: RMB156.5 million) was mainly attributable to orders from new customers due to effort of sales team.

#### Selling and Distribution Expenses

During the year, selling and distribution expenses increased by 10.9% to approximately RMB11.1 million as compared with that of last year (2018: RMB10.0 million), which accounted for 6.5% (2018: 6.1%) of the Group's revenue. The increase was mainly attributable to the allocation of additional resources to retain existing customers and explore new customers by the Group during the year.

#### General and Administrative Expenses

General and administrative expenses recorded a decrease of approximately RMB11.0 million or 19.9% during the year as compared with that of last year (2018: RMB55.0 million), which was mainly attributable to (i) decrease in share-based payment expenses of approximately RMB9.9 million in relation to the share options granted by the Company; (ii) decrease of impairment loss on trade receivables of approximately RMB4.2 million; net-off by (iii) increase in research and development cost of approximately RMB2.5 million during the year.

#### Liquidity and Financial Resources

During the year, net cash outflow from operating activities of the Group amounted to approximately RMB8.3 million (2018: net cash inflow of approximately RMB9.3 million). As at 31 December 2019, cash and bank balances were approximately RMB4.1 million, representing a decrease of 80.5% as compared with the cash and bank balances as at the end of last year (2018: RMB21.1 million). As at 31 December 2019, around 44.1% and 49.1% of the Group's cash and bank balances were denominated in US dollars and Renminbi respectively. As at 31 December 2019, the short term borrowings of the Group were approximately RMB114.2 million (2018: RMB123.1 million). All loans were denominated in Renminbi, with fixed interest rates and repayable within one year.

As at 31 December 2019, the gearing ratio of the Group was 466.4% (2018: 80.9%). Gearing ratio was calculated as total debt divided by the total equity. Total debt refers to the total liability minus the sum of tax payable, dividend payable and deferred tax liability.

### 財務回顧 (續)

#### OEM業務

OEM業務的收益於年內增加4.1%至約人民幣162,900,000元(二零一八年:人民幣156,500,000元)。增加主要是由於銷售團隊的努力而取得的新客戶訂單。

#### 銷售及分銷開支

年內,銷售及分銷開支與去年相比增加10.9%至約人民幣11,100,000元(二零一八年:人民幣10,000,000元),佔本集團收益的6.5%(二零一八年:6.1%)。增加的主要原因是本集團於年內增撥額外資源以挽留現有客戶及挖掘新客戶所致。

#### 一般及行政開支

年內,一般及行政開支與去年相比錄得約人民幣11,000,000元或19.9%的跌幅(二零一八年:人民幣55,000,000元),主要是由於年內(i)有關本公司授出購股權之以股份支付的開支下降約人民幣9,900,000元;(ii)應收貿易賬款減值虧損下降約人民幣4,200,000元;及(iii)研發成本增加約人民幣2,500,000元互相抵銷所致。

#### 流動資金及財務資源

年內,本集團經營活動之現金流出淨額約為人民幣8,300,000元(二零一八年:現金流入淨額約為人民幣9,300,000元)。於二零一九年十二月三十一日,現金及銀行結餘約為人民幣4,100,000元,較去年末的現金及銀行結餘下降80.5%(二零一八年:人民幣21,100,000元)。於二零一九年十二月三十一日,本集團的現金及銀行結餘約44.1%及49.1%分別以美元及人民幣計值。於二零一九年十二月三十一日,本集團短期借貸約為人民幣114,200,000元(二零一八年:人民幣123,100,000元)。所有貸款均以人民幣計值,利率固定及須於一年內償還。

於二零一九年十二月三十一日,本集團的槓桿比率為466.4%(二零一八年:80.9%)。槓桿比率為總債務除以總權益。總債務為總負債減應付稅項、應付股息及遞延稅項負債的總和。



# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### Capital Structure

As at 1 January 2019, there were 1,304,059,608 shares in issue and the paid-up capital amounted to approximately RMB86,758,000. During the year, the Company issued a total of 182,800,000 shares to two independent subscribers at the subscription price of HK\$0.27 per subscription share. As at 31 December 2019, the Company had 1,486,859,608 shares in issue and a paid-up capital of approximately RMB99,310,000.

#### Significant Investments, Material Acquisitions and Disposals

During the year, the Group did not have any other significant investments, material acquisitions and disposals.

#### Pledge of Assets

As at 31 December 2019, the bills payables were secured by a pledge of the Group's time deposits amounting to approximately RMB3.9 million (2018: Nil). As at 31 December 2019, the bank borrowings of the Group were secured by a pledge of certain of the Group's leased properties and leasehold lands (2018: buildings and land use rights) with carrying amounts of approximately RMB6.1 million (2018: RMB9.2 million) and approximately RMB26.2 million (2018: RMB27.0 million) respectively.

#### Contingent Liabilities

As at 31 December 2019 and 2018, there were no material contingent liabilities.

#### Foreign Exchange Risk

During the year, the sales of the Group were mainly denominated in US dollars and Renminbi. The cost of sales and operating expenses were mainly denominated in Renminbi. Management of the Group monitors the foreign exchange risk and will consider hedging significant foreign currency risk exposure if necessary.

#### Debt Ratio

As at 31 December 2019, the debt ratio of the Group was 82.3% (2018: 44.7%). Debt ratio was calculated as total debt divided by the total equity plus total debt. Total debt refers to the total liability minus the sum of tax payable, dividend payable and deferred tax liability.

### 財務回顧 (續)

#### 資本架構

於二零一九年一月一日，有1,304,059,608股已發行股份及繳足股本約人民幣86,758,000元。年內，本公司向兩名獨立認購人按認購價每股0.27港元發行合共182,800,000股股份。於二零一九年十二月三十一日，本公司有1,486,859,608股已發行股份，繳足股本約人民幣99,310,000元。

#### 重大投資、重大收購及出售

年內，本集團並無任何重大投資、重大收購及出售。

#### 資產抵押

於二零一九年十二月三十一日，應付票據由本集團定期存款約人民幣3,900,000元（二零一八年：無）作出抵押。於二零一九年十二月三十一日，本集團銀行借貸由本集團賬面值分別約人民幣6,100,000元（二零一八年：人民幣9,200,000元）及約人民幣26,200,000元（二零一八年：人民幣27,000,000元）的若干租賃物業及租賃土地（二零一八年：樓宇及土地使用權）作出抵押。

#### 或然負債

於二零一九年及二零一八年十二月三十一日，本集團並無重大或然負債。

#### 外匯風險

於本年度，本集團的銷售額主要以美元及人民幣計值。銷售成本及經營開支主要以人民幣計值。本集團管理層監控外匯風險，並將考慮在必要時對沖重大外幣風險敞口。

#### 負債比率

於二零一九年十二月三十一日，本集團的負債比率為82.3%（二零一八年：44.7%）。負債比率為總債務除以總權益與總債務之和。總債務為總負債減應付稅項、應付股息及遞延稅項負債的總和。



### FINANCIAL REVIEW (continued)

#### Human Resources

As at 31 December 2019, the Group had a total of approximately 740 employees (2018: 780 employees), with total staff costs for the year ended 31 December 2019, including directors' remuneration, amounted to approximately RMB62,951,000 (2018: RMB71,111,000). The Group's emolument policies are based on the merit, qualifications and competence of individual employee and are reviewed by the remuneration committee periodically. The emoluments of the Directors are recommended by the remuneration committee and are decided by the Board, having regard to the Group's operating results, individual performance and comparable market statistics. The Company also adopted a share option scheme (the "Share Option Scheme") on 8 January 2011 to motivate and reward its Directors and eligible employees.

#### Use of Net Proceeds from the Subscription of New Shares

Pursuant to the Company's announcements dated 9 November 2018, 12 November 2018, 8 March 2019 and 29 May 2019, Venus Capital Fund and Mr. Chiu Hsin-Wang ("Mr. Chiu"), the two independent subscribers, subscribed for a total of 182,800,000 new ordinary shares of the Company of US\$0.01 each (the "Shares") at a subscription price of HK\$0.27 per subscription share which were completed on 8 March 2019 (the "Subscription"). The closing market price was HK\$0.33 per Share of the Company on the date on which the terms of the Subscription were fixed. The gross proceeds from the Subscription was approximately HK\$49,356,000 (equivalent to approximately RMB43,175,000), and the net proceeds (after deducting the relevant expenses incurred in the Subscription) were approximately HK\$49,136,000 (equivalent to approximately RMB42,982,000). The net subscription price, after deducting relevant expenses, is approximately HK\$0.27 per subscription share.

The Directors considered that the Subscription represented an opportunity to raise additional funding for research and development of carbon-based energy storage batteries in order to develop new markets and new business, and provide working capital to the Group to meet any financial obligations of the Group.

### 財務回顧 (續)

#### 人力資源

於二零一九年十二月三十一日，本集團共有約740名僱員（二零一八年：780名僱員），截至二零一九年十二月三十一日止年度總員工成本（包括董事薪酬）約為人民幣62,951,000元（二零一八年：人民幣71,111,000元）。本集團的薪酬政策乃基於個別僱員的長處、資格及能力釐定，並由薪酬委員會定期檢討。董事酬金由薪酬委員會經參考本集團的營運業績、個別表現及可比較市場統計數據而提出建議，並由董事會決定。本公司亦於二零一一年一月八日採納購股權計劃（「購股權計劃」），以鼓勵及嘉許其董事及合資格僱員。

#### 認購新股份所得款項淨額用途

根據本公司日期為二零一八年十一月九日、二零一八年十一月十二日、二零一九年三月八日及二零一九年五月二十九日之公告，兩名獨立認購人（Venus Capital Fund及邱新旺先生（「邱先生」））已按認購價每股認購股份0.27港元認購合共182,800,000股每股面值0.01美元的公司新普通股（「股份」）（已於二零一九年三月八日完成）（「認購事項」）。本公司股份於釐定認購事項條款當日之收市價為每股0.33港元。認購事項之所得款項總額約為49,356,000港元（相當於約人民幣43,175,000元），及所得款項淨額（經扣除認購事項之相關開支後）約為49,136,000港元（相當於約人民幣42,982,000元）。每股認購股份的認購價格淨額（經扣除相關開支後）約為0.27港元。

董事認為，認購事項為本集團籌集額外資金以投入更多資源研發碳基儲能電池，以開發新市場及新業務之機會，並為本集團提供營運資金以滿足本集團任何財務責任。



# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### Use of Net Proceeds from the Subscription of New Shares (continued)

The utilisation of the net proceeds as at 31 December 2019 is set out as follows:

### 財務回顧 (續)

#### 認購新股份所得款項淨額用途 (續)

於二零一九年十二月三十一日，所得款項淨額的動用情況載列如下：

Nature	性質	Intended use of the net proceeds 所得款項淨額 擬定用途 RMB'000 人民幣千元	Amount of the net proceeds utilised during the year ended 31 December 2018	Amount of the net proceeds utilised during the year ended 31 December 2019	Balance of the net proceeds unutilised as at 31 December 2019 於 二零一九年 十二月 三十一日 未動用所得款 項淨額結餘 RMB'000 人民幣千元
			截至 二零一八年 十二月 三十一日 止年度 已動用所得款 項淨額金額 RMB'000 人民幣千元	截至 二零一九年 十二月 三十一日 止年度 已動用所得款 項淨額金額 RMB'000 人民幣千元	
Research and development of carbon application products (Note 1)	研發碳應用產品 (附註1)	18,853	–	15,709	3,144
Settlement of payables owing to Bluestone Technologies (Cayman) Limited ("Bluestone") (Note 2)	結價應付藍石科技 (開曼)有限公司 (「藍石」)的應付 款項(附註2)	8,678	–	8,678	–
General working capital (Note 3)	一般營運資金(附註3)	15,451	540	14,911	–
Total:	總計:	42,982	540	39,298	3,144



### FINANCIAL REVIEW (continued)

#### Use of Net Proceeds from the Subscription of New Shares (continued)

Notes:

1. After detailed research on equipment procurement, the Group decided to use production equipment from battery manufacturers in the market for the Group's production, so it only needs to set up a battery research and development line which requires less fund than expected. As a result, the intended use of the net proceeds of approximately HK\$9,971,000 (equivalent to approximately RMB8,678,000) was changed to "Settlement of payables owing to Bluestone" and approximately HK\$9,000,000 (equivalent to approximately RMB7,726,000) was changed to "General working capital" respectively from the original intended use for the "Research and development of carbon application products" during the year. It is expected that the remaining balance of the net proceeds allocated for the "Research and development of carbon application products" will be utilised in the financial year ending 31 December 2020.
2. After detailed research on equipment procurement, the Group decided to use production equipment from battery manufacturers in the market for the Group's production, so it only needs to set up a battery research and development line which requires less fund than expected. As a result, the intended use of the net proceeds of approximately HK\$9,971,000 (equivalent to approximately RMB8,678,000) was changed from "Research and development of carbon application products" to "Settlement of payables owing to Bluestone" during the year and was fully utilised during the year ended 31 December 2019.
3. After detailed research on equipment procurement, the Group decided to use production equipment from battery manufacturers in the market for the Group's production, so it only needs to set up a battery research and development line which requires less fund than expected. As a result, the intended use of the net proceeds of approximately HK\$9,000,000 (equivalent to approximately RMB7,726,000) was changed from "Research and development of carbon application products" to "General working capital" during the year. The balance of the net proceeds allocated for the "General working capital" was fully utilised during the year ended 31 December 2019.

### 財務回顧 (續)

#### 認購新股份所得款項淨額用途 (續)

附註:

1. 經過設備採之購詳細調研後，本集團決定利用市場上電池生產廠家的產線設備為本集團代工生產，因此本集團只須建立一條電池研發線，所需資金較預期為低，因此，所得款項淨額約9,971,000港元（相當於約人民幣8,678,000元）及約9,000,000港元（相當於約人民幣7,726,000元）的擬定用途於年內分別由原本擬定用途「研發碳應用產品」變更為「結償應付藍石的應付款項」及「一般營運資金」。預期分配予「研發碳應用產品」的所得款項淨額餘額將於截至二零二零年十二月三十一日之財政年度內使用。
2. 經過設備採之購詳細調研後，本集團決定利用市場上電池生產廠家的產線設備為本集團代工生產，因此本集團只須建立一條電池研發線，所需資金較預期為低，因此，所得款項淨額約9,971,000港元（相當於約人民幣8,678,000元）的擬定用途於年內由「研發碳應用產品」變更為「結償應付藍石的應付款項」，該款項於截至二零一九年十二月三十一日止年度內已全數使用。
3. 經過設備採之購詳細調研後，本集團決定利用市場上電池生產廠家的產線設備為本集團代工生產，因此本集團只須建立一條電池研發線，所需資金較預期為低，因此，所得款項淨額約9,000,000港元（相當於約人民幣7,726,000元）的擬定用途於年內由「研發碳應用產品」變更為「一般營運資金」。分配予「一般營運資金」的所得款項淨額餘額於截至二零一九年十二月三十一日止年度內已全數使用。





# Management Discussion and Analysis

## 管理層討論及分析

### FUTURE PROSPECTS

Looking ahead to 2020, it is expected that the outbreak of COVID-19 epidemic in the PRC together with the ongoing tension arising from the trade talks between the PRC and the US will inevitably bring undesirable short-term impact to operational and financial performance of the Group, especially on the OEM business and the retail sales of slippers.

Though the Group's factories in Fujian Province have resumed work since 10 February 2020, the Group expects that the COVID-19 epidemic will result in late delivery of some products. On the other hand, due to the continuous outbreak of the epidemic in the US since March 2020, the Group's major OEM customers in the US requested to postpone the delivery time of some orders. Apart from stepping up the effort to catch up with the original planned schedules, the Group keeps close contact with our customers to strive for solutions. Moreover, as the epidemic has bolstered the growing trend of customers staying at home and going online, the Group will focus on the design and sales of indoor slippers and will allocate more resources on online sales and local sales in the PRC in 2020 to alleviate the impact of the outbreak of the epidemic.

As the wireless connection issue of the third-generation DIY automated vending system, which restricts the choice of locations, can only be alleviated or resolved through 5G network services, the management of the Group decided to focus on the development of a new generation of DIY automated vending system. As the upgraded new generation of the DIY automated vending system has the advantages of simple installation, small size, low power consumption and fast printing speed, which can reduce the distribution and operation costs. By placing the new generation DIY automated vending system in cooperative stores, we can provide customers an interesting on-site customization DIY shopping experience. This cross-over cooperation can penetrate and expand the PRC market rapidly and most important of all, can foster the popularity of our brand. In 2020, the Group would focus on uplifting our "Boree" brand through this cross-over collaboration but due to the impact of the outbreak of the epidemic, the launch of the new generation of DIY automated vending system would be delayed to June 2020 and the number of DIY automated vending system installed would be substantially reduced.

### 未來前景

展望二零二零年，中國爆發COVID-19疫情以及中美貿易談判帶來的持續緊張局勢預計將不可避免對本集團營運及財務表現（尤其是OEM業務及拖鞋零售）帶來不良短期影響。

儘管本集團位於福建省的工廠自二零二零年二月十日起已經復工，但本集團預計COVID-19疫情將導致若干產品延遲交付。另一方面，由於自二零二零年三月起美國疫情持續爆發，本集團在美國的主要OEM客戶要求推遲若干訂單的交付時間。除加快趕上原計劃的時間表外，本集團與客戶保持緊密聯繫以尋求解決方案。此外，由於疫情推動客戶居家及上網的增長趨勢，本集團將集中室內拖鞋設計及銷售，並將於二零二零年分配更多資源至線上銷售及中國本地銷售，以期減輕疫情爆發帶來的影響。

由於第三代DIY自動售貨系統的無線連接問題限制了位置選擇，僅可透過5G網絡服務緩解或解決，因此本集團管理層決定專注開發新一代DIY自動售貨系統。由於升級後的新一代DIY自動售貨系統具有安裝簡單、尺寸小巧、耗電量少及列印速度快等優點，可以減少布點和運營成本。通過把新一代DIY自動售貨系統放置於合作商店內，我們可以為客戶提供有趣的現場定制DIY購物體驗。這一交互合作可以快速打入及擴大中國市場及最重要的是可促進我們品牌的普及性。於二零二零年，本集團將主力通過該交互合作提升我們的「寶人」牌，但由於疫情爆發帶來的影響，新一代DIY自動售貨系統將延遲至二零二零年六月推出，且安裝DIY自動售貨系統的數量將會大幅減少。



### FUTURE PROSPECTS *(continued)*

For other graphene application products, the Group has sent samples of the Sterilizing Chips to an overseas well-known producer of air conditioning system for testing and recognition. As some parameters did not meet the required standard, our research and development team is still working on the modification and improvement of the samples and expects to resend the samples for testing soon. After receiving the recognition, the Sterilizing Chips would be launched in the overseas market for air conditioning system through cooperation with this producer. Besides, due to the outbreak of the epidemic, there is a strong demand in the public for air purifier and sterilizer. The Group is focused on the development for air purifier and sterilizer for household and hopefully can diversify our products to include both large-scale air conditioning system and household air purifier and sterilizer.

After paying continuous effort and capital investment in the past few years, the Group gradually transformed from a traditional manufacturing company to a material technology company and started to diversify our business to environmental protection and energy related field. In light of the above, the Group set up a carbon-based energy storage batteries research and development line in the first half of 2019 and the first lot of samples were developed and met all the required standards after testing. The Group targets to set up a production line in the coming year and commence mass production by the end of 2020. The Group aims to produce low cost and long useful life carbon-based energy storage batteries including energy storage batteries for solar power stations and grid systems, and batteries for electric vehicles. After the scale expansion, the Group would be able to enter the energy storage industry, which would become the driving force of higher profit growth for the future.

### 未來前景 (續)

就其他石墨烯應用產品，本集團已向一家海外知名空調系統製造商寄發殺菌芯片的樣品，以作測試及認證。由於一些參數未能達到要求標準，我們的研發團隊正就樣品作出修改及改進，並預期快將重發樣品以供測試。獲得認證後，殺菌芯片將透過與該製造商合作於海外空調系統市場推出。此外，由於疫情爆發，公眾對空氣淨化器及殺菌器的需求強勁。本集團正在專注開發家用空氣淨化器及殺菌器，以期實現產品多樣化，從而囊括大型空調系統以及家用空氣淨化器及殺菌器。

經過過去幾年的不懈努力及資金投入，本集團已逐漸由傳統製造企業轉型為材料科技公司，並開始將業務擴展至環保及能源相關領域。鑒於上文所述，本集團於二零一九年上半年建立了一條碳基儲能電池研發線，第一批樣品已開發並於測試後達到所有要求標準。本集團計劃於來年建立生產線，並於二零二零年底開始量產。本集團旨在生產低成本及使用壽命長的碳基儲能電池，包括提供予太陽能電站及電網系統的儲能電池，以及予電動汽車的電池。於規模擴大後，本集團將能夠進入儲能行業，這將成為未來更高利潤增長的推動力。







# Corporate Governance Report

## 企業管治報告

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company has complied with the code provision (the "Code Provision") as set out in the CG Code throughout the year ended 31 December 2019, save for the deviations as discussed below. The Company periodically reviews its corporate governance practices to ensure its continuous compliance.

### 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 the required standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and each of them confirmed that they have complied with the required standards set out in the Model Code during the financial year ended 31 December 2019.

### BOARD OF DIRECTORS

The Board members are:

- **Executive Directors:**  
Mr. ZHENG Jingdong  
(Chairman and Chief Executive Officer)  
Mr. LEUNG Tsz Chung (Vice-chairman)

本公司董事會及管理層致力於維持良好之企業管治常規及程序。本公司相信，良好之企業管治將為實施有效管理、培養健康企業文化、成功獲得業務增長及提升股東價值提供不可或缺之架構。

本公司企業管治常規基於香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治守則（「企業管治守則」）載列的原則及守則條文。

除下文所討論的偏離外，本公司於截至二零一九年十二月三十一日止年度全年一直遵守企業管治守則所載守則條文（「守則條文」）。本公司定期檢討企業管治常規，以確保持續合規。

### 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十所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易之規定準則。本公司已向全體董事作出專門查詢，全體董事均確認彼等於截至二零一九年十二月三十一日止財政年度內已遵守標準守則所載之規定準則。

### 董事會

董事會成員如下：

- **執行董事：**  
鄭景東先生  
(主席兼行政總裁)  
梁子冲先生(副主席)



### BOARD OF DIRECTORS (continued)

- **Non-Executive Director:**  
Ms. LIN Weihuan
- **Independent Non-Executive Directors:**  
Ms. AN Na  
Professor ZHAO Jinbao  
Mr. CHEN Shaohua

The biographical details of the Directors are disclosed in the section headed “Biographical Details of Directors” on pages 48 to 50 of this annual report. The composition of the Board is well balanced. Each of the Directors has relevant expertise and extensive experiences that may contribute to the business of the Group. The Company has complied with the requirements under Rules 3.10(1) and (2) of the Listing Rules during the financial year ended 31 December 2019. All independent non-executive Directors also meet the guidelines for assessment of their independence as set out in Rule 3.13 of the Listing Rules.

Every director is subject to re-election on retirement by rotation in accordance with the articles of association of the Company (the “Articles”).

To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationship among the members of the Board. All of them are free to exercise their independent judgement.

The Board is responsible for establishing the overall strategic development and direction, setting business objectives and development plans, monitoring the performance of the business and senior management and making major investments and funding decisions of the Group.

The daily business operations and administrative functions of the Group are delegated to the management with department heads responsible for different aspects of the business and functions of the Group.

The Board meets regularly throughout the year to formulate overall strategy of the Group, monitor its financial performance and maintain effective oversight over the management. Sufficient notice of meetings is given to Directors prior to a regular board meeting, and each director is able to request inclusion of matters in the agenda for board meeting. Full minutes are prepared after the meetings.

### 董事會 (續)

- **非執行董事:**  
林煒歡女士
- **獨立非執行董事:**  
安娜女士  
趙金保教授  
陳少華先生

董事的履歷詳情披露於本年報第48至50頁「董事履歷詳情」一節。董事會組成結構平衡。各董事擁有相關專業知識及豐富經驗，可為本集團業務作出貢獻。於截至二零一九年十二月三十一日止財政年度內，本公司一直遵守上市規則第3.10(1)及(2)條的規定。所有獨立非執行董事亦符合上市規則第3.13條所載獨立性評估指引。

各董事須根據本公司組織章程細則（「細則」）輪流退任並重選。

就本公司所知，董事會各成員之間概無財務、業務、親屬或其他重大／相關關係。彼等均可自由作出獨立判斷。

董事會負責制定整體策略發展及方向、訂立營運目標及發展計劃、監察業績及高級管理層的表現以及決定本集團的主要投資和資金調動。

本集團的日常業務營運及行政職務已委派負責本集團各業務及職能的部門主管管理。

董事會在全年定期召開會議，以制定本集團的整體策略，監督其財務表現並維持對管理層的有效監督。定期召開董事會會議前會向董事發出充足通告，而各董事亦可要求於董事會會議議程中加入事宜。會議結束後由專人編製完整會議紀錄。



# Corporate Governance Report

## 企業管治報告

### BOARD OF DIRECTORS (continued)

Details of the attendance of the Board meetings and the annual general meeting (“AGM”) held during the financial year ended 31 December 2019 are summarised as follows:

### 董事會 (續)

於截至二零一九年十二月三十一日止財政年度所舉行董事會會議及股東週年大會(「股東週年大會」)的出席紀錄詳情概述如下:

		Number of board meetings attended/held in 2019 二零一九年出席/ 舉行的董事會 會議次數	Number of AGM attended/held in 2019 二零一九年出席/ 舉行的股東 週年大會次數
<b>Executive Directors</b>	<b>執行董事</b>		
Mr. ZHENG Jingdong	鄭景東先生	8/8	1/1
Mr. LEUNG Tsz Chung	梁子冲先生	8/8	1/1
<b>Non-Executive Director</b>	<b>非執行董事</b>		
Ms. LIN Weihuan	林煒歡女士	8/8	1/1
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>		
Ms. AN Na	安娜女士	7/8	1/1
Professor ZHAO Jinbao	趙金保教授	8/8	1/1
Mr. CHEN Shaohua	陳少華先生	8/8	1/1

### PROFESSIONAL TRAINING OF THE COMPANY SECRETARY

Pursuant to Rule 3.29 of the Listing Rules, the company secretary of the Company must take no less than 15 hours of relevant professional training in each financial year. The company secretary, Mr. Ip Pui Sum, provided his training records to the Company, indicating that he has taken no less than 29 hours of relevant professional training by means of attending seminars and reading relevant guideline materials during the financial year ended 31 December 2019.

### 公司秘書之專業培訓

根據上市規則第3.29條，本公司之公司秘書於各財政年度須接受不少於15小時之相關專業培訓。公司秘書葉沛森先生向本公司遞交其培訓記錄，表明其於截至二零一九年十二月三十一日止財政年度透過參加研討會及閱覽相關指引材料已接受不少於29小時之相關專業培訓。



### CORPORATE GOVERNANCE FUNCTIONS

The Board is also responsible for performing the corporate governance duties including the duties and responsibilities as set out in D.3 in Appendix 14 to the Listing Rules which include the development and reviewing of policies and practices on corporate governance and compliance with all legal and regulatory requirements, monitoring the training and continuous professional development of Directors and senior management, development and reviewing of the code of conduct and compliance manual (if any) applicable to employees and Directors and reviewing the compliance with the CG Code, and ensuring proper disclosure in the corporate governance report of the Company.

### CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Up to the date of this report, all the Directors have participated in appropriate continuous professional development activities by attending training courses or reading materials on the topics related to corporate governance and regulations or the Company's business or their duties and responsibilities.

The individual training record of each Director received for the year ended 31 December 2019 is summarised below:

### 企業管治職能

董事會亦負責履行企業管治職責(包括上市規則附錄十四D.3所載責任與義務),包括制定及審閱企業管治政策及常規及遵守所有法律及監管規定,監督董事及高級管理層的培訓及持續專業進修,制定及審閱適用於僱員及董事的操守準則及合規手冊(如有)及審查是否符合企業管治守則,以及確保於本公司企業管治報告中作恰當的披露。

### 董事的持續專業進修

全體董事均須參與持續專業進修,以增進及更新其知識及技能,確保各董事在知情情況下為董事會作出切合需要的貢獻。截至本報告日期,所有董事已透過參加培訓課程或閱讀有關企業管治及規例或本公司業務或董事義務及職責的資料的方式參與持續專業進修。

於截至二零一九年十二月三十一日止年度,各董事接受的個別培訓記錄概載如下:

	Attending seminar(s)/ programme(s)/reading relevant materials in relation to the business or Directors' duties 出席有關業務或 董事職責的座談會/ 計劃/閱讀相關 資料的情況
Mr. ZHENG Jingdong	✓
Mr. LEUNG Tsz Chung	✓
Ms. LIN Weihuan	✓
Ms. AN Na	✓
Professor ZHAO Jinbao	✓
Mr. CHEN Shaohua	✓





# Corporate Governance Report

## 企業管治報告

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 stipulates that the roles of the Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. The Company deviates from this provision because Mr. Zheng Jingdong has been performing both the roles of Chairman and Chief Executive Officer. The Directors consider that vesting two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group's business strategies and is beneficial to the Group. The balance of power and authorities is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. The Board currently comprises 2 executive Directors, 1 non-executive Director and 3 independent non-executive Directors and therefore has a strong independence element in its composition.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Independent non-executive Directors have played a significant role in the Board by bringing their independent judgment at the Board meetings and scrutinising the Group's performance. Their views carry significant weight in the Board's decision, in particular, they bring an impartial view to bear on issues of the Group's strategy, performance and control.

All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advices to the Board.

The independent non-executive Directors provide independent advice on the Group's business strategy, results and management so that all interests of shareholders can be taken into account, and the interests of the Company and its shareholders can be protected.

As at 31 December 2019, the Board has three independent non-executive Directors, Professor Zhao Jinbao, Mr. Chen Shaohua and Ms. An Na. Among them, Mr. Chen Shaohua possesses appropriate professional accounting qualifications and financial management expertise in compliance with the requirements set out in Rules 3.10(1) and (2) of the Listing Rules.

The Company has received from each of its independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules, and the Company considers the independent non-executive Directors to be independent.

### 主席及行政總裁

守則條文第A.2.1條規定，主席與行政總裁的職能應予以區分，不應由同一人士兼任。本公司就本條文有所偏離，因鄭景東先生兼任主席及行政總裁職位。董事相信，一人兼任兩個職位可為本集團提供強大一致的領導，方便本集團業務策略的發展及執行，對本集團有利。職權平衡由高級管理層及董事會（由資深且富有才幹的人士組成）運作而保證，董事會現時包括2名執行董事、1名非執行董事及3名獨立非執行董事，因此其構成具有較強的獨立元素。

### 獨立非執行董事

獨立非執行董事在董事會擔當重任，負責在董事會會議提出獨立意見及監督本集團的表現。彼等的意見對董事會的決定舉足輕重，尤其是關於本集團策略、表現及監控事務的公正見解。

全體獨立非執行董事均具備豐富的學術、專業及行業背景及管理經驗，為董事會提供專業意見。

獨立非執行董事為本集團的業務策略、業績及管理提供獨立意見，確保充份考慮股東的一切權益，保障本公司和股東的利益。

於二零一九年十二月三十一日，董事會有三名獨立非執行董事，分別為趙金保教授、陳少華先生及安娜女士，當中陳少華先生具備符合上市規則第3.10(1)及(2)條規定的合適專業會計資格及財務管理經驗。

本公司已取得各獨立非執行董事根據上市規則第3.13條發出的獨立身份年度確認。本公司認為獨立非執行董事均為獨立人士。



### TERMS OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Each of the non-executive Directors (including independent non-executive Directors) has entered into a service contract with the Company for an initial term of 3 years, which will continue thereafter until terminated by not less than three-month notice in writing served by either party on the other.

All independent non-executive Directors and non-executive Directors are subject to re-election on retirement by rotation in accordance with the Articles.

### APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of the executive Directors, non-executive Directors and independent non-executive Directors of the Company has entered into a service contract with the Company for a specific term. Such term is subject to retirement by rotation and re-election at an AGM at least once every three years in accordance with the Articles. The Articles provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next AGM of the Company and shall then be eligible for re-election.

### BOARD COMMITTEES

The Company currently has three committees, namely, the audit committee, the remuneration committee and the nomination committee (collectively, the "Board Committees"), for overseeing particular aspects of the Company's affairs. Terms of reference of all Board Committees are in line with the Code Provision and are available on the Stock Exchange website and the Company's website at [www.baofengmodern.com](http://www.baofengmodern.com). The 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.

### 非執行董事的任期

各非執行董事（包括獨立非執行董事）已與本公司訂立初步任期三年的服務合約，任期直至一方向另一方送達不少於三個月的書面通知終止合約為止。

所有獨立非執行董事及非執行董事均須根據細則輪流退任並重選。

### 董事的委任、重選及退任

本公司各執行董事、非執行董事及獨立非執行董事已與本公司訂立有特定任期的服務合約，並須根據細則最少每三年於股東週年大會輪流退任一次。細則規定任何獲委任加入董事會以填補臨時空缺的董事，任期將於獲委任後的本公司首次股東大會屆滿，惟可於該大會重選連任，而任何獲委任新加入當時董事會的董事任期將於本公司下屆股東週年大會屆滿，屆時可重選連任。

### 董事會專門委員會

本公司現有三個委員會，即審核委員會、薪酬委員會及提名委員會（統稱「董事會專門委員會」），監管本公司事務的具體方面。所有董事會專門委員會的職權範圍均符合守則條文，並可於聯交所網站及本公司網站 [www.baofengmodern.com](http://www.baofengmodern.com) 瀏覽。董事會專門委員會獲提供充足資源履行職責，經合理要求，可就適當情況尋求獨立專業意見，費用由本公司承擔。





# Corporate Governance Report

## 企業管治報告

### PUTTING ENQUIRIES TO THE BOARD

Shareholders may send their enquiries and concerns to the Board by addressing them to the company secretary of the Company by mail at the Company's principal place of business in Hong Kong at Room 504, 5/F., OfficePlus @Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong. The company secretary forwards communications relating to matters within the Board's purview to the Board and communications relating to ordinary business matters, such as suggestions, inquiries and customer complaints, to the chief executives.

### AUDIT COMMITTEE

The audit committee was established by the Board on 8 January 2011 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise our Group's financial reporting process and risk management and internal control systems, effectiveness of the Group's internal audit function and review and monitor appointment of the auditors and their independence.

The audit committee comprised three independent non-executive Directors, namely Mr. Chen Shaohua, Professor Zhao Jinbao and Ms. An Na, and Mr. Chen Shaohua was the chairperson of the audit committee as at 31 December 2019. The annual results of the Group for the year ended 31 December 2019 have been reviewed by the audit committee. The audit committee held 4 meetings during the financial year ended 31 December 2019 to review interim and annual financial results and reports, significant issues on the financial reporting and compliance procedures, internal control and risk management systems, the effectiveness of the Group's internal audit function and scope of work and appointment of external auditors.

### 向董事會提出查詢

股東可將其查詢及關注事項寄往本公司之香港主要營業地點（地址為香港上環永樂街93-103號協成行上環中心5樓504室），註明本公司之公司秘書收，以便送交董事會。公司秘書會將有關董事會職權範圍內事宜的通訊轉交董事會及將有關日常業務事宜的通訊（如建議、查詢及客戶投訴）轉交主要行政人員。

### 審核委員會

董事會已遵照上市規則附錄十四所載企業管治守則於二零一一年一月八日成立審核委員會，並制訂書面職權範圍。審核委員會的主要職責為檢討及監督本集團的財務報告程序與風險管理及內部監控體系、本集團內部審計職能的成效以及檢討及監察核數師的委任及其獨立性。

於二零一九年十二月三十一日，審核委員會由三名獨立非執行董事陳少華先生、趙金保教授及安娜女士組成，陳少華先生為審核委員會主席。本集團截至二零一九年十二月三十一日止年度的全年業績已由審核委員會審閱。於截至二零一九年十二月三十一日止財政年度內，審核委員會舉行了四次會議，以審閱中期及年度財務業績及報告、有關財務申報及合規程序、內部監控及風險管理體系的重大問題、本集團內部審計職能的成效以及外部核數師的工作範圍及委任。

# Corporate Governance Report

## 企業管治報告



Details of the attendance of the audit committee are as follow:

審核委員會的出席紀錄詳情如下：

Members	成員	Attendance of Meeting 會議出席情況
Mr. CHEN Shaohua (Chairperson of audit committee)	陳少華先生 (審核委員會主席)	4/4
Professor ZHAO Jinbao	趙金保教授	4/4
Ms. AN Na	安娜女士	4/4

### REMUNERATION COMMITTEE

The Board established the remuneration committee on 8 January 2011 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the remuneration committee are to make recommendations to the Board on the remuneration policies and structure of the remuneration for the Directors and senior management and to set up a formal and transparent procedure for determination of such remuneration policies. It shall also make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

The remuneration committee comprised three independent non-executive Directors, namely Ms. An Na (the chairperson of the remuneration committee), Professor Zhao Jinbao and Mr. Chen Shaohua as at 31 December 2019. The remuneration committee held 1 meeting during the financial year ended 31 December 2019 to assess the performance of the executive Directors, review and make recommendations to the Board on the remuneration policy and structure of the Company, and to determine the remuneration packages of executive Directors and senior management.

The details of the attendance of the remuneration committee are as follows:

### 薪酬委員會

董事會已於二零一一年一月八日遵照上市規則附錄十四所載企業管治守則成立薪酬委員會，並制訂書面職權範圍。薪酬委員會的主要職責為就董事及高級管理層的薪酬政策及薪酬結構向董事會提出建議，並制定確立有關薪酬政策的正式及透明程序。薪酬委員會亦須就各執行董事及高級管理層的薪酬待遇向董事會提出建議。

於二零一九年十二月三十一日，薪酬委員會由三名獨立非執行董事安娜女士（薪酬委員會主席）、趙金保教授及陳少華先生組成。於截至二零一九年十二月三十一日止財政年度內，薪酬委員會舉行了一次會議，以評估執行董事的表現，檢討本公司的薪酬政策及架構並向董事會提出建議，並釐定執行董事及高級管理層的薪酬。

薪酬委員會出席紀錄詳情如下：

Members	成員	Attendance of Meeting 會議出席情況
Ms. AN Na (Chairperson of remuneration committee)	安娜女士 (薪酬委員會主席)	1/1
Professor ZHAO Jinbao	趙金保教授	1/1
Mr. CHEN Shaohua	陳少華先生	1/1





# Corporate Governance Report

## 企業管治報告

Pursuant to Code Provision B.1.5, the annual remuneration of the members of the senior management of the Company by band for the year ended 31 December 2019 is set out below:

根據守則條文第B.1.5條，截至二零一九年十二月三十一日止年度本公司高級管理人員的年薪等級如下：

Remuneration band (RMB) 薪酬範圍 (人民幣)	Number of individuals 人數
500,000 – 1,000,000	4
1,000,001 – 1,500,000	1

Details of remuneration of each Director for the year ended 31 December 2019 are set out in note 9 to the consolidated financial statements contained in this annual report.

各董事截至二零一九年十二月三十一日止年度的薪酬詳情載於本年報所載綜合財務報表附註9。

### NOMINATION COMMITTEE

The Board established the nomination committee on 8 January 2011 with written terms of reference in compliance with CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the nomination committee are set out below:

### 提名委員會

董事會已於二零一一年一月八日遵照上市規則附錄十四所載企業管治守則成立提名委員會，並制訂書面職權範圍。提名委員會的主要職責載列如下：

- |  |   |
|--|---|
| (a) to make recommendations to the Board on the appointment or re-appointment of Directors;  | (a) 就董事的任命或重新任命向董事會提出建議；                      |
| (b) to review the size, structure and composition of the Board;  | (b) 檢討董事會的規模、架構及構成；                           |
| (c) to review the terms of reference, to assess the independence of independent non-executive Directors;   | (c) 審閱職權範圍，評估獨立非執行董事的獨立性；                     |
| (d) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships; | (d) 物色具備合資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提出建議； |
| (e) develop, review and disclose the policy for nomination of directors, as appropriate, in the Company's corporate governance report annually; and                                  | (e) 於本公司的年度企業管治報告內制定、檢討及披露提名董事政策（倘適當）；及       |
| (f) to implement and review the board diversity policy ("Board Diversity Policy").   | (f) 執行及檢討董事會成員多元化政策（「董事會成員多元化政策」）。            |



The nomination committee comprised the three independent non-executive Directors, namely Professor Zhao Jinbao (the chairperson of the nomination committee), Mr. Chen Shaohua and Ms. An Na as at 31 December 2019. The nomination committee held 2 meetings during the financial year ended 31 December 2019 to make recommendations to the Board on the appointment of Directors, review the structure, size and composition of the Board and the independence of the independent non-executive Directors and make recommendations to the Board on the re-election of Directors at the AGM.

The details of the attendance of the nomination committee are as follows:

於二零一九年十二月三十一日，提名委員會由三名獨立非執行董事趙金保教授（提名委員會主席）、陳少華先生及安娜女士組成。提名委員會於截至二零一九年十二月三十一日止財政年度內舉行了兩次會議，以就董事的委任向董事會提出建議、檢討董事會的架構、規模及構成以及獨立非執行董事的獨立性，並就於股東週年大會上重選董事向董事會提出建議。

提名委員會出席紀錄詳情如下：

Members	成員	Attendance of Meeting 會議出席情況
Professor ZHAO Jinbao (Chairperson of nomination committee)	趙金保教授（提名委員會主席）	2/2
Mr. CHEN Shaohua	陳少華先生	2/2
Ms. AN Na	安娜女士	2/2

### BOARD DIVERSITY POLICY

During the financial year ended 31 December 2019, the Group adopted a Board Diversity Policy setting out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Board Diversity Policy, the Group considered the diversity of the Board members can be achieved through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

### 董事會成員多元化政策

於截至二零一九年十二月三十一日止財政年度內，本集團已採納董事會成員多元化政策，當中列載為達致及維持董事會成員多元化以提升董事會之有效性而採取之方針。

根據董事會成員多元化政策，本集團認為透過考慮眾多因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期，可實現董事會成員多元化。





# Corporate Governance Report

## 企業管治報告

### Measurable objectives

Selection of candidates of the Board members will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service and any other factors that the Board may consider relevant and applicable from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect.

The nomination committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness.

### NOMINATION POLICY

The nomination committee shall consider certain factors, which are not exhaustive and the Board has discretion if it considers appropriate, in assessing the suitability of the proposed candidate regarding the appointment of directors or re-appointment of any existing Board member(s).

In assessing the suitability of a proposed candidate, the nomination committee shall make reference to certain criteria including reputation for integrity; accomplishment, experience and reputation in the business and industry; commitment in respect of sufficient time, interest and attention to the businesses of the Group; diversity policy of the Company; in case of independent non-executive director, the independence as prescribed under Rule 3.13 of the Listing Rules; and any other relevant factors as may be determined by the nomination committee or the Board from time to time as appropriate.

### 可計量目標

甄選董事會成員人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期，以及董事會不時認為相關及適用的任何其他因素。最終將按人選的長處及可為董事會提供的貢獻，充分顧及董事會成員多元化的裨益以及董事會的需要，不會只側重單一的多元化層面下而作決定。

提名委員會將不時檢討董事會成員多元化政策，以確保董事會成員多元化政策行之有效。

### 提名政策

提名委員會在評估擬議候選人是否適合任命為董事或重新任命任何現有董事會成員時，須考慮若干因素，該等因素並非詳盡無遺，且董事會認為適當時候可酌情決定。

於評估擬議候選人的適合性時，提名委員會須參考若干標準，包括誠信的聲譽；業務及行業內成就、經驗和聲譽；對本集團的業務給予充足時間、興趣及關注之承諾；本公司多元化政策；就獨立非執行董事而言，上市規則第3.13條所規定之獨立性；以及提名委員會或董事會可能不時酌情釐定的任何其他相關因素。



### Nomination procedures

- a) Appointment of new director
- (i) The nomination committee may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents, and should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. If an independent non-executive director is to be appointed, the nomination committee will also assess and consider whether the candidate can satisfy the independence requirements as set out in the Listing Rules.
- (ii) If the process yields one or more desirable candidates, the nomination committee should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The nomination committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable. Where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:
- the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
  - if the proposed independent non-executive director will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;

### 提名程序

- a) 委任新董事
- (i) 提名委員會可從各種不同渠道挑選候選人擔任董事，包括但不限於內部提升、調任、其他管理層成員及外部招聘代理推薦，並應在收到委任新董事的建議及候選人的個人資料（或相關詳情）後，依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。倘擬委任獨立非執行董事，提名委員會亦將評核及考慮候選人是否符合上市規則所載的獨立性要求。
- (ii) 如過程涉及一個或多個合意的候選人，提名委員會應根據本公司的需要及每位候選人的證明審查（如適用）排列他們的優先次序。
- (iii) 提名委員會隨後應就委任合適候選人擔任董事一事向董事會提出建議（如適用）。若董事會擬於股東大會上提呈決議案選任某人士為獨立非執行董事，有關股東大會通告所隨附的致股東通函及／或說明函件中，應該列明：
- 用以物色該名人士的流程、董事會認為應選任該名人士的理由以及他們認為該名人士屬獨立人士的原因；
  - 如果候任獨立非執行董事將出任第七家（或以上）上市公司的董事，董事會認為該名人士仍可投入足夠時間履行董事責任的原因；





# Corporate Governance Report

## 企業管治報告

- the perspectives, skills and experience that the individual can bring to the Board; and
  - how the individual contributes to diversity of the Board.
- (iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the nomination committee should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the nomination committee should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

- b) Re-election of director at general meeting
- (i) The nomination committee should review the overall contribution and service to the Company of the retiring director and his/her level of participation and performance on the Board.
- (ii) The nomination committee should also review and determine whether the retiring director continues to meet the criteria as set out above. If an independent non-executive director is subject to the re-election, the nomination committee will also assess and consider whether the independent non-executive director will continue to satisfy the independence requirements as set out in the Listing Rules.
- (iii) The nomination committee should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

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

- 該名人士可為董事會帶來的觀點、技能及經驗；及
  - 該名人士如何促進董事會成員多元化。
- (iv) 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會應依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。

倘適合，提名委員會應就於股東大會上選舉董事的提案向股東提出建議。

- b) 於股東大會上重選董事
- (i) 提名委員會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- (ii) 提名委員會亦應檢討及確定退任董事是否仍然符合上述準則。若獨立非執行董事擬膺選連任，提名委員會亦應評核及考慮該獨立非執行董事是否依然符合上市規則所載的獨立性要求。
- (iii) 提名委員會應就於股東大會上重選董事的提案向股東提出建議。

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



The nomination committee will review the nomination policy, as appropriate, to ensure the effectiveness of the nomination policy. The nomination committee will discuss any revisions to the nomination policy that may be required, and recommend any such revisions to the Board for consideration and approval.

### DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group, and in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. The statement by the auditors of the Company about their responsibilities for the financial statements is set out in the independent auditor's report contained in this annual report.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the responsibility to maintain an effective risk management and internal control system in order to protect the Group's assets and shareholders' interests. The Group has an internal audit function. The Board and audit committee also conduct periodic reviews to ensure the effectiveness of the Group's risk management and internal control systems. The risk management and internal control systems include a well-established corporate structure and organisation with clearly defined lines of responsibility and authority. Each department is responsible for its daily operations, and is also required to implement and monitor the strategies and policies adopted by the Board and effective employment of the resources of the Company, in order to avoid misappropriation of resources and damages made to the Company's assets, and prevent against errors and fraud.

During the financial year ended 31 December 2019, the Board and audit committee conducted a review and assessment of the effectiveness of the internal control system and procedures based on information derived from discussions with the management of the Company and its external auditor. The Board and audit committee believe that the existing risk management and internal control systems are adequate and effective. The review covered all material controls, including financial, operational and compliance controls and risk management functions as well as the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit and financial reporting function, and their training programmes and budget.

提名委員會將(如適用)檢討提名政策以確保其有效性。提名委員會將討論提名政策任何可能需要作出的修訂,並向董事會建議任何有關修訂以供其審議及批准。

### 董事對財務報表的責任

董事負責根據國際會計準則委員會公佈的國際財務報告準則及香港公司條例披露規定編製財務報表,真實公允地呈列本集團的事務狀況。本公司核數師就其對財務報表責任的聲明載於本年報的獨立核數師報告。

### 風險管理及內部監控

董事會有責任維持有效的風險管理及內部監控體系,以保障本集團資產及股東利益。本集團設有內部審計職能。董事會及審核委員會亦定期進行檢討,確保本集團風險管理及內部監控體系的成效。風險管理及內部監控體系包括完善的企業架構和清楚界定各部門的職責範圍和權屬的組織。各部門不僅負責日常業務的操作,還須實施及監察董事會所採納策略及政策以及本公司資源的有效運用,以防止濫用資源、資產受損、防止錯失及欺詐行為的發生。

於截至二零一九年十二月三十一日止財政年度,董事會及審核委員會根據與本公司管理層及外部核數師的討論所取得的資料,檢討及評估內部監控體系及程序的成效。董事會及審核委員會相信,現有風險管理及內部監控體系已經足夠及有效。檢討工作涵蓋所有重大監控,包括財務、營運及合規監控以及風險管理職能,以及資源充足性、本公司會計、內部審計及財務報告職能人員的資質及經驗以及其培訓課程及預算。





# Corporate Governance Report

## 企業管治報告

The Board has established a clearly defined scope of activities, responsibility and authority for each department and its management staff within the Group. The Group has a defined goal for each department to accomplish. These goals were discussed in the Board meeting and pass on to the management through the executive Directors, and will be implemented and closely monitored by the executive Directors who shall review the operational and financial results from time to time, and take any necessary actions for the improvement of business activities.

### AUDITOR'S REMUNERATION

During the year, the remuneration in respect of audit services provided by the Company's auditor, Confucius International CPA Limited was RMB1,357,000.

### DIVIDEND POLICY

The Board adopted a dividend policy on 20 February 2019. The Board has the discretion to declare and distribute dividends to the shareholders of the Company. Any declaration of final dividends for the year will be subject to the approval of the Company's shareholders. In proposing any dividend pay-out, the Board shall take into account the following factors:

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

董事會對本集團內各部門及其管理人員設有清晰而明確的活動、職責及權屬範圍。本集團訂立明確的目標予各部門來完成，各項目標均在董事會會議中討論後，由執行董事交給管理層執行。執行董事將不時審閱營運及財務業績，並採取任何必要行動改善業務活動，藉此實施及密切監控有關目標。

### 核數師薪酬

年內，就本公司核數師天健國際會計師事務所有限公司提供審計服務的酬金為人民幣1,357,000元。

### 股息政策

董事會於二零一九年二月二十日採納股息政策。董事會可酌情決定向本公司股東宣派及派發股息。宣派任何年度末期股息均須經本公司股東批准。於提議任何股息派付時，董事會須考慮以下因素：

- 本集團之實際及預期財務表現；
- 本集團之預期營運資金需求、資本開支要求和未來擴充計劃；
- 本公司及本集團各成員公司的保留溢利及可分配儲備；
- 本集團之流動性狀況；
- 整體經濟狀況及可能對本集團之業務或財務表現及狀況構成影響之其他內在或外在因素；及
- 董事會認為相關的任何其他因素。



### INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

Information about the Group has been provided to the shareholders through financial reports, announcements and general meetings including AGMs in order to keep shareholders well informed of the business activities and directions of the Group. The Group has also established a corporate website [www.baofengmodern.com](http://www.baofengmodern.com) as a channel to facilitate effective communication with the shareholders.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's principal place of business in Hong Kong at Room 504, 5/F, OfficePlus @Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong.

During the financial year ended 31 December 2019, there is no change in the Company's constitutional documents.

### SHAREHOLDER'S RIGHT

#### Convening an EGM and Putting Forward Proposals at Shareholders' Meetings

Pursuant to Article 58 of the Articles, any one or more members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an EGM 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) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The same requirements and procedures also apply to any proposal to be tabled at shareholders' meetings for adoption.

#### Directors' and Officers' Liabilities Insurance

Appropriate insurance coverage for Directors' and officers' liabilities in respect of legal actions against the Directors and officers of the Company and its subsidiaries arising out of corporate activities of the Group has been arranged by the Company.

### 投資者關係及與股東之溝通

有關本集團的資料已以財務報告、公告及股東大會（包括股東週年大會）形式提供予股東，方便股東隨時瞭解本集團的業務活動及動向。本集團亦設立公司網站[www.baofengmodern.com](http://www.baofengmodern.com)，作為促進與股東有效溝通的渠道。

股東可隨時將其查詢及關注事項以書面形式寄往本公司的香港主要營業地點（地址為香港上環永樂街93-103號協成行上環中心5樓504室），以便送交董事會。

於截至二零一九年十二月三十一日止財政年度內，本公司之組織章程文件概無變動。

### 股東的權利

#### 召開股東特別大會及於股東大會上提呈議案

根據細則第58條，任何一位或以上於遞呈要求日期持有不少於本公司繳足股本（賦有於本公司股東大會上投票權）十分之一的本公司股東於任何時候有權向董事會或本公司公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；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，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會未有召開大會而合理產生的所有開支應由本公司向要求人作出償付。

相同的要求及程序亦適用於任何於股東大會上提呈以供採納的議案。

#### 董事及高級職員的責任保險

就本集團企業活動引致本公司及其附屬公司董事及高級職員所面臨的法律行動，本公司已為董事及高級職員的責任購買相關保險。







# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Company strives to safeguard and balance the interests of each stakeholder and follows the operating principle of “taste of life, happy production”. Facing the changes and challenges of business environment, the Group never forget to commit corporate social responsibility while pursuing growth. In respect of the respective area of product safety, product quality, energy saving and environmental protection, social welfare and employee care, the Group will ensure that the business operations can create value for the social, human and natural capital, and actively fulfill corporate social responsibility.

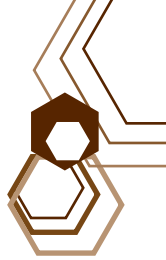
The Board is responsible for determining the environmental, social and governance risks of the Group, formulating environmental, social and governance strategies, ensuring the establishment and maintenance of an effective internal control system on environment, society and governance and conducting regular analysis and independent assessment on the adequacy and effectiveness of the aforementioned system through internal audit functions.

The production and the major business of the Group are based in the PRC. Therefore, the information and data included in the Environmental, Social and Governance Report are the information and data of the Group that originates in the PRC.

本公司致力於保障及平衡各持分者利益，並遵從「品味生活，快樂製造」的經營理念。在面對營商環境的變化與挑戰，追求成長的同時，本集團不忘要盡企業社會責任。於產品安全、產品質量、節能環保、社會公益及員工關懷各個領域上，本集團確保業務營運能為社會、人力及自然資本創造價值，積極履行企業社會責任。

董事會負責釐定本集團有關環境、社會及管治的風險，制訂環境、社會及管治策略，確保本集團設立及維持對環境、社會及管治有效的內部監控系統，以及透過內部審核功能，定期進行分析及獨立評估前述系統是否足夠和有效。

本集團的生產及主要業務均在中國進行，故此環境、社會及管治報告的資料及數據均為本集團在中國發生之數據資料。



## A. ENVIRONMENTAL

The Group always pays attention to environmental protection. In respect of environmental management, the ISO14001 environmental management system has been established and implemented since 2006, with annual review supervised by third-party certification institutions and regulatory authorities. The Group formulates appropriate environmental management operation control procedures, commits to environmental protection through continuous enhancement on production technology and product quality, introduction and promotion of energy conservation, waste reduction, clean production, improvement on pollution prevention and control technology, and material recycling and reuse. In 2019, the Group invested a total of approximately RMB610,000 for energy saving, environmental protection, and emission and waste reduction. The Group adheres to green and low-carbon development principle, protects the environment as its mission, and integrates environmental protection with enterprise development. The Group strictly follows relevant national environmental laws and regulations to minimize the impact of production and operating activities to the environment to the greatest extent, strives to achieve resource recycling and non-hazardous objectives during production and operation process and continues to build a green and harmonious environment.

## A. 環境

本集團一直重視環境保護。在環境管理上，自二零零六年開始建立並實施ISO14001環境管理體系，並每年接受第三方認證機構和監管部門的監督審查。本集團制定合適的環境管理運行控制程序，透過持續提升生產技術、產品質量，引進及推廣節能、減廢、清潔生產、提升污染防治技術、物料回收利用，致力環境保護。於二零一九年，本集團共投入約人民幣610,000元用於節能、環保及降廢減排。本集團始終堅持綠色和低碳的發展原則，以環境保護為己任，將環境保護和企業發展融為一體。本集團嚴格遵循國家有關環保法律法規，最大限度地降低生產和經營活動對環境造成的影響，努力實現生產運營過程中的資源循環再用和無害化目標，持續打造綠色和諧環境。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### A.1 Emissions Management

The Group strives to carry out clean production, abides by the "Environmental Protection Law of the People's Republic of China" and other relevant laws and regulations, and reduces the environmental impact of emissions generated from the production and operation process. The Group ensures that the emissions generated from production and operation activities are in compliance with national standards and the requirements of local environmental protection authorities of the PRC. In the meantime, the Group formulates and implements daily inspection of pollution treatment facilities, and formulates monthly, quarterly and annual maintenance plans to ensure emission treatment facilities are under normal operation, so as to reduce the impact of emissions on the environment.

As summarised in Table 1 below, the Group's emissions during the reporting period included: greenhouse gas ("GHG") and waste water.

Table 1: Total emissions of the Group in 2018 and 2019

Emissions	排放物	Unit 單位	2019	2018	2019	2018
			二零一九年	二零一八年	二零一九年 Intensity* (Tonnes/ RMB'000) 密度* (噸/ 人民幣千元)	二零一八年 Intensity* (Tonnes/ RMB'000) 密度* (噸/ 人民幣千元)
GHG	溫室氣體					
Direct emission (Scope 1)	直接排放 (範圍1)					
Company car oil consumption	公車耗油	Tonnes 噸	25.52	30.09	0.0002	0.0002
Natural gas	天然氣	Tonnes 噸	1,241.89	1,927.86	0.0073	0.0117
Indirect emission (Scope 2)	間接排放 (範圍2)					
Externally- purchased electricity	外購電力	Tonnes 噸	2,768.69	3,605.98	0.0163	0.0219
Wastewater	廢水	Tonnes 噸	32,018.00	46,916.00	0.1887	0.2852

\* The calculation for intensity is the emissions amount divided by revenue in the Group's reporting period.

### A.1 排放物管理

本集團致力於清潔生產，遵守《中華人民共和國環境保護法》等其他相關法律法規的規定，減少在生產和運營過程中產生的排放物所帶來的環境影響。本集團確保生產經營業務排放之排放物均符合中國國家標準與當地環保部門的規定。同時，本集團制訂及實行每日檢查污染處理設施並制定月度、季度及年度保養計劃，以確保排污處理設備運行正常，以減少排放物對於環境的影響。

於報告期內，本集團的排放物包含：溫室氣體（「溫室氣體」）和廢水。概述於下表一。

表一：本集團二零一八年及二零一九年總排放量

Emissions	排放物	Unit 單位	2019	2018	2019	2018
			二零一九年	二零一八年	二零一九年 Intensity* (Tonnes/ RMB'000) 密度* (噸/ 人民幣千元)	二零一八年 Intensity* (Tonnes/ RMB'000) 密度* (噸/ 人民幣千元)

GHG	溫室氣體					
Direct emission (Scope 1)	直接排放 (範圍1)					
Company car oil consumption	公車耗油	Tonnes 噸	25.52	30.09	0.0002	0.0002
Natural gas	天然氣	Tonnes 噸	1,241.89	1,927.86	0.0073	0.0117
Indirect emission (Scope 2)	間接排放 (範圍2)					
Externally- purchased electricity	外購電力	Tonnes 噸	2,768.69	3,605.98	0.0163	0.0219
Wastewater	廢水	Tonnes 噸	32,018.00	46,916.00	0.1887	0.2852

\* 密度的計算方式為本集團報告期內排放物量除以收益。



### **GHG Emission**

Greenhouse gases included carbon dioxide, methane and nitrous oxide, which were mainly from externally-purchased electricity and fuel. The Group is in compliance with the “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution” and other relevant laws and regulations, recycling certain particles generated during the production process to minimize exhaust gas emission to the greatest extent. The Group uses clean natural gas and has installed exhaust gas treatment equipment on production boilers to effectively control exhaust gas and soot generated during the combustion of boilers and ensure the emission concentration meets the standard stipulated in the “Emission Standard of Air Pollutants for Boiler”.

Although the Group recorded an increase in revenue of approximately 3.2% during the year, the total amount and intensity of GHG emission have shown a downward trend. This is mainly due to the Group’s continuous strengthening of overall control to avoid unnecessary GHG emissions.

### **Wastewater**

Wastewater generated from the production process and daily domestic sewage from employees will be collected for further processing. No sewage is untreated or illegally released to external waters. The related procedures are in compliance with the “Law of the People’s Republic of China on the Prevention and Control of Water Pollution”.

### **溫室氣體排放**

溫室氣體包括二氧化碳、甲烷和氧化亞氮，主要源自外購電力及燃料。本集團遵守《中華人民共和國大氣污染防治法》等其他相關法律法規的要求，對生產過程中產生的部分顆粒物進行回收，最大程度地減少廢氣的排放量。本集團生產用鍋爐使用清潔能源天然氣並安裝廢氣處理裝置，對鍋爐燃燒時產生的廢氣和煙塵進行有效的控制，並確保排放濃度達到《鍋爐大氣污染物排放標準》中限定的標準。

儘管本集團於年內錄得收益上升約3.2%，溫室氣體排放總量及密度卻呈下降趨勢。這主要是由於集團持續加強整體管控以避免不必要的溫室氣體排放。

### **廢水**

生產過程中產生的污水和來自員工的每日生活污水會被收集作進一步處理。概無污水未經處理或非法排放到外部水域。相關處理符合《中華人民共和國水污染防治法》。





# Environmental, Social and Governance Report

## 環境、社會及管治報告

### **Solid Wastes**

The main solid wastes produced during the production process are remaining materials and scrap materials of finished products produced by the Group. To minimize the amount of solid waste generated during the production process, the Group strictly abides by the principles of recycling and reuse, as well as the provisions of the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”. The Group carries out hazard elimination treatment, classification and recycling on solid wastes pursuant to the “Solid Waste Management Operations Guide” of the Group, including (i) recycling and reuse of grinding powder, scrap; (ii) selling of cardboard boxes, paper products to other paper mills for recycling and reuse; and (iii) unified recycling of domestic wastes for hazard elimination treatment, etc.

### **Noise Control**

The source of noise is mainly from the noise generated by mechanical operations during the production process. The equipments with larger noise are all placed indoor, while noise reduction, sound insulation, shock absorption and other measures are adopted in order to comply with the relevant provisions of the “Emission Standard for Industrial Enterprises Noise at Boundary”.

### **固體廢物**

生產過程中，本集團產生的主要固體廢物為剩餘物料及制成品的邊角料。為盡量減少生產過程中產生的固體廢物，本集團嚴格遵守回收及再利用原則，以及《中華人民共和國固體廢物污染環境防治法》的規定。依據本集團的《固體廢棄物管理作業指導書》對固體廢物進行無害化處理和分類回收，包括(i)磨底粉、邊角料回收利用；(ii)紙箱、紙品賣到其他紙箱造紙廠回收利用；及(iii)生活垃圾統一回收後進行無害化處理等。

### **噪音監控**

噪音源主要為生產過程中機械運轉產生的噪音。對噪音比較大的設備均置於室內，並進行消聲、隔聲、減震等措施，以符合《工業企業廠界環境噪聲排放標準》中的相關規定。

# Environmental, Social and Governance Report

## 環境、社會及管治報告



### A2. Use of Resources

Summarised in Table 2 below, the resources used by the Group during the reporting period were energy, water, paper and packaging materials.

Table 2: Total resources consumption of the Group in 2018 and 2019

Resources	資源	Unit 單位	2019	2018	2019	2018
			二零一九年 Amount 用量	二零一八年 Amount 用量	二零一九年 Intensity* (Unit/ RMB'000) 密度* (單位/人民幣 千元)	二零一八年 Intensity* (Unit/ RMB'000) 密度* (單位/人民幣 千元)
Energy	能源					
Direct consumption	直接消耗					
Petrol	汽油	Litres 公升	11,236.00	13,247.00	0.0662	0.0805
Natural gas	天然氣	M <sup>3</sup> 立方米	568,067.00	881,848.00	3.3477	5.3614
Indirect consumption	間接消耗					
Electricity	電力	KWh 千瓦時	3,441,082.00	4,459,538.00	20.2790	27.1129
Water	水	Tonnes 噸	32,617.00	48,398.00	0.1922	0.2942
Paper	紙張	Tonnes 噸	1.85	2.67	0.0000	0.0000
Packaging	包裝材料					
By plastic	塑膠類	Tonnes 噸	8.99	12.32	0.0001	0.0001
By paper	紙張類	Tonnes 噸	471.69	654.80	0.0028	0.0040

\* The calculation for intensity is the resources consumption amount divided by revenue in the Group's reporting period.

The Group strives to fully recycle resources as much as possible during product development and production process, constantly pursuing energy conservation and emission reduction.

### A2. 資源使用

本集團於報告期內所使用的資源為能源、水、紙張以及包裝材料，概述於下表二。

表二：本集團二零一八年及二零一九年總資源使用量

\* 密度的計算方式為本集團報告期內資源用量除以收益。

本集團致力於在產品研發和生產過程中，盡可能地充分循環利用資源，不斷追求實現節能減排。





# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group has implemented “Green Procurement” policy to actively encourage suppliers to establish production management system with environmental protection and energy saving, purchase environmentally friendly raw materials in higher priority through procurement mechanism and supply chain management, so as to facilitate suppliers to reduce waste of resources and pollution.

The Group also regularly inspects and reviews energy consumption, through internal policies and advanced technologies to prevent wastage so as to conserve energy and resources. Specific measures include: (i) reduction of natural gas consumption through the installation of boiler thermal oil recycling pipeline for heat recycling and reuse; (ii) reduction of hydraulic oil consumption by the use of hydraulic oil precipitation; and (iii) reduction of raw material input by recycling the grinding powder of grinding workshop and the scrap of cutting and clipping workshop. Other actively advocated routine resource conservation measures include: (i) replacing high energy-consumption equipment with the more energy-saving one; (ii) turning off unnecessary equipment, lighting and air conditioning not in use; (iii) strengthening inspection and maintenance of faucets, water pipes and water storage facilities and other water supply systems to avoid any leakage; and (iv) announcing company information in electronic form (such as e-mail or electronic bulletin) if possible and reducing paper use with double-sided printing.

To meet the energy-saving and emission reduction targets of the government, the Group reports and evaluates energy-saving new technologies and emission reduction, and develops energy performance indicators to strictly control energy consumption, improve and enhance energy management.

In addition, the Group encourages employees to submit energy-saving proposals actively, reduces power consumption, promotes continuous energy management training, etc. in order to enhance the knowledge on energy conservation and environmental protection policies and energy saving awareness among employees, so that the resources can be used more efficiently.

本集團實行「綠色採購」政策，積極鼓勵供應商建立環保節能的生產管理體系，通過採購機制及供應鏈管理，優先採購環保原材料，以促使供應商減少資源浪費、降低污染。

本集團亦定期查核及檢視能源耗用情況，透過內部政策及先進技術防止浪費以節約能源及資源，具體措施包括：(i)通過設置鍋爐導熱油循環利用管道進行熱量回收利用，可減少天然氣損耗；(ii)對液壓油進行沉澱再利用，減少液壓油耗用；及(iii)對磨底車間的磨底粉、切片沖裁車間的邊角料進行回收，減少原材料投入。其他積極提倡的日常節約資源措施包括：(i)以較節能設備替換耗能設備；(ii)關掉無須使用的設備、照明及空調；(iii)加強巡查及維修水龍頭、水管及蓄水設備等供水系統，避免出現任何滲漏；及(iv)盡量以電子形式（如電郵或電子公布）發布公司資訊、雙面打印等以期減少用紙。

為承接政府節能減排目標，本集團對節能新技術、節能減排進行申報評估，亦制定能源類績效考核目標，對能源耗用量實施嚴格控制，實現能源管理精進與提升。

除此以外，本集團鼓勵員工積極提交節能提案，降低能源耗用量，持續推行能源管理培訓等，以加強員工對節能環保政策的認知，提升節能意識，致使資源能更有效地使用。



### A3. The Environment and Natural Resources

The main environmental impact of the production business is the use of boiler and electricity in its manufacturing process. The operation of the boiler and the use of electricity generate both direct and indirect GHG emissions. To minimise the impact, the production and operation sites of the Group have been evaluated during the initial planning period in respect of the relevant industrial land environment and related regulations and the selected production sites are located in the areas permitted by the local government. During the production and operation process, collection and treatment facilities are installed for proper treatment of pollutants and emissions in order to ensure meeting the standard required by local regulations before discharge. The Group also assesses the feasibility of environmental protection facilities from time to time, adopts effective environmental protection measures and programs, including the prevention and control of pollution and exhaust gas emission, sustainable use of resources and ecological and environmental protection, more active support and promotion of social and environmental sustainable development.

## B. EMPLOYMENT AND LABOUR

As a responsible employer, the Group is fully in compliance with the relevant national laws and regulations in respect of remuneration, compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversification, anti-discrimination and other employee benefits and welfare. The Group also regards employees as its most valuable asset and strives to provide the competitive salaries, welfare and working environment for them.

### B1. Employment

The Group adheres to fair, impartial and open employment principles, providing all employees equal opportunities and fair treatment. The Group strictly abides by the relevant provisions of the "Labour Law of the People's Republic of China" and the "The Labour Contract Law of the People's Republic of China". No arbitrary dismissal of an employee is allowed; the rights and obligations of both parties to the employment contract are clearly stated, the legitimate rights of employees are protected, in order to establish a harmonious and stable employment relationship.

### A3. 環境及天然資源

生產業務對環境的主要影響為製造過程中使用鍋爐和電力。鍋爐的運行以及使用電力會以直接或間接的方式釋放溫室氣體。為了盡量減少這些影響，本集團的生產經營場地，在規劃前期即已針對相關工業用地環境與相關法規進行多方評估，所選擇生產基地均座落在當地政府允許區域內。在生產營運過程中，設置污染排放物的收集與處理設施，務求妥善處理至符合當地法規要求標準後方行排放。本集團亦不時評估環保設施可行性，採取有效環保措施及方案，包括廢氣排放、污染防治、可持續的資源運用方式及生態環境保護等，更積極地支持和推動社會及環境持續發展。

## B. 僱傭及勞工

作為負責任僱主，本集團全面遵守有關薪酬、賠償及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他員工待遇及福利的相關國家法律法規。本集團亦視員工為企業的最寶貴資產，竭力為員工提供具競爭力的薪資、福利及工作環境。

### B1. 僱傭

本集團堅守公平、公正和公開的用人原則，給予所有員工平等的機會和公平的待遇。本集團嚴格遵守《中華人民共和國勞動法》和《中華人民共和國勞動合同法》的相關規定，不隨意解聘員工，明確陳述僱傭合同雙方當事人的權利和義務，保護員工的合法權益，以構建和諧穩定的僱傭關係。







# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group recruits personnel in line with its strategic requirements through various channels like campus interview, social recruitment, network recruitment in a fair and impartial way. The Group provides employees with comprehensive social security benefits, including basic salary, pensions, incentive bonuses, medical insurance, injury insurance, maternity insurance and housing provident fund. The Group will also provide other employee benefits depending on job nature, including meals, uniforms and fully equipped accommodation. The human resources department of the Group conducts regular reviews and updates on the relevant company policies from time to time pursuant to the latest laws and regulations. Employee performance appraisal, management position promotion, and other company policies are implemented to provide career development path to employees like internal promotions, on the job training. To attract high-quality talents and retain outstanding employees, the Group launches Share Option Scheme and timely conducts reviews on salary with reference to market standards, formulates competitive salary and bonus system, and provides competitive and fair remuneration and benefits based on personal performance, professional qualifications, and experience.

The Group treats all employees equally. No employees are discriminated against on the grounds of gender, race, religion, age, disability, family status, sexual orientation, nationality, political opinion, ethnic background or any other non-working related factors. Each newly-recruited employee is required to sign a labour contract, which clearly defines the rights, responsibilities, and obligations of both the employee and the employer, and all employees are entitled to terminate the employment relationship with the related employment company of the Group. The entering, amendment, cancellation and termination of the relevant employment contract are strictly in compliance with the relevant laws and regulations.

本集團運用校園招聘、社會招聘、網絡招聘等各種渠道以公平、公正的方式招聘符合本集團戰略要求的人才。本集團為員工提供完善的社會保障福利，包括基本薪酬、退休金、激勵獎金、醫療保險、工傷保險、生育保險及住房公積金。本集團亦會視乎工作性質提供其他僱員福利，包括膳食、制服及設備齊全的宿舍等。本集團的人力資源部會不時按最新法律及法規定期檢討及更新相關公司政策，並實施員工績效評估、管理職位晉升等公司政策，向員工提供內部晉升與在職訓練等職業發展路徑。為吸納高質素人才及挽留優秀員工，本集團推出購股權計劃，亦會定期參考市場標準進行薪酬檢討，制定具競爭力的薪資與獎金制度，根據個人表現、專業資格及經驗提供具競爭力及公平的薪酬及福利。

本集團對員工一視同仁，所有員工不會因為性別、種族、宗教、年齡、殘疾、家庭狀況、性取向、國籍、政治見解、民族背景或任何其他非工作相關因素而遭受就業歧視。每位新入職員工需要簽署勞動合同，明確定義員工及僱主雙方的權利、責任與義務，所有員工都有權利終止與本集團相關聘用公司的僱傭關係。相關僱傭合同的訂立、變更、解除和終止皆嚴格遵守相關法律政策規定。

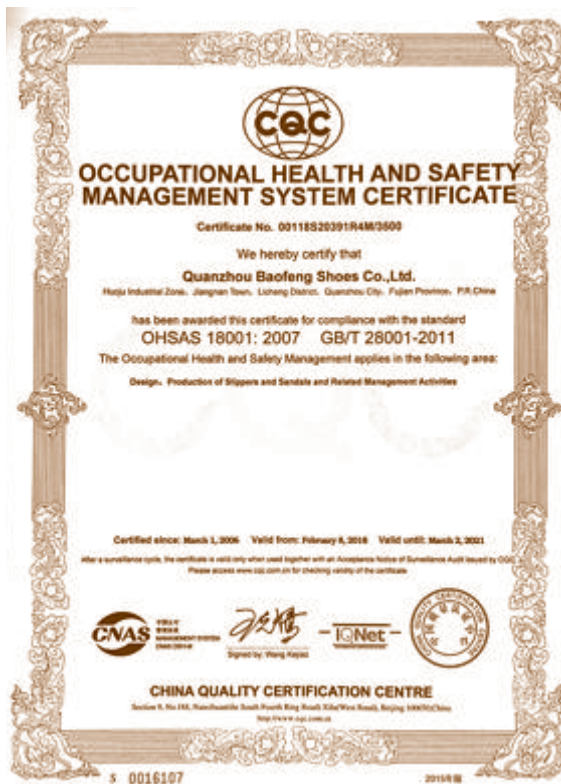


## B2. Health and Safety

The Group attaches great importance to the health and safety of employees and has obtained OHSAS 18001:2007 Occupational Health and Safety Management System certification, Work Safety Standardisation certification. The Group has set up an occupational health and safety management organisation and a safety production committee and strictly abides by the relevant standards of "Occupation Health and Safety Management System" and "Basic Standard for Work Safety Standardisation". The Group also adheres to the principles of safety production management and formulates the regulatory system of safety production management and operation rules for all positions. The safety and health of employees are effectively protected by the implementation of various job safety management systems and the clarification and definition of safe production responsibilities of all positions.

## B2. 健康與安全

本集團高度重視員工健康及安全，已經通過OHSAS 18001:2007職業健康安全管理体系認證、安全生產標準化認證。本集團已設立職業健康安全管理体系機構、安全生產委員會，並嚴格按照《職業健康安全管理体系》、《安全生產標準化基本規範》等相關標準執行，本集團堅持安全生產的管理原則，制訂安全生產管理規章制度和崗位操作規程，通過執行各項崗位安全管理制度與明晰定義各崗位安全生產職責，切實保障員工安全與健康。





# Environmental, Social and Governance Report

## 環境、社會及管治報告

To provide and maintain a safe and healthy working environment at all times, the Group regularly provides various kinds of work protective gears to employees in accordance with working requirements of each position and supervises and educates them to wear and utilize correctly; appoints responsible staff for the safe production of each department and implements various safety education; installs dust removal and waste discharging devices on facilities generating dust and exhaust gas; controls noise transmission of machinery exceeding the noise limit or provides protective gears to employees. Fire safety inspection, training, and drills are regularly organized to improve safety awareness and self-protection of employees.

The Group also strictly abides by the “Law of the People’s Republic of China on Work Safety”, “Rule for Storage of Chemical Dangers”, “Special Equipment Safety Law of the People’s Republic of China” and other relevant laws and regulations, to build a safe working environment.

### B3. Development and Training

In respect of human resources training, the Group provides employees with induction and continuous training to promote their career development. For newly-recruited employees, the Group provides comprehensive orientation training of corporate culture, operation processes, work health and safety, management policies and business development. The Group also encourages employees to participate in on the job training and provides appropriate subsidies to eligible employees. Based on job nature, the Group offers trainings of different types and levels to newly recruited employees, junior supervisors, senior supervisors and key personnel, like management and production project training, aiming at constantly improving the overall quality of employees, so as to maintain sustainable business development in the future.

為提供及時刻保持安全健康的工作環境，本集團根據各崗位的工作需要，定期向員工發放各種保護裝置用品，並監督及教育其正確佩戴和使用；指派部門安全生產責任人，落實各項安全教育；對產生粉塵和廢氣的設備安裝除塵排氣裝置；對噪音超標的設備加以控制其噪音傳播，或為員工提供防護用品。定期組織消防安全的檢查、培訓和演練，提高員工的安全防范意识及自我保護能力。

本集團亦嚴格遵守《中華人民共和國安全生產法》、《常用化學危險品貯存通則》、《中華人民共和國特種設備安全法》等其他相關法律法規，致力構建安全的工作環境。

### B3. 發展與培訓

在人力資源培訓方面，本集團為員工提供入職及持續培訓，以促進員工的職業發展。對新入職僱員，本集團會提供全面導向培訓，讓其了解公司文化、操作流程、工作健康及安全、管理政策及業務發展。本集團亦鼓勵員工參加在職培訓，對符合要求的員工給予適當的補貼。針對工作性質，本集團本以分類、分級的形式提供培訓予新入職僱員、基層主管、高級主管及核心人才，如管理培訓及生產項目培訓，使員工的綜合質素能夠不斷提高，以維持未來業務的可持續發展。



### B4. Labour Standards

To prevent illegal employment of child labour, underage and forced labour, the Group has established a well-developed mechanism. The employee manual stipulates that selected candidates must meet the legal age. Before confirming the employment, the human resources department of the Group will require applicants to provide valid identity documents to ensure that they are legally employed and fully in compliance with the latest relevant laws and regulations prohibiting child labour and forced labour. The Group also conducts regular inspection and review of the implementation of human resources policies to eliminate child labour and forced labour.

The Group strictly abides by the relevant provisions of the “Labour Law of the People’s Republic of China” and the “The Labour Contract Law of the People’s Republic of China”, and set reasonable working hours and leaves for employees pursuant to local employment ordinances and employment contracts with employees. The Group has installed a human resources computerized attendance system for effective management of staff working hours and vacation dates. If overtime work is required, employees may obtain appropriate overtime payment or compensatory leave under the relevant employment contract or labour legislation. To prevent forced overtime work, overtime must be agreed by employees voluntarily. During office hours, employees are allowed to move freely within the factory or office area (except prohibited special areas), and it is not mandatory for employees to live in the factory quarters.

### B4. 勞工準則

為防止非法僱用童工、未成年員工及強迫勞動，本集團已訂立良好機制，《員工手冊》規定錄用員工需達到法定年齡。在確認僱用前，本集團的人力資源部會要求申請人提供有效的身份證明文件，確保申請人合法受僱並全面遵守最新相關法律法規以禁止童工和強迫勞動。本集團亦會定期檢查及檢討人力資源政策的執行情況，以杜絕使用童工和強迫勞動。

本集團嚴格遵守《中華人民共和國勞動法》及《中華人民共和國勞動合同法》相關法律規定，並按照本地僱傭法例及與僱員的僱傭合約，為僱員釐定合理的工時及休假。本集團已安裝人力資源電腦考勤系統，有效管理員工勞動時間及休假期。若因工作需要加班，員工可根據有關僱傭合約或勞工法例條文獲得適當的加班費或補假，加班工作亦必須由員工同意自願參加，以防止強迫加班之事情發生。上班時間內，除特殊區域須進行管制外，員工可在廠區或辦公室範圍內自由行動，也不強制要求員工須住在工廠宿舍內。





# Environmental, Social and Governance Report

## 環境、社會及管治報告

### B5. Supply Chain Management

The Group attaches great importance to sustainable and reliable supply chain to ensure sustainable enterprise development. The Group has formulated and implemented supplier management system. Regarding supplier selection, the Group conducts qualification inspection, factory visit and other assessment processes on potential suppliers with the principles of fairness, impartiality, openness and honesty. Inspection areas include the production capacity, product quality, service quality, environmental protection, occupational health and safety of the supplier.

In order to avoid issues such as varied quality of products and non-standardisation of materials, the goods and materials provided by suppliers are detected by the internal department of the Group or third-party testing organisations, so as to select qualified suppliers. Besides, the relevant departments conduct annual re-evaluation and assessment on the qualified suppliers for the supervision of product quality. At the same time, the Group closely monitors procurement process to ensure that the procured products meet the requirements of production technology and product quality.

### B5. 供應鏈管理

為確保企業可持續發展，本集團非常重視可持續及可靠的供應鏈，本集團制定及實施供應商管理制度，在供應商篩選方面，以公平、公正、公開、誠實的原則對潛在供應商進行資質審查及訪廠等評估流程，調查內容包括供應商的生產能力、產品質量、服務質量、環保、職業健康與安全等方面。

為了避免產品質量參差不齊、用料標準不統一等問題，由本集團內部或第三方檢測機構對供應商提供的貨物和材料進行檢測，進而選出合格供應商。另外，相關部門對合格供應商進行每年復檢評價，對產品質量進行監督。同時本集團對採購過程進行嚴謹監控，確保採購的產品符合生產技術和產品質量的要求。



## B6. Product Responsibility

The Group attaches great importance to product quality and safety, strictly abides by the "Product Quality Law of the People's Republic of China" and "Law of the People's Republic of China on the Protection of Consumer Rights and Interests", formulates and implements quality policies to ensure product quality. The Group has obtained ISO9001 quality management system certification in 2003. During the process of mass production, quality control personnel performs sampling tests on raw materials, semi-finished goods and finished goods for tracking and identification of any potentially inferior products and preventing problematic material misuse in production. All finished products must be specifically checked before packaging to ensure they are qualified. For the year ended 31 December 2019, the Group did not receive any complaints from regulatory authorities or consumers regarding product safety and did not recover any products due to product safety and health reasons. The Group is not aware of any material non-compliance with relevant laws and regulations on health and safety, advertising, labelling and privacy matters related to products sold during the year.

## B6. 產品責任

本集團十分注重產品質量和安全，嚴格遵守《中華人民共和國產品質量法》及《中華人民共和國消費者權益保護法》，制定並實施質量政策，以保證產品質量。本集團於2003年已通過ISO9001質量管理體系認證。在產品量產過程中，全程由質量監控人員對原材料、半成品和製成品執行抽樣測試，追蹤及偵測任何潛在不良產品及防止有問題的材料被誤用於生產。所有成品包裝前皆須經過專人的檢查，以確認產品合格。於截至二零一九年十二月三十一日止年度，本集團並無接獲監管部門或消費者有關產品安全的投訴，亦無因產品安全與健康理由回收任何產品。本集團並無發現於年內有任何嚴重違反有關所銷售產品的健康與安全、廣告、標籤及私隱事宜的相關法律及法規之情況。





# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group maintains close and good business relationships with product distributors, highly protects the privacy and business secrets of distributors and strives to ensure timely response to the feedback of customers and instant response to product inquiries.

The promotion activities of the Group's products are carried out by advertising agencies in accordance with the Group's policy of privacy, its business strategy, and the "Contract Law of the People's Republic of China", the "Anti-Unfair Competition Law of the People's Republic of China" and the "Criminal Law of the People's Republic of China".

### B7. Anti-corruption

The Group adheres to the core value of integrity and strictly abides by the provisions of the "Company Law of the People's Republic of China", the "Anti-Money Laundering Law of the People's Republic of China" and the "Interim Provisions on Banning of Commercial Bribery" and other relevant laws and regulations. The Group has formulated "Baofeng Personnel Management Regulations" and other related systems to standardise various business activities. An internal monitoring system is set up for strengthening anti-fraud, anti-extortion, anti-corruption, anti-money laundering and bribery supervision, while a reporting mechanism and a reward and punishment committee are also set up to strengthen management and promote compliance, so as to prevent and eliminate fraud, extortion, bribery and corruptions on various aspects of operation and management. The Group prohibits any acts of fraud, extortion, corruption and bribery, prohibits employees from taking advantages of their powers and duties for corruption, embezzlement, encroachment of corporate property, acceptance of bribes and kickbacks, etc. Through various measures like training and promotion, the Group strengthens the communication with employees in respect of internal control and anti-fraud, anti-extortion, anti-corruption, anti-commercial bribery, so as to enhance their awareness in this regard.

本集團與產品經銷商保持密切及良好的業務合作關係，高度保障經銷商的隱私與商業機密，並盡力確保及時地回應客戶的反饋及即時回覆產品的查詢。

本集團產品的推廣活動由廣告代理按照本集團的隱私政策、其經營策略及《中華人民共和國合同法》、《中華人民共和國反不正當競爭法》、《中華人民共和國刑法》法律進行。

### B7. 反貪污

本集團始終堅持誠信的核心價值觀及嚴格遵守《中華人民共和國公司法》、《中華人民共和國反洗錢法》和《關於禁止商業賄賂行為的暫行規定》等相關法律法規的規定。本集團亦制定了《寶峰人事管理規定》及其他相關制度，以規範各項經營活動。並設置內部監控系統負責加強反欺詐、反勒索、反貪污、反洗錢及賄賂監察工作，設立舉報機制及獎懲委員會，加強管理和推廣遵守，以防範和杜絕經營管理各環節的欺詐、勒索、賄賂和貪污行為。本集團禁止任何欺詐、勒索、貪污及賄賂行為，嚴禁員工利用職權、職務之便貪污、挪用公款、侵佔公司財物、收受賄賂和回扣等。本集團通過培訓和宣傳等措施加強與員工在內控和反欺詐、反勒索、反貪污、反商業賄賂的溝通，強化員工在此方面的意識。



The Group has formulated supplier relationship guidelines and government authority relationship guidelines. Standard professional code of ethics and conduct is formulated for the communication with business partners, suppliers, customers, etc. and employees are required to follow strictly.

### **B8. Community Investment**

In the meantime of corporate development, the Group does not overlook the responsibility of a citizen of the community, and actively participates in social welfare activities, taking practical actions to bear its due responsibility as a corporate citizen. The Group engages in social welfare activities, such as social welfare investment, community event participation, school donation, schooling support of employees' children, charitable donations, active participation in blood donations, condolence to vulnerable groups, etc.

本集團已制定供應商關係準則及政府部門關係準則。針對與商業伙伴、供應商和客戶等，本集團已制定標準職業道德與行為規範，嚴格要求員工遵守。

### **B8. 社區投資**

企業發展的同時，本集團不忘善盡社會公民的責任，積極參與社會公益活動，以實際行動盡一個企業公民所應承擔的責任。本集團參與公益活動如注重公益投入、社區活動參與、學校捐款、員工子女上學支援、響應慈善捐贈、積極參加捐血、慰問弱勢群體等。







## Biographical Details of Directors

### 董事履歷詳情

#### EXECUTIVE DIRECTORS

##### Mr. Zheng Jingdong

Mr. Zheng Jingdong, aged 54, is the Chairman of the Board, the Chief Executive Officer of the Group, an executive Director and the authorised representative under the Listing Rules. He has been appointed as a Director since 21 July 2008. Mr. Zheng has more than 10 years of experience in the slipper business in the PRC. He has been appointed as a director of Quanzhou Baofeng Shoes Co Ltd since 28 March 2007 and as a director of BAOF International Limited since 21 July 2008. He has been appointed as the Chairman of the Board and the Chief Executive Officer of the Group on 10 May 2013.

##### Mr. Leung Tsz Chung

Mr. Leung Tsz Chung, aged 50, has been appointed as the executive Director, Vice-Chairman of the Board and the authorised representative under the Listing Rules with effect from 3 February 2015. Mr. Leung holds a degree of bachelor of arts in Business Studies from the Hong Kong Polytechnic University in 1991 and a degree of master in Business Administration from the University of New South Wales in 1996. He is qualified as a certified professional marketer and has over 20 years of extensive experience in business administration and marketing. Mr. Leung is the legal representative of Bay Zu Precision Co., Ltd (北儒精密股份有限公司) since November 2011 and resigned on 18 December 2018. Mr. Leung joined 2D Material Technology Company Limited, a wholly owned subsidiary of the Company, as the chief executive officer in November 2014.

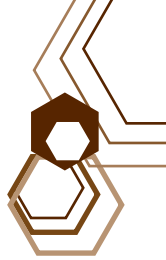
#### 執行董事

##### 鄭景東先生

鄭景東先生，54歲，為董事會主席、本集團行政總裁兼執行董事，以及上市規則下之授權代表。彼自二零零八年七月二十一日起擔任董事，擁有逾十年的中國拖鞋業務經驗。彼自二零零七年三月二十八日及二零零八年七月二十一日起先後獲委任為泉州寶峰鞋業有限公司及寶峰新國際有限公司的董事。彼於二零一三年五月十日獲委任為董事會主席兼本集團行政總裁。

##### 梁子冲先生

梁子冲先生，50歲，自二零一五年二月三日起獲委任為執行董事、董事會副主席以及上市規則下之授權代表。梁先生分別於一九九一年及一九九六年取得香港理工大學商業研究文學士學位及新南威爾斯大學工商管理碩士學位。彼為合資格認許市務師，於工商管理及市場行銷擁有逾二十多年豐富經驗。自二零一一年十一月起，梁先生為北儒精密股份有限公司之法定代表並於二零一八年十二月十八日辭任。梁先生於二零一四年十一月加入2維材料科技有限公司（本公司之全資附屬公司）擔任行政總裁。



### NON-EXECUTIVE DIRECTOR

#### Ms. Lin Weihuan

Ms. Lin Weihuan, aged 38, has been appointed as the non-executive Director since 7 January 2016. Ms. Lin obtained a bachelor of business degree in financial management from La Trobe University in Melbourne, Australia in 2005. She later obtained a master of business degree in professional accounting from Victoria University in Melbourne, Australia in 2006. Ms. Lin has over five years of experience in accounting. She is now the sole director and sole shareholder of Total Shine Investments Limited ("Total Shine") which is principally engaged in investment business.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### Ms. An Na

Ms. An Na, aged 60, was appointed as an independent non-executive Director on 30 June 2010. She has been an executive editor of 中國輕工業出版社 (China Light Industry Press) since 1982. She has also been a vice president of 北京《瑞麗》雜誌社 (Beijing Rayli Magazine House) since 2003 at which she has been responsible for managing and coordinating the publication of several fashion magazines. In August 2015, she resigned her post in Beijing Rayli Magazine House. She received an editor's qualification from 國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission) in 2002. She obtained a bachelor's degree in Engineering with a major in the study of leather from 西北輕工業學院 (Northwest Institute of Light Industry) (now known as 陝西科技大學 (Shaanxi University of Science and Technology)) in 1982.

### 非執行董事

#### 林煒歡女士

林煒歡女士，38歲，自二零一六年一月七日起獲委任為非執行董事。林女士於二零零五年獲得澳洲墨爾本拉籌伯大學(La Trobe University)金融管理商學學士學位。彼其後於二零零六年獲得澳洲墨爾本維多利亞大學(Victoria University)專業會計商業碩士學位。林女士於會計方面擁有逾五年經驗。彼現為Total Shine Investments Limited (「Total Shine」)之唯一董事及唯一股東，該公司主要從事投資業務。

### 獨立非執行董事

#### 安娜女士

安娜女士，60歲，於二零一零年六月三十日獲委任為獨立非執行董事，自一九八二年起擔任中國輕工業出版社編審，並自二零零三年起兼任北京《瑞麗》雜誌社副社長，負責管理及統籌多本時尚雜誌的刊發。彼於二零一五年八月已辭任北京《瑞麗》雜誌社副社長。彼於二零零二年獲國務院國有資產監督管理委員會授予正編審資格。安女士於一九八二年獲得西北輕工業學院(現稱陝西科技大學)工程學士學位，主修皮革。





## Biographical Details of Directors

### 董事履歷詳情

#### Mr. Chen Shaohua

Mr. Chen Shaohua, aged 53, has been appointed as an independent non-executive Director since 3 February 2015. Mr. Chen graduated from the Open University of China (國家開放大學) (previously known as China Central Radio and TV University (中央廣播電視大學)), and obtained a bachelor's degree in Management majoring in Accounting from Beijing Technology and Business University (北京工商大學) in 2010. He is a member of the Chinese Institute of Certified Public Accountants (CICPA) and qualified as certified assets valuer, certified tax agent, certified real estate valuer, certified cost engineer and certified land valuer in the PRC. Mr. Chen is a senior accountant and senior economist in the PRC. He has over 20 years of extensive experience in accounting, audit and tax matters. Mr. Chen is currently the chairman of the board of directors and legal representative of auditing firm, tax company, asset and property valuation company in the PRC.

#### Professor Zhao Jinbao

Professor Zhao Jinbao, aged 56, has been appointed as an independent non-executive Director since 3 February 2015. Professor Zhao graduated from Harbin Institute of Technology (哈爾濱工業大學) of the PRC and obtained a bachelor of engineering degree in Electrochemistry in 1984 and a master's degree in High Polymer Materials Engineering in 1987. Professor Zhao further obtained a doctor's degree in Engineering from Kyoto University in Japan in 1996. He has been a professor of Physical Chemistry in the Xiamen University (廈門大學) of the PRC since 2011. He has over 20 years of extensive experience in research and development in the field of engineering and chemistry and was recruited as one of the experts in The Recruitment Program of Global Experts (海外高層次人才引進計劃), also known as Thousand Talents Program (千人計劃) in the PRC in 2011.

#### 陳少華先生

陳少華先生，53歲，自二零一五年二月三日起獲委任為獨立非執行董事。陳先生畢業於國家開放大學（前稱中央廣播電視大學），並於二零一零年取得北京工商大學管理學學士學位，主修會計。彼為中國註冊會計師協會會員，亦為中國註冊資產評估師、註冊稅務師、註冊房地產估價師、註冊造價工程師及註冊土地估價師。陳先生為中國高級會計師及高級經濟師。彼於會計、審核及稅務事宜擁有逾二十年豐富經驗。陳先生現時為中國審計公司、稅務公司以及資產及物業估價公司之董事會主席及法人代表。

#### 趙金保教授

趙金保教授，56歲，自二零一五年二月三日起獲委任為獨立非執行董事。趙教授畢業於中國哈爾濱工業大學，並分別於一九八四年及一九八七年取得電化學工程學士學位及高分子材料工學碩士學位。趙教授於一九九六年再取得日本京都大學工程學博士學位。彼自二零一一年起擔任中國廈門大學物理化學系教授。彼於工程及化學範疇內之研發擁有逾二十年豐富經驗，並於二零一一年獲聘為中國「海外高層次人才引進計劃」（亦名為「千人計劃」）之其中一名專家。

# Report of the Directors

## 董事會報告



The Directors are pleased to present their report and the audited financial statements for the year ended 31 December 2019.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 44 to the consolidated financial statements.

There were no significant changes in the nature of the Group's principal activities during the year.

### BUSINESS REVIEW

A review of the business of the Group during the year ended 31 December 2019 and a discussion on the Group's future business development and its principal risks and uncertainties are provided in the sections "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. The financial risk management objectives and policies of the Group can be found in note 42 to the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided in the "Five-Year Financial Summary" on page 4 of this annual report.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group always pays attention to environmental protection. Details of the environmental policies and performance of the Group are set out in the section headed "Environmental, Social and Governance Report".

### COMPLIANCE WITH LAWS AND REGULATIONS

The Group continues to update the requirement of the relevant laws and regulations in various countries, particularly in the PRC and Hong Kong, applicable to it to ensure compliance. During the year, the Group was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.

董事會謹此提呈董事會報告及截至二零一九年十二月三十一日止年度之經審核財務報表。

### 主要業務

本公司主要業務為投資控股，主要附屬公司的主要業務詳情載於綜合財務報表附註44。

年內本集團的主要業務性質並無重大變更。

### 業務回顧

本集團截至二零一九年十二月三十一日止年度的業務回顧以及有關本集團未來業務發展及其主要風險與不確定性的討論，載於本年報「主席報告書」及「管理層討論及分析」等節。本集團的財務風險管理目標及政策載於綜合財務報表附註42。使用主要財務表現指標進行的本集團年內表現分析，載列於本年報第4頁「五年財務概要」。

### 環境政策及表現

本集團一直重視環保。本集團環境政策及表現之詳情載於「環境、社會及管治報告」一節。

### 遵守法律及法規

本集團不斷了解不同國家（尤其是中國及香港）適用於本集團的相關法律及法規的最新規定，以確保合規。年內，本集團並不知悉對其具有重大影響的未遵守任何相關法律及法規的情況。





# Report of the Directors

## 董事會報告

### RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group believes that employees are valuable assets. The Group provides competitive remuneration package to employees and is periodically reviewed with reference to industry practice. Discretionary bonuses and share options may be awarded to employees according to the assessment of individual performance. During the year under review, the Group considered the relationship with employees was good and the turnover rate is acceptable.

The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. The Group has been working continuously with its suppliers to improve the standard of raw materials and aiming at delivering products with high quality to its customers. All key customers and suppliers have a close and long term relationship with the Group. During the year ended 31 December 2019, there was no material and significant dispute between the Group and its suppliers and/or customers.

### RESULTS AND DIVIDENDS

The result of the Group for the year ended 31 December 2019 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 75 to 204.

The Board does not recommend payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

### SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of the Group for the last five financial years is set out on page 4 of this annual report. This summary does not form part of the audited financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

### SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year are set out in notes 31 and 32 to the consolidated financial statements.

### PRE-EMPTIVE RIGHTS

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

### 與僱員、供應商及客戶的關係

本集團相信，僱員是寶貴的資產。本集團為僱員提供具有競爭力的薪酬，並定期參考行業慣例檢討有關薪酬。根據對個人表現的評估，可能授予僱員酌情花紅及購股權。於回顧年度，本集團認為其與僱員的關係良好，且僱員流失率可接受。

本集團亦明白為實現其近期及長期目標，與供應商及客戶維持良好關係是很重要。本集團持續與供應商合作改進原材料標準，並努力向客戶交付優質產品。所有主要客戶及供應商均與本集團維持密切和長遠的關係。截至二零一九年十二月三十一日止年度，本集團與其供應商及／或客戶之間並無重大糾紛。

### 業績及股息

本集團截至二零一九年十二月三十一日止年度的業績與本公司及本集團於該日的事務狀況載於財務報表第75至204頁。

董事會並不建議派發截至二零一九年十二月三十一日止年度的末期股息（二零一八年：無）。

### 財務資料概要

本集團過往五個財政年度的財務資料概要載於本年報第4頁。概要並非經審核財務報表的一部分。

### 物業、廠房及設備

年內本集團的物業、廠房及設備的變動詳情載於綜合財務報表附註15。

### 股本及購股權

年內本公司股本及購股權變動詳情載於綜合財務報表附註31及32。

### 優先認購權

本公司細則或開曼群島的法例並無有關優先認購權的規定，要求本公司按比例向既有股東發售新股份。



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

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

### RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 43 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

### DISTRIBUTABLE RESERVES

At 31 December 2019, the Company did not have any reserves available for distribution calculated in accordance with the Companies Law of the Cayman Islands.

### MAJOR CUSTOMERS AND SUPPLIERS

During the financial year ended 31 December 2019, sales to the Group's five largest customers accounted for 90.4% of the total sales for the year and sales to the largest customer included therein amounted to 47.2%.

Purchases from the Group's five largest suppliers accounted for 44.2% of the total purchases for the year and purchase from the Group's largest supplier included therein amounted to 26.8% of the total purchases for the year.

One of the five largest customers was 泉州市金太陽電子科技有限公司 ("金太陽") in which Ms. Zhang Bihong ("Ms. Zhang"), who holds approximately 6.78% of the Company's issued share capital, has equity interests in 金太陽.

Except as described above, none of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

### 購買、贖回或出售本公司上市證券

截至二零一九年十二月三十一日止年度，本公司及其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

### 儲備

年內本公司及本集團的儲備變動詳情分別載於綜合財務報表附註43及綜合權益變動表。

### 可分派儲備

於二零一九年十二月三十一日，根據開曼群島公司法計算，本公司並沒有可分派儲備。

### 主要客戶及供應商

截至二零一九年十二月三十一日止財政年度，本集團對五大客戶的銷售額佔年度總銷售額的90.4%，而當中對最大客戶的銷售則佔47.2%。

本集團從五大供應商進行的採購佔年內總採購額的44.2%，而當中從最大供應商進行的採購佔年內總採購額的26.8%。

泉州市金太陽電子科技有限公司（「金太陽」）為首五大客戶其中之一。其中，張碧鴻女士（「張女士」）（彼持有本公司已發行股本約6.78%）擁有金太陽股權利益。

除上文所述者外，董事、其聯繫人士及據董事所知持有本公司已發行股本5%以上的股東概無持有本集團五大客戶或供應商任何實益權益。





# Report of the Directors

## 董事會報告

### DIRECTORS

The Chairman and the Directors during the year and up to the date of this report were:

- **Executive Directors:**  
Mr. ZHENG Jingdong  
(Chairman and Chief Executive Officer)  
Mr. LEUNG Tsz Chung (Vice-chairman)
- **Non-Executive Director:**  
Ms. LIN Weihuan
- **Independent Non-Executive Directors:**  
Ms. AN Na  
Professor ZHAO Jinbao  
Mr. CHEN Shaohua

Pursuant to Articles 84(1) and (2), at each AGM one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at the AGM at least once every three years. A retiring Director shall be eligible for re-election. In accordance with Articles 84(1) and (2), Mr. Chen Shaohua and Professor Zhao Jinbao shall retire from office by rotation at the AGM. Being eligible, Mr. Chen Shaohua and Professor Zhao Jinbao will offer themselves for re-election as independent non-executive Directors at the AGM.

The Company has received from each of its independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules, and the Company considers the independent non-executive Directors to be independent.

### 董事

年內及截至本報告日期，主席及董事為：

- **執行董事：**  
鄭景東先生  
(主席兼行政總裁)  
梁子冲先生(副主席)
- **非執行董事：**  
林焯歡女士
- **獨立非執行董事：**  
安娜女士  
趙金保教授  
陳少華先生

根據細則第84(1)及(2)條，於每屆股東週年大會上，三分之一之在任董事(或如彼等人數並非三(3)之倍數，則以最接近三分之一但不少於三分之一之數目為準)須輪流退任，而每名董事須最少每三年退任一次。退任董事將合資格膺選連任。根據細則第84(1)及(2)條，陳少華先生及趙金保教授將於股東週年大會上輪流退任。陳少華先生及趙金保教授符合資格於股東週年大會上重選為獨立非執行董事。

本公司已收到各名獨立非執行董事根據上市規則第3.13條發出的獨立身份年度確認。本公司認為該等獨立非執行董事均為獨立人士。



### BIOGRAPHICAL DETAILS OF THE DIRECTORS

The biographical details of the Directors are set out on pages 48 to 50 of the annual report.

### DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for an initial term of 3 years, which will continue thereafter until terminated by not less than three-month notice in writing served by either party on the other. The details of the remuneration of each of the Directors are revealed on note 9 to the consolidated financial statements.

None of the Directors had entered, or was proposing to enter, into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors are subject to retirement by rotation at least once every three years as required by the Articles.

### PERMITTED INDEMNITY PROVISION

Under the Articles, and subject to the applicable laws and regulations, the Directors and officers of the Group shall be indemnified out of the assets and profits of the Company from or against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force throughout the year ended 31 December 2019. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

### DIRECTORS' INTERESTS IN CONTRACTS

Saved for transactions as disclosed in note 38 to the consolidated financial statements, none of the Directors was materially interested, directly or indirectly, in any transaction, contract or arrangement during the year which is significant in relation to the business of the Group.

### DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or any of their respective close associates had any material interest in business which competed or might compete with the business of the Group.

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year.

### 董事履歷詳情

董事履歷詳情載於本年報第48至50頁。

### 董事服務合約

各董事已與本公司訂立初步任期為三年的服務合約，任期直至一方向另一方送達不少於三個月的書面通知終止合約為止。各董事的薪酬詳情披露於綜合財務報表附註9。

概無董事已與或擬與本公司訂有本公司不可於一年內無償（法定補償除外）終止的服務合約。

細則規定董事須每三年至少輪流退任一次。

### 獲准許的彌償條文

根據細則，在遵守適用法律及法規的情況下，董事及本集團高級職員將獲以本公司資產及利潤補償彼等或其中任何人士在履行其職責時或就此可能產生或遭受的所有訴訟、成本、收費、損失、損害及開支。該獲准許的彌償條文於截至二零一九年十二月三十一日止年度全年一直有效。本公司已為董事及本集團高級職員安排適當的董事及高級職員責任險。

### 董事的合約權益

除綜合財務報表附註38所披露的交易外，概無董事於年內與本集團業務有重大關係的任何交易、合約或安排中直接或間接擁有重大權益。

### 董事於競爭業務之權益

董事或任何彼等各自之緊密聯繫人概無於與本集團業務構成競爭或可能構成競爭之業務中擁有任何重大權益。

### 管理合約

年內並無訂立或存續任何有關管理及經營本集團全部或大部分業務的合約。





# Report of the Directors

## 董事會報告

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

As at 31 December 2019, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) pursuant to the Model Code contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

#### Interests in the Shares and underlying Shares:

Name of Director	Capacity and nature of interest	Number of Shares/underlying Shares (other than share options) held 所持股份／相關股份（購股權以外） 數目	Percentage of the Company's issued share capital <sup>(1)</sup> 佔本公司已發行股本百分比 <sup>(1)</sup>
董事姓名	身份及權益性質		
Mr. LEUNG Tsz Chung 梁子冲先生	Beneficial owner 實益擁有人	6,000,000(L)	0.40%
Ms. LIN Weihuan ("Ms. Lin") <sup>(2)</sup> 林煒歡女士（「林女士」） <sup>(2)</sup>	Interest in controlled corporation 所控制法團的權益	233,155,792(L)	15.68%

#### Long positions in share options of the Company:

Name of Directors	Capacity and nature of interest	Number of share options held <sup>(3)</sup> 所持購股權數目 <sup>(3)</sup>	Percentage of the Company's issued share capital <sup>(1)</sup> 佔本公司已發行股本百分比 <sup>(1)</sup>
董事姓名	身份及權益性質		
Mr. ZHENG Jingdong 鄭景東先生	Beneficial owner 實益擁有人	10,500,000(L)	0.71%
Mr. LEUNG Tsz Chung 梁子冲先生	Beneficial owner 實益擁有人	4,000,000(L)	0.27%

### 董事及主要行政人員於股份、相關股份及債權證中的權益及淡倉

於二零一九年十二月三十一日，董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的權益及淡倉）；(ii)根據證券及期貨條例第352條須記入該條所述由本公司存置的登記冊的權益及淡倉；或(iii)根據上市規則附錄10所載的標準守則的規定須知會本公司及聯交所的權益及淡倉如下：

#### 於股份及相關股份中的權益：

#### 於本公司購股權中的好倉：

# Report of the Directors

## 董事會報告



### Notes:

- (1) The percentage has been calculated based on the total number of Shares in issue as at 31 December 2019 (i.e. 1,486,859,608 shares).
- (2) Ms. Lin is deemed to be interested in the Shares in which Total Shine is interested.
- (3) These represent the number of shares which will be allotted and issued to the respective Directors upon the exercise of the share options granted to each of them under the Share Option Scheme. Accordingly, each of them was regarded as interested in the underlying Shares.
- (4) The letter "L" denotes a long position in the Shares or underlying Shares.

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

### CONVERTIBLE SECURITIES, OPTIONS OR OTHER SIMILAR RIGHTS

All conversion rights attached to the convertible notes in the principal amounts of HK\$110,880,000 and HK\$73,920,000 issued by the Company on 16 December 2015 and 2 February 2016 respectively were exercised on 7 December 2018. Details of convertible notes of the Company are shown in note 27 to the financial statements.

Details of share options of the Company are included in the section "Share Option Scheme" below and also shown in note 32 to the financial statements.

### 附註：

- (1) 上述百分比乃根據於二零一九年十二月三十一日的已發行股份總數（即1,486,859,608股）計算。
- (2) 林女士被視為於Total Shine所持股份中擁有權益。
- (3) 上述數額為因根據購股權計劃授予各董事的購股權獲行使而將向其配發及發行的股份數目。因此，其被視為於相關股份中擁有權益。
- (4) 字母「L」表示於股份或相關股份的好倉。

除上文所披露者外，於二零一九年十二月三十一日，概無董事或主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中，擁有任何(i)根據證券及期貨條例第XV部第7及第8分部的條文須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的權益或淡倉）；或(ii)根據證券及期貨條例第XV部第352條須記入該條所述登記冊的權益或淡倉；或(iii)根據上市規則附錄10所載的標準守則的規定須知會本公司及聯交所的權益或淡倉。

### 可換股票據、購股權或其他類似權利

本公司分別於二零一五年十二月十六日及二零一六年二月二日發行本金額為110,880,000港元及73,920,000港元之可換股票據所附之所有轉換權已於二零一八年十二月七日行使。本公司可換股票據之詳情載於財務報表附註27。

本公司購股權之詳情載於下文「購股權計劃」一節，且亦載於財務報表附註32。



# Report of the Directors

## 董事會報告

### SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 8 January 2011. Details of the Share Option Scheme are set out in note 32 to the consolidated financial statements.

The following table discloses the outstanding share options under the Share Option Scheme as at 31 December 2019:

### 購股權計劃

本公司於二零一一年一月八日採納購股權計劃。購股權計劃的詳情載於綜合財務報表附註32。

下表披露於二零一九年十二月三十一日購股權計劃項下的尚未行使購股權：

Name or Category of participants	參與人的姓名或類別	Date of grant <sup>(1)</sup> 授出日期 <sup>(1)</sup>	Number of share options 購股權數目					Outstanding as at 31 December 2019 於二零一九年 十二月三十一日 尚未行使	Exercise period <sup>(2)</sup> 行使期 <sup>(2)</sup>	Exercise price per share (HK\$) 每股行使價 (港元)	Notes
			Outstanding as at 1 January 2019 於二零一九年 一月一日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Forfeited during the year 年內沒收				
Executive Directors ZHENG JINGDONG	執行董事 鄭景東	10/12/2015	1,500,000	-	-	-	-	1,500,000	A	0.81	
		10/12/2015	2,000,000	-	-	-	-	2,000,000	B	0.81	
		10/12/2015	2,500,000	-	-	-	-	2,500,000	C	0.81	
		10/12/2015	2,000,000	-	-	-	-	2,000,000	D	0.81	
		10/12/2015	2,000,000	-	-	-	-	2,000,000	E	0.81	
		19/6/2018	300,000	-	-	-	-	300,000	P	0.54	
		19/6/2018	200,000	-	-	-	-	200,000	Q	0.54	
LEUNG TSZ CHUNG	梁子冲	10/12/2015	4,000,000	-	-	-	-	4,000,000	B	0.81	
Sub-total	小計		14,500,000	-	-	-	-	14,500,000			
Employees	僱員	10/12/2015	9,417,000	-	-	-	-	9,417,000	A	0.81	
		10/12/2015	13,356,000	-	-	-	-	13,356,000	B	0.81	3a
		10/12/2015	695,000	-	-	-	-	695,000	C	0.81	
		10/12/2015	556,000	-	-	-	-	556,000	D	0.81	
		10/12/2015	556,000	-	-	-	-	556,000	E	0.81	
		24/6/2016	26,040,000	-	-	-	-	26,040,000	F	0.67	
		24/6/2016	17,440,000	-	-	-	-	17,440,000	G	0.67	
		24/6/2016	200,000	-	-	-	-	200,000	H	0.67	
		24/6/2016	160,000	-	-	-	-	160,000	I	0.67	
		24/6/2016	160,000	-	-	-	-	160,000	J	0.67	
		16/12/2016	75,000	-	-	-	-	75,000	K	0.99	3b
		16/12/2016	100,000	-	-	-	-	100,000	L	0.99	3c
		16/12/2016	125,000	-	-	-	-	125,000	M	0.99	3d
		16/12/2016	100,000	-	-	-	-	100,000	N	0.99	3c
		16/12/2016	100,000	-	-	-	-	100,000	O	0.99	3c
19/6/2018	40,680,000	-	-	-	-	40,680,000	P	0.54			
19/6/2018	27,120,000	-	-	-	-	27,120,000	Q	0.54			
Sub-total	小計		136,880,000	-	-	-	-	136,880,000			

# Report of the Directors

## 董事會報告



		Number of share options 購股權數目					Outstanding as at 31 December 2019 於二零一九年 十二月三十一日	Exercise price per share (HK\$) 每股行使價 (港元)	Notes	
Name or Category of participants	參與人的姓名或類別	Date of grant <sup>(1)</sup> 授出日期 <sup>(1)</sup>	Outstanding as at 1 January 2019 於二零一九年 一月一日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Forfeited during the year 年內沒收	Exercise period <sup>(2)</sup> 行使期 <sup>(2)</sup>		
Consultants	顧問	24/6/2016	19,620,000	-	-	-	-	F	0.67	3e
		24/6/2016	14,160,000	-	-	-	-	G	0.67	3f
		24/6/2016	2,700,000	-	-	-	-	H	0.67	3g
		24/6/2016	2,160,000	-	-	-	-	I	0.67	3f
		24/6/2016	2,160,000	-	-	-	-	J	0.67	3f
		16/12/2016	1,350,000	-	-	-	-	K	0.99	
		16/12/2016	1,800,000	-	-	-	-	L	0.99	
		16/12/2016	2,250,000	-	-	-	-	M	0.99	
		16/12/2016	1,800,000	-	-	-	-	N	0.99	
		16/12/2016	1,800,000	-	-	-	-	O	0.99	
		19/6/2018	24,000,000	-	-	-	-	P	0.54	
		19/6/2018	16,000,000	-	-	-	-	Q	0.54	
Sub-total	小計		89,800,000	-	-	-	-			
Total	總計		241,180,000	-	-	-	-			



# Report of the Directors

## 董事會報告

### Notes:

1. The closing prices of the Shares immediately before the date of grant on 10 December 2015, 24 June 2016, 16 December 2016 and 19 June 2018 were HK\$0.79, HK\$0.69, HK\$0.99 and HK\$0.50 respectively.
2. The respective exercise periods of the share options granted are as follows:
  - A: From 10 December 2015 to 9 December 2020;
  - B: From 10 December 2016 to 9 December 2020;
  - C: From 10 December 2017 to 9 December 2020;
  - D: From 10 December 2018 to 9 December 2020;
  - E: From 10 December 2019 to 9 December 2020;
  - F: From 24 June 2016 to 23 June 2021;
  - G: From 24 June 2017 to 23 June 2021;
  - H: From 24 June 2018 to 23 June 2021;
  - I: From 24 June 2019 to 23 June 2021;
  - J: From 24 June 2020 to 23 June 2021;
  - K: From 16 December 2016 to 15 December 2021;
  - L: From 16 December 2017 to 15 December 2021;
  - M: From 16 December 2018 to 15 December 2021;
  - N: From 16 December 2019 to 15 December 2021;
  - O: From 16 December 2020 to 15 December 2021;
  - P: From 19 June 2018 to 18 June 2023; and
  - Q: From 19 June 2019 to 18 June 2023.

The vesting period of the share options is from the date of grant until the commencement of the exercised period.

### 附註：

1. 股份於緊接授出日期二零一五年十二月十日、二零一六年六月二十四日、二零一六年十二月十六日及二零一八年六月十九日前的收市價分別為0.79港元、0.69港元、0.99港元及0.50港元。
2. 所授出購股權各自行使期如下：
  - A：二零一五年十二月十日及二零二零年十二月九日；
  - B：二零一六年十二月十日及二零二零年十二月九日；
  - C：二零一七年十二月十日及二零二零年十二月九日；
  - D：二零一八年十二月十日及二零二零年十二月九日；
  - E：二零一九年十二月十日及二零二零年十二月九日；
  - F：二零一六年六月二十四日至二零二一年六月二十三日；
  - G：二零一七年六月二十四日至二零二一年六月二十三日；
  - H：二零一八年六月二十四日至二零二一年六月二十三日；
  - I：二零一九年六月二十四日至二零二一年六月二十三日；
  - J：二零二零年六月二十四日至二零二一年六月二十三日；
  - K：二零一六年十二月十六日至二零二一年十二月十五日；
  - L：二零一七年十二月十六日至二零二一年十二月十五日；
  - M：二零一八年十二月十六日至二零二一年十二月十五日；
  - N：二零一九年十二月十六日至二零二一年十二月十五日；
  - O：二零二零年十二月十六日至二零二一年十二月十五日。
  - P：二零一八年六月十九日至二零二三年六月十八日；及
  - Q：二零一九年六月十九日至二零二三年六月十八日。

該等購股權的歸屬期為自授出日期起直至行使期開始止。

# Report of the Directors

## 董事會報告



- |   |  |
|---|--|
| <p>3. a. 6,800,000 share options were granted to two persons who were employees of the Group and have become consultants of the Group subsequently.</p> <p>b. 30,000 share options were granted to a person who was an employee of the Group and has become a consultant of the Group subsequently.</p> <p>c. 40,000 share options were granted to a person who was an employee of the Group and has become a consultant of the Group subsequently.</p> <p>d. 50,000 share options were granted to a person who was an employee of the Group and has become a consultant of the Group subsequently.</p> <p>e. 1,620,000 share options were granted to a person who was a consultant of the Group and has become an employee of the Group subsequently.</p> <p>f. 2,160,000 share options were granted to a person who was a consultant of the Group and has become an employee of the Group subsequently.</p> <p>g. 2,700,000 share options were granted to a person who was a consultant of the Group and has become an employee of the Group subsequently.</p> <p>4. Exercise condition: Provided always that a grantee of share options shall remain as a Director, an employee or a consultant of the Company or its subsidiaries, at the time of exercise of his or her share options.</p> <p>5. The number and/or exercise price of the share options may be subject to adjustments in the case of rights or bonus issues, or other changes in the Company's share capital.</p> | <p>3. a. 6,800,000份購股權已授予兩名曾為本集團僱員之人士及彼其後成為本集團之顧問。</p> <p>b. 30,000份購股權已授予一名曾為本集團僱員之人士及彼其後成為本集團之顧問。</p> <p>c. 40,000份購股權已授予一名曾為本集團僱員之人士及彼其後成為本集團之顧問。</p> <p>d. 50,000份購股權已授予一名曾為本集團僱員之人士及彼其後成為本集團之顧問。</p> <p>e. 1,620,000份購股權已授予一名曾為本集團顧問之人士及彼其後成為本集團之僱員。</p> <p>f. 2,160,000份購股權已授予一名曾為本集團顧問之人士及彼其後成為本集團之僱員。</p> <p>g. 2,700,000份購股權已授予一名曾為本集團顧問之人士及彼其後成為本集團之僱員。</p> <p>4. 行使條件：購股權承授人於行使其購股權時仍須為本公司或其附屬公司的董事、僱員或顧問。</p> <p>5. 購股權的數目及／或行使價或會在供股或紅股發行或本公司股本出現其他變動時予以調整。</p> |
|---|--|

### ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section of "Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures" and "Share Option Scheme" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### 董事購買股份或債權證的安排

除上文「董事及主要行政人員於股份、相關股份及債權證中的權益及淡倉」及「購股權計劃」等節所披露者外，於年內任何時間，並無授予任何董事或彼等各自的配偶或未成年子女透過收購本公司股份或債權證而獲得利益之權利，彼等亦概無行使任何相關權利；且本公司、其控股公司或其任何附屬公司及同系附屬公司概無訂立令董事可獲得任何其他法人團體的相關權利之任何安排。



# Report of the Directors

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, so far as was known to the Directors and chief executives of the Company, the following persons or corporations (other than the Directors or chief executives of the Company) who had, or were deemed or taken to have interests and short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and be recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

#### Interests and short positions in the Shares and underlying Shares:

Name	Capacity and nature of interests	Number of Shares/ underlying Shares	Percentage of the Company's issued share capital <sup>(10)</sup> 佔本公司已發行 股本百分比 <sup>(10)</sup>
名稱	身份及權益性質	股份／相關股份數目	
Mr. Sze Ching Bor ("Mr. Sze") <sup>(1)</sup> 史清波先生(「史先生」) <sup>(1)</sup>	Interest in controlled corporation 所控制法團的權益	285,879,975 (L)	19.23%
Ms. Tsang Shuk Ping <sup>(2)</sup> 曾淑萍女士 <sup>(2)</sup>	Spousal Interest 配偶權益	285,879,975 (L)	19.23%
Best Mark International Limited ("Best Mark") <sup>(3)</sup>	Beneficial owner 實益擁有人	240,720,365 (L)	16.19%

### 主要股東及其他人士於股份及相關股份中的權益及淡倉

於二零一九年十二月三十一日，據董事及本公司主要行政人員所知，以下人士或法團（董事或本公司主要行政人員除外）於股份或相關股份中擁有或被視為或當作擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露及登記於根據證券及期貨條例第336條須予存置的登記冊或須另行知會本公司之權益及淡倉如下：

#### 於股份及相關股份中的權益及淡倉：

# Report of the Directors

## 董事會報告



Name	Capacity and nature of interests	Number of Shares/ underlying Shares	Percentage of the Company's issued share capital <sup>(10)</sup> 佔本公司已發行 股本百分比 <sup>(10)</sup>
名稱	身份及權益性質	股份／相關股份數目	
Total Shine <sup>(4)</sup>	Beneficial owner 實益擁有人	233,155,792 (L)	15.68%
Ms. Lin <sup>(4)</sup> 林女士 <sup>(4)</sup>	Interest in controlled corporation 所控制法團的權益	233,155,792 (L)	15.68%
Bluestone <sup>(5)</sup> 藍石 <sup>(5)</sup>	Beneficial owner 實益擁有人	220,000,000 (L)	14.80%
Mr. Zhuang Chaohui <sup>(5)</sup> 莊朝暉先生 <sup>(5)</sup>	Interest in controlled corporation 所控制法團的權益	220,000,000 (L)	14.80%
Mr. Chiu <sup>(6)</sup> 邱先生 <sup>(6)</sup>	Beneficial owner 實益擁有人	102,000,000 (L)	6.86%
Venus Capital Fund <sup>(7)</sup>	Beneficial owner 實益擁有人	100,800,000 (L)	6.78%
Venus Capital Management Company Limited <sup>(8)</sup>	Interest in controlled corporation 所控制法團的權益	100,800,000 (L)	6.78%
Ms. Zhang <sup>(9)</sup> 張女士 <sup>(9)</sup>	Interest in controlled corporation 所控制法團的權益	100,800,000 (L)	6.78%







# Report of the Directors

## 董事會報告

### Notes:

- (1) Mr. Sze is deemed to be interested in the Shares held by Best Mark and Capital Vision International Limited ("Capital Vision"). Best Mark and Capital Vision are wholly owned and controlled by Mr. Sze and are interested in 240,720,365 Shares and 45,159,610 Shares respectively, representing approximately 16.19% and 3.04%, respectively of the issued Shares.
- (2) Ms. Tsang Shuk Ping, the spouse of Mr. Sze, is deemed to be interested in Mr. Sze's interests in the Company.
- (3) Best Mark is wholly owned and controlled by Mr. Sze.
- (4) Total Shine is interested in 233,155,792 Shares. Ms. Lin, who wholly owns and controls Total Shine, is deemed to be interested in the Shares in which Total Shine is interested.
- (5) Bluestone is interested in 220,000,000 Shares. Mr. Zhuang Chaohui, who wholly owns and controls Bluestone, is deemed to be interested in the Shares in which Bluestone is interested.
- (6) Mr. Chiu has obtained share options granted by the Company entitling him to subscribe for 20,000,000 Shares. Mr. Chiu has also subscribed for 82,000,000 Shares pursuant to the terms of the subscription agreement as detailed in the announcements dated 9 November 2018, 12 November 2018 and 8 March 2019.
- (7) Venus Capital Fund has subscribed for 100,800,000 Shares pursuant to terms of the subscription agreement as detailed in the announcements dated 9 November 2018, 12 November 2018 and 8 March 2019.
- (8) Venus Capital Management Company Limited wholly owns Venus Capital Fund and is deemed to be interested in the Shares in which Venus Capital Fund is interested.
- (9) Ms. Zhang, who wholly owns and controls Venus Capital Management Company Limited, is deemed to be interested in the Shares in which Venus Capital Management Company Limited is interested.

### 附註：

- (1) 史先生被視為於Best Mark及Capital Vision International Limited (「Capital Vision」)所持股份中擁有權益。Best Mark及Capital Vision由史先生全資擁有及控制，分別於240,720,365股股份及45,159,610股股份中擁有權益，分別相當於已發行股份約16.19%及3.04%。
- (2) 史先生之妻曾淑萍女士被視為擁有史先生所持本公司之權益。
- (3) Best Mark由史先生全資擁有及控制。
- (4) Total Shine於233,155,792股股份中擁有權益。林女士(全資擁有及控制Total Shine)被視為於Total Shine所持股份中擁有權益。
- (5) 藍石於220,000,000股股份中擁有權益。莊朝暉先生(全資擁有及控制藍石)被視為於藍石所持股份中擁有權益。
- (6) 邱先生已取得本公司授予的購股權，以認購20,000,000股股份。邱先生亦於根據認購協議之條款(詳情載於日期為二零一八年十一月九日、二零一八年十一月十二日及二零一九年三月八日之公告)認購82,000,000股股份。
- (7) Venus Capital Fund於根據認購協議之條款(詳情載於日期為二零一八年十一月九日、二零一八年十一月十二日及二零一九年三月八日之公告)認購100,800,000股股份。
- (8) Venus Capital Management Company Limited全資擁有Venus Capital Fund，被視為於Venus Capital Fund所持股份中擁有權益。
- (9) 張女士全資擁有及控制Venus Capital Management Company Limited，被視為於Venus Capital Management Company Limited所持股份中擁有權益。



- (10) The percentage has been calculated based on the total number of Shares in issue as at 31 December 2019 (i.e. 1,486,859,608 shares).
- (11) The letter “L” denotes the person’s long position in the Shares or underlying Shares.

- (10) 該百分比乃根據於二零一九年十二月三十一日已發行股份總數（即1,486,859,608股）計算。
- (11) 字母「L」代表該人士所持股份或相關股份的好倉。

Save as disclosed above, as at 31 December 2019, none of the Directors and the chief executives of the Company was aware of any other person (other than the Directors or the chief executives of the Company) or corporation which had, or was deemed or taken to have, an interest or short position in the Shares, underlying Shares or debentures which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and be recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company.

除上文所披露者外，於二零一九年十二月三十一日，董事及本公司主要行政人員概不知悉任何其他人士（董事或本公司主要行政人員除外）或法團擁有或被視為或當作擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露及記錄於根據證券及期貨條例第336條須予存置的登記冊或另外通知本公司的股份、相關股份或債權證的權益或淡倉。

### CONNECTED TRANSACTIONS

No connected transaction was entered into or in existence during the year. The related party transactions disclosed in note 38 to the consolidated financial statements do not fall under the definition of “connected transaction” or “continuing connected transaction” in Chapter 14A of the Listing Rules.

### 關連交易

年內並無訂立或存續任何關連交易。綜合財務報表附註38所披露的關連人士交易並非上市規則第14A章所界定的「關連交易」或「持續關連交易」。

### SUFFICIENCY OF PUBLIC FLOAT

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

### 充足的公眾持股量

根據本公司可獲取的公開資料及就董事所知，於本報告日期，公眾至少持有本公司已發行股本總額的25%。

### EMOLUMENT POLICY

The Group’s emolument policies are based on the merit, qualifications and competence of individual employees and are reviewed by the remuneration committee periodically.

### 薪酬政策

本集團的薪酬政策乃基於個別僱員的長處、資格及能力釐定，並由薪酬委員會定期檢討。

The emoluments of the Directors are recommended by the remuneration committee and are decided by the Board, having regard to the Group’s operating results, individual performance and comparable market statistics.

董事酬金由薪酬委員會經參考本集團的營運業績、個別表現及可比較市場統計數據而提出建議並由董事會決定。

The Company adopted a share option scheme to motivate and reward its Directors and eligible employees. Details of the Share Option Scheme are set out in note 32 to the consolidated financial statements.

本公司採納購股權計劃，以鼓勵及嘉許其董事及合資格僱員。購股權計劃詳情載於綜合財務報表附註32。





# Report of the Directors

## 董事會報告

### AUDITOR

Confucius International CPA Limited was appointed as auditor of the Company on 13 February 2018 upon the resignation of Pan-China (H.K.) CPA Limited.

Confucius International CPA Limited will retire and a resolution for their re-appointment as the Company's auditor is to be proposed at the forthcoming AGM.

ON BEHALF OF THE BOARD

### ZHENG Jingdong

Chairman

Hong Kong  
30 March 2020

### 核數師

於天健（香港）會計師事務所有限公司辭任後，天健國際會計師事務所有限公司於二零一八年二月十三日獲委任為本公司核數師。

天健國際會計師事務所有限公司將於應屆股東週年大會上退任本公司核數師，會上將提呈決議案以將其續聘。

代表董事會

主席

鄭景東

香港

二零二零年三月三十日

# Independent Auditor's Report

## 獨立核數師報告



**TO THE MEMBERS OF BAOFENG MODERN  
INTERNATIONAL HOLDINGS COMPANY LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*

致寶峰時尚國際控股有限公司股東

*(於開曼群島註冊成立之有限公司)*

### Opinion

We have audited the consolidated financial statements of Baofeng Modern International Holdings Company Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 75 to 204, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 意見

我們已審計列載於第75至204頁寶峰時尚國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於二零一九年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

我們認為，該等綜合財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而中肯地反映 貴集團於二零一九年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

### 意見的基礎

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中進一步闡述。根據香港會計師公會頒佈的「專業會計師道德守則」(「守則」)連同任何與我們審計開曼群島綜合財務報表有關的道德要求，我們獨立於 貴集團，並已履行該等要求及守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。





# Independent Auditor's Report

## 獨立核數師報告

### Material uncertainty in relation to going concern

The accompanying consolidated financial statements for the year ended 31 December 2019 have been prepared assuming that the Group will continue as a going concern. We draw attention to note 3 to the consolidated financial statements which indicates that the Group incurred a net loss of approximately RMB314,436,000 for the year ended 31 December 2019 and, as of that date, the Group's current liabilities exceeded its current assets by approximately RMB102,812,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Management's arrangements to address the going concern issue are also described in note 3 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty. Our opinion is not modified in respect of this matter.

### Key Audit Matters

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

### Impairment assessment of trade receivables

At 31 December 2019, the net carrying amount of the Group's trade receivables amounted to approximately RMB44,784,000, net of allowance for credit losses of approximately RMB7,986,000, which was material to the Group's consolidated financial statements. The allowance was assessed based on the expected credit loss model. The assessment of expected credit losses of trade receivables involved significant management judgement and estimation including their assessment of customers' current financial position and forward-looking information.

In determining the allowance for trade receivables, the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables.

Details of the trade receivables are set out in note 20 to the consolidated financial statements.

### 有關持續經營的重大不明朗因素

截至二零一九年十二月三十一日止年度之相關綜合財務報表乃假設貴集團將持續經營來編製。我們提請注意綜合財務報表附註3，當中顯示，截至二零一九年十二月三十一日止年度，貴集團產生虧損淨額約人民幣314,436,000元，且截至該日，貴集團的流動負債超過其流動資產約人民幣102,812,000元。該等狀況表明存在重大不明朗因素，或會對貴集團持續經營之能力產生重大疑問。管理層解決持續經營事宜之安排亦載於綜合財務報表附註3。綜合財務報表概無載入該不確定因素可能導致之任何調整。我們並未就該事宜發表保留意見。

### 關鍵審計事項

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

### 應收貿易賬款減值評估

於二零一九年十二月三十一日，本集團應收貿易賬款的賬面淨值為約人民幣44,784,000元，扣除信貸虧損撥備約人民幣7,986,000元，對本集團綜合財務報表屬重大。撥備按預期信貸虧損模式評估。應收貿易賬款之預期信貸虧損評估涉及重大管理層判斷及估計，包括其對客戶當前財務狀況及前瞻性資料之評估。

於釐定應收貿易賬款撥備時，管理層會考慮信貸歷史，包括拖欠或延遲付款、結算記錄、後續結算及應收貿易賬款的賬齡分析。

應收貿易賬款的詳情載於綜合財務報表附註20。

# Independent Auditor's Report

## 獨立核數師報告



### How our audit addressed the Key Audit Matters

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

- obtaining an understanding of the Group's procedures on credit limits and credit periods given to customers with the management;
- evaluating the design and implementation of controls over the accounting process of allowance for credit losses and evaluated management's assumptions and judgement by comparing to the historical collection trends;
- checking the accuracy of preparation of the aging analysis of trade receivables by customers by tracing the data back to the source documents;
- checking on a sampling basis, the debtors' historical payment pattern and the bank receipts for the payments received subsequent to the reporting period;
- checking on a sampling basis, the evidence including correspondence with the debtors for the latest progress of the outstanding amounts; and
- assessing the expected credit loss provisioning methodology, examining the key data inputs on a sampling basis and reviewing the key assumptions used to determine the expected credit losses, including both historical and forward-looking information.

We found that the estimation and judgement made by management in respect of the recoverability of trade receivables were supportable by the credible evidence.

### 我們的審計如何處理關鍵審計事項

我們就應收貿易賬款減值評估進行之審計程序包括：

- 向管理層了解 貴集團有關給予客戶的信貸限額及信貸期的程序；
- 評估管理層對信貸虧損撥備之會計程序控制的制訂及實施及透過比較過往收款趨勢評估管理層之假設及判斷；
- 透過將數據追溯至源文件，檢查按客戶編製之應收貿易賬款賬齡分析之準確性；
- 抽樣檢查債務人之過往付款模式及於報告期後已收付款之銀行收據；
- 抽樣檢查證據，包括與債務人就未償還款項之最新進展之通信；及
- 評估預期信貸虧損撥備法、抽樣檢查主要數據輸入及釐定預期信貸虧損所用之主要假設(包括過往及前瞻性資料)。

我們發現管理層就應收貿易賬款的可收回性作出的估計及判斷乃由可信證據提供支持。





# Independent Auditor's Report

## 獨立核數師報告

### Impairment assessment of intangible assets

As set out in note 18 to the consolidated financial statements at 31 December 2019, the Group has significant intangible assets amounting to approximately RMB77,255,000 comprising (i) technology know-how of approximately RMB61,000,000; (ii) O2O distribution vending system of approximately RMB16,000,000 and (iii) capitalisation of deferred development costs in relation to the research and development of manufacturing and application technology of graphene material on sterilizing chips, energy storage materials for batteries and pressure sensitive lighting devices for shoes which are incurred in 2016 of approximately RMB255,000.

Management is required to carry out an impairment assessment on these intangible assets at least annually. Independent external valuations were obtained in order to support management estimates. These assessments of the recoverable amounts involved significant management's assessment and judgement on the key assumptions used in cash flow projections and profit forecasts based on financial budgets approved by management, which is judgemental and based on a number of assumptions.

### How our audit addressed the Key Audit Matters

Our procedures in relation to impairment assessment of intangible assets included:

- evaluating the independent external valuers competence, capabilities and objectivity;
- assessing the valuation methodologies adopted by management which are disclosed in note 18 to the consolidated financial statements;
- evaluating the reasonableness of key assumptions used in the valuations based on our knowledge of the business and industry including profit forecasts, cash flow projections, discount rates, budgeted sales and gross margin through assessing the cash generating unit's past performance, management's expectation of the market development and future 5 years' financial budget approved by the management;
- evaluating the potential impact of value-in-use based on the reasonably possible change of the key assumptions;
- discussing with the management and the independent valuation valuers engaged by the management to understand the assumptions they used in building up the cash flow projections;

### 無形資產減值虧損

如二零一九年十二月三十一日之綜合財務報表附註18所載，貴集團擁有重大無形資產約人民幣77,255,000元，包括(i)技術知識約人民幣61,000,000元；(ii)O2O分銷售貨系統約人民幣16,000,000元及(iii)資本化於二零一六年產生之研發石墨烯材料於殺菌芯片、電池儲能材料及鞋履壓敏照明裝置的生產及應用技術相關的遞延開發成本約人民幣255,000元。

管理層每年須至少對該等無形資產進行一次減值評估。管理層已獲得獨立外部估值，以支持其估計。該等可收回款項之評估涉及管理層對根據管理層批准之財務預算作出之現金流量預測及溢利預測(其中涉及作出判斷及基於多項假設)所用之主要假設作出重大評估及判斷。

### 我們的審計如何處理關鍵審計事項

我們就無形資產減值虧損進行之程序包括：

- 評估獨立外部估值師之資格、能力及客觀性；
- 評估綜合財務報表附註18所披露之管理層採納之估值方法；
- 根據我們之業務及行業知識評估估值中所用的關鍵假設之合理性，包括溢利預測、現金流量預測、貼現率、預算銷售及毛利(透過評估現金產生單位之過往表現)、管理層之市場發展預期及管理層批准之五年期財務預算；
- 根據主要假設之合理潛在變動評估使用價值之潛在影響；
- 我們與管理層及管理層委聘之獨立估值師討論，以了解彼等達致現金流量預測所用之假設；

# Independent Auditor's Report

## 獨立核數師報告



### How our audit addressed the Key Audit Matters

(continued)

- challenging the assumptions used in business plans and development plans adopted by the Group in relation to the technology know-how and O2O distribution vending system;
- reviewing the detailed analysis prepared by the management for the deferred development costs and testing the reconciliation of amounts reported to accounting records; and
- discussing with the management about the nature of work being completed for each product and their assessment of the areas of judgement for each product, in particular, the stage of technical development and economic feasibility.

Based on our procedures described, we found the impairment assessment on intangible assets to be reasonable.

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

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

### 我們的審計如何處理關鍵審計事項(續)

- 質疑 貴集團就技術知識及O2O分銷售貨系統採納之業務計劃及發展計劃所用之假設；
- 檢討管理層就遞延開發成本編製之詳盡分析及測試所呈報金額與會計記錄之一致性；及
- 與管理層討論完成各產品所涉工作之性質及彼等對各產品作出判斷領域之評估，尤其是技術發展階段及經濟可行性。

基於上文所述我們的程序，我們認為無形資產的減值評估屬合理。

### 除綜合財務報表及核數師報告以外的資料

貴公司董事須就其他資料承擔責任。其他資料包括年報中所載所有資料，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。就此而言，我們無任何報告。







# Independent Auditor's Report

## 獨立核數師報告

### Responsibilities of the Directors for the Consolidated Financial Statements

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

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

The directors are assisted by the audit committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

### 董事對綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的國際財務報告準則及香港公司條例編製真實而中肯的綜合財務報表，及落實其認為編製綜合財務報表所必要的內部監控，以使綜合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。

於編製綜合財務報表時，董事須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相關的事項，並使用持續經營為會計基礎，惟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而為之的情況除外。

董事獲審核委員會協助履行其監督貴集團的財務報告過程的職責。

### 核數師對審核綜合財務報表須承擔的責任

我們的目標為對綜合財務報表整體是否存在由欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。本報告僅為閣下(作為整體)而作出，並不可用作其他用途。我們並不就本報告的內容對任何其他人士承擔任何義務或負上任何責任。

合理保證是高水準的保證，但不能保證按香港審計準則進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可能影響使用者根據該等綜合財務報表作出的經濟決定時，則視有關錯誤陳述為重大有關。

# Independent Auditor's Report

## 獨立核數師報告



### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

### 核數師對審核綜合財務報表須承擔的責任(續)

在根據香港審計準則執行審計的工作之一，是在審計的過程中運用專業判斷及保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險；
- 了解與審核相關的內部監控，以設計在各種情況下屬適當的審計程序，惟並非旨在對 貴集團內部監控的有效性發表意見；
- 評估董事所採用會計政策的合適性及作出會計估計和相關披露的合理性；
- 對董事採用持續經營會計基礎的合適性作出結論，並根據所獲取的審計憑證，確定是否存在與可能會導致對 貴集團的持續經營能力產生重大疑慮的事項或情況有關的重大不確定性。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露；倘有關披露不足，則我們應當發表非無保留意見。我們的結論乃基於截至我們的核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營；
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項；及





# Independent Auditor's Report

## 獨立核數師報告

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with 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.

**Confucius International CPA Limited**  
*Certified Public Accountants*

**Wong Ho Yuen, Gary**  
*Practising Certificate Number: P01316*

Hong Kong  
30 March 2020

### 核數師對審核綜合財務報表須承擔的責任(續)

- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督及執行。我們為審計意見承擔全部責任。

我們與審核委員會就(其中包括)審計範圍、時間安排及重大審計發現進行溝通，該等發現包括我們在審計過程中識別的內部監控的任何重大缺陷。

我們亦向審核委員會作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事宜，以及相關防範措施(如適用)。

從與審核委員會溝通的事項中，我們確定對本期綜合財務報表審計至關重要的事項，因而構成關鍵審計事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見情況下，倘合理預期在我們的報告中溝通某事項造成的負面後果超過產生的公眾利益，則我們決定不應在報告中溝通該事項。

**天健國際會計師事務所有限公司**  
*執業會計師*

**黃浩源**  
*執業證書號碼P01316*

香港  
二零二零年三月三十日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

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



			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>REVENUE</b>	<b>收益</b>	6	<b>169,687</b>	164,480
Cost of sales	銷售成本		<b>(139,568)</b>	(125,029)
<b>GROSS PROFIT</b>	<b>毛利</b>		<b>30,119</b>	39,451
Other net income and gains	其他收入及收益淨額	6	<b>2,934</b>	2,549
Reversal of impairment loss/(impairment loss) on trade receivables from sales of goods	銷售商品產生之應收貿易賬款減值虧損撥回/(減值虧損)		<b>521</b>	(3,718)
Selling and distribution expenses	銷售及分銷開支		<b>(11,101)</b>	(10,013)
General and administrative expenses	一般及行政開支		<b>(44,547)</b>	(51,264)
Amortisation of intangible assets	無形資產攤銷	18	<b>(52,720)</b>	(77,640)
Impairment loss on intangible assets	無形資產減值虧損	18	<b>(234,295)</b>	(195,120)
Impairment loss on assets held for sale	持有待售資產減值虧損	23	<b>(3,000)</b>	-
Finance costs	融資成本	7	<b>(6,072)</b>	(5,862)
Fair value loss on convertible notes at fair value through profit or loss	按公平值計入損益之可換股票據之公平值損失	27	-	(17,797)
Fair value gain on provision for contingent consideration at fair value through profit or loss	按公平值計入損益或然代價撥備之公平值收益	29	<b>4,769</b>	43,533
<b>LOSS BEFORE TAX</b>	<b>除稅前虧損</b>	8	<b>(313,392)</b>	(275,881)
Income tax (expense)/credit	所得稅(開支)/抵扣	11	<b>(1,044)</b>	553
<b>LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>本公司擁有人應佔年內虧損及年內全面開支總額</b>	12	<b>(314,436)</b>	(275,328)
<b>LOSS PER SHARE</b>	<b>每股虧損</b>	14		
- Basic (RMB)	- 基本(人民幣)		<b>(0.22)</b>	(0.25)
- Diluted (RMB)	- 攤薄(人民幣)		<b>(0.22)</b>	(0.25)

Details of the dividends are disclosed in note 13 to the consolidated financial statements.

股息詳情披露於綜合財務報表附註13。

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

			2019	2018
		Notes	二零一九年	二零一八年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	49,291	51,415
Right-of-use assets	使用權資產	16	27,351	–
Prepaid land lease payments	預付土地租金	17	–	26,223
Intangible assets	無形資產	18	77,255	364,246
			<b>153,897</b>	441,884
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	19	29,367	40,556
Trade receivables	應收貿易賬款	20	44,784	33,659
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	21	38,394	7,480
Pledged deposits	已質押存款	22	3,855	–
Cash and bank balances	現金及銀行結餘	22	4,101	21,080
			<b>120,501</b>	102,775
Assets classified as held for sale	分類為持有待售的資產	23	–	26,000
			<b>120,501</b>	128,775
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and bills payables	應付貿易賬款及應付票據	24	56,856	46,806
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	25	51,553	81,808
Short term borrowings	短期借貸	26	114,200	123,100
Lease liabilities	租賃負債	28	604	–
Income tax payable	應付所得稅項		100	200
			<b>223,313</b>	251,914
<b>NET CURRENT LIABILITIES</b>	<b>流動負債淨值</b>		<b>(102,812)</b>	(123,139)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>51,085</b>	318,745

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日



			2019 二零一九年	2018 二零一八年
		Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Lease liabilities	租賃負債	28	550	-
Provision for contingent consideration	或然代價撥備	29	-	2,312
Deferred tax liability	遞延稅項負債	30	2,557	2,491
			<b>3,107</b>	4,803
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>47,978</b>	313,942
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	31	99,310	86,758
Reserves	儲備		(51,332)	227,184
<b>TOTAL EQUITY</b>	<b>總權益</b>		<b>47,978</b>	313,942

The consolidated financial statements on pages 75 to 204 were approved and authorised for issue by the board of directors on 30 March 2020 and signed on its behalf by:

第75至204頁的綜合財務報表經董事會於二零二零年三月三十日批准及授權刊發，並由以下人士代表簽署：

**ZHENG Jingdong**

鄭景東

Director

董事

**LEUNG Tsz Chung**

梁子冲

Director

董事



# Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

		Share capital	Share premium	Contributed surplus	Statutory surplus fund	Exchange fluctuation reserve	Capital redemption reserve	Share options reserve	Accumulated losses	Total reserves	Total equity
		股本	股份溢價	實繳盈餘	法定盈餘	匯兌波動儲備	資本贖回儲備	購股權儲備	累計虧損	儲備總額	權益總額
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 31)		(note 33(i))	(note 33(ii))	(note 33(iii))					
		(附註31)		(附註33(i))	(附註33(ii))	(附註33(iii))					
<b>1 January 2018 (restated)</b>	於二零一八年一月一日 (重列)	71,629	416,325	141,376	95,478	155	524	28,284	(342,325)	339,817	411,446
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	-	-	-	-	(275,328)	(275,328)	(275,328)
Equity-settled share-based payments	按股權結算以 股份為基礎的付款	32	-	-	-	-	-	15,205	-	15,205	15,205
Forfeiture of share options	沒收購股權	32	-	-	-	-	-	(1,689)	1,689	-	-
Conversion of convertible notes	兌換可換股票據		15,129	147,490	-	-	-	-	-	147,490	162,619
<b>At 31 December 2018 and 1 January 2019</b>	於二零一八年 十二月三十一日及 二零一九年一月一日	<b>86,758</b>	<b>563,815</b>	<b>141,376</b>	<b>95,478</b>	<b>155</b>	<b>524</b>	<b>41,800</b>	<b>(615,964)</b>	<b>227,184</b>	<b>313,942</b>
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	-	-	-	-	(314,436)	(314,436)	(314,436)
Equity-settled share-based payments	按股權結算以 股份為基礎的付款	32	-	-	-	-	-	5,299	-	5,299	5,299
Completion of subscription of new shares	完成認購新股	31	12,552	30,621	-	-	-	-	-	30,621	43,173
<b>At 31 December 2019</b>	於二零一九年 十二月三十一日	<b>99,310</b>	<b>594,436</b>	<b>141,376</b>	<b>95,478</b>	<b>155</b>	<b>524</b>	<b>47,099</b>	<b>(930,400)</b>	<b>(51,332)</b>	<b>47,978</b>

# Consolidated Statement of Cash Flows

## 綜合現金流量表

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



			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Notes 附註			
<b>OPERATING ACTIVITIES</b>		<b>經營活動</b>		
Loss before tax		除稅前虧損	<b>(313,392)</b>	(275,881)
Adjustments for:		就下列各項調整：		
Interest income	6	利息收入	<b>(85)</b>	(61)
Interest expenses	7	利息開支	<b>6,072</b>	5,862
Depreciation of property, plant and equipment	15	物業、廠房及設備折舊	<b>6,131</b>	6,001
Depreciation of right-of-use assets	16	使用權資產折舊	<b>1,315</b>	-
Amortisation of prepaid land lease payments	17	預付土地租金攤銷	-	731
Amortisation of intangible assets	18	無形資產攤銷	<b>52,720</b>	77,640
Loss on disposals of items of property, plant and equipment		出售物業、廠房及設備項目虧損	<b>139</b>	167
Impairment loss on intangible assets	18	無形資產減值虧損	<b>234,295</b>	195,120
Impairment loss on assets held for sale		持有待售資產減值虧損	<b>3,000</b>	-
(Reversal of impairment loss)/ impairment loss on trade receivables from sales of goods	20	銷售商品產生之應收貿易賬款(減值虧損撥回)/減值虧損	<b>(521)</b>	3,718
Write-down/(reversal of write-down) of inventories		存貨撇減/(撇減撥回)	<b>166</b>	(546)
Equity-settled share-based payments		按股權結算以股份為基礎的付款	<b>5,299</b>	15,205
Fair value loss on convertible notes at fair value through profit or loss	27	按公平值計入損益之可換股票據之公平值損失	-	17,797
Fair value gain on provision for contingent consideration at fair value through profit or loss	29	按公平值計入損益之或然代價撥備之公平值收益	<b>(4,769)</b>	(43,533)
Operating cash flow before changes in working capital		營運資金變動前之經營現金流量	<b>(9,630)</b>	2,220
Decrease/(increase) in inventories		存貨減少/(增加)	<b>11,023</b>	(3,783)
Increase in trade and bills receivables		應收貿易賬款及應收票據增加	<b>(10,604)</b>	(9,538)
(Increase)/decrease in prepayments, deposits and other receivables		預付款項、按金及其他應收款項(增加)/減少	<b>(51)</b>	2,841
Increase/(decrease) in trade and bills payables		應付貿易賬款及應付票據增加/(減少)	<b>10,050</b>	(1,195)
(Decrease)/increase in deposits received, other payables and accruals		已收按金、其他應付款項及應計費用(減少)/增加	<b>(8,083)</b>	20,741
Cash (used in)/generated from operations		經營(所用)/所得現金	<b>(7,295)</b>	11,286
Interest received		已收利息	<b>85</b>	61
Enterprise income taxes paid		已付企業所得稅	<b>(1,078)</b>	(2,043)





# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Net cash flows (used in)/generated from operating activities</b>	經營活動(所用)/所得現金 流量淨額	<b>(8,288)</b>	9,304
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Purchases of items of property, plant and equipment	購置物業、廠房及設備項目	15 <b>(4,203)</b>	(16,489)
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備項目的已付按金	<b>(8,638)</b>	–
Purchases and addition of intangible assets	購置及新增無形資產	18 <b>(24)</b>	(25)
Proceeds from disposals of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	<b>57</b>	322
(Placement in)/withdrawal of pledged deposits	(新做)/提取已質押存款	<b>(3,855)</b>	2,127
<b>Net cash flows used in investing activities</b>	<b>投資活動所用現金流量淨額</b>	<b>(16,663)</b>	(14,065)
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Proceeds from the issue of new shares	發行新股所得款項	<b>23,458</b>	–
Deposits received for subscription of new shares	於認購新股時已收取按金	–	19,715
Drawdown of new short term borrowings	提取新短期借貸	26 <b>114,200</b>	123,100
Repayments of short term borrowings	償還短期借貸	26 <b>(123,100)</b>	(117,000)
Repayments of lease liabilities	償還租賃負債	<b>(514)</b>	–
Interest paid	已付利息	<b>(6,072)</b>	(5,862)
<b>Net cash flows generated from financing activities</b>	<b>融資活動所得現金流量淨額</b>	<b>7,972</b>	19,953
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物(減少)/增加淨額</b>	<b>(16,979)</b>	15,192
Cash and cash equivalents at beginning of year	年初現金及現金等價物	<b>21,080</b>	5,888
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>年末現金及現金等價物</b>	<b>4,101</b>	21,080
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物結餘分析</b>		
Cash and bank balances	現金及銀行結餘	<b>4,101</b>	21,080

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 1. CORPORATE INFORMATION

Baofeng Modern International Holdings Company Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands. The registered office address and principal place of business of the Company as disclosed in the “Corporate Information” section of the annual report. The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 28 January 2011 (the “Listing Date”).

The principal activity of the Company is investment holding. Details of the principal activities of its subsidiaries are set out in note 44 to the consolidated financial statements. There were no significant changes in the nature of principal activities of the Company and its subsidiaries (collectively, the “Group”) during the year.

The consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company.

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company is Best Mark International Limited (“Best Mark”), which was incorporated in the British Virgin Islands (“BVI”). Its ultimate controlling party is Mr. Sze Ching Bor.

### 1. 公司資料

寶峰時尚國際控股有限公司(「本公司」)為於開曼群島註冊成立的有限責任公司，本公司註冊辦事處及主要營業地點的地址於本年報「公司資料」一節披露。本公司股份於二零一一年一月二十八日(「上市日期」)於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司的主要業務為投資控股。其附屬公司主要業務的詳情載於綜合財務報表附註44。年內本公司及其附屬公司(統稱「本集團」)的主要業務性質並無重大變更。

綜合財務報表以人民幣(「人民幣」)呈列，其亦為本公司之功能貨幣。

本公司董事認為，本公司的直接控股公司及最終控股公司為於英屬處女群島(「英屬處女群島」)註冊成立的Best Mark International Limited(「Best Mark」)。其最終控制人為史清波先生。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

The Group has applied new and amendments to IFRSs and an Interpretation issued by the International Accounting Standards Board (“IASB”) for the first time in the current year:

IFRS 16	Leases
IFRIC*-Int 23	Uncertainty over Income Tax Treatments
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle

\* IFRIC represents the International Financial Reporting Standards Interpretation Committee

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

#### IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current year. IFRS 16 superseded International Accounting Standard (“IAS”) 17 Leases (“IAS 17”), and the related interpretations.

### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)

本集團已於本年度首次應用由國際會計準則理事會(「國際會計準則理事會」)頒佈的新訂及經修訂國際財務報告準則及一項詮釋：

國際財務報告準則第16號	租賃
國際財務報告準則詮釋委員會詮釋第23號	所得稅處理的不確定性
國際會計準則第19號(修訂本)	計劃修訂、縮減或清償
國際會計準則第28號(修訂本)	於聯營公司及合營企業之長期權益
國際財務報告準則第9號(修訂本)	具有負補償之提前還款特性
國際財務報告準則(修訂本)	國際財務報告準則二零一五年至二零一七年度改進

除下文所述者外，於本年度應用該等新訂及經修訂國際財務報告準則及一項詮釋對本集團本年度及以前年度的財務表現及狀況及／或對綜合財務報表所披露的內容並無重大影響。

#### 國際財務報告準則第16號租賃

本集團於本年度首次應用國際財務報告準則第16號。國際財務報告準則第16號取代國際會計準則(「國際會計準則」)第17號租賃(「國際會計準則第17號」)及相關詮釋。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

### Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

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

### As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying IFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

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

- elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

## 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

### 租賃之定義

本集團選用可行權宜方法，就先前應用國際會計準則第17號識別為租賃之合約應用國際財務報告準則第16號，而對於先前未識別為包含租賃之合約，則不會應用該準則。因此，本集團不會重新評估於首次應用日期前已存在之合約。

就於二零一九年一月一日或之後訂立或修改的合約，本集團於評估合約是否包含租賃時根據國際財務報告準則第16號所載規定應用租賃之定義。

### 作為承租人

本集團已追溯應用國際財務報告準則第16號，並於首次應用日期二零一九年一月一日確認累計影響。

於二零一九年一月一日，透過應用國際財務報告準則第16號C8(b)(ii)過渡，本集團已按相等於經任何預付或應計租賃付款調整之相關租賃負債之金額確認額外租賃負債及使用權資產。於首次應用日期之任何差額於期初保留溢利確認，且比較資料未予重列。

於過渡時應用國際財務報告準則第16號項下之經修訂追溯方法時，本集團按逐項租賃基準就先前根據國際會計準則第17號分類為經營租賃且與各租賃合約相關之租賃應用以下可行權宜方法：

- 選擇不就租期於首次應用日期起計12個月內結束之租賃確認使用權資產及租賃負債；
- 於首次應用日期計量使用權資產時撇除初始直接成本；



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

#### As a lessee (continued)

- c) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in the People’s Republic of China (“PRC”) and Hong Kong was determined on a portfolio basis; and
- d) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension and termination options.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 4.95%.

### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

#### 作為承租人(續)

- c) 就類似經濟環境內相似相關資產類別對類似剩餘租期之租賃組合應用單一貼現率。具體而言，中華人民共和國(「中國」)物業及香港物業若干租賃之貼現率乃按組合基準釐定；及
- d) 於事後基於首次應用日期之事實及情況釐定本集團具有延長及終止選擇權之租賃之租期。

對於先前分類為經營租賃之租賃，於確認租賃負債時，本集團已應用於首次應用日期相關集團實體之遞增借款利率。所用加權平均遞增借款利率為4.95%。

At 1 January  
2019

於二零一九年  
一月一日

RMB'000

人民幣千元

Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露之經營租賃承諾	1,652
Lease liabilities discounted at relevant incremental borrowing rates	按相關遞增借款利率貼現的租賃負債	1,504
Less: Practical expedient – leases with lease term ending within 12 months from the date of initial application	減：可行權宜方法－租賃期於首次應用日起12個月內完結的租賃	(200)
Recognition exemption – short-term leases	確認豁免－短期租賃	(93)
Lease liabilities as at 1 January 2019	於二零一九年一月一日的租賃負債	1,211
Analysed as	分析為	
Current	流動	310
Non-current	非流動	901
		1,211

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

#### As a lessee (continued)

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

### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

#### 作為承租人(續)

於二零一九年一月一日自用使用權資產之賬面值包括以下各項：

	Note 附註	Right-of-use assets 使用權資產 RMB'000 人民幣千元
Right-of-use assets relating to operating leases recognised upon application of IFRS 16	應用國際財務報告準則第16號後確認與經營租賃有關之使用權資產	1,255
Reclassified from prepaid land lease payments	自預付土地租金重新分類	26,954
	(a)	28,209

(a) Upfront payments for leasehold lands in the PRC for own used properties were classified as prepaid land lease payments as at 31 December 2018. Upon application of IFRS 16, the current portion of prepaid land lease payments included in prepayments, deposits and other receivables amounting to approximately RMB731,000 and non-current portion of prepaid land lease payments amounting to approximately RMB26,223,000 were reclassified to right-of-use assets.

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

(a) 於二零一八年十二月三十一日，就自用物業之中國租賃土地作出之前期款項分類為預付土地租金。於應用國際財務報告準則第16號後，包含於預付款項、按金及其他應收款項的預付土地租金流動部分約人民幣731,000元及預付土地租金非流動部分約人民幣26,223,000元已重新分類至使用權資產。

以下為對於二零一九年一月一日之綜合財務狀況表中所確認金額作出之調整。概無包括並無受變動影響之項目。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

As a lessee (continued)

### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

作為承租人(續)

		Carrying amounts previously reported at 31 December 2018	Adjustments	Carrying amounts under IFRS 16 at 1 January 2019
		先前於二零一八年十二月三十一日報告之賬面值	調整	於二零一九年一月一日國際財務報告準則第16號項下之賬面值
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Prepaid land lease payments	預付土地租金	26,223	(26,223)	–
Right-of-use assets	使用權資產	–	28,209	28,209
<b>Current assets</b>	<b>流動資產</b>			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	7,480	(775)	6,705
<b>Current liability</b>	<b>流動負債</b>			
Lease liabilities	租賃負債	–	310	310
<b>Non-current liability</b>	<b>非流動負債</b>			
Lease liabilities	租賃負債	–	901	901

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

### As a lessor

In accordance with the transitional provisions in IFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with IFRS 16 from the date of initial application and comparative information has not been restated.

- (i) Upon application of IFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group’s consolidated statement of financial position at 1 January 2019. However, effective on 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.
- (ii) Effective on 1 January 2019, the Group has applied IFRS 15 Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease components. The change in allocation basis has had no material impact on the consolidated financial statements of the Group for the current year.

The directors of the Company concluded that the change in the initial application of IFRS 16 has had no material impact on the consolidated financial statements of the Group for the current year.

## 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

### 作為出租人

根據國際財務報告準則第16號之過渡條文，本集團毋須就本集團作為出租人之租賃作出任何過渡調整，惟須根據國際財務報告準則第16號自首次應用日期起為該等租賃入賬，而就此並無重列比較資料。

- (i) 於應用國際財務報告準則第16號後，已訂立但於首次應用日期後開始且與現有租賃合約項下相同相關資產有關之新租賃合約按猶如現有租賃於二零一九年一月一日修訂之方式入賬。應用有關準則對本集團於二零一九年一月一日之綜合財政狀況表並無影響。然而，自二零一九年一月一日起，有關修訂後之經修訂租期之租賃付款於延長後之租期內按直線基準確認為收入。
- (ii) 自二零一九年一月一日起，本集團應用國際財務報告準則第15號客戶合約的收益，將合約訂明之代價分配至各租賃及非租賃成分。分配基準變動並無對本集團本年度之綜合財務報表造成任何重大影響。

本公司董事認為，首次應用國際財務報告準則第16號之變動概無對本集團本年度之綜合財務報表造成任何重大影響。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

#### New and amendments to IFRSs in issue but not yet effective

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

IFRS 17	Insurance Contracts <sup>1</sup>
Amendments to IFRS 3	Definition of a Business <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IAS 1 and IAS 8	Definition of a Material <sup>4</sup>
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2021.

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

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2020.

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

The directors of the Company consider the application of the new and amendments to IFRSs would not have any material impact on the consolidated financial statements.

### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

#### 已頒布但尚未生效的新訂及經修訂國際財務報告準則

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則：

國際財務報告準則第17號	保險合約 <sup>1</sup>
國際財務報告準則第3號(修訂本)	業務的定義 <sup>2</sup>
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注入 <sup>3</sup>
國際會計準則第1號及第8號(修訂本)	重大的定義 <sup>4</sup>
國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號(修訂本)	利率基準改革 <sup>4</sup>

<sup>1</sup> 於二零二一年一月一日或之後開始之年度期間生效。

<sup>2</sup> 對收購日期為於二零二零年一月一日或之後開始的首個年度期間或之後開始的業務合併及資產收購生效。

<sup>3</sup> 於待釐定之日期或之後開始之年度期間生效。

<sup>4</sup> 於二零二零年一月一日或之後開始之年度期間生效。

除上述新訂及經修訂國際財務報告準則外，於二零一八年頒佈經修訂財務報告之概念框架。其相關修訂，*國際財務報告準則之概念框架指引之修訂*，將於二零二零年一月一日或之後開始之年度期間生效。

本公司董事認為應用該等新訂及經修訂國際財務報告準則將不會對綜合財務報表造成重大影響。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The consolidated financial statements have been prepared in accordance with all the applicable individual IFRSs with collective term includes all applicable individual IFRSs, IASs and Interpretations issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange and by the Hong Kong Companies Ordinance.

#### Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for convertible notes and provision for contingent consideration which are measured at fair value at the end of each reporting period, as explained in the accounting policy set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

### 3. 主要會計政策

#### 合規聲明

綜合財務報表乃根據國際會計準則理事會頒佈之所有適用之個別國際財務報告準則(包括所有適用之個別國際財務報告準則、國際會計準則及詮釋)編製。此外，綜合財務報表載有聯交所證券上市規則(「上市規則」)及香港公司條例所規定的適用披露資料。

#### 編製基準

綜合財務報表乃按歷史成本基準編製，惟於各呈報期末按公平值計量的可換股票據及或然代價撥備除外，詳情見下文會計政策。

歷史成本一般按換取貨物及服務所付代價的公平值釐定。

公平值乃指市場參與者之間於計量日進行的有序交易中出售資產可收取或轉讓負債須支付的價格，無論該價格是直接觀察到還是採用其他估值方法作出的估計。在對資產或負債的公平值作出估計時，本集團會考慮市場參與者在計量日對該資產或負債定價時所考慮的特徵。在此等綜合財務報表中作計量及／或披露用途的公平值均按此基準釐定，惟國際財務報告準則第2號範圍內的以股份為基礎的付款交易、按國際財務報告準則第16號(由二零一九年一月一日起)或國際會計準則第17號(於應用國際財務報告準則第16號前)入賬的租賃交易與公平值有部分地方相若但並非公平值的計量(譬如國際會計準則第2號中的可變現淨值或國際會計準則第36號中的使用價值)除外。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Basis of preparation (continued)

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

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

#### Going concern

As at 31 December 2019, the Group's current liabilities exceeded its current assets by approximately RMB102,812,000. The Group incurred a loss for the year of approximately RMB314,436,000. At 31 December 2019, the Company's total liabilities exceeds its total assets by approximately RMB140,601,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

### 3. 主要會計政策(續)

#### 編製基準(續)

此外，就財務呈報而言，公平值計量根據公平值計量輸入值的可觀察程度及公平值計量輸入值對其整體的重要性分類為第1級、第2級或第3級，詳情如下：

- 第1級 輸入值為實體於計量日可取得的相同資產或負債於活躍市場的未經調整報價；
- 第2級 輸入值為除第1級所含報價以外資產或負債的直接或間接可觀察輸入值；及
- 第3級 輸入值為資產或負債的不可觀察輸入值。

#### 持續經營

於二零一九年十二月三十一日，本集團的流動負債超出其流動資產約人民幣102,812,000元。本集團產生了約人民幣314,436,000元的年內虧損。於二零一九年十二月三十一日，本公司的總負債超過其總資產約人民幣140,601,000元。這些狀況表明存在重大不確定性，可能對本集團持續經營的能力產生重大疑問，因此，本集團可能無法於日常業務中變現其資產及清償其負債。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Basis of preparation** (continued)

**Going concern** (continued)

In view of such circumstances, the directors of the Company have given careful consideration to future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will be able to finance its future working capital and finance requirements. Certain measures have been taken to manage its liquidity needs and to improve its financial position which include, but are not limited to, the following:

1. The secured bank loans amounting to RMB98,000,000 were classified as current liabilities due to the existence of a repayment on demand clause in the loan agreement. The Group will negotiate with the PRC banks for the renewal of the Group's PRC bank borrowings when they fall due to secure necessary facilities to meet the Group's working capital and financial requirements in the near future. The directors of the Company have evaluated all the relevant facts available to them and are of the opinion that the Group has a good track record or relationship with the banks. In the opinion of the directors of the Company, the Group will be able to roll over or refinance the bank borrowings upon maturity;
2. The Group has obtained a credit facility amounting to RMB21,500,000 in total from an independent third party. The credit facility had been utilised amounting to RMB16,200,000 as at 31 December 2019. Subsequent to the reporting period, the credit facility had been increased from RMB21,500,000 to RMB35,000,000. The facility would be utilised as the working capital and for financing the ongoing business of the Group;
3. The Group has obtained a loan facility from the independent third party in amount of RMB20,000,000 with a maturity date on 25 March 2022 secured by the Group's property. The facility would be utilised as the working capital and for financing the ongoing business of the Group;
4. The Group will implement operational plans to control costs and generate adequate cash flows from the Group's operations; and

### 3. 主要會計政策(續)

**編製基準**(續)

**持續經營**(續)

鑒於該等情況，在評估本集團是否有能力滿足未來營運資金及財務需要時，本公司董事已審慎考慮本集團的未來流動資金及表現以及其可用融資來源。已採取若干措施管理其流動資金需要及改善其財務狀況，包括但不限於以下各項：

1. 有抵押銀行貸款人民幣98,000,000元已分類為流動負債，原因為貸款協議載有按要求償還條款。本集團將與國內銀行磋商，以在本集團的國內銀行借貸到期時續期，取得必要的融資以滿足本集團近期的營運資金及財務需要。本公司董事已評估其已知的所有事實，並認為本集團具有良好的往績記錄或與銀行關係良好，這將加強本集團在國內銀行借貸到期時續期的能力。本公司董事認為，本集團將可於到期時延長或再融資銀行借貸；
2. 本集團已向一名獨立第三方獲得信貸融資人民幣21,500,000元。於二零一九年十二月三十一日，該信貸融資額已獲動用人民幣16,200,000元。於報告期後，信貸融資額已由人民幣21,500,000元增至人民幣35,000,000元。該融資將用作本集團之營運資金及為持續營運撥資；
3. 本集團已向該獨立第三方獲得到期日為二零二二年三月二十五日之貸款融資人民幣20,000,000元，並以本集團物業作抵押，該融資將用作本集團之營運資金及為持續營運撥資；
4. 本集團將實施經營計劃，以控制成本及從本集團業務產生足夠的現金流量；及



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Basis of preparation** (continued)

**Going concern** (continued)

5. The directors of the Company have been aware of the capital deficiency of the Company and would consider all available source of funding included, but not limited to, requiring the subsidiaries to declare dividends.

The directors of the Company have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than fifteen months from the date of the annual report. The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next fifteen months from the date of the annual report. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2019 on a going concern basis.

Should the Group and the Company be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

#### **Basis of consolidation**

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

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

### 3. 主要會計政策(續)

**編製基準**(續)

**持續經營**(續)

5. 本公司董事已意識到本公司的資金虧絀情況，並將考慮所有可用資金來源，包括但不限於要求附屬公司宣派股息。

本公司董事已審閱管理層編製的本集團現金流量預測。現金流量預測涵蓋年報日起不少於十五個月的期間。本公司董事認為，經考慮上述計劃及措施，本集團將具有充足的營運資金，可於年報日起未來十五個月內為經營提供資金及滿足到期財務責任。因此，本公司董事認為，按持續經營基準編製截至二零一九年十二月三十一日止年度的綜合財務報表屬適當。

如本集團及本公司無法繼續持續經營，將須作出調整，以將資產價值撇減至可收回金額，就可能出現的其他負債作出撥備，並將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整的影響並未反映在綜合財務報表中。

#### **綜合入賬基準**

綜合財務報表合併本公司及本公司(及其附屬公司)所控制實體的財務報表。本公司符合以下情況時，即取得控制權：

- 有權控制投資對象；
- 因其參與投資對象業務而承擔或享有浮動回報的風險或權利；及
- 有能力以其權力影響其回報。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Basis of consolidation (continued)

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

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

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

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

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

#### Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less any identified impairment loss. The results of the subsidiaries are accounted for by the Company as the basis of dividend received and receivable.

### 3. 主要會計政策(續)

#### 綜合入賬基準(續)

倘有事實及情況顯示上列三項控制權要素當中一項或多項出現變動，本集團會重新評估其是否對投資對象擁有控制權。

附屬公司的綜合入賬於本集團取得對有關附屬公司的控制權開始，並於本集團失去對有關附屬公司的控制權時終止。具體而言，年內所收購或出售附屬公司的收入及開支乃自本集團取得控制權之日起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司之日為止。

損益及其他全面收益的每個項目乃歸屬於本公司擁有人及非控股權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧損結餘。

於必要時，本集團將對附屬公司的財務報表作出調整，以令彼等的會計政策與本集團的會計政策一致。

有關本集團成員之間交易的所有集團內公司間的資產及負債、權益、收入、支出及現金流量於綜合入賬時悉數對銷。

#### 於附屬公司的投資

於附屬公司的投資按成本減任何已識別減值虧損於本公司的財務狀況表列賬。附屬公司的業績由本公司按已收及應收股息入賬。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers (“CODM”). The CODM, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors that make strategic decisions.

#### Revenue from contracts with customers

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

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

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

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

### 3. 主要會計政策(續)

#### 分部呈報

經營分部的呈報方式與向主要經營決策者(「主要經營決策者」)提供的內部報告一致。主要經營決策者被確認為作出策略性決策的執行董事，負責經營分部的資源分配及表現評估。

#### 客戶合約的收益

當本集團符合履約責任時(即當貨物或服務有關特定履約責任的「控制權」轉移予客戶時)確認收益。

履約責任指個別的商品或服務(或一組商品或服務)或一系列大致相同的個別商品或服務。

倘符合下列其中一項標準，則控制權在一段時間內轉移，而收入確認會參考一段時間內已完成相關履約責任的進度進行：

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

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Revenue from contracts with customers

(continued)

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

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

### 3. 主要會計政策(續)

#### 客戶合約的收益(續)

否則，收入於客戶獲得個別商品或服務控制權時的某一時間點確認。

合約資產指本集團就本集團已向客戶轉讓的商品或服務而於交換中收取代價的權利(尚未成為無條件)，根據國際財務報告準則第9號評估減值。相反，應收賬款指本集團收取代價的無條件權利，即代價到期付款前僅需時間推移。

合約負債指本集團因已向客戶收取代價(或已到期收取代價)，而須向客戶轉讓商品或服務的責任。

與同一個合約有關的合約資產和合約負債按淨額入賬並列報。

本集團確認經營租賃收益的會計政策載於下文租賃會計政策。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Leases

##### **Definition of a lease (upon application of IFRS 16 in accordance with transitions in note 2)**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

##### **The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2)**

##### *Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

##### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to leases of office equipment or properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

### 3. 主要會計政策(續)

#### 租賃

##### **租賃之定義(根據附註2之過渡條文應用國際財務報告準則第16號後)**

倘合約為換取代價而給予在一段時間內控制已識別資產使用之權利，則該合約為租賃或包含租賃。

對於在首次應用日期當日或之後訂立或修訂或自業務合併產生之合約，本集團根據國際財務報告準則第16號之定義於初始、修訂日期或收購日期(如適用)評估合約是否為租賃或包含租賃。除非合約之條款及條件其後出現變動，否則有關合約將不予重新評估。

##### **本集團作為承租人(根據附註2之過渡條文應用國際財務報告準則第16號後)**

##### *分配代價至合約之組成部分*

對於包含一項租賃組成部分及一項或多項額外之租賃或非租賃組成部分之合約，本集團根據租賃組成部分之相對單獨價格及非租賃組成部分之單獨價格總和，將合約代價分配至各個租賃組成部分。

##### *短期租賃及低價值資產租賃*

對於租期自開始日期起計為12個月或以內且並無包含購買選擇權之辦公設備或物業，本集團應用短期租賃確認豁免。本集團亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃之租賃付款按直線基準或其他系統性基準於租期內確認為開支。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Leases** (continued)

**The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2)**

(continued)

**Right-of-use assets**

The cost of right-of-use asset includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use asset and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

### 3. 主要會計政策(續)

**租賃(續)**

本集團作為承租人(根據附註2之過渡條文應用國際財務報告準則第16號後)(續)

**使用權資產**

使用權資產之成本包括：

- 租賃負債之初始計量金額；
- 於開始日期或之前作出之任何租賃付款，減任何已收租賃優惠；
- 本集團產生之任何初始直接成本；及
- 本集團於拆解及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃之條款及條件所規定之狀況而產生之成本估計。

使用權資產按成本減去任何累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。

就本集團於租期結束時合理確定獲取相關租賃資產所有權之使用權資產而言，有關使用權資產自開始日期起至使用年期結束期間計提折舊。在其他情況下，使用權資產按直線基準於其估計使用年期及租期(以較短者為準)內計提折舊。

當本集團於租期結束時取得相關租賃資產之所有權，於行使購買選擇後，相關使用權資產之成本及累計折舊及減值虧損轉撥至物業、廠房及設備。

本集團於綜合財務狀況表內將使用權資產呈列為單獨項目。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Leases** (continued)

**The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2)**

(continued)

*Refundable rental deposits*

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

*Lease liabilities*

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

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

### 3. 主要會計政策(續)

**租賃(續)**

**本集團作為承租人(根據附註2之過渡條文應用國際財務報告準則第16號後)(續)**

*可退回租賃按金*

已付可退回租賃按金根據國際財務報告準則第9號金融工具入賬，並初步按公平值計量。於初始確認時對公平值之調整被視為額外租賃付款，並計入使用權資產成本。

*租賃負債*

於租賃開始日期，本集團按該日未付之租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃隱含之利率難以釐定，則本集團使用租賃開始日期之遞增借款利率計算。

租賃付款包括：

- 固定付款(包括實質性之固定付款)減任何應收租賃優惠；
- 基於指數或利率之可變租賃付款，初步按開始日期之指數或利率計量；
- 本集團預期根據剩餘價值擔保應付之金額；
- 購買選擇權之行使價(倘本集團合理確定將行使該購買權)；及
- 終止租賃之罰款(倘租賃期反映本集團行使終止租賃之選擇權)。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Leases** (continued)

**The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2)**

(continued)

*Lease liabilities* (continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in expected payment under a guaranteed residual value in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

### 3. 主要會計政策(續)

**租賃**(續)

本集團作為承租人(根據附註2之過渡條文應用國際財務報告準則第16號後)(續)

*租賃負債*(續)

於開始日期後,租賃負債根據利息增長及租賃付款作出調整。

倘出現以下情況,本集團重新計量租賃負債(及對相關使用權資產作出相應調整):

- 租期有所變動或行使購買選擇權之評估發生變化,在此情況下,相關租賃負債透過使用重新評估日期之經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因擔保剩餘價值之預期付款變動而出現變動,在此情況下,相關租賃負債透過使用初始貼現率貼現經修訂租賃付款而重新計量。

本集團於綜合財務狀況表內將租賃負債呈列為單獨項目。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Leases** (continued)

**The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2)**

(continued)

*Lease modifications*

The Group accounts for a lease modification as a separate lease if:

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

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

### 3. 主要會計政策(續)

**租賃(續)**

**本集團作為承租人(根據附註2之過渡條文應用國際財務報告準則第16號後)(續)**

*租賃修訂*

倘出現以下情況，本集團將租賃之修訂作為一項單獨租賃入賬：

- 該項修訂通過增加使用一項或以上相關資產之權利擴大租賃範圍；及
- 租賃代價增加之金額相當於擴大範圍對應之單獨價格，加上以反映特定合約之實際情況對單獨價格進行之任何適當調整。

就未作為一項單獨租賃入賬之租賃修訂而言，本集團透過使用修訂生效日期之經修訂貼現率貼現經修訂租賃付款，根據經修訂租賃之租期重新計量租賃負債。

本集團通過對相關使用權資產作出相應調整的方式對租賃負債及出租人的租賃優惠之重新計量入賬。當修訂後合約包含一項租賃組成部分及一項或以上額外租賃或非租賃組成部分，本集團依據租賃組成部分之相關單獨價格及非租賃組成部分之總計單獨價格，將修訂後合約內之代價分配至各租賃組成部分。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Leases** (continued)

#### **The Group as a lessee (prior to 1 January 2019)**

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

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives relating to operating leases are considered as integral part of lease payments, the aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

#### **The Group as a lessor (upon application of IFRS 16 in accordance with transitions in note 2)**

##### *Allocation of consideration to components of a contract*

When a contract includes both leases and non-lease components, the Group applies IFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

##### *Refundable rental deposits*

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

### 3. 主要會計政策(續)

**租賃(續)**

#### **本集團作為承租人(於二零一九年一月一日之前)**

凡租賃條款規定將擁有權的絕大部份風險及回報轉移至承租人的租賃會分類為融資租賃。所有其他租賃均分類為經營租賃。

經營租賃付款(包括獲得以經營租賃持有的土地之成本)乃於租賃年期以直線法確認為開支。經營租賃所產生的或然租金乃於其產生的期間確認為開支。

與經營租賃相關的租賃優惠被視為租賃付款的組成部分，優惠總利益以直線法確認為扣減租金開支。

#### **本集團作為出租人(根據附註2之過渡條文應用國際財務報告準則第16號後)**

##### *分配代價至合約之組成部分*

倘合約包括租賃及非租賃組成部分，本集團應用國際財務報告準則第15號，將合約代價分攤至租賃及非租賃組成部分。非租賃組成部分根據其相對獨立售價與租賃組成部分分開。

##### *可退回租賃按金*

已收取可退回租賃按金根據香港財務報告準則第9號入賬，並初步按公平值計量。於初始確認時對公平值作出的調整被視為來自承租人的額外租賃付款。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Leases** (continued)

**The Group as a lessor (upon application of IFRS 16 in accordance with transitions in note 2)**

(continued)

*Lease modification*

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

**The Group as a lessor (prior to 1 January 2019)**

*Classification and measurement of leases*

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 3. 主要會計政策(續)

**租賃(續)**

**本集團作為出租人(根據附註2之過渡條文應用國際財務報告準則第16號後)(續)**

*租賃修訂*

由修訂生效日期起，本集團將經營租賃修訂列作為新租賃入賬，當中將與原有租賃相關的任何預付或應計租賃付款，視作新租賃的部分租賃付款。

**本集團作為出租人(於二零一九年一月一日之前)**

*租賃之分類及計量*

本集團為出租人的租賃分類為融資或經營租賃。如租賃條款將相關資產所有權的全部風險及回報大部分轉移至承租人，合約分類為融資租賃。所有其他租賃分類為經營租賃。

經營租賃的租金收入在有關租賃期內按直線法於損益內確認。在磋商及安排經營租賃時產生的初始直接成本計入租賃資產的賬面值，並於租賃年期以直線法確認。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rate prevailing at the dates of the transaction are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserve.

### 3. 主要會計政策(續)

#### 借貸成本

用作收購、建設或生產(即需要一段長時間方可達致其擬定用途或銷售的資產)直接相關的借貸成本計入該等資產的成本內,直至該等資產基本上達致其擬定用途或銷售為止。

所有其他借貸成本於產生期間於損益內確認。

#### 外幣

於編製個別集團實體的財務報表時,以該實體功能貨幣以外貨幣(外幣)結算的交易按交易當日的適用匯率確認。於呈報期末,以外幣計值的貨幣項目會按該日的匯率重新換算。按公平值以外幣列賬的非貨幣項目乃按公平值釐定當日的適用匯率重新換算。按外幣歷史成本計量的非貨幣項目毋須重新換算。

貨幣項目的匯兌差額於產生期間於損益內確認。

就呈列綜合財務報表而言,本集團海外業務的資產及負債乃採用於各呈報期末的適用匯率換算為本集團的呈列貨幣(即人民幣),除非年內匯率出現大幅波動,在該情況下,則須按於該等日期之現行匯率換算。收入及開支項目則按年內平均匯率換算。所產生的匯兌差額(如有)於其他全面收入內確認並於權益中的匯兌波動儲備項下累計。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Retirement benefit costs

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are recognised as an expense as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary which operates in PRC are required to participate in central pension scheme operated by the local municipal government. The subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group contributes on a monthly basis to defined contribution housing, medical and other benefit plans organised by the PRC government. The PRC government undertakes to assume the benefit obligations of all existing and retired employees under these plans. Contributions to these plans by the Group are expensed as incurred. The Group has no further obligations for benefits for their qualified employees under these plans.

#### Government grants

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

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

### 3. 主要會計政策(續)

#### 退休福利成本

本集團根據強制性公積金計劃條例，為其香港所有僱員設有定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款乃根據僱員底薪的一定百分比作出，並根據強積金計劃規則於供款到期應付時確認為開支。強積金計劃資產與本集團資產分開，乃透過獨立管理基金持有。本集團的僱主供款於向強積金計劃作出供款時全數歸屬僱員所有。

本集團於中國經營的附屬公司的僱員需要參與由地區市政府運作的中央退休金計劃。附屬公司須就中央退休金計劃於薪酬成本中作若干百分比的供款。根據中央退休金計劃的規則，供款因已成為應付款項而計入損益。

本集團每月向中國政府設立的定額供款住房、醫療及其他福利計劃供款。中國政府保證承擔該等計劃保障的所有現職及退休僱員的福利義務。本集團對該等計劃的供款於產生時列支。本集團就該等計劃對其合資格僱員並無其他福利方面的義務。

#### 政府補貼

政府補貼僅於有合理保證本集團符合該補貼的附帶條件而可收取該補貼時，方予確認。

作為已產生開支或虧損的應收補償或就給予本集團即時財務資助而未來無相關成本的政府補貼，於成為應收款項的期間於損益內確認。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from "loss before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

### 3. 主要會計政策(續)

#### 稅項

所得稅開支指即期應付稅項及遞延稅項的總和。即期應付稅項乃根據年內的應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中所呈報的「除稅前虧損」不同，乃由於應課稅溢利不包括在其他年度應課稅收入或可扣稅開支項目，亦不包括毋須課稅及不可扣稅項目。本集團的即期稅項負債乃按呈報期末已頒佈或實際已頒佈的稅率計算。

即期及遞延稅項於損益確認，惟當其與在其他全面收益中確認或直接於權益中確認的項目相關，則即期及遞延稅項亦分別於其他全面收益或直接於權益中確認。

遞延稅項乃根據綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基的暫時差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認。遞延稅項資產只限於在有應課稅溢利可供對銷的所有可扣稅暫時差額時方會確認。倘暫時差額產生自於既不影響應課稅溢利亦不影響會計溢利的交易中初始確認(於業務合併中除外)資產及負債，則相關遞延稅項資產及負債不予確認。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

### 3. 主要會計政策(續)

#### 稅項(續)

遞延稅項負債乃就投資於附屬公司所產生的應課稅暫時差額予以確認，除非本集團可控制暫時差額的撥回，且此暫時差額在可見將來可能不會撥回。與該等投資及權益相關之可扣減暫時差異所產生之遞延稅項資產，僅於可能有足夠應課稅溢利可用作抵銷暫時差異之利益，並預期於可見將來撥回的情況下方會予以確認。

遞延稅項資產的賬面值於各報告期間末檢討，並於不再很可能有足夠應課稅溢利以允許收回全部或部分資產時作調減。

遞延稅項資產及負債根據於呈報期末已頒佈或實際已頒佈的稅率(及稅法)，並按於清還負債及變現資產期間預期應用的稅率計量。

遞延稅項負債及資產的計量，反映本集團在呈報期末預期收回或清償其資產及負債賬面值的方式所導致的稅務後果。

當有合法執行權利許可將即期稅項資產與即期稅項負債抵銷，並涉及同一稅務機構對同一應課稅實體徵收之所得稅時，則遞延稅項資產及負債可予互相抵銷。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease.

Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease. To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “right-of-use assets” (upon application of IFRS 16) or “prepaid land lease payments” (before application of IFRS 16) in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

### 3. 主要會計政策(續)

#### 租賃土地及樓宇

倘租賃包括土地及樓宇成分，本集團根據各成分擁有權所附帶的絕大部分風險及回報是否已轉移至本集團的評估，決定將成分分類為融資或經營租賃，除非明確兩類租賃均為經營租賃，於該情況下，整份租賃會分類為經營租賃。

具體來說，最低租賃付款(包括任何一次性預付款)於租賃開始時按租賃的土地成分及樓宇成分之租賃權益的相對公平值比例在土地與樓宇成分之間進行分配。倘租賃付款能夠可靠分配，以經營租賃入賬的租賃土地權益於綜合財務狀況表中呈列為「使用權資產」(應用國際財務報告準則第16號後)或「預付土地租金」(應用國際財務報告準則第16號前)，並於租賃年期按直線法攤銷。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Property, plant and equipment

Property, plant and equipment including buildings are tangible assets held for use in the production or supply of goods or for administrative purposes are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, as the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amounts are to be recovered principally through sale transactions and sales are considered highly probable. It is stated at the lower of carrying amount and fair value less costs to sell.

### 3. 主要會計政策(續)

#### 物業、廠房及設備

物業、廠房及設備(包括持作生產或供應貨品或作行政用途的樓宇)乃有形資產,於綜合財務狀況表中按成本減其後累計折舊及累計減值虧損(如有)列賬。

折舊乃於估計可使用年期使用直線法撇銷資產成本減其剩餘價值而確認。估計可使用年期、剩餘價值及折舊方法於各呈報期末檢討,而任何估計變動的影響會按前瞻基準入賬。

作生產或供應貨品或行政用途的在建物業按成本減任何已確認減值虧損列賬。成本包括專業費及就合資格資產而言,根據本集團會計政策資本化的借貸成本。該等物業落成及可作擬定用途時,將分類至適當類別的物業、廠房及設備。該等資產的折舊按與其他物業資產採用相同的基準進行,在資產可作擬定用途時開始折舊。

物業、廠房及設備項目乃於出售時或當預期持續使用該資產將不會產生未來經濟利益時終止確認。於終止確認該資產時產生之任何收益或虧損(以出售所得款項淨額與該項目之賬面值間之差額計算)乃計入年度之損益內。

#### 持有待售非流動資產

當非流動資產之賬面值乃主要透過出售交易收回,且有關出售被視為極可能發生,則分類為持有待售,並按賬面值與公平值減出售成本之較低者列賬。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised on a systematic basis with reference to projected sales volume, upon future sales volume of related products.

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

### 3. 主要會計政策(續)

#### 研發成本

研發活動的支出於其產生的期間確認為開支。

開發新產品項目產生的開支僅於本集團可展示完成無形資產的技術可行性因而可供使用及銷售、完成的意圖及使用或出售資產的能力、資產如何產生未來經濟利益的方法、完成項目的可用資源及於發展期間能可靠地計量開支時才可資本化及遞延。開發產品的開支倘未能符合此等要求，會於產生時計入開支。

遞延開發成本按成本扣除任何減值虧損後列賬，並根據有關產品的預計未來銷售數量參考預測銷量以系統基準攤銷。

#### 單獨收購的無形資產

單獨收購可使用年期有限的無形資產按成本減累計攤銷及任何累計減值虧損列賬。可使用年期有限的無形資產於估計可使用年期以直線法攤銷。估計可使用年期及攤銷方法於各呈報期末檢討，而任何估計變動的影響會按前瞻基準入賬。

無形資產乃於出售時或當預期使用或出售該資產將不會產生未來經濟利益時終止確認。於終止確認無形資產時產生的收益或虧損乃按出售所得款項淨額與資產賬面值之間的差額計量，並於該資產終止確認期間在損益內確認。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Impairment losses on non-financial assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets including property, plant and equipment, right-of-use assets and intangible assets with finite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets with finite useful life are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

### 3. 主要會計政策(續)

#### 非金融資產的減值虧損

於呈報期末，本集團檢討其有形資產包括物業、廠房及設備、使用權資產及使用年期有限的無形資產的賬面值，以確定是否存在跡象顯示該等資產蒙受減值虧損。倘出現有關跡象，將對該項資產的可收回金額進行估計，從而確定其減值虧損程度(如有)。

物業、廠房及設備、使用權資產及使用年期有限的無形資產的可收回金額乃單獨預估，倘無法估計個別資產的可收回金額，本集團將估計其所屬現金產生單位的可收回金額。

此外，本集團對是否有跡象顯示公司資產可能出現減值進行評估。倘存在有關跡象，於可確定合理及一致的分配基準時，公司資產會分配至個別現金產生單位，否則將分配至可確定合理及一致分配基準的最小現金產生單位組別。

可收回金額是指減去出售成本後的公平值與使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量按稅前貼現率折算至其現值，該貼現率反映當期市場對貨幣時間價值的評估及未來現金流量估計未予調整的資產的特定風險。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Impairment losses on non-financial assets

(continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overheads expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

### 3. 主要會計政策(續)

#### 非金融資產的減值虧損(續)

倘估計資產(或現金產生單位)的可收回金額低於其賬面值,則該資產(或現金產生單位)的賬面值減低至其可收回金額。減值虧損會即時於損益內確認。於分配減值虧損時,減值虧損將首先分配以調低任何商譽之賬面值(如適用),其後根據該單位或該組現金產生單位內各資產之賬面值按比例分配至其他資產。資產的賬面值不會扣減至低於其公平值減出售成本(倘可計量)、其使用價值(倘可釐定)及零中的最高者。將另行分配至資產的減值虧損金額按比例分配至該單位或該組現金產生單位內的其他資產。減值虧損即時於損益內確認。

倘其後撥回減值虧損,則該項資產(或現金產生單位)的賬面值增加至其經修訂的估計可收回金額,而已增加的賬面值不得高於假設於過往年度並未確認該項資產(或現金產生單位)的減值虧損所應釐定的賬面值。撥回的減值虧損即時於損益內確認。

#### 存貨

原材料、在製品及製成品乃按成本與可變現淨值的較低者列賬。成本包括直接材料、直接勞工、按適當比例計算的可變及固定間接開支,後者乃按正常營運能力分配。成本乃按加權平均成本之基準分配予個別存貨項目。所購買存貨之成本乃經扣除回扣及折扣後釐定。可變現淨值乃為日常業務過程中之估計售價減估計完成成本及銷售所需估計成本。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks or other financial institutions and short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of damages in value, and having been within three months of maturing of acquisition.

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

### 3. 主要會計政策(續)

#### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括銀行及手頭現金、銀行或其他金融機構之活期存款及購入後三個月內到期，可隨時轉換為已知金額現金的短期高變現能力且價值變動風險不重大的投資。

#### 金融工具

金融資產及金融負債於集團實體成為合約條文的訂約方時確認入賬。所有以常規方式買賣的金融資產於交易日確認及取消確認。以常規方式買賣指須根據市場規則或慣例訂立之時間內交收資產之金融資產買賣。

除對源自客戶合同的應收貿易賬款按國際財務報告準則第15號進行初始計量外，其餘金融資產及金融負債均按公平值進行初始計量。因收購或發行金融資產及金融負債(按公平值計入損益(「按公平值計入損益」)之金融資產或金融負債除外)而直接產生的交易成本，於初始確認時計入金融資產或金融負債的公平值或自金融資產或金融負債的公平值扣除(按情況適用)。因收購按公平值計入損益的金融資產或金融負債產生的交易成本即時於損益內確認。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### Financial assets

*Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 3. 主要會計政策(續)

#### 金融工具(續)

實際利率法乃計算金融資產或金融負債的攤銷成本以及按有關期間攤分利息收入及利息開支的方法。實際利率乃按金融資產或金融負債的預計年期或較短期間(如適用)內準確貼現未來估計現金收款和付款(包括所有已付或收取並為實際利率組成部分的費用及點數、交易成本及其他溢價或折讓)至初始確認賬面淨值的利率。

#### 金融資產

*金融資產之分類及其後計量*

符合以下條件之金融資產其後按攤銷成本計量：

- 該金融資產以收取合約現金流量為目的之商業模式下持有；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial assets** (continued)

*Classification and subsequent measurement of financial assets (continued)*

- (i) Amortised cost and interest income  
Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.
- (ii) Financial assets at FVTPL  
Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other net income and gains" line item.

### 3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及其後計量(續)

- (i) 攤銷成本及利息收入  
其後按攤銷成本計量之金融資產的利息收入乃使用實際利率法予以確認。利息收入乃透過對一項金融資產賬面總值應用實際利率計算，惟其後出現信貸減值之金融資產除外(見下文)。就其後出現信貸減值之金融資產而言，自下一報告期起，利息收入乃透過對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具之信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃透過對金融資產賬面總值應用實際利率予以確認。
- (ii) 按公平值計入損益之金融資產  
不符合按攤銷成本計量標準之金融資產按公平值計入損益計量。

按公平值計入損益之金融資產按各報告期末之公平值計量，任何公平值收益或虧損於損益內確認。於損益內確認之收益或虧損淨額包括就金融資產賺取之任何股息或利息，並計入「其他收入及收益淨額」一欄。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Financial instruments (continued)

##### Financial assets (continued)

##### Impairment of financial assets

The Group performs impairment assessment under expected credit losses ("ECL") on financial assets (including trade and bills receivables, financial assets included in prepayments, deposits and other receivables, pledged deposits and bank balances and cash) which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for all trade receivables which are assessed individually with a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

- (i) Significant increase in credit risk  
In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 金融資產減值

本集團根據國際財務報告準則第9號就須予減值之金融資產(包括應收貿易賬款及應收票據、包含在預付款項、按金及其他應收款項的金融資產、已質押存款及銀行存款及現金)的預期信貸虧損(「預期信貸虧損」)進行減值評估。預期信貸虧損金額會於各報告日期予以更新以反映信貸風險自初始確認以來的變動。

全期預期信貸虧損指於相關工具之預計年期內所有可能之違約事件而產生之預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指於報告日期後12個月內因可能發生之違約事件而預期產生之部分全期預期信貸虧損。本集團已根據其過往信貸虧損經驗(對債務人特定因素進行調整)、整體經濟狀況及對報告日期現況及未來情況的預測作出的評估進行評估。

本集團始終就所有應收貿易賬款採用撥備矩陣與適當的分組進行單獨評估，以確認全期預期信貸虧損。

就所有其他工具而言，本集團計量的虧損撥備等於12個月預期信貸虧損，除非當信貸風險自初始確認以來顯著增加，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃根據自初始確認以來發生違約的可能性或風險顯著增加。

- (i) 信貸風險顯著增加  
評估信貸風險自初始確認以來有否顯著增加時，本集團會就金融工具於報告日期發生違約的風險與金融工具於初始確認當日發生違約的風險進行比較。在進行有關評估時，本集團會考慮合理且可靠的定量和定性資料，包括過往經驗及毋須付出不必要的成本或努力即可獲得的前瞻性資料。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial assets** (continued)

*Impairment of financial assets* (continued)

(i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 6 months past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

### 3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著增加(續)

尤其是，評估信貸風險是否顯著增加時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大惡化；
- 信貸風險的外界市場指標的重大惡化，例如信貸息差、債務人的信貸違約掉期價大幅增加；
- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人經營業績的實際或預期重大惡化；
- 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

無論上述評估結果如何，本集團假定合約付款逾期超過6個月時，信貸風險自初始確認以來已顯著增加，除非本集團有合理及可靠資料證明可予收回則當別論。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial assets** (continued)

*Impairment of financial assets* (continued)

- (i) Significant increase in credit risk (continued)
- Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

- (ii) Definition of default
- For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### 3. 主要會計政策(續)

**金融工具**(續)

**金融資產**(續)

**金融資產減值**(續)

- (i) 信貸風險顯著增加(續)
- 儘管存在上述情況，倘債務工具於報告日期釐定為具有低信貸風險，本集團假設債務工具的信貸風險自初始確認起並無顯著增加。倘i)其違約風險偏低，ii)借款人有強大能力於短期履行其合約現金流量責任，及iii)較長期的經濟及業務狀況存在不利變動，惟將未必削弱借款人履行其合約現金流量責任的能力，則債務工具的信貸風險會被釐定為低。當債務工具的內部或外部信貸評級為「投資級別」(按照全球理解的釋義)，則本集團會視該債務工具的信貸風險為低。

本集團定期監控用以識別信用風險有否顯著增加的標準的效益，且修訂標準(如適當)確保標準能在金額逾期前識別信用風險顯著增加。

- (ii) 違約定義
- 就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文所述，本集團認為，金融資產已於逾期365日後發生違約，除非本集團有合理及具理據資料顯示更加滯後的違約標準更為恰當。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial assets** (continued)

*Impairment of financial assets* (continued)

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

### 3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(iii) 信貸減值之金融資產

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

- a) 發行人或借款人的重大財務困難；
- b) 違反合約(如違約或逾期事件)；
- c) 借款人的貸款人因有關借款人財務困難的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；
- d) 借款人很可能破產或進行其他財務重組；或
- e) 因財政困難而導致該金融資產失去活躍市場。

(iv) 撇銷政策

於資料顯示對手方陷入嚴重財務困難，且並無實際收回款項可能(例如對方被清盤或進入破產程序)或倘為應收貿易賬款，於該等款項逾期超過一年(以較早發生者為準)時，本集團會撇銷金融資產。經考慮法律意見(倘適當)後，已撇銷金融資產可能仍可於本集團之收回程序下被強制執行。撇銷構成終止確認事件。任何其後收回款項於損益內確認。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial assets** (continued)

*Impairment of financial assets* (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the aging basis:

- Nature of financial instruments;
- Past-due status; and
- Nature, size and industry of debtor.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

### 3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損率(即違約時之虧損大小)及違約風險敞口之函數。違約概率及違約虧損率乃按經前瞻性資料調整之過往數據進行評估。預期信貸虧損之估計為無偏概率加權平均金額，以各自發生違約的風險為權重確定。

一般而言，預期信貸虧損為根據合約應付本集團的所有合約現金流與本集團預期將收取的所有現金流量之間的差額，並按初始確認時釐定的實際利率貼現。

倘預期信貸虧損按集體基準計量或迎合個別工具水平證據未必存在的情況，則金融工具按以下基準歸類：

- 金融工具之性質；
- 逾期狀況；及
- 債務人的性質、規模及行業。

歸類由管理層定期檢討，以確保各組別之組成項目繼續具有相似之信貸風險特性。

利息收入乃按金融資產之總賬面值計算，惟金融資產已出現信貸減值除外，在該情況下，利息收入乃按金融資產之攤銷成本計算。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial assets** (continued)

*Impairment of financial assets* (continued)

(v) Measurement and recognition of ECL (continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognised through a loss allowance account.

*Derecognition of financial assets*

A financial asset is derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

**Financial liabilities and equity instruments**

*Classification as debt or equity*

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損之計量及確認(續)

本集團透過調整所有金融工具之賬面值於損益確認該等金融工具之減值收益或虧損，惟應收貿易賬款乃透過虧損撥備賬確認相應調整除外。

金融資產終止確認

金融資產僅於自資產收取現金流量的合約權利屆滿，或將金融資產及其擁有權的絕大部份風險及回報轉移至另一實體時終止確認。倘本集團並無轉移亦無保留擁有權的絕大部份風險及回報，並繼續控制已轉讓資產，本集團會繼續將資產確認入賬，條件為須繼續涉及該項資產，並確認相關負債。倘本集團保留已轉讓金融資產擁有權的絕大部份風險及回報，本集團會繼續確認該金融資產，亦會就已收取的款項確認已抵押借貸。

於終止確認整項金融資產時，資產賬面值與已收及應收代價，及已於其他全面收入中確認並於權益中累計的累計收益或虧損的總和之間的差額，將於損益內確認。

金融負債及股本工具

分類為債務或股本

集團實體發行的債務及股本工具均按所訂立合約安排的內容及金融負債與股本工具的釋義分類為金融負債或股本。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial liabilities and equity instruments**

(continued)

*Equity instruments*

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

*Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

*Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liabilities are either held for trading or those designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

### 3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

*股本工具*

股本工具指任何可證明扣減所有負債後的實體資產剩餘權益的合約。本集團發行的股本工具按已收所得款項(扣除直接發行成本)確認。

*金融負債*

所有金融負債隨後採用實際利率法按攤銷成本或按公平值計入損益計量。

*按公平值計入損益的金融負債*

倘金融負債為持作買賣或於初始確認時指定為按公平值計入損益，金融負債則會分類為按公平值計入損益。

倘若出現下列情況，金融負債則會分類為持作買賣：

- 主要為於近期購回而收購；或
- 於初始確認時，其為本集團聯合管理的已識別金融工具組合的一部分，而具備於近期實際短期獲利的模式；或
- 其為非指定及非有效作為對沖工具的衍生工具。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial liabilities and equity instruments**

(continued)

*Financial liabilities at FVTPL (continued)*

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9/IAS 39 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

### 3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

按公平值計入損益的金融負債(續)

金融負債(持作買賣的金融負債除外)可於下列情況下於初始確認時指定為按公平值計入損益：

- 該指定可以消除或大幅減少計量或確認方面原應產生的不一致性；或
- 該金融負債構成一組金融資產或金融負債或兩者的一部分，而根據本集團制定的風險管理或投資策略，該項金融負債的管理及績效乃以公平值基準進行評估，且有關分組的資料乃按該基準向內部提供；或
- 其構成包含一項或多項嵌入式衍生工具合約的一部分，而國際財務報告準則第9號／國際會計準則第39號允許將整個組合合約指定為按公平值計入損益。

就指定為按公平值計入損益之金融負債而言，金融負債信貸風險變動導致之金融負債公平值變動金額於其他全面收益確認，除非於其他全面收益確認有關負債之信貸風險變動影響將導致或擴大損益內會計錯配，則作別論。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial liabilities and equity instruments**

(continued)

*Financial liabilities at amortised cost*

Financial liabilities including trade and bills payables, deposit received, other payables and accruals, short term borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

*Derecognition of financial liabilities*

A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Provisions and contingent liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

### 3. 主要會計政策(續)

**金融工具(續)**

**金融負債及股本工具(續)**

*以攤銷成本計量的金融負債*

金融負債(包括應付貿易賬款及應付票據、已收按金、其他應付款項及應計費用、短期借貸及租賃負債)其後採用實際利率法按攤銷成本計量。

*金融負債終止確認*

於且僅於本集團的債務獲解除、取消或屆滿時，金融負債會終止確認。終止確認金融負債賬面值與已付及應付代價之間的差額於損益內確認。

**撥備及或然負債**

倘本集團因過往事件而承擔現有責任(法定或推定)，而本集團可能須履行該項責任，且有關責任涉及之金額能可靠估計時則會確認撥備。撥備按於呈報期末對履行現有責任(經計及與責任相關之風險及不確定因素)所需代價之最佳估計計量。倘使用現金流量法估計清償現有責任而計量撥備，其賬面值為該等現金流量的現值(倘時間價值影響屬重大)。

倘不大可能需要付出經濟利益，或其數額無法可靠估計，則責任須披露為或然負債，除非付出經濟利益的可能性極低則另作別論。潛在責任，其存在僅能以一個或數個未來事項的發生或不發生予以證實，除非付出經濟利益的可能性極低，否則有關責任亦披露為或然負債。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Equity-settled share-based payment transactions

##### Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in share options reserve.

At the end of the reporting period, the Group revises its estimates of the number of share options that are expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

### 3. 主要會計政策(續)

#### 按股權結算以股份為基礎的付款

##### 授予僱員的購股權

向僱員及提供類似服務的其他人士作出的按股權結算以股份為基礎的付款乃按股本工具於授出日期的公平值計量。

按股權結算以股份為基礎的付款於授出日期釐定的公平值(並未計及所有非市場歸屬條件)乃於歸屬期內按直線法,根據本集團估計最終將予歸屬的股本工具支銷,並相應增加購股權儲備。

於呈報期末,本集團根據對所有相關非市場歸屬條件之評估對其預期歸屬的購股權的估計數目進行修訂。修訂最初估計的影響(如有)於損益內確認,以致累計開支反映經修訂估計,並對購股權儲備作出相應調整。就於授出日期即時歸屬之購股權而言,所授出購股權之公平值乃即時於損益支銷。

購股權獲行使時,先前於購股權儲備已確認的金額將轉撥至股份溢價。當購股權於歸屬日期獲沒收,或於屆滿日期仍未獲行使,先前於購股權儲備確認的金額將轉撥至累計虧損。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
  - (a) has control or joint control over the Group;
  - (b) has significant influence over the Group; or
  - (c) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
  - (a) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (c) Both entities are joint ventures of the same third party.
  - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (f) The entity is controlled or jointly controlled by a person identified in (i).
  - (g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

### 3. 主要會計政策(續)

#### 關聯方

- (i) 倘符合以下情況，即該人士或該人士之近親家庭成員與本集團有關聯：
  - (a) 控制或共同控制本集團；
  - (b) 對本集團有重大影響力；或
  - (c) 為本集團或本集團母公司主要管理層成員。
- (ii) 倘符合下列任何條件，即該實體與本集團有關聯：
  - (a) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。
  - (b) 一間實體為另一實體之聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
  - (c) 實體均為同一第三方之合營企業。
  - (d) 一間實體為第三方實體之合營企業而另一實體則為該第三方實體之聯營公司。
  - (e) 實體為本集團或與本集團有關聯之實體就僱員福利設立之離職後僱員福利計劃。
  - (f) 實體受(i)所識別人士控制或共同控制。
  - (g) (i)(a)所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員。
  - (h) 實體或屬實體其中一部分之集團任何成員公司向集團或集團母公司提供主要管理人員服務。

某人士之近親家庭成員指彼等與該實體交易時預期可影響該人士或受該人士影響之家庭成員。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

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

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, that are not readily apparent for other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

### 4. 重大會計判斷及估計不確定因素主要來源

於應用本集團的會計政策(如附註3所述)時,本公司董事須就未能從其他來源獲得的資產及負債金額作出判斷、估計及假設。估計及相關假設根據過往經驗及被認為有關的其他因素作出。實際結果或會與該等估計不同。

該等估計及相關假設會持續地獲檢討。如有關修訂只影響作出修訂的期間,則會於期間內確認會計估計的修訂,或如有關修訂影響本期間及往後期間,則會於作出修訂期間及往後期間確認會計估計的修訂。

#### 應用會計政策的重大判斷

以下為本公司董事於應用本集團的會計政策過程中所作出的重大判斷(涉及估計者除外,見下文),而該等判斷對已在綜合財務報表中確認的數額及作出的披露有最重大影響。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



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

**Critical judgements in applying accounting policies**  
(continued)

##### **Classification between investment properties and owner-occupied properties**

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Certain properties of the Group comprise a portion that is held to earn rentals and another portion that is held for use in the supply of goods and for administrative purposes. As the portion that is held to earn rentals is small and could not be sold separately and the portion that is held for use in supply of goods and for administrative purposes is significant, the properties are not classified as investment properties.

##### **Withholding taxes arising from the distributions of dividends**

The Group's determination as to whether to accrue for withholding taxes from the distribution of dividends from a subsidiary in the PRC according to the relevant tax jurisdiction is subject to judgement on the timing of the payment of the dividend, where the Group considered that if it is probable that the profits of the subsidiary in the PRC will not be distributed in the foreseeable future, then no withholding taxes should be provided.

#### 4. 重大會計判斷及估計不確定因素主要來源(續)

應用會計政策的重大判斷(續)

##### 投資物業及自用物業的分類

本集團會釐定一項物業是否屬於投資物業，並已制定決定分類的條件。投資物業為持作賺取租金或資本增值或以上兩用途的物業。因此，本集團會衡量物業所產生現金流量是否獨立於本集團持有的其他資產。若干物業包括持作賺取租金或資本增值以及用作提供貨品及服務或行政用途的另一部分。倘該等物業部分能獨立出售或根據融資租賃獨立出租，則本集團會將各個相關部分分別入賬。倘該等部分不能獨立出售而持作提供貨品及服務或行政用途的部分並不重大，則該等物業方視為投資物業。本集團會獨立衡量個別物業，以釐定一項物業的配套服務是否重要致使其不合資格分類作投資物業。

本集團若干物業包括持作賺取租金以及持作提供貨品及行政用途的部分。由於持作賺取租金的物業部分不重大，且不能單獨出售，而持作提供貨品及行政用途的物業部分較重大，因此該等物業並非歸類為投資物業。

##### 股息分派產生的預扣稅

本集團釐定是否須根據相關稅法為中國附屬公司所分派的股息計提應計預扣稅時，須判斷支付股息的時間。倘本集團認為可見將來不會有中國附屬公司的溢利分派，則不會作出預扣稅撥備。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

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

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Useful lives and impairment of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to the ones previously estimated, it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

The Group assesses whether there are any indicators of impairment for property, plant and equipment at the end of each reporting period. Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

### 4. 重大會計判斷及估計不確定因素主要來源(續)

#### 估計不確定因素的主要來源

以下為於呈報期末，極可能導致下一個財政年度期間資產及負債的賬面值須作出重大調整的有關未來的主要假設及估計之不確定因素的其他主要來源。

#### 物業、廠房及設備的可使用年期及減值

本集團釐定物業、廠房及設備的估計可使用年期及相關折舊開支。該等估計乃基於性質及功能相若的物業、廠房及設備過往的實際可使用年期記錄而作出。管理層會修訂可使用年期與之前估計相異的項目的折舊開支，並撇銷或撇減技術已過時或非策略性質的已棄用或已出售資產。

本集團於各呈報期末評估物業、廠房及設備有否出現任何減值跡象。物業、廠房及設備於有跡象顯示可能無法收回賬面值時測試減值。倘資產或現金產生單位之賬面值高於其可收回金額(即公平值減銷售成本與使用價值兩者之較高者)，即表示出現減值。公平值減銷售成本乃以可取得之類似資產公平交易中具約束力之銷售交易數據，或可觀察市場價格減出售資產所帶來之成本計算。計算使用價值時，管理層必須估算資產或現金產生單位之估計未來現金流量，並選用適當之貼現率，以計算該等現金流量之現值。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



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

##### Key sources of estimation uncertainty (continued)

##### Useful lives and impairment of property, plant and equipment (continued)

As at 31 December 2019, the carrying amount of property, plant and equipment was approximately RMB49,291,000 (2018: RMB51,415,000). The directors of the Company consider that no impairment loss is recognised in respect of property, plant and equipment during the years ended 31 December 2019 and 2018.

##### Impairment of intangible assets

Intangible asset are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

As at 31 December 2019, the net carrying amounts of the Group's intangible asset was approximately RMB77,255,000 (2018: RMB364,246,000), net of impairment loss of approximately RMB234,295,000 (2018: RMB195,120,000).

#### 4. 重大會計判斷及估計不確定因素主要來源(續)

##### 估計不確定因素的主要來源(續)

##### 物業、廠房及設備的可使用年期及減值(續)

於二零一九年十二月三十一日，物業、廠房及設備的賬面值約為人民幣49,291,000元(二零一八年：人民幣51,415,000元)。本公司董事認為，截至二零一九年及二零一八年十二月三十一日止年度，概無就物業、廠房及設備確認減值虧損。

##### 無形資產的減值

無形資產按成本減累計折舊及減值列賬(如有)。於釐定資產是否減值時，本集團須作出判斷及估計，尤其需要評估：(1)是否發生可能影響資產價值的事件或任何跡象；(2)資產的賬面值能否以使用價值(即根據持續使用資產估計的未來現金流量之現值淨額)的可收回金額支持；及(3)估計可收回金額時所採用的適當主要假設，包括現金流量預測及適當貼現率。倘若未能估計個別資產之可收回金額，則本集團估計資產所屬現金產生單位之可收回金額。變更假設及估計(包括現金流量預測之貼現率或增長率)可能對減值測試所用之現值淨額造成重大影響。

於二零一九年十二月三十一日，本集團無形資產的賬面淨值扣除減值虧損約人民幣234,295,000元(二零一八年：人民幣195,120,000元)後約為人民幣77,255,000元(二零一八年：人民幣364,246,000元)。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

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

#### Key sources of estimation uncertainty (continued)

##### Allowance for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market conditions and the historical experience of selling merchandise of a similar nature. It could change significantly as a result of changes in customer taste or competitor actions. The Group reassesses these estimates at the end of the reporting period. As at 31 December 2019, the carrying amount of inventories was approximately RMB29,367,000 (2018: RMB40,556,000), net of allowance for write-down inventories of approximately RMB4,527,000 (2018: RMB4,361,000).

##### Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on past due analysis as groupings of various debtors on this basis demonstrate similar loss patterns with shared credit risk characteristic. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. As at 31 December 2019, the carrying amount of trade receivables is approximately RMB44,784,000, net of allowance for credit losses of approximately RMB7,986,000 (2018: RMB33,659,000, net of allowance for credit losses of RMB8,374,000).

### 4. 重大會計判斷及估計不確定因素主要來源(續)

#### 估計不確定因素的主要來源(續)

##### 存貨撥備

存貨按成本與可變現淨值之較低者列賬。存貨的可變現淨值為日常業務過程中的估計售價減估計銷售開支。該等估計乃基於現時市況及過往銷售同類性質商品的經驗而作出，並會因客戶喜好的變化或競爭對手的行動而出現重大改變。本集團於呈報期末重估該等估計。於二零一九年十二月三十一日，存貨的賬面值扣除存貨撇減撥備約人民幣4,527,000元(二零一八年：人民幣4,361,000元)後約為人民幣29,367,000元(二零一八年：人民幣40,556,000元)。

##### 應收貿易賬款預期信貸虧損撥備

本集團使用撥備矩陣計算應收貿易賬款的預期信貸虧損。撥備率乃基於逾期分析釐定，原因為在此基礎上各債務人的分組表明具有共同信貸風險特徵的債務人虧損模式相似。撥備矩陣基於本集團的歷史違約率，並考慮無需付出不必要的成本或努力而可獲得的合理且可支持的前瞻性信息。在每個報告日期，本集團會重新評估歷史觀測到的違約率，並考慮前瞻性信息的變化。此外，本集團會單獨評估具有重大結餘和信用減值的應收貿易賬款的預期信貸虧損。

預期信貸虧損撥備對估計的變化比較敏感。於二零一九年十二月三十一日，應收貿易賬款的賬面值為約人民幣44,784,000元，扣除信貸虧損撥備約人民幣7,986,000元(二零一八年：人民幣33,659,000元，扣除信貸虧損撥備人民幣8,374,000元)。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



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

##### Key sources of estimation uncertainty (continued)

##### Valuation of convertible notes

As described in note 27 to the consolidated financial statements, the convertible notes are measured at fair values. The Group engaged independent firms of professionally qualified valuers to assist in determining the fair value of convertible notes. The fair value of the convertible notes is determined using the binomial model. The significant inputs into the model included risk-free interest rate, conversion price/exercise price, stock price, expected volatility, expected life and expected dividend yield. When the actual results of the inputs differ from management's estimate, it will have an impact on the fair value gain or loss and the fair value of the convertible notes.

##### Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 3. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. At 31 December 2019, the best estimate of the carrying amount of deferred development costs was RMB255,000 (2018: RMB27,806,000). Further details are included in note 18.

##### Provision for contingent considerations of acquisitions

Acquisition of intangible assets has involved post-acquisition performance-based contingent considerations. The Group recognise the fair value of those contingent considerations for acquisitions, as of their respective acquisition dates as part of the consideration transferred in exchange for the acquired intangible assets. These fair value measurements require, among other things, significant estimation of post-acquisition performance of the acquired intangible assets and significant judgement on time value of money. Contingent considerations shall be remeasured at their fair value resulting from events or factors emerging after the acquisition date, with any resulting gain or loss recognised in the consolidated statement of profit or loss and other comprehensive income.

#### 4. 重大會計判斷及估計不確定因素主要來源(續)

##### 估計不確定因素的主要來源(續)

##### 可換股票據的估值

根據綜合財務報表附註27所述，可換股票據按公平值計量。本集團已聘請獨立專業合資格估值公司協助釐定可換股票據的公平值。可換股票據的公平值運用二項模式釐定。該模式所用的主要數據包括無風險利率、換股價／行使價、股價、預期波幅、預期年期及預期股息收益率。倘該等數據的實際結果與管理層的預測有別，則會影響可換股票據的公平值收益或虧損及其公平值。

##### 開發成本

開發成本就附註3所載研發成本根據會計政策資本化。釐定將予資本化的金額需要管理層對下述事項作出假設：該資產預計將來可產生的現金收益、使用的貼現率及預計受益期間。於二零一九年十二月三十一日，遞延開發成本的最佳賬面值估計為人民幣255,000（二零一八年：人民幣27,806,000元）。進一步之詳情載於附註18。

##### 收購的或然代價撥備

收購無形資產涉及收購後以表現為基礎的或然代價。本集團於各收購日期將收購的有關或然代價之公平值確認為所轉撥代價的一部分，以交換所收購的無形資產。該等公平值計量需要（其中包括）對所收購無形資產的收購後表現作出重大估計及對貨幣時間價值作出重大判斷。或然代價將按收購日期後因有關事件或因素而產生的公平值重新計量，所產生的任何收益或虧損於綜合損益及其他全面收益表內確認。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

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

**Key sources of estimation uncertainty (continued)**

#### **Provision for contingent considerations of acquisitions (continued)**

The contingent consideration reflects a specified multiple of the post-acquisition profitability of the acquired intangible assets. Consequently, the actual additional consideration payable will vary according to the future performance generated from the intangible assets, and the liabilities provided reflect estimates of such future performances.

Due to the variety of bases of determination, it is not practicable to provide any meaningful sensitivity in relation to the critical assumptions concerning future profitability of the acquired intangible assets and the potential impact on the gain or loss on remeasurement of contingent consideration payables.

### 5. SEGMENT INFORMATION

Information reported to the directors of the Company, being the CODM, for the purposes of resource allocation and assessment of segment performance, focuses on types of goods or services delivered or provided. Specifically, the Group's reportable and operating segments are as follows:

- (a) the Boree branded products segment manufactures and sells Boree branded slippers, sandals and casual footwear ("Boree Products");
- (b) the Graphene-based products segment applied the technology know-how by applying graphene in the production of graphene-based ethylene-vinyl acetate ("EVA") foam material ("Graphene-based EVA Foam Material") and slippers ("Graphene-based Slippers"), and graphene deodorizing and sterilizing chips for air purifiers and air conditioners ("Sterilizing Chips") (collectively as "Graphene-based Products"); and
- (c) the Original Equipment Manufacturer ("OEM") segment produces slippers for branding and resale by others.

### 4. 重大會計判斷及估計不確定因素主要來源(續)

**估計不確定因素的主要來源(續)**

#### **收購的或然代價撥備(續)**

或然代價反映所收購無形資產之收購後盈利能力的指定倍數。因此，實際額外應付代價將視乎無形資產所產生之未來表現而變化，及已計提撥備的負債反映有關未來表現的估計。

由於釐定基準的多樣化，就涉及所收購無形資產的未來盈利能力及對應付或然收購代價重新計量的收益或虧損的可能影響作出任何具有意義的敏感度分析實不可行。

### 5. 分部資料

向本公司董事，即主要經營決策者，呈報以供資源分配及評估分部表現的資料乃集中於所交付或所提供的貨品或服務類別。具體而言，本集團的可呈報及經營分部如下：

- (a) 寶人牌產品分部生產及出售寶人牌拖鞋、涼鞋及休閒鞋(「寶人牌產品」)；
- (b) 石墨烯產品分部使用技術知識將石墨烯應用於生產石墨烯乙烯-醋酸乙烯共聚物(「EVA」)發泡材料(「石墨烯EVA發泡材料」)及拖鞋(「石墨烯拖鞋」)，以及用於空氣淨化器和空調的石墨烯除臭及殺菌芯片(「殺菌芯片」)(統稱為「石墨烯產品」)；及
- (c) 原設備製造商(「OEM」)分部生產品牌拖鞋以供轉售。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 5. SEGMENT INFORMATION (continued)

CODM monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted result before tax.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. The segment profit or loss represents the profit earned by or loss from each segment without allocation of interest income, other unallocated net income and gains, amortisation of intangible assets, impairment loss on intangible assets and assets held for sale, fair value change on convertible notes and provision for contingent consideration at FVTPL, finance costs as well as corporate and other unallocated expenses.

Segment assets exclude property, plant and equipment, right-of-use assets, prepaid land lease payments, intangible assets, raw materials, work in progress, prepayments, deposits and other receivables, pledged deposits, cash and bank balances and assets classified as held for sale as these assets are managed on a group basis.

Segment liabilities exclude trade and bills payables, certain other payables and accruals, short term borrowings, lease liabilities, income tax payable, deferred tax liability and provision for contingent consideration as these liabilities are managed on a group basis.

### 5. 分部資料(續)

主要經營決策者獨立監察本集團各經營分部的業績，以便決定資源分配及評估表現。分部表現按可呈報分部業績評估，亦會用於計量經調整除稅前業績。

經營分部之會計政策與附註3所述之本集團會計政策一致。分部溢利或虧損指各分部賺取的溢利或產生的虧損，惟並無分配利息收入、其他未分配收入及收益淨額、無形資產攤銷、無形資產及持有待售資產減值虧損、按公平值計入損益之可換股票據及或然代價撥備之公平值變動、融資成本以及企業及其他未分配開支。

由於物業、廠房及設備、使用權資產、預付土地租金、無形資產、原材料、在製品、預付款項、按金及其他應收款項、已質押存款、現金及銀行結餘和分類為持有待售的資產均為按集團層面管理的資產，故不計入分部資產。

由於應付貿易賬款及應付票據、部份其他應付款項及應計費用、短期借貸、租賃負債、應付所得稅項、遞延稅項負債及或然代價撥備均為按集團層面管理的負債，故不計入分部負債。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (continued)

#### Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

Year ended 31 December 2019

### 5. 分部資料(續)

#### 分部收益及業績

以下為按可呈報及經營分部劃分本集團的收益及業績分析。

截至二零一九年十二月三十一日止年度

		Boree Products 寶人牌 產品 RMB'000 人民幣千元	Graphene- based Products 石墨烯 產品 RMB'000 人民幣千元	OEM RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>Segment revenue</b>	<b>分部收益</b>				
Sales to external customers	向外界客戶銷售	2,721	4,024	162,942	169,687
<b>Segment results</b>	<b>分部業績</b>	<b>(4,340)</b>	<b>2,422</b>	<b>20,936</b>	<b>19,018</b>
<i>Reconciliation:</i>	<i>對賬:</i>				
Interest income	利息收入				85
Other unallocated net income and gains	其他未分配收入及收益淨額				2,849
Reversal of impairment loss on trade receivables from sales of goods	銷售商品產生之應收貿易賬款減值虧損撥回				521
Corporate and other unallocated expenses	企業及其他未分配開支				(44,547)
Amortisation of intangible assets	無形資產攤銷				(52,720)
Impairment loss on intangible assets	無形資產減值虧損				(234,295)
Impairment loss on assets held for sale	持有待售資產減值虧損				(3,000)
Fair value gain on provision for contingent consideration at FVTPL	按公平值計入損益之或然代價撥備之公平收益				4,769
Finance costs	融資成本				(6,072)
Loss before tax	除稅前虧損				<b>(313,392)</b>

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 5. SEGMENT INFORMATION (continued)

#### Segment revenues and results (continued)

Year ended 31 December 2018

### 5. 分部資料(續)

#### 分部收益及業績(續)

截至二零一八年十二月三十一日止年度

		Boree Products 寶人牌 產品 RMB'000 人民幣千元	Graphene- based Products 石墨烯 產品 RMB'000 人民幣千元	OEM RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>Segment revenue</b>	<b>分部收益</b>				
Sales to external customers	向外界客戶銷售	3,463	4,510	156,507	164,480
<b>Segment results</b>	<b>分部業績</b>	(550)	537	29,451	29,438
<i>Reconciliation:</i>	<i>對賬:</i>				
Interest income	利息收入				61
Other unallocated net income and gains	其他未分配收入及收益淨額				2,488
Impairment loss on trade receivables from sales of goods	銷售商品產生之應收貿易賬款減值虧損				(3,718)
Corporate and other unallocated expenses	企業及其他未分配開支				(51,264)
Amortisation of intangible assets	無形資產攤銷				(77,640)
Impairment loss on intangible assets	無形資產減值虧損				(195,120)
Fair value loss on convertible notes at FVTPL	按公平值計入損益之可換股票據之公平值損失				(17,797)
Fair value gain on provision for contingent consideration at FVTPL	按公平值計入損益之或然代價撥備之公平值收益				43,533
Finance costs	融資成本				(5,862)
Loss before tax	除稅前虧損				(275,881)





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (continued)

#### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Year ended 31 December 2019

### 5. 分部資料(續)

#### 分部資產及負債

以下為按可呈報及經營分部劃分本集團的資產及負債分析：

截至二零一九年十二月三十一日止年度

		Boree Products 寶人牌 產品 RMB'000 人民幣千元	Graphene- based Products 石墨烯 產品 RMB'000 人民幣千元	OEM RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>Segment assets</b>	<b>分部資產</b>	<b>1,647</b>	<b>3,778</b>	<b>53,407</b>	<b>58,832</b>
<i>Reconciliation:</i> Corporate and other unallocated assets	<i>對賬：</i> 企業及其他未分配資產				<b>215,566</b>
Total assets	資產總額				<b>274,398</b>
<b>Segment liabilities</b>	<b>分部負債</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>300</b>
<i>Reconciliation:</i> Corporate and other unallocated liabilities	<i>對賬：</i> 企業及其他未分配負債				<b>226,120</b>
Total liabilities	負債總額				<b>226,420</b>

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 5. SEGMENT INFORMATION (continued)

#### Segment assets and liabilities (continued)

Year ended 31 December 2018

### 5. 分部資料(續)

#### 分部資產及負債(續)

截至二零一八年十二月三十一日止年度

		Boree Products 寶人牌 產品 RMB'000 人民幣千元	Graphene- based Products 石墨烯 產品 RMB'000 人民幣千元	OEM RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>Segment assets</b>	<b>分部資產</b>	1,580	461	55,716	57,757
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated assets	企業及其他未分配資產				486,902
Assets classified as held for sale	分類為持有待售的資產				26,000
Total assets	資產總額				570,659
<b>Segment liabilities</b>	<b>分部負債</b>	300	-	-	300
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated liabilities	企業及其他未分配負債				256,417
Total liabilities	負債總額				256,717

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (continued)

#### Other segment information

Year ended 31 December 2019

### 5. 分部資料(續)

#### 其他分部資料

截至二零一九年十二月三十一日止年度

	Boree Products 寶人牌 產品 RMB'000 人民幣千元	Graphene- based Products 石墨烯 產品 RMB'000 人民幣千元	OEM RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Included in arriving at segment profit/(loss) are:				
(Reversal of impairment loss)/ impairment loss on trade receivables from sales of goods	(97)	41	(465)	(521)
(Reversal of write-down)/ write-down of inventories	(330)	-	496	166
				<b>(355)</b>

Year ended 31 December 2018

截至二零一八年十二月三十一日止年度

	Boree Products 寶人牌 產品 RMB'000 人民幣千元	Graphene- based Products 石墨烯 產品 RMB'000 人民幣千元	OEM RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Included in arriving at segment profit/(loss) are:				
(Reversal of impairment loss)/ impairment loss on trade receivables from sales of goods	(278)	41	3,955	3,718
Reversal of write-down of inventories	(546)	-	-	(546)
				<b>3,172</b>

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 5. SEGMENT INFORMATION (continued)

#### Geographical information

##### (a) Revenue from external customers

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
PRC (principal place of operations)	中國(主要營運地點)	10,898	10,449
United States of America ("US")	美利堅合眾國(「美國」)	152,168	147,314
South America	南美洲	782	590
Europe	歐洲	2,629	1,730
South East Asia	東南亞	316	1,128
Other countries	其他國家	2,894	3,269
		<b>169,687</b>	<b>164,480</b>

The revenue information above is based on the locations of the customers.

以上收益資料乃基於客戶位置劃分。

##### (b) Non-current assets

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
PRC (principal place of operations)	中國(主要營運地點)	153,897	441,881

The non-current assets information above is based on the locations of the assets.

以上非流動資產資料乃基於資產位置劃分。

### 5. 分部資料(續)

#### 地區資料

##### (a) 來自外界客戶的收益

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
PRC (principal place of operations)	10,898	10,449
United States of America ("US")	152,168	147,314
South America	782	590
Europe	2,629	1,730
South East Asia	316	1,128
Other countries	2,894	3,269
	<b>169,687</b>	<b>164,480</b>

以上收益資料乃基於客戶位置劃分。

##### (b) 非流動資產

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
PRC (principal place of operations)	153,897	441,881

以上非流動資產資料乃基於資產位置劃分。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (continued)

#### Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Customer A	客戶A	<b>80,164</b>	94,663
Customer B	客戶B	<b>33,744</b>	19,034
Customer C*	客戶C*	<b>27,169</b>	16,446

\* Revenue from Customer C contributed less than 10% of the total sales of the Group for the year ended 31 December 2018.

The Group's major customers are included in the OEM segment.

### 5. 分部資料(續)

#### 主要客戶的資料

於相關年度，來自客戶之收益佔本集團總銷售額10%以上者如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Customer A	<b>80,164</b>	94,663
Customer B	<b>33,744</b>	19,034
Customer C*	<b>27,169</b>	16,446

\* 來自客戶C之收益佔本集團截至二零一八年十二月三十一日止年度總銷售額少於10%。

本集團主要客戶包含在OEM分部。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 6. REVENUE, OTHER NET INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other net income and gains is as follows:

### 6. 收益、其他收入及收益淨額

收益亦即本集團的營業額，相當於已扣除退貨及貿易折扣撥備的已售貨品發票淨額。

收益、其他收入及收益淨額的分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Revenue</b>	<b>收益</b>		
Manufacture and sale of goods	生產及銷售貨品	<b>169,687</b>	164,480
<b>Other net income and gains</b>	<b>其他收入及收益淨額</b>		
Interest income	利息收入	<b>85</b>	61
Sales of scrap materials	銷售廢料	<b>574</b>	591
Sales of semi-products	銷售半成品	-	115
Rental income under operating leases	經營租賃所產生的租金收入	<b>467</b>	315
Subsidy income*	補貼收入*	<b>1,532</b>	1,446
Exchange gain, net	匯兌收益淨額	<b>256</b>	-
Others	其他	<b>20</b>	21
		<b>2,934</b>	2,549

\* There are no unfulfilled conditions or contingencies relating to these subsidies.

\* 並無有關該等補貼的未達成條件或或然情況。

### 7. FINANCE COSTS

### 7. 融資成本

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interest on bank loans and other borrowings	銀行及其他借貸利息	<b>5,890</b>	5,862
Interest on letter of credit	信用證利息	<b>111</b>	-
Interest on lease liabilities	租賃負債利息	<b>71</b>	-
		<b>6,072</b>	5,862



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/ (crediting) the following items:

### 8. 除稅前虧損

本集團的除稅前虧損已扣除/(計入)以下項目：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost of inventories sold*	已售存貨成本*	<b>139,402</b>	125,575
Depreciation of property, plant and equipment*	物業、廠房及設備折舊*	<b>6,131</b>	6,001
Depreciation of right-of-use assets*	使用權資產折舊*	<b>1,315</b>	-
Amortisation of prepaid land lease payments	預付土地租金攤銷	-	731
Amortisation of intangible assets	無形資產攤銷	<b>52,720</b>	77,640
Employee benefit expenses (including directors' remuneration - note 9)*:	僱員福利開支(包括董事酬金-附註9)*:		
Wages and salaries	工資及薪金	<b>53,474</b>	52,391
Equity-settled share-based payments	按股權結算以股份為基礎的付款	<b>5,299</b>	15,205
Staff welfares	僱員福利	<b>821</b>	1,210
Contributions to retirement benefits schemes	退休福利計劃供款	<b>3,357</b>	2,305
		<b>62,951</b>	71,111
Auditors' remuneration	核數師酬金	<b>1,357</b>	1,332
Impairment loss on intangible assets	無形資產減值虧損	<b>234,295</b>	195,120
Impairment loss on assets held for sale	持有待售資產減值虧損	<b>3,000</b>	-
(Reversal of impairment loss)/impairment loss on trade receivables from sales of goods	銷售商品產生之應收貿易賬款(減值虧損撥回)/減值虧損	<b>(521)</b>	3,718
Write-down/(reversal of write-down) of inventories	存貨撇減/(撇減撥回)	<b>166</b>	(546)
Loss on disposals of items of property, plant and equipment	出售物業、廠房及設備項目虧損	<b>139</b>	167
Exchange (gain)/loss, net	匯兌(收益)/損失淨額	<b>(256)</b>	579
Research and development costs**	研發成本**	<b>10,683</b>	8,233

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 8. LOSS BEFORE TAX (continued)

\* The cost of inventories sold for the year ended 31 December 2019 included approximately RMB34,441,000 (2018: RMB35,819,000) relating to direct staff costs, depreciation of manufacturing facilities and depreciation of right-of-use assets (2018: direct staff costs, depreciation of manufacturing facilities and operating lease payments in respect of land and buildings), which are also included in the respective total amounts disclosed above for each of these types of expenses.

\*\* The research and development costs are included in "General and administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

### 8. 除稅前虧損(續)

\* 截至二零一九年十二月三十一日止年度已售存貨成本包括約人民幣34,441,000元(二零一八年:人民幣35,819,000元)的直接僱員成本、生產設施折舊以及使用權資產折舊(二零一八年:直接僱員成本、生產設施折舊以及土地及樓宇經營租賃付款),此等項目亦已計入上文所披露各類開支的相關總額。

\*\* 研發成本已計入綜合損益及其他全面收益表的「一般及行政開支」。

### 9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

Directors' and chief executives' remuneration for the years, disclosed pursuant to the applicable Listing Rules, the Hong Kong Companies Ordinance and Companies (Disclosure of information about benefits of directors) Regulations (Cap. 622G), are as follows:

### 9. 董事及主要行政人員酬金

根據適用上市規則、香港公司條例及公司(披露董事利益資料)規例(第622G章)所披露的年度董事及主要行政人員酬金如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fees (note a) & (note b)	袍金(附註a)及(附註b)	566	543
Other emoluments:	其他酬金:		
– Salaries, allowances and benefits in kind (note b) & (note c)	– 薪金、津貼及實物福利(附註b)及(附註c)	1,534	1,281
– Contributions to retirement benefits schemes (note b) & (note c)	– 退休福利計劃供款(附註b)及(附註c)	45	30
– Equity-settled share-based payments (note c)	– 按股權結算以股份為基礎的付款(附註c)	196	492
		<b>2,341</b>	<b>2,346</b>





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (continued)

Notes

#### (a) Independent non-executive directors

The fees paid or payable to independent non-executive directors during the current year are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Ms. An Na	安娜女士	177	170
Professor Zhao Jinbao	趙金保教授	106	102
Mr. Chen Shaohua	陳少華先生	177	169
		<b>460</b>	<b>441</b>

There were no other emoluments payable to the independent non-executive directors during the year (2018: Nil).

#### (b) Non-executive director

The fees paid or payable to non-executive director during the current year are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Ms. Lin Weihuan:	林煒歡女士:		
Fee	袍金	106	102
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	37	–
Contributions to retirement benefits schemes	退休福利計劃供款	4	–
		<b>147</b>	<b>102</b>

Ms. Lin Weihuan has been appointed as the financial consultant of a subsidiary of the Company on 1 August 2019 and her emoluments disclosed include those for services rendered by her as the financial consultant.

### 9. 董事及主要行政人員酬金(續)

附註

#### (a) 獨立非執行董事

本年度已付或應付獨立非執行董事的袍金如下:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Ms. An Na	177	170
Professor Zhao Jinbao	106	102
Mr. Chen Shaohua	177	169
	<b>460</b>	<b>441</b>

年內，並無應付獨立非執行董事的其他酬金(二零一八年:無)。

#### (b) 非執行董事

本年度已付或應付非執行董事的袍金如下:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Ms. Lin Weihuan:		
Fee	106	102
Salaries, allowances and benefits in kind	37	–
Contributions to retirement benefits schemes	4	–
	<b>147</b>	<b>102</b>

林煒歡女士於二零一九年八月一日獲委任為本公司之一間附屬公司的財務顧問，其上述酬金包括其作為財務顧問所提供服務之酬金。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (continued)

Notes (continued)

#### (c) Executive directors and chief executive officer

	Fees	Salaries, allowances and benefits in kind	Equity-settled share-based payments	Contributions to retirement benefits schemes	Total
	袍金	薪金、津貼及實物福利	以股份為基礎的付款	退休福利計劃供款	總額
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Year ended 31 December 2019</b>	<b>截至二零一九年十二月三十一日止年度</b>				
Mr. Zheng Jingdong <sup>1</sup>	-	568	196	25	789
Mr. Leung Tsz Chung	-	929	-	16	945
	-	1,497	196	41	1,734
<b>Year ended 31 December 2018</b>	<b>截至二零一八年十二月三十一日止年度</b>				
Mr. Zheng Jingdong <sup>1</sup>	-	553	492	15	1,060
Mr. Leung Tsz Chung	-	728	-	15	743
	-	1,281	492	30	1,803

<sup>1</sup> Mr. Zheng Jingdong has been appointed as the chief executive officer of the Company on 10 May 2013 and his emoluments disclosed above include those for services rendered by him as the chief executive officer.

There was no arrangement under which a director and chief executive officer waived or agreed to waive any remuneration during the year (2018: Nil).

### 9. 董事及主要行政人員酬金(續)

附註(續)

#### (c) 執行董事及行政總裁

<sup>1</sup> 鄭景東先生於二零一三年五月十日獲委任為本公司行政總裁，其上述酬金包括其作為行政總裁所提供服務之酬金。

年內，概無訂立董事及行政總裁放棄或同意放棄任何酬金之安排(二零一八年：無)。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2018: Nil) directors and chief executive officer, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining three (2018: five) highest paid employee who is neither a director nor chief executive officer of the Company are as follow:

### 10. 五名最高薪僱員

年內，五名最高薪僱員中有兩名(二零一八年：無)為董事及行政總裁，彼等的酬金詳情載於上文附註9。本公司其餘三名(二零一八年：五名)非董事及非行政總裁的最高薪僱員於本年度的酬金詳情如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,305	1,849
Contributions to retirement benefits schemes	退休福利計劃供款	47	68
Equity-settled share-based payments	按股權結算以股份為基礎的付款	736	5,772
		<b>3,088</b>	<b>7,689</b>

The remuneration of the remaining highest paid employees are fallen within the following bands:

其餘最高薪僱員之酬金介乎以下範圍：

		Number of employees 僱員數目	
		2019 二零一九年	2018 二零一八年
RMB500,001 to RMB1,000,000	人民幣500,001元至人民幣1,000,000元	2	-
RMB1,000,001 to RMB1,500,000	人民幣1,000,001元至人民幣1,500,000元	1	4
RMB1,500,001 to RMB2,000,000	人民幣1,500,001元至人民幣2,000,000元	-	-
RMB2,000,001 to RMB2,500,000	人民幣2,000,001元至人民幣2,500,000元	-	1
		<b>3</b>	<b>5</b>

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 11. INCOME TAX EXPENSE/(CREDIT)

### 11. 所得稅開支／(抵扣)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Current – PRC Enterprise Income Tax</b>	<b>即期 – 中國企業所得稅</b>		
Charge for the year	年內徵稅	600	700
Under-provisions in prior years	過往年度撥備不足	378	21
Deferred tax	遞延稅項	66	(1,274)
Total tax expense/(credit) for the year	年內稅項開支／(抵扣)	<b>1,044</b>	<b>(553)</b>

No provision for Hong Kong profits tax has been provided as the Group's tax losses brought forward from prior years exceeded the assessable profits arising in Hong Kong for the year (2018: Nil). Taxes on profits assessable in the PRC have been calculated at the prevailing rates, based on existing legislation, interpretations and practices in respect thereof.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2018: 25%), except for one of the PRC subsidiaries which has been granted Advanced and New Technology Enterprise status which entitles the subsidiary to a reduced income tax rate at 15% for 2018 and 2019.

由於本集團自過往年度結轉之稅項虧損超過年內在香港產生的應課稅溢利，故並無作出香港利得稅撥備(二零一八年：無)。中國的應課稅溢利稅項乃根據相關的現行法例、詮釋及常規按適用稅率計算。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，除其中一間已獲授高新技術企業資格的中國附屬公司有權於二零一八年及二零一九年享有15%的較低所得稅稅率外，中國附屬公司的稅率為25%(二零一八年：25%)。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 11. INCOME TAX EXPENSE/(CREDIT) (continued)

The tax expense/(credit) for the year can be reconciled to the "loss before tax" per consolidated statement of profit or loss and other comprehensive income as below:

### 11. 所得稅開支／(抵扣)(續)

年內稅項開支/(抵扣)可與綜合損益及其他全面收益表所呈列的「除稅前虧損」對賬如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loss before tax	除稅前虧損	<b>(313,392)</b>	(275,881)
Tax at the applicable tax rates	按適用稅率計算的稅項	<b>(53,329)</b>	(46,428)
Income not subject to tax	毋須課稅收入	<b>(1,829)</b>	(8,738)
Expenses not deductible for tax purpose	不可用於稅收目的扣減的 開支	<b>55,863</b>	55,866
Under-provision of income tax in prior years	過往年度所得稅撥備不足	<b>378</b>	21
Tax effect of tax loss utilised	已動用稅項虧損的稅務影響	<b>(105)</b>	-
Tax effect of temporary differences not recognised	未確認暫時性差異之稅項 影響	<b>66</b>	(1,274)
Income tax expense/(credit) for the year	年內所得稅開支／(抵扣)	<b>1,044</b>	(553)

Pursuant to the income tax law of the PRC, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate for the withholding tax is 5% (2018: 5%). In estimating the withholding taxes on dividends expected to be distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008, the directors of the Company have made assessment based on the factors which included dividend policy and the level of capital and working capital required for the Group's operations in the foreseeable future. No deferred tax liability has been provided for the remaining of such profits of approximately RMB467,166,000 (2018: RMB492,201,000) as the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

根據中國所得稅法，在中國成立的外資企業向外國投資者宣派的股息須繳付10%預扣稅。此項規定於二零零八年一月一日起生效，適用於二零零七年十二月三十一日後的盈利。倘中國與外國投資者所屬司法權區間訂有稅務條約，則適用的預扣稅稅率可能較低。本集團的適用預扣稅稅率為5%（二零一八年：5%）。估計在中國成立的附屬公司預期就二零零八年一月一日起所賺取盈利分派的股息所須繳納的預扣稅時，本公司董事已基於多項因素作出評估，包括本集團的股息政策及於可見將來本集團營運所需的資金及營運資本水平。本集團並無就該等盈餘溢利約人民幣467,166,000元（二零一八年：人民幣492,201,000元）計提遞延稅項負債，乃因本集團可控制撥回暫時差額的時間，且暫時差額於可見未來很可能不會撥回。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 11. INCOME TAX EXPENSE/(CREDIT) (continued)

At 31 December 2019, there were no significant unrecognised deferred tax liabilities (2018: Nil) for withholding taxes that would be payable on the unremitted earnings of the Company's subsidiaries expected to be distributed, after considering the abovementioned factors, in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

At 31 December 2019, the Group has unused tax losses of approximately HK\$762,000 (2018: HK\$1,486,000) equivalent to approximately RMB671,000 (2018: RMB1,254,000) available for offsetting against future profits, no deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

### 12. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss attributable to owners of the Company for the year ended 31 December 2019 included a loss of approximately RMB232,654,000 (2018: RMB255,581,000) which has been dealt with in the financial statements of the Company (note 43(i)).

### 13. DIVIDEND

No dividend was proposed for the years ended 31 December 2019 and 2018 and since the end of the reporting period.

### 11. 所得稅開支／(抵扣)(續)

於二零一九年十二月三十一日，經考慮上述因素後，就可見將來預計分派本公司附屬公司的未匯出盈利的應付預扣稅而言，並無重大未確認遞延稅項負債(二零一八年：無)。

本公司向其股東派付的股息並無附帶所得稅。

於二零一九年十二月三十一日，本集團的未動用稅項虧損約762,000港元(二零一八年：1,486,000港元)(相當於約人民幣671,000元)(二零一八年：人民幣1,254,000元)可用於抵銷未來溢利，由於未來溢利流不可預測，並無就有關稅項虧損確認遞延稅項資產。稅項虧損可無限結轉。

### 12. 本公司擁有人應佔虧損

截至二零一九年十二月三十一日止年度，本公司擁有人應佔綜合虧損包括虧損約人民幣232,654,000元(二零一八年：人民幣255,581,000元)，已在本公司財務報表處理(附註43(i))。

### 13. 股息

截至二零一九年及二零一八年十二月三十一日止年度以及自呈報期末以來並無建議派發股息。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 14. LOSS PER SHARE

The calculation of basic loss per share is based on the consolidated loss for the year attributable to owners of the Company of approximately RMB314,436,000 (2018: RMB275,328,000) and the weighted average number of ordinary shares of 1,453,805,361 (2018: 1,095,511,663) in issue during the year.

The weighted average number of ordinary shares used to calculate the basic loss per share for the year ended 31 December 2019 included the 1,304,059,608 ordinary shares in issue as at 1 January 2019 and 182,800,000 ordinary shares issued on 8 March 2019 in respect of the completion of subscription of new ordinary shares of the Company (the "Shares").

The weighted average number of ordinary shares used to calculate the basic loss per share for the year ended 31 December 2018 included the 1,084,059,608 ordinary shares in issue as at 1 January 2018, and 220,000,000 ordinary shares issued on 13 December 2018 in respect of conversion of convertible notes.

During the years ended 31 December 2019 and 2018, diluted loss per share does not assume the exercise of the Company's share options as the exercise of the Company's share options would result in a decrease in loss per share, and is regarded as anti-dilutive.

### 14. 每股虧損

每股基本虧損乃基於本公司擁有人應佔年內綜合虧損約人民幣314,436,000元(二零一八年：人民幣275,328,000元)及年內已發行普通股之加權平均股數1,453,805,361股(二零一八年：1,095,511,663股)計算。

用作計算截至二零一九年十二月三十一日止年度每股基本虧損的普通股之加權平均股數包括於二零一九年一月一日已發行的1,304,059,608股普通股，以及就完成認購本公司新普通股(「股份」)而於二零一九年三月八日發行的182,800,000股普通股。

用作計算截至二零一八年十二月三十一日止年度每股基本虧損的普通股之加權平均股數包括於二零一八年一月一日已發行的1,084,059,608股普通股，以及就兌換可換股票據而於二零一八年十二月十三日發行的220,000,000股普通股。

截至二零一九年及二零一八年十二月三十一日止年度，每股攤薄虧損並沒有假設行使本公司的購股權，原因是行使本公司的購股權將導致每股虧損減少及被視為反攤薄。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

		Buildings	Plant and machinery	Motor vehicles	Furniture, fixtures and office equipment	Leasehold improvements	Construction in progress	Total
		樓宇	廠房及機器	汽車	傢俬、裝置及辦公室設備	租賃裝修	在建工程	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost:	成本:							
At 1 January 2018	於二零一八年一月一日	45,243	26,992	1,730	6,628	15,959	9,807	106,359
Additions	增加	-	3,450	3	767	2,269	10,000	16,489
Disposals	出售	-	(1,618)	(374)	(1)	(10)	-	(2,003)
At 31 December 2018	於二零一八年十二月三十一日	45,243	28,824	1,359	7,394	18,218	19,807	120,845
Accumulated depreciation:	累計折舊:							
At 1 January 2018	於二零一八年一月一日	32,828	16,670	1,515	5,374	8,556	-	64,943
Provided during the year	年內撥備	3,265	1,501	57	667	511	-	6,001
Eliminated on disposals	出售時撇銷	-	(1,158)	(355)	(1)	-	-	(1,514)
At 31 December 2018	於二零一八年十二月三十一日	36,093	17,013	1,217	6,040	9,067	-	69,430
Net carrying amount:	賬面淨值:							
At 31 December 2018	於二零一八年十二月三十一日	9,150	11,811	142	1,354	9,151	19,807	51,415
Cost:	成本:							
At 1 January 2019	於二零一九年一月一日	45,243	28,824	1,359	7,394	18,218	19,807	120,845
Additions	增加	-	3,223	-	33	750	197	4,203
Disposals	出售	-	(1,149)	-	(24)	-	-	(1,173)
At 31 December 2019	於二零一九年十二月三十一日	45,243	30,898	1,359	7,403	18,968	20,004	123,875
Accumulated depreciation:	累計折舊:							
At 1 January 2019	於二零一九年一月一日	36,093	17,013	1,217	6,040	9,067	-	69,430
Provided during the year	年內撥備	3,054	1,820	51	243	963	-	6,131
Eliminated on disposals	出售時撇銷	-	(954)	-	(23)	-	-	(977)
At 31 December 2019	於二零一九年十二月三十一日	39,147	17,879	1,268	6,260	10,030	-	74,584
Net carrying amount:	賬面淨值:							
At 31 December 2019	於二零一九年十二月三十一日	6,096	13,019	91	1,143	8,938	20,004	49,291





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 15. PROPERTY, PLANT AND EQUIPMENT

(continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Buildings	Over the shorter of the lease terms and 20 years
Plant and machinery	10 years
Motor vehicles	5 years
Furniture, fixtures and office equipment	5 years
Leasehold improvements	Over the shorter of the lease terms and 5 years

The Group's buildings are situated in the PRC and are held under medium term leases.

The Group has pledged buildings with a net carrying value of approximately RMB6,096,000 (2018: RMB9,150,000) to secure general banking facilities granted to the Group.

Subsequent to the reporting period, the construction in progress with carrying amount amounting to approximately RMB19,807,000 was completed and pledged to an independent third party to secure general financial facilities granted to the Group. The construction in progress has been rented out for rental income and classified as investment properties.

### 15. 物業、廠房及設備(續)

上述物業、廠房及設備項目以下列年率按直線法折舊：

樓宇	租期及20年之較短者
廠房及機器	10年
汽車	5年
傢俬、裝置及辦公室設備	5年
租賃裝修	租期及5年之較短者

本集團的樓宇均位於中國，根據中期租賃持有。

本集團已抵押賬面淨值約人民幣6,096,000元(二零一八年：人民幣9,150,000元)的樓宇作為本集團獲授一般銀行融資的擔保。

於報告期後，賬面值約人民幣19,807,000元的在建工程已完工，並已抵押予一名獨立第三方作為本集團獲授一般財務融資的擔保。在建工程已出租以取得租金收入並分類為投資物業。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 16. RIGHT-OF-USE ASSETS

### 16. 使用權資產

		Leasehold lands 租賃土地 RMB'000 人民幣千元 (note a) (附註a)	Leased properties 租賃物業 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>As at 1 January 2019</b>	於二零一九年一月一日			
Carrying amount	賬面值	26,954	1,255	28,209
<b>As at 31 December 2019</b>	於二零一九年十二月三十一日			
Carrying amount	賬面值	26,223	1,128	27,351
<b>For the year ended 31 December 2019</b>	截至二零一九年 十二月三十一日止年度			
Depreciation charge	折舊支出	(731)	(584)	(1,315)
Addition	增加	-	457	457
		(731)	(127)	(858)
Expense relating to short-term leases and other leases with lease terms ending within 12 months of the date of initial application of IFRS 16	與短期租賃及租期於國際財務報告準則第16號首次應用日期起12個月內完結的其他租賃有關的開支			384
Total cash outflow for leases	租賃之現金流出總額			1,014

Note:

(a) The leasehold land is situated in the PRC and the respective prepaid land lease payments are held under medium term leases. At the reporting date, the Group has pledged the leasehold lands included in the right-of-use assets with a net carrying amount of approximately RMB26,223,000 to secure general banking facilities granted to the Group.

附註：

(a) 租賃土地位於中國且相關預付土地租金根據中期租賃持有。於報告日期，本集團已抵押賬面淨值約人民幣26,223,000元的租賃土地（包含在使用權資產），作為本集團獲授一般銀行融資的擔保。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 17. PREPAID LAND LEASE PAYMENTS

### 17. 預付土地租金

		2018 二零一八年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	27,685
Amortisation during the year	年內攤銷	(731)
Carrying amount at 31 December	於十二月三十一日的賬面值	26,954
Less: current portion included in prepayments, deposits and other receivables	減：計入預付款項、按金及其他應收款項的流動部分	(731)
Non-current portion	非流動部分	26,223

The leasehold land is situated in the PRC and the respective prepaid land lease payments are held under medium term leases.

租賃土地位於中國且相關預付土地租金是根據中期租賃持有。

In 2018, the Group has pledged the land use right with a net carrying amount of approximately RMB26,954,000 to secure general banking facilities granted to the Group.

於二零一八年，本集團已抵押賬面淨值約人民幣26,954,000元的土地使用權作為本集團獲授一般銀行融資的擔保。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 18. INTANGIBLE ASSETS

### 18. 無形資產

		Technology Know-how	O2O distribution vending system	Deferred development costs	Total
		技術知識	O2O分銷 售貨系統	遞延開發 成本	總額
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(notes a, c)	(notes b, c)	(note d)	
		(附註a、c)	(附註b、c)	(附註d)	
Cost:	成本：				
At 1 January 2018	於二零一八年一月一日	1,587,518	60,000	92,528	1,740,046
Addition	新增	-	-	25	25
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	1,587,518	60,000	92,553	1,740,071
Addition	新增	-	-	24	24
At 31 December 2019	於二零一九年 十二月三十一日	1,587,518	60,000	92,577	1,740,095
Accumulated amortisation and impairment:	累計攤銷及減值：				
At 1 January 2018	於二零一八年一月一日	1,038,518	4,954	59,593	1,103,065
Provided for the year	年內撥備	65,880	6,606	5,154	77,640
Impairment loss for the year	年內減值虧損	195,120	-	-	195,120
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	1,299,518	11,560	64,747	1,375,825
Provided for the year	年內撥備	39,273	6,605	6,842	52,720
Impairment loss for the year	年內減值虧損	187,727	25,835	20,733	234,295
At 31 December 2019	於二零一九年 十二月三十一日	1,526,518	44,000	92,322	1,662,840
Net carrying amount:	賬面淨值：				
At 31 December 2019	於二零一九年十二月 三十一日	61,000	16,000	255	77,255
At 31 December 2018	於二零一八年 十二月三十一日	288,000	48,440	27,806	364,246



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 18. INTANGIBLE ASSETS (continued)

Notes:

- (a) It represented certain technological know-how in respect of the application of graphene and includes one patent in the US (“US Patent”), four invention patent applications, three utility model patent applications and two utility model patents in the PRC (collectively as “PRC Patents”), relating to the manufacturing of Graphene-based EVA Foam Material, Sterilizing Chips and graphene-based pressure-sensitive sensors and the exclusive formula (collectively “Technology Know-how”), which was acquired from Bluestone Technologies (Cayman) Limited (“Bluestone”), an independent third party, in 2015.

The completion date of the transaction (“Completion Date”) was 16 December 2015. The cost of the Technology Know-how was determined by the directors of the Company and represented the sum of the cash consideration, the fair value of the convertible notes (note 27) and provision for contingent consideration at the acquisition date (note 29), and the capitalised transaction costs arising directly from the acquisition of the Technology Know-how. The Group’s first graphene application products mass production line was completed and commenced trial production in late May 2016, and mass production has already been commenced in July 2016.

The Technology Know-how has definite useful lives and is amortised over 10 years using the straight-line method.

- (b) In July 2016, the Group acquired the design of Online-to-Offline (“O2O”) distribution vending system at the consideration of RMB60,000,000 from two independent third parties. The directors of the Company consider that the O2O distribution vending system would provide customers with an interactive and unique shopping experience, enhance the distribution channel of the products made by the Group and establish the core technical competitiveness of the Group.

The O2O distribution vending system has definite useful lives and is amortised over 9 years using the straight-line method.

### 18. 無形資產(續)

附註：

- (a) 指有關石墨烯應用的若干技術知識，包括於二零一五年向獨立第三方藍石科技(開曼)有限公司(「藍石」)收購的有關生產石墨烯EVA發泡材料、殺菌芯片及石墨烯壓力傳感器的美國一項專利(「美國專利」、中國四項發明專利申請、三項實用新型專利申請及兩項實用新型專利(統稱為「中國專利」)以及獨家配方(統稱為「技術知識」)。

交易之完成日期(「完成日期」)為二零一五年十二月十六日。技術知識的成本由本公司董事釐定，指現金代價、可換股票據(附註27)及或然代價撥備於收購日期的公平值(附註29)及直接因收購技術知識而產生的資本化交易成本之總額。本集團第一條量產石墨烯應用產品之生產線已於二零一六年五月底建成及成功試產，並已於二零一六年七月份開始量產。

技術知識具有有限可使用年期，並以直線法分10年攤銷。

- (b) 於二零一六年七月，本集團向兩名獨立第三方收購線上線下(「O2O」)分銷售貨系統的設計，代價為人民幣60,000,000元。本公司董事認為，O2O分銷售貨系統為客戶提供互動及獨特的購物體驗，加強由本集團生產之產品的分銷渠道及建立本集團之核心技術競爭力。

O2O分銷售貨系統具有有限可使用年期，並以直線法分9年攤銷。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 18. INTANGIBLE ASSETS (continued)

Notes: (continued)

(b) (continued)

The directors of the Company conducted an impairment assessment on the O2O distribution vending system with reference to a valuation of the O2O distribution vending system conducted by an independent professional valuer, Ascent Partners Valuation Service Limited ("Ascent Partners"), using relief from royalty method and considered that provision for impairment to the carrying amount of the O2O distribution vending system of approximately RMB25,835,000 (2018: Nil) should be made as at 31 December 2019.

The relief from royalty method measures value by estimating budgeted sales associated with the intangible asset (i.e. O2O distribution vending system) over its useful life and then applying an appropriate royalty rate to the revenue estimate. It measures the costs that are avoided (the royalty payments that are not made) due to the firm's ownership of the intangible asset. The royalty rate of approximately 10.00% was used and the present value of the estimated royalty payments is calculated using discount rate of approximately 20.90%. Assumption of budgeted sales was based on estimated daily average sales of slippers from O2O distribution vending system and expected growth rate of product mix.

(c) The directors of the Company consider that O2O distribution vending system is a contributory asset necessary to support the earnings associated with the Technology Know-how (collectively "O2O Unit"), being the smallest identifiable group of assets that generates earnings that are largely independent of the earnings from other assets.

### 18. 無形資產(續)

附註：(續)

(b) (續)

本公司董事已對O2O分銷售貨系統進行減值評估，經參考獨立專業估值師艾升評估諮詢有限公司（「艾升」）使用免除特許權使用費法對O2O分銷售貨系統進行的估值，認為於二零一九年十二月三十一日需要就O2O分銷售貨系統的賬面值計提減值撥備約人民幣25,835,000元（二零一八年：無）。

免除特許權使用費法透過估計無形資產（即O2O分銷售貨系統）於其可使用年期內的相關預算銷售計量價值，其後應用適當特許權使用費率估計收益，其計量因公司對無形資產的所有權而避免的成本（並未支付特許權使用費）。所使用的特許權使用費率為約10.00%，估計特許權使用費付款的現值使用貼現率約20.90%計算。預算銷售假設基於O2O分銷售貨系統的估計每日平均拖鞋銷售額及產品組合的預期增長率。

(c) 本公司董事認為，O2O分銷售貨系統屬於一項必要的貢獻性資產以支持與技術知識相關的盈利（統稱「O2O單位」），即產生基本獨立於其他資產盈利之盈利的最小可識別資產組別。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 18. INTANGIBLE ASSETS (continued)

Notes: (continued)

(c) (continued)

The directors of the Company conducted an impairment assessment on the Technology Know-how with reference to a valuation of the Technology Know-how conducted by Ascent Partners, using multi-period excess earnings method (2018: multi-period excess earnings method) and considered that provision for impairment to the carrying amount of the Technology Know-how of approximately RMB187,727,000 (2018: RMB195,120,000) should be made as at 31 December 2019. The multi-period excess earnings method is based on a discount rate of approximately 22.90% (2018: 24.66%) and financial forecasts approved by the directors of the Company. Assumption of budgeted sales was based on estimated daily average sales of slippers from O2O distribution vending system and expected growth rate of product mix. Other key assumptions for the multi-period excess earnings method relate to the estimation of earnings which include estimated gross profit margin, operating expenses and working capital requirements, such estimation is based on the expected and forecasted performance generated from the past performance of the O2O Unit and management's expectations for the market development.

- (d) In July 2016, the Group engaged several independent third parties in the research and development of manufacturing and application technology of graphene material on Sterilizing Chips, energy storage materials for batteries and pressure sensitive lighting devices for shoes ("Other Deferred Development Costs"). The directors of the Company seek the opportunities in applying the graphene material in products other than shoes and plan to launch in future.

The Sterilizing Chips has definite useful lives and is amortised over 5 years using the straight-line method.

The directors of the Company conducted an impairment assessment on the Sterilizing Chips and considered that the future economic benefits attributable to the Sterilizing Chips is premature and provision for impairment of approximately RMB20,733,000 (2018: Nil) should be made as at 31 December 2019.

As at 31 December 2019, the carrying amount represented the cost of acquisition of patents for research and development of manufacturing and application technology of graphene material on certain products.

### 18. 無形資產(續)

附註：(續)

(c) (續)

本公司董事已對技術知識進行減值評估，經參考獨立專業估值師艾升使用多期超額收益法(二零一八年：多期超額收益法)對技術知識進行的估值，認為於二零一九年十二月三十一日需要就技術知識的賬面值計提減值撥備約人民幣187,727,000元(二零一八年：人民幣195,120,000元)。多期超額收益法乃基於貼現率約22.90%(二零一八年：24.66%)及本公司董事已批准的財務預測。預算銷售假設基於O2O分銷售貨系統的估計每日平均拖鞋銷售額及產品組合的預期增長率。多期超額收益法的其他主要假設涉及估計盈利，包括估計毛利率、營運開支及營運資金要求，該估計乃基於使用O2O單位過往表現所產生的預期及預測表現以及管理層對市場發展的預期。

- (d) 於二零一六年七月，本集團聘用數名獨立第三方研發石墨烯材料於殺菌芯片、電池儲能材料及鞋履壓敏照明裝置的生產及應用技術(「其他遞延開發成本」)。本公司董事尋求將石墨烯材料應用於鞋履以外的產品之機會，並計劃於未來推出。

殺菌芯片具有有限可使用年期，並以直線法分5年攤銷。

本公司董事已對殺菌芯片進行減值評估並認為殺菌芯片應佔的未來經濟利益為時過早，及需要於二零一九年十二月三十一日計提減值撥備約人民幣20,733,000元(二零一八年：無)。

於二零一九年十二月三十一日，該面值為研發石墨烯材料用於若干產品的生產及應用技術之專利的收購成本。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 19. INVENTORIES

### 19. 存貨

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Raw materials and consumables	原材料及消耗品	7,228	6,523
Work in progress	在製品	8,268	9,959
Finished goods	製成品	13,871	24,074
		<b>29,367</b>	40,556

During the year ended 31 December 2019, the write-down of inventories of approximately RMB166,000 (2018: reversal of write-down of inventories of approximately RMB546,000) was recognised in the profit or loss.

截至二零一九年十二月三十一日止年度，於損益內確認的存貨撇減約人民幣166,000元(二零一八年：存貨撇減撥回約人民幣546,000元)。

### 20. TRADE RECEIVABLES

### 20. 應收貿易賬款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables from sales of goods	銷售商品產生之應收貿易賬款	52,770	42,033
Less: Allowance for credit losses	減：信貸虧損撥備	(7,986)	(8,374)
		<b>44,784</b>	33,659



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 20. TRADE RECEIVABLES (continued)

An aging analysis of the Group's trade receivables, net of allowance for credit losses as at the end of the reporting period, based on the invoice dates, is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 3 months	3個月內	39,440	32,877
4 to 6 months	4至6個月	3,637	739
7 to 9 months	7至9個月	1,707	43
		<b>44,784</b>	<b>33,659</b>

The aging analysis of trade receivables that are past due but not impaired:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Past due but not impaired:	已逾期但未減值：		
Within 3 months	3個月內	3,637	739
4 to 6 months	4至6個月	1,707	43
		<b>5,344</b>	<b>782</b>

The Group's trading terms with its customers are mainly on credit. The credit period offered to its customers is generally for a period of three months. The Group seeks to apply strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

### 20. 應收貿易賬款(續)

於呈報期末，本集團應收貿易賬款扣除信貸虧損撥備後按發票日期劃分的賬齡分析如下：

已逾期但未減值的應收貿易賬款的賬齡分析：

本集團與客戶的貿易條款主要以信貸進行。向客戶提供的信貸期一般為三個月。本集團致力嚴格監控未償還的應收款項，並設有信貸監控部門，以減低信貸風險。高級管理層定期檢討逾期結餘。基於上文所述，且本集團之應收貿易賬款與大量不同的客戶有關，故並無重大集中信貸風險。本集團並無就其應收貿易賬款結餘持有任何抵押品或其他提升信貸的項目。應收貿易賬款均不計息。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 20. TRADE RECEIVABLES (continued)

Receivables that were past due but not impaired relate to a number of independent customers that have a good repayment record with the Group. Based on past payment record, the directors of the Company are of the opinion that no impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Detail of impairment assessment of trade receivables for the year ended 31 December 2019 are set out in note 42.

### 21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments:	預付款項：
– Advanced to suppliers	– 向供應商預付款
– Prepaid land lease payments	– 預付土地租金
– Others	– 其他
Deposits:	按金：
– Acquisition of equipment	– 購置設備
– Others	– 其他
Other receivables:	其他應收款項：
– For disposal of assets held for sale (note 23)	– 出售持有待售資產 (附註23)
– Others	– 其他
Value-added Tax (“VAT”) recoverable	應退增值稅(「增值稅」)

As at 31 December 2019, other than prepayments and VAT recoverable, none of the above assets is either past due or impaired (2018: Nil). The financial assets included in the above balances relate to receivables for which there was no recent history of default.

Detail of impairment assessment of other receivables for the year ended 31 December 2019 are set out in note 42.

### 20. 應收貿易賬款(續)

已逾期但未減值的應收款項涉及多個與本集團有良好還款紀錄的獨立客戶。根據過往付款記錄，本公司董事認為，由於信貸質素並無重大改變，且該等結餘仍視為可全數收回，故毋須作出減值撥備。

截至二零一九年十二月三十一日止年度，應收貿易賬款之減值評估詳情載於附註42。

### 21. 預付款項、按金及其他應收款項

	2019	2018
	二零一九年	二零一八年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Prepayments:		
– Advanced to suppliers	222	626
– Prepaid land lease payments	–	731
– Others	951	1,321
Deposits:		
– Acquisition of equipment	11,218	2,580
– Others	375	582
Other receivables:		
– For disposal of assets held for sale (note 23)	23,000	–
– Others	839	1,272
Value-added Tax (“VAT”) recoverable	1,789	368
	<b>38,394</b>	<b>7,480</b>

於二零一九年十二月三十一日，除預付款項及應退增值稅外，上述資產概無逾期或減值(二零一八年：無)。計入上述結餘的金融資產與近期並無拖欠紀錄的應收款項有關。

截至二零一九年十二月三十一日止年度，其他應收款項之減值評估詳情載於附註42。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 22. PLEDGED DEPOSITS, CASH AND BANK BALANCES

Deposits amounting to approximately RMB3,855,000 (2018: Nil) have been pledged to secure for bills payables of RMB12,850,000 (2018: Nil) for the year ended 31 December 2019 (note 24).

At 31 December 2019, the amount denominated in RMB included in cash and bank balances and pledged deposits amounted to approximately RMB5,869,000 (2018: cash and bank balances amounted to RMB2,116,000). The RMB is not freely convertible into other currencies, however, under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Pledged deposits earned interest at fixed rate of 1.55% (2018: N/A) per annum. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The pledged bank deposits will be released upon the settlement of bills payables.

### 22. 已質押存款、現金及銀行結餘

截至二零一九年十二月三十一日止年度，價值約人民幣3,855,000元(二零一八年：無)的存款已為人民幣12,850,000元(二零一八年：無)的應付票據作質押擔保(附註24)。

於二零一九年十二月三十一日，以人民幣計值的現金及銀行結餘及已質押存款為約人民幣5,869,000元(二零一八年：現金及銀行結餘為人民幣2,116,000元)。人民幣不可自由兌換成其他貨幣。然而，根據中國外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准透過授權進行外匯業務的銀行將人民幣兌換成其他外幣。

銀行現金按每日銀行存款利率而定的浮動息率計息。已質押存款按固定年利率1.55%(二零一八年：不適用)計息。銀行結餘及已質押存款存放在有信譽且近期無拖欠紀錄的銀行。已質押的銀行存款將於應付票據結清時撤除。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 23. ASSETS CLASSIFIED AS HELD FOR SALE

On 10 October 2017, the Group entered into a sales and purchase agreement with an independent third party (the "Buyer") at a consideration of RMB26,000,000 to dispose of certain property, plant and equipment with land use right located in PRC. In accordance with IFRS 5, the disposal assets were reclassified as assets held for sale in 2017. During the year ended 31 December 2018, the transfer of legal title of the disposal asset was in progress and non-refundable deposit amounting to RMB16,500,000 had been received. On 16 September 2019, the Group entered into a supplementary agreement to the sales and purchase agreement with the Buyer and agreed to reduce the consideration by RMB3,000,000 due to the quality issue. During the year, the transaction had been completed as the land use right had been transferred to the Buyer.

The major classes of assets classified as held for sale are as follows:

### 23. 分類為持有待售的資產

於二零一七年十月十日，本集團與一名獨立第三方（「買方」）訂立買賣協議，以代價人民幣26,000,000元出售若干物業、廠房及設備以及位於中國之土地使用權。於二零一七年，根據國際財務報告準則第5號，出售資產重新分類為持有待售的資產。截至二零一八年十二月三十一日止年度，出售資產合法所有權的轉讓仍在進行中及已收不可退還的按金人民幣16,500,000元。於二零一九年九月十六日，本集團與買方訂立買賣協議的補充協議，並因質量問題同意將代價減少人民幣3,000,000元。年內，由於相關土地使用權已轉讓給買方，是項交易已於年內完成。

分類為持有待售的資產主要類別如下：

		RMB'000 人民幣千元
Building and leasehold improvements	樓宇及租賃裝修	44,318
Prepaid land lease payments	預付土地租金	4,926
Impairment loss for 2017	於二零一七年減值虧損	<u>(23,244)</u>
As at 1 January 2018, 31 December 2018 and 1 January 2019	於二零一八年一月一日、二零一八年十二月三十一日及二零一九年一月一日	26,000
Impairment loss recognised during the year	於年內確認減值虧損	(3,000)
Transfer to other receivables (note 21)	轉撥至其他應收款項(附註21)	<u>(23,000)</u>
As at 31 December 2019	於二零一九年十二月三十一日	<u>—</u>

### 24. TRADE AND BILLS PAYABLES

Trade payables 應付貿易賬款  
Bills payables 應付票據

### 24. 應付貿易賬款及應付票據

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade payables	應付貿易賬款	44,006	46,806
Bills payables	應付票據	12,850	—
		<u>56,856</u>	46,806



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 24. TRADE AND BILLS PAYABLES (continued)

An aging analysis of the Group's trade and bills payables as at the end of the reporting period, based on the invoice dates, is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 3 months	3個月內	41,913	31,300
Over 3 months	3個月以上	14,943	15,506
		<b>56,856</b>	<b>46,806</b>

The trade payables are non-interest-bearing and are normally settled on six months terms (2018: six months). Bills payable of approximately RMB12,850,000 were secured by the Group's pledged deposits amounted to approximately RMB3,855,000 as at 31 December 2019. The Group has no bills payable as at 31 December 2018.

### 24. 應付貿易賬款及應付票據(續)

於呈報期末，本集團應付貿易賬款及應付票據按發票日期劃分的賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
應付貿易賬款不計息，且一般於六個月(二零一八年：六個月)內償還。於二零一九年十二月三十一日，本集團通過已質押存款約人民幣3,855,000元為約人民幣12,850,000元的應付票據作出擔保。於二零一八年十二月三十一日，本集團概無應付票據。			

### 25. DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

Deposits received:	已收按金：		
– From customers	– 客戶已付款項	300	300
– For disposal of assets held for sale (non-refundable)	– 出售持有待售資產 (不可退還)	16,500	16,500
– For subscription of new Shares	– 認購新股份	–	19,715
– Others	– 其他	380	405
Accruals	應計費用	8,111	7,944
Other payables	其他應付款項	26,262	34,487
Provision for contingent consideration (note 29)	或然代價撥備(附註29)	–	2,457

All accruals and other payables are expected to be settled within one year.

### 25. 已收按金、其他應付款項及應計費用

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
--	--	-----------------------------------	-----------------------------------

所有應計費用及其他應付款項預期於一年內償還。			
------------------------	--	--	--

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 26. SHORT TERM BORROWINGS

### 26. 短期借貸

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Secured bank loans repayable within one year	須於一年內償還的有抵押銀行貸款	(b) 98,000	106,000
Unsecured loans repayable within one year	須於一年內償還的無抵押貸款	16,200	17,100
		<b>114,200</b>	123,100

(a) At 31 December 2019 and 2018, the loans were denominated in Renminbi and bore interest rates ranging from 4.35% to 5.22% per annum.

(b) At 31 December 2019, the secured bank loans of the Group were secured by a pledge of certain of the Group's buildings and leasehold lands (2018: buildings and land use rights), with carrying amounts of approximately RMB6,096,000 (2018: RMB9,150,000) and approximately RMB26,223,000 (2018: RMB26,954,000) respectively. In addition, the bank loans were secured by guarantees provided by an independent third party, a director of the Company and his son.

(a) 於二零一九年及二零一八年十二月三十一日，貸款均以人民幣計值，並按範圍由每年4.35%至5.22%的息率計息。

(b) 於二零一九年十二月三十一日，本集團分別已抵押賬面值約人民幣6,096,000元(二零一八年：人民幣9,150,000元)及約人民幣26,223,000元(二零一八年：人民幣26,954,000元)之若干樓宇及租賃土地(二零一八年：樓宇及土地使用權)作為本集團有抵押銀行貸款的擔保。此外，有關銀行貸款由一名獨立第三方、一名本公司董事及其兒子提供擔保。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 27. CONVERTIBLE NOTES

#### Valuation of the Convertible Notes

The movements of the Convertible Notes were as follows:

### 27. 可換股票據

#### 可換股票據估值

可換股票據的變動如下：

		2015 Convertible Notes 二零一五年 可換股票據 (note a) (附註a) RMB'000 人民幣千元	2016 Convertible Notes 二零一六年 可換股票據 (note a) (附註a) RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Fair value at 1 January 2018	於二零一八年一月一日的 公平值	87,002	57,820	144,822
Fair value loss charged to profit or loss during 2018	於二零一八年損益扣除的 公平值損失	10,570	7,227	17,797
Conversion of convertible notes during 2018	於二零一八年兌換的可換股 票據	(97,572)	(65,047)	(162,619)
Fair value at 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日 的公平值	-	-	-

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 27. CONVERTIBLE NOTES (continued)

#### Valuation of the Convertible Notes (continued)

Note:

- (a) In connection with the acquisition of the Technology Know-how as explained in note 18, the Company issued zero-coupon unsecured convertible notes (the "2015 Convertible Notes") with principal amount of approximately HK\$110,880,000 as part of the initial consideration on 16 December 2015. As a settlement of part of contingent consideration, the Company also issued zero-coupon unsecured convertible notes (the "2016 Convertible Notes") with principal amount of approximately HK\$73,920,000 on 2 February 2016.

The 2015 Convertible Notes and 2016 Convertible Notes (collectively the "Convertible Notes") entitle the holder to convert them into Shares at any time from the date of issue of the 2015 Convertible Notes and 2016 Convertible Notes to the date immediately prior to the maturity date on 16 December 2018 and 2 February 2019 (the "Maturity Dates") respectively, being the third anniversary of the date of issue, in multiples of HK\$1,000,000 at a conversion price of HK\$0.84 per conversion share subject to adjustments in certain events. The Shares to be allotted and issued upon conversions shall rank pari passu in all respects among themselves and with all other Shares in issue by the Company on the date of such allotment and issue. Also, the Company has a right to redeem the Convertible Notes at any time before the Maturity Dates of the Convertible Notes.

The Convertible Notes included a debt instrument with embedded derivatives. Upon initial recognition, the Convertible Notes are designated as financial liabilities at FVTPL since it contains embedded foreign exchange derivatives. The fair values of the Convertible Notes are remeasured at the end of each reporting period and any gains or losses arising from changes in fair value are recognised in the statement of profit or loss.

During the year ended 31 December 2018, the Group received a total of two conversion notices from Bluestone in respect of the exercise of the conversion rights attached to the Convertible Notes in the aggregate principal amount of HK\$184,800,000 at the conversion price of HK\$0.84 per conversion share. As a result of this conversion, the Company allotted and issued a total of 220,000,000 Shares to Bluestone in December 2018 with additional share capital and share premium of approximately HK\$17,193,000 (equivalent to approximately RMB15,129,000) and approximately HK\$167,607,000 (equivalent to approximately RMB147,489,000) respectively. No Convertible Notes remain outstanding at 31 December 2018.

### 27. 可換股票據(續)

#### 可換股票據估值(續)

附註:

- (a) 就附註18所述有關收購技術知識而言，本公司於二零一五年十二月十六日發行本金額為約110,880,000港元之零票息無抵押可換股票據(「二零一五年可換股票據」)，作為部分的初步代價。作為結算或然代價的一部分，本公司亦於二零一六年二月二日發行本金額為約73,920,000港元之零票息無抵押可換股票據(「二零一六年可換股票據」)。

二零一五年可換股票據及二零一六年可換股票據(統稱為「可換股票據」)賦予持有人權利可於二零一五年可換股票據及二零一六年可換股票據發行日期起至緊接到期日分別為二零一八年十二月十六日及二零一九年二月二日(「到期日」)(即發行日期的第三個週年當日)前一日之任何時候，以1,000,000港元的倍數按換股價每股換股份0.84港元(於若干情況下可予調整)將二零一五年可換股票據及二零一六年可換股票據轉換為股份。於換股後將予配發及發行之股份於各方面在彼此之間及與本公司於有關配發及發行日期已發行的所有其他股份具有同等地位。本公司亦有權於可換股票據到期日前任何時間贖回可換股票據。

可換股票據包含附帶嵌入式衍生工具的債務工具。於初始確認後，可換股票據被指定為按公平值計入損益的金融負債。可換股票據的公平值於各呈報期末重新計量，公平值變動產生的任何盈虧於損益表內確認。

截至二零一八年十二月三十一日止年度，本集團收到由藍石就以每股兌換股份0.84港元之換股價，行使持有本金總額184,800,000港元之可換股票據所附的換股權而發出的合共兩份換股通知。由於本次換股，本公司於二零一八年十二月配發及發行合共220,000,000股股份予藍石，附帶分別約17,193,000港元(相當於約人民幣15,129,000元)及約167,607,000港元(相當於約人民幣147,489,000元)之額外股本及股份溢價。於二零一八年十二月三十一日，並無可換股票據仍未兌換。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 28. LEASE LIABILITIES

### 28. 租賃負債

**31 December  
2019**  
於二零一九年  
十二月三十一日  
RMB'000  
人民幣千元

<b>Lease liabilities payable:</b>	<b>應付租賃負債：</b>	
Within one year	一年內	604
Within a period of more than one year but not more than two years	一年至兩年之期間內	207
Within a period of more than two years but not more than five years	兩年至五年之期間內	343
		<hr/>
		1,154
Less: Amount due for settlement within 12 months shown under current liabilities	減：列示於流動負債項下須於12個月內結付之款項	<hr/>
		(604)
Amount due for settlement after 12 months shown under non-current liabilities	列示於非流動負債項下須於12個月後結付之款項	<hr/>
		550

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 29. PROVISION FOR CONTINGENT CONSIDERATION

In connection with the acquisition of the Technology Know-how as explained in note 18, provision for contingent consideration as at 31 December 2015 represented the acquisition-date fair value of contingent consideration of i) a maximum of approximately RMB1,289,409,836 in cash (“Cash Consideration”); and ii) the contingent convertible notes (“Contingent CNs”) with principal amount of HK\$73,920,000 (equivalent to approximately RMB60,590,164), which will be issued by the Company after fulfilment of certain conditions specified in the acquisition agreement signed on 14 October 2015 (“Acquisition Agreement”), as part of the consideration for the acquisition of the Technology Know-how.

The settlement of Cash Consideration and the Contingent CNs is subject to the following conditions:

“Second Instalment Conditions” refer to (a) the registration of the transfer of the PRC Patents and the US Patent having been completed in the State Intellectual Property Office of the PRC and the United States Patent and Trademark Office respectively, such that the Company having become the applicant of the PRC Patents (or if the PRC Patents are granted, the Company having become the PRC Patents owner) under the record of the State Intellectual Property Office of the PRC, and the Company having become the US Patent owner under the record of the United States Patent and Trademark Office; and (b) the training provided by Bluestone to the technicians of the Group and its contracted parties having been completed, such that the Group and its contracted parties having been able to produce graphene-based EVA foam material and graphene deodorizing and sterilizing chips based on the Technology Know-how independently, and the graphene-based EVA foam material and graphene deodorizing and sterilizing chips produced having been certified by an independent technical organisation at provincial level or above to meet the inspection standard as stipulated under the Acquisition Agreement.

### 29. 或然代價撥備

就附註18所述有關收購技術知識而言，於二零一五年十二月三十一日的或然代價撥備指i)現金最多約人民幣1,289,409,836元(「現金代價」)；及ii)本金額73,920,000港元(相當於約人民幣60,590,164元)之或然可換股票據(「或然可換股票據」)之或然代價於收購日期之公平值，該等可換股票據將於二零一五年十月十四日簽訂之收購協議(「收購協議」)指定的若干條件達成後由本公司發行，作為收購技術知識之部分代價。

現金代價及或然可換股票據之結算須待以下條件達成後，方可作實：

「第二期條件」指(a)中國專利及美國專利的轉讓已經分別於中國國家知識產權局及美國專利及商標局完成登記，因此本公司已於中國國家知識產權局記錄中成為中國專利的申請人(或如中國專利已獲授出，則本公司成為中國專利的擁有人)及已於美國專利及商標局的記錄中成為美國專利的擁有人；及(b)藍石向本集團及其合約方的技術人員提供的培訓已完成，而令本集團及其合約方能夠獨立使用技術知識生產石墨烯EVA發泡材料和石墨烯除臭殺菌芯片，且所生產的石墨烯EVA發泡材料和石墨烯除臭殺菌芯片已獲得省級或以上獨立技術認證機構作出技術認證，符合收購協議規定的驗收標準。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 29. PROVISION FOR CONTINGENT CONSIDERATION (continued)

Upon fulfilment of the Second Instalment Conditions, the second instalment in the amount of RMB450,000,000 should be payable by the Company, of which (a) RMB389,409,836 should be paid in cash within 6 months after fulfilment of the Second Instalment Conditions; and (b) RMB60,590,164 should be satisfied by issuing the convertible notes with principal amount of HK\$73,920,000 to Bluestone or its nominee(s) within 15 business days after the fulfilment of the Second Instalment Conditions.

“Third Instalment Conditions” refer to (a) the accumulated turnover of a special purpose vehicle (“SPV”) to be established by the Group for the sales of graphene-based EVA foam material, graphene deodorizing and sterilizing chips and graphene-based wearable devices manufactured using the Technology Know-how and/or any other companies (other than companies of the Group) authorised to use the Technology Know-how having reached RMB40,000,000; and (b) the sales volume of graphene-based EVA foam material having reached 20,000 cubic meters, each within 9 months after the Completion Date (or such later date as the Company may agree).

Upon fulfilment of the Second Instalment Conditions and the Third Instalment Conditions, the third instalment in the amount of RMB270,000,000 should be payable by the Company in cash to Bluestone or its nominee(s) within 15 business days after the fulfilment of the Third Instalment Conditions.

Second Instalment Conditions and Third Instalment Conditions had been fulfilled and the Company had paid RMB389,409,836 by way of cash and RMB60,590,164 by way of issuing the 2016 Convertible Notes (refer to note 27) and RMB270,000,000 by way of cash on 2 February 2016 and 8 September 2016 respectively.

### 29. 或然代價撥備(續)

於第二期條件達成後，第二期金額人民幣450,000,000元須由本公司支付，其中(a)人民幣389,409,836元須於第二期條件達成後6個月內以現金支付；及(b)人民幣60,590,164元須於第二期條件達成後15個營業日內透過向藍石或其提名人發行本金額為73,920,000港元的可換股票據而支付。

「第三期條件」指於完成日期後9個月內(或本公司同意的較遲日期)(a)本集團將就銷售使用技術知識生產的石墨烯EVA發泡材料、石墨烯除臭殺菌芯片及石墨烯可穿戴裝置而成立的特殊目的公司(「SPV」)及/或獲授權使用技術知識的任何其他公司(不包括本集團各公司)累計營業額已達人民幣40,000,000元；及(b)石墨烯EVA發泡材料銷量已達20,000立方米。

於第二期條件及第三期條件達成後，第三期金額人民幣270,000,000元須由本公司於第三期條件達成後15個營業日內以現金支付予藍石或其提名人。

第二期條件及第三期條件已達成，本公司分別於二零一六年二月二日以現金支付人民幣389,409,836元及透過發行二零一六年可換股票據支付人民幣60,590,164元(請參閱附註27)及於二零一六年九月八日以現金支付人民幣270,000,000元。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 29. PROVISION FOR CONTINGENT CONSIDERATION (continued)

Pursuant to the Acquisition Agreement, upon fulfilment of the Second Instalment Conditions and the Third Instalment Conditions, Bluestone is entitled to share 35% of the earnings before interests, taxes, depreciation and amortisation ("EBITDA") of the SPV for the 6-month period ended 30 June or 31 December of each year ("Interim Financial Period") starting from the year the Second Instalment Conditions and the Third Instalment Conditions are fulfilled and each subsequent Interim Financial Period (until the end of the sixth financial year ending 31 December from the Completion Date), subject to a maximum sharing amount of RMB630,000,000 (the "EBITDA Sharing Mechanism").

For the avoidance of doubt, the financial year in which the Completion Date ending on would be considered as the first financial year for the purpose of the EBITDA Sharing Mechanism. During the period under the EBITDA Sharing Mechanism, for each Interim Financial Period, the Company should appoint an independent auditor to issue a certificate for the EBITDA of the SPV during the relevant Interim Financial Period within 4 months from the end of such Interim Financial Period, and the sharing amount shall be paid by the Company in cash to Bluestone or its nominee(s) within 15 business days after the issuance of such certificate. Any license fees for the Technology Know-how payable by the SPV to the Group will be disregarded in the calculation of the EBITDA.

If the accumulated EBITDA of the SPV during the period under the EBITDA Sharing Mechanism is less than RMB1,800,000,000 (for the purpose, if the SPV records a loss in any Interim Financial Period, the EBITDA of the SPV of that Interim Financial Period would be regarded as zero in calculating the accumulated EBITDA), the total sharing amount under the EBITDA Sharing Mechanism will be less than RMB630,000,000 and the Company is not obligated to pay the shortfall between RMB630,000,000 and 35% of the actual accumulated EBITDA of the SPV during the period under the EBITDA Sharing Mechanism.

Provision for contingent consideration as at 31 December 2019 represented the contingent cash consideration payable to Bluestone or its nominee(s) under the EBITDA Sharing Mechanism.

### 29. 或然代價撥備(續)

根據收購協議，自第二期條件及第三期條件達成後之年度起，藍石有權分佔SPV於第二期條件及第三期條件達成的截至各年六月三十日或十二月三十一日止六個月期間（「中期財務期間」）及此後每個中期財務期間（直至完成日期起第六個截至十二月三十一日止財政年度完結為止）除利息、稅項、折舊及攤銷前盈利（「EBITDA」）的35%，惟最高分成金額為人民幣630,000,000元（「EBITDA分成機制」）。

為免疑慮，就EBITDA分成機制而言，完成日期所屬的財政年度將被視為第一個財政年度。於EBITDA分成機制期間，就每個中期財務期間而言，本公司應委任一名獨立核數師於相關中期財務期間完結後4個月內就SPV於該中期財務期間的EBITDA出具一份證書，本公司須於該證書出具後15個營業日內以現金向藍石或其提名人支付分成款項。計算EBITDA時將不會考慮SPV就技術知識應向本集團支付的任何許可費。

如SPV於EBITDA分成機制下期間的累計EBITDA低於人民幣1,800,000,000元（就此而言，如SPV於任何中期財務期間錄得虧損，計算累計EBITDA時，SPV於該中期財務期間的EBITDA應當被視為零），EBITDA分成機制下的總分成金額將低於人民幣630,000,000元，本公司亦毋須支付人民幣630,000,000元與SPV於該EBITDA分成機制下期間的實際累計EBITDA之35%之間的差額。

於二零一九年十二月三十一日的或然代價撥備指根據EBITDA分成機制應付藍石或其提名人的或然現金代價。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 29. PROVISION FOR CONTINGENT CONSIDERATION (continued)

The movements of the provision for contingent consideration were as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
As at the beginning of the year	於年初	4,769	48,302
Fair value gain credited to profit or loss during the year	年內於損益計入之公平值收益	<b>(4,769)</b>	(43,533)
As at the end of the year	於年末	-	4,769
Current portion included in deposits received, other payables and accruals	計入已收按金、其他應付款項及應計費用之流動部分	-	(2,457)
Non-current portion	非流動部分	-	2,312

The fair value of the provision for contingent consideration is calculated using the discounted cash flow approach (2018: discounted cash flow approach). The inputs into the approach as at 31 December 2019 and 2018 were as follows:

		2019 二零一九年	2018 二零一八年
Discount rate	貼現率	<b>14.84% - 14.86%</b>	12.54% - 12.72%

The provision for contingent consideration is classified as a financial liability which will then be measured at fair value and any changes in fair value will be recognised in the consolidated statement of profit or loss.

The directors of the Company conducted a fair value assessment of the provision for contingent consideration as at 31 December 2019, with reference to a valuation conducted by Ascent Partners.

### 29. 或然代價撥備(續)

或然代價撥備之變動如下：

或然代價撥備的公平值採用貼現現金流法(二零一八年：貼現現金流法)計算。於二零一九年及二零一八年十二月三十一日，該法的輸入值如下：

或然代價撥備被分類為金融負債，然後將按公平值計量，任何公平值變動將於綜合損益表內確認。

本公司董事已參考艾升作出之估值對二零一九年十二月三十一日之或然代價撥備進行公平值評估。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 30. DEFERRED TAX LIABILITY

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax asset and liability have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Deferred tax asset	遞延稅項資產	514	580
Deferred tax liability	遞延稅項負債	<b>(3,071)</b>	(3,071)
		<b>(2,557)</b>	(2,491)

The following are the major deferred tax liability and asset recognised and movements thereon during the current and prior years:

		Allowance for inventories and credit losses 存貨及信貸虧損撥備 RMB'000 人民幣千元	Undistributed profits of PRC subsidiary 中國附屬公司 之未分派溢利 RMB'000 人民幣千元 (note a) (附註a)	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	-	(3,071)	(3,071)
Credited to profit or loss	計入損益	580	-	580
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	580	(3,071)	(2,491)
Charged to profit or loss	於損益扣除	(66)	-	(66)
At 31 December 2019	於二零一九年十二月三十一日	514	(3,071)	(2,557)

Note:

(a) The amount represents Group's withholding taxes to the dividend payable by a PRC subsidiary amounted RMB62,075,000 as at 31 December 2019 and 2018.

### 30. 遞延稅項負債

就呈列綜合財務狀況表而言，若干遞延稅項資產及負債已予抵銷。用於財務報告之遞延稅項結餘分析載列如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Deferred tax asset	遞延稅項資產	514	580
Deferred tax liability	遞延稅項負債	<b>(3,071)</b>	(3,071)
		<b>(2,557)</b>	(2,491)

以下為當前及過往年度期間已確認之主要遞延稅項負債及資產以及變動：

		Allowance for inventories and credit losses 存貨及信貸虧損撥備 RMB'000 人民幣千元	Undistributed profits of PRC subsidiary 中國附屬公司 之未分派溢利 RMB'000 人民幣千元 (note a) (附註a)	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	-	(3,071)	(3,071)
Credited to profit or loss	計入損益	580	-	580
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	580	(3,071)	(2,491)
Charged to profit or loss	於損益扣除	(66)	-	(66)
At 31 December 2019	於二零一九年十二月三十一日	514	(3,071)	(2,557)

附註：

(a) 該金額指於二零一九年及二零一八年十二月三十一日，本集團就中國附屬公司應付股息人民幣62,075,000元的預扣稅。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 31. SHARE CAPITAL

The details of the authorised and issued share capital of the Company are as follows:

### 31. 股本

本公司法定及已發行股本之詳情如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Authorised:	法定：		
5,000,000,000 ordinary shares of US\$0.01 each	5,000,000,000股每股面值0.01美元的普通股	<b>342,400</b>	342,400
Issued and fully paid:	已發行及繳足：		
1,486,859,608 (2018: 1,304,059,608) ordinary shares of US\$0.01 each	1,486,859,608股(二零一八年：1,304,059,608股)每股面值0.01美元的普通股	<b>99,310</b>	86,758

#### Ordinary shares

#### 普通股

		Number of ordinary shares of US\$0.01 each 每股面值0.01 美元的普通股 數目	Nominal value of ordinary shares 普通股面值 US\$'000 千美元	Nominal value of ordinary shares 普通股面值 RMB'000 人民幣千元
<b>Authorised:</b>	<b>法定：</b>			
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	5,000,000,000	50,000	342,400
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>			
At 1 January 2018	於二零一八年一月一日	1,084,059,608	10,841	71,629
Conversion of convertible notes (note 27)	兌換可換股票據(附註27)	220,000,000	2,200	15,129
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	1,304,059,608	13,041	86,758
Completion of subscription of new Shares	完成認購新股份	182,800,000	1,828	12,552
At 31 December 2019	於二零一九年十二月三十一日	1,486,859,608	14,869	99,310

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 31. SHARE CAPITAL (continued)

#### Ordinary shares (continued)

Pursuant to the Company's announcements dated 9 November 2018, 12 November 2018 and 8 March 2019, two independent subscribers subscribed for a total of 182,800,000 new Shares at a subscription price of HK\$0.27 per subscription share which were completed on 8 March 2019 (the "Subscription"). The net proceeds from the Subscription (after deducting the relevant expenses incurred in the Subscription) were approximately HK\$49,136,000 (equivalent to approximately RMB42,982,000).

### 32. SHARE-BASED PAYMENT TRANSACTIONS

#### Equity-settled share option scheme of the Company

On 8 January 2011, the Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme include, among others, the Company's directors, including independent non-executive directors, employees, suppliers of goods or services, customers, consultants of the Group, the Company's shareholders, and any non-controlling shareholder in the Company's subsidiaries. The Share Option Scheme became effective on 28 January 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date, i.e. 27 January 2021.

Subject to the Listing Rules, the overall limit on the number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the relevant class of Shares in issue from time to time. Subject to the limit above, the maximum number of shares which may be issued upon exercise of all option to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue at the Listing Date (the "Scheme Mandate Limit") and at the date of approval by the shareholders of the Company in general meeting where the Scheme Mandate Limit is refreshed. The maximum number of Shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the Shares in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

### 31. 股本(續)

#### 普通股(續)

根據本公司日期為二零一八年十一月九日、二零一八年十一月十二日及二零一九年三月八日之公佈，兩名獨立認購人已按認購價每股認購股份0.27港元認購合共182,800,000股新股份(已於二零一九年三月八日完成)(「認購事項」)。認購事項所得款項淨額(經扣除認購事項產生之相關開支)約為49,136,000港元(相當於約人民幣42,982,000元)。

### 32. 以股份為基礎的付款之交易

#### 本公司以股權結算之購股權計劃

於二零一一年一月八日，本公司運作一項購股權計劃(「購股權計劃」)，旨在向為本集團業務之成功作出貢獻之合資格參與者提供獎勵及報酬。購股權計劃合資格參與者包括(其中包括)本公司董事(包括獨立非執行董事)、本集團僱員、產品或服務供應商、客戶、顧問、本公司股東及本公司附屬公司之任何非控股股東。購股權計劃由二零一一年一月二十八日起生效，除非獲取消或修訂，否則將由該日起計十年內保持有效(即至二零二一年一月二十七日)。

根據上市規則，於根據購股權計劃及本公司任何其他購股權計劃已授出但尚未行使其所有已發行在外購股權獲行使時可予發行之股份數目之總體限額，合共不得超過不時已發行相關類別股份之30%。在上述限額規限下，根據購股權計劃及本集團任何其他計劃授出的所有購股權獲行使時可予發行的股份最高數目，合共不得超過於上市日期及本公司股東於股東大會上批准更新計劃授權限額當日已發行股份之10%(「計劃授權限額」)。於任何十二個月期間內，根據購股權計劃授予各合資格參與者之購股權可予發行之最高股份數目以任何時候已發行股份之1%為限。授出超過此限制之任何其他購股權均須獲股東於股東大會上批准。







# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 32. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive directors. 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, in excess of 0.1% of the Shares in issue and or with an aggregate value (based on the closing price of the Shares at the date of grant) in excess of HK\$5 million, in the 12-month period up to and including the date of grant, are subject to shareholders' approval in advance in a general meeting.

An offer of the grant of share options may be accepted within 28 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 determinable by the directors of the Company, and which shall not exceed 10 years after the date on which the share options are granted and accepted. The exercise of any option may be subject to a vesting schedule to be determined by the board of directors.

The Share Option Scheme does not specify a minimum period for which a share option must be held before it can be exercised.

The exercise price of share options is determinable by the directors of the Company, but may not be less than the higher of (i) the Stock Exchange closing price of the Shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Shares for the five trading days immediately preceding the date of offer and (iii) the nominal value of the Shares.

### 32. 以股份為基礎的付款之交易

(續)

#### 本公司以股權結算之購股權計劃 (續)

授予本公司董事、主要行政人員或主要股東或彼等任何聯繫人士之購股權須經獨立非執行董事事先批准。此外，於授出日期起的十二個月期間內，倘授予本公司主要股東或獨立非執行董事或彼等任何聯繫人士之任何購股權超逾已發行股份0.1%或根據於截至及包括授出日期止十二個月期間股份收市價計算之總值超過5,000,000港元，則須經股東於股東大會上事先批准。

授出購股權之要約可於要約日期起計二十八天內由承授人支付名義代價1港元後予以接納。所授出購股權之行使期乃由本公司董事釐定，不得超過購股權授出及獲接納日期後10年。任何購股權之行使可能受限於董事會釐定之歸屬期。

購股權計劃並無指定一項購股權獲行使前必須持有的最短期限。

購股權之行使價由本公司董事釐定，惟不得低於以下之較高者：(i)股份於購股權要約日期在聯交所之收市價；(ii)股份於緊接要約日期前五個交易日在聯交所之平均收市價及(iii)股份的面值。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 32. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Share Option Scheme during the year:

### 32. 以股份為基礎的付款之交易

(續)

本公司以股權結算之購股權計劃(續)

購股權並不賦予持有人收取股息或於股東大會投票之權利。

年內，根據購股權計劃尚未行使的購股權如下：

		2019 二零一九年		2018 二零一八年	
		Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權 數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權 數目
At 1 January	於一月一日	0.65	241,180,000	0.73	143,680,000
Granted during the year	年內授出	-	-	0.54	108,300,000
Forfeited during the year	年內沒收	-	-	0.67	(10,800,000)
At 31 December	於十二月三十一日	0.65	241,180,000	0.65	241,180,000

Nil share options were granted (2018: 108,300,000) and nil (2018: 10,800,000) share options were forfeited due to cessation of employment of the participants during the year ended 31 December 2019.

截至二零一九年十二月三十一日止年度，無購股權獲授出(二零一八年：108,300,000)及無購股權因參與者終止僱傭關係而被沒收(二零一八年：10,800,000份)。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 32. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

The outstanding share options as at 31 December 2019 were vested to the grantees in the following manner:

- 10,917,000 of such share options were vested on 10 December 2015 with an exercise period from 10 December 2015 to 9 December 2020.
- 19,356,000 of such share options were vested on 10 December 2016 with an exercise period from 10 December 2016 to 9 December 2020.
- 3,195,000 of such share options were vested on 10 December 2017 with an exercise period from 10 December 2017 to 9 December 2020.
- 2,556,000 of such share options were vested on 10 December 2018 with an exercise period from 10 December 2018 to 9 December 2020.
- 2,556,000 of such share options were vested on 10 December 2019 with an exercise period from 10 December 2019 to 9 December 2020.
- 45,660,000 of such share options were vested on 24 June 2016 with an exercise period from 24 June 2016 to 23 June 2021.
- 31,600,000 of such share options were vested on 24 June 2017 with an exercise period from 24 June 2017 to 23 June 2021.
- 2,900,000 of such share options were vested on 24 June 2018 with an exercise period from 24 June 2018 to 23 June 2021.
- 2,320,000 of such share options were vested on 24 June 2019 with an exercise period from 24 June 2019 to 23 June 2021.
- 2,320,000 of such share options will be vested on 24 June 2020 with an exercise period from 24 June 2020 to 23 June 2021.

### 32. 以股份為基礎的付款之交易

(續)

#### 本公司以股權結算之購股權計劃 (續)

於二零一九年十二月三十一日尚未行使購股權按下列方式歸屬予承授人：

- 該等購股權的10,917,000份已於二零一五年十二月十日歸屬，行使期為二零一五年十二月十日及二零二零年十二月九日。
- 該等購股權的19,356,000份已於二零一六年十二月十日歸屬，行使期為二零一六年十二月十日及二零二零年十二月九日。
- 該等購股權的3,195,000份已於二零一七年十二月十日歸屬，行使期為二零一七年十二月十日及二零二零年十二月九日。
- 該等購股權的2,556,000份已於二零一八年十二月十日歸屬，行使期為二零一八年十二月十日及二零二零年十二月九日。
- 該等購股權的2,556,000份已於二零一九年十二月十日歸屬，行使期為二零一九年十二月十日及二零二零年十二月九日。
- 該等購股權的45,660,000份已於二零一六年六月二十四日歸屬，行使期為二零一六年六月二十四日至二零二一年六月二十三日。
- 該等購股權的31,600,000份已於二零一七年六月二十四日歸屬，行使期為二零一七年六月二十四日至二零二一年六月二十三日。
- 該等購股權的2,900,000份已於二零一八年六月二十四日歸屬，行使期為二零一八年六月二十四日至二零二一年六月二十三日。
- 該等購股權的2,320,000份已於二零一九年六月二十四日歸屬，行使期為二零一九年六月二十四日至二零二一年六月二十三日。
- 該等購股權的2,320,000份將於二零二零年六月二十四日歸屬，行使期為二零二零年六月二十四日至二零二一年六月二十三日。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 32. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

- 1,425,000 of such share options were vested on 16 December 2016 with an exercise period from 16 December 2016 to 15 December 2021.
- 1,900,000 of such share options were vested on 16 December 2017 with an exercise period from 16 December 2017 to 15 December 2021.
- 2,375,000 of such share options were vested on 16 December 2018 with an exercise period from 16 December 2018 to 15 December 2021.
- 1,900,000 of such share options were vested on 16 December 2019 with an exercise period from 16 December 2019 to 15 December 2021.
- 1,900,000 of such share options will be vested on 16 December 2020 with an exercise period from 16 December 2020 to 15 December 2021.
- 64,980,000 of such share options were vested on 19 June 2018 with an exercise period from 19 June 2018 to 18 June 2023.
- 43,320,000 of such share options were vested on 19 June 2019 with an exercise period from 19 June 2019 to 18 June 2023.

### 32. 以股份為基礎的付款之交易

(續)

#### 本公司以股權結算之購股權計劃 (續)

- 該等購股權的1,425,000份已於二零一六年十二月十六日歸屬，行使期為二零一六年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份已於二零一七年十二月十六日歸屬，行使期為二零一七年十二月十六日至二零二一年十二月十五日。
- 該等購股權的2,375,000份已於二零一八年十二月十六日歸屬，行使期為二零一八年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份已於二零一九年十二月十六日歸屬，行使期為二零一九年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份將於二零二零年十二月十六日歸屬，行使期為二零二零年十二月十六日至二零二一年十二月十五日。
- 該等購股權的64,980,000份已於二零一八年六月十九日歸屬，行使期為二零一八年六月十九日至二零二三年六月十八日。
- 該等購股權的43,320,000份已於二零一九年六月十九日歸屬，行使期為二零一九年六月十九日至二零二三年六月十八日。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 32. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

The outstanding share options as at 31 December 2018 were vested to the grantees in the following manner:

- 10,917,000 of such share options were vested on 10 December 2015 with an exercise period from 10 December 2015 to 9 December 2020.
- 19,356,000 of such share options were vested on 10 December 2016 with an exercise period from 10 December 2016 to 9 December 2020.
- 3,195,000 of such share options were vested on 10 December 2017 with an exercise period from 10 December 2017 to 9 December 2020.
- 2,556,000 of such share options were vested on 10 December 2018 with an exercise period from 10 December 2018 to 9 December 2020.
- 2,556,000 of such share options were vested on 10 December 2019 with an exercise period from 10 December 2019 to 9 December 2020.
- 45,660,000 of such share options were vested on 24 June 2016 with an exercise period from 24 June 2016 to 23 June 2021.
- 31,600,000 of such share options were vested on 24 June 2017 with an exercise period from 24 June 2017 to 23 June 2021.
- 2,900,000 of such share options were vested on 24 June 2018 with an exercise period from 24 June 2018 to 23 June 2021.
- 2,320,000 of such share options were vested on 24 June 2019 with an exercise period from 24 June 2019 to 23 June 2021.

### 32. 以股份為基礎的付款之交易

(續)

#### 本公司以股權結算之購股權計劃 (續)

於二零一八年十二月三十一日尚未行使購股權按下列方式歸屬予承授人：

- 該等購股權的10,917,000份已於二零一五年十二月十日歸屬，行使期為二零一五年十二月十日及二零二零年十二月九日。
- 該等購股權的19,356,000份已於二零一六年十二月十日歸屬，行使期為二零一六年十二月十日及二零二零年十二月九日。
- 該等購股權的3,195,000份已於二零一七年十二月十日歸屬，行使期為二零一七年十二月十日及二零二零年十二月九日。
- 該等購股權的2,556,000份已於二零一八年十二月十日歸屬，行使期為二零一八年十二月十日及二零二零年十二月九日。
- 該等購股權的2,556,000份已於二零一九年十二月十日歸屬，行使期為二零一九年十二月十日及二零二零年十二月九日。
- 該等購股權的45,660,000份已於二零一六年六月二十四日歸屬，行使期為二零一六年六月二十四日至二零二一年六月二十三日。
- 該等購股權的31,600,000份已於二零一七年六月二十四日歸屬，行使期為二零一七年六月二十四日至二零二一年六月二十三日。
- 該等購股權的2,900,000份已於二零一八年六月二十四日歸屬，行使期為二零一八年六月二十四日至二零二一年六月二十三日。
- 該等購股權的2,320,000份已於二零一九年六月二十四日歸屬，行使期為二零一九年六月二十四日至二零二一年六月二十三日。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 32. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

- 2,320,000 of such share options will be vested on 24 June 2020 with an exercise period from 24 June 2020 to 23 June 2021.
- 1,425,000 of such share options were vested on 16 December 2016 with an exercise period from 16 December 2016 to 15 December 2021.
- 1,900,000 of such share options were vested on 16 December 2017 with an exercise period from 16 December 2017 to 15 December 2021.
- 2,375,000 of such share options were vested on 16 December 2018 with an exercise period from 16 December 2018 to 15 December 2021.
- 1,900,000 of such share options were vested on 16 December 2019 with an exercise period from 16 December 2019 to 15 December 2021.
- 1,900,000 of such share options will be vested on 16 December 2020 with an exercise period from 16 December 2020 to 15 December 2021.
- 64,980,000 of such share options were vested on 19 June 2018 with an exercise period from 19 June 2018 to 18 June 2023.
- 43,320,000 of such share options were vested on 19 June 2019 with an exercise period from 19 June 2019 to 18 June 2023.

### 32. 以股份為基礎的付款之交易

(續)

#### 本公司以股權結算之購股權計劃 (續)

- 該等購股權的2,320,000份將於二零二零年六月二十四日歸屬，行使期為二零二零年六月二十四日至二零二一年六月二十三日。
- 該等購股權的1,425,000份已於二零一六年十二月十六日歸屬，行使期為二零一六年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份已於二零一七年十二月十六日歸屬，行使期為二零一七年十二月十六日至二零二一年十二月十五日。
- 該等購股權的2,375,000份已於二零一八年十二月十六日歸屬，行使期為二零一八年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份已於二零一九年十二月十六日歸屬，行使期為二零一九年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份將於二零二零年十二月十六日歸屬，行使期為二零二零年十二月十六日至二零二一年十二月十五日。
- 該等購股權的64,980,000份已於二零一八年六月十九日歸屬，行使期為二零一八年六月十九日至二零二三年六月十八日。
- 該等購股權的43,320,000份已於二零一九年六月十九日歸屬，行使期為二零一九年六月十九日至二零二三年六月十八日。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 32. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

#### 2019

二零一九年

Number of share options 購股權數目	Exercise price HK\$ per share 行使價每股港元	Exercise period 行使期
108,300,000	0.54	<b>19 June 2018 to 18 June 2023</b> 二零一八年六月十九日至二零二三年六月十八日
9,500,000	0.99	<b>16 December 2016 to 15 December 2021</b> 二零一六年十二月十六日至二零二一年十二月十五日
84,800,000	0.67	<b>24 June 2016 to 23 June 2021</b> 二零一六年六月二十四日至二零二一年六月二十三日
38,580,000	0.81	<b>10 December 2015 to 9 December 2020</b> 二零一五年十二月十日至二零二零年十二月九日

#### 2018

二零一八年

Number of share options 購股權數目	Exercise price HK\$ per share 行使價每股港元	Exercise period 行使期
108,300,000	0.54	<b>19 June 2018 to 18 June 2023</b> 二零一八年六月十九日至二零二三年六月十八日
9,500,000	0.99	<b>16 December 2016 to 15 December 2021</b> 二零一六年十二月十六日至二零二一年十二月十五日
84,800,000	0.67	<b>24 June 2016 to 23 June 2021</b> 二零一六年六月二十四日至二零二一年六月二十三日
38,580,000	0.81	<b>10 December 2015 to 9 December 2020</b> 二零一五年十二月十日至二零二零年十二月九日

The fair value of the share options granted during the year ended 31 December 2015 was HK\$24,872,000 (equivalent to RMB20,837,000) of which the Group recognised share-based payments of RMB1,081,000 and RMB508,000 during the years ended 31 December 2018 and 2019 respectively.

### 32. 以股份為基礎的付款之交易 (續)

本公司以股權結算之購股權計劃  
(續)

於呈報期末尚未行使的購股權的行使價及行使期如下：

截至二零一五年十二月三十一日止年度已授出的購股權公平值為24,872,000港元(相當於人民幣20,837,000元)，其中本集團於截至二零一八年及二零一九年十二月三十一日止年度分別確認以股份為基礎的付款人民幣1,081,000元及人民幣508,000元。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 32. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

The fair value of the share options granted on 24 June 2016 and 16 December 2016 was HK\$18,960,000 (equivalent to RMB16,204,000) and HK\$3,924,000 (equivalent to RMB3,510,000) of which the Group recognised share-based payments of RMB2,155,000 and RMB1,131,000 during the years ended 31 December 2018 and 2019 respectively.

The fair value of the share options granted on 19 June 2018 was HK\$17,289,000 (equivalent to RMB14,148,000) of which the Group recognised share-based payments of RMB11,969,000 and RMB3,660,000 during the year ended 31 December 2018 and 2019 respectively.

The fair value was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted.

As at 31 December 2019, 148,685,960 Shares may be issued upon the exercise of all the share options to be granted under the Share Option Scheme, representing approximately 10% of the total issued Shares as at 31 December 2019 and the date of this annual report. As at 31 December 2019, the Company had 241,180,000 (2018: 241,180,000) share options outstanding under the Share Option Scheme, which represented approximately 16.22% (2018: 18.49%) of the Shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 241,180,000 (2018: 241,180,000) additional Shares and additional share capital and share premium of approximately HK\$18,783,000 (equivalent to RMB16,825,000) (2018: HK\$18,891,000 and equivalent to RMB16,553,000) and approximately HK\$137,170,000 (equivalent to RMB122,874,000) (2018: HK\$137,061,000 equivalent to RMB120,093,000), before issue expenses.

### 32. 以股份為基礎的付款之交易

(續)

#### 本公司以股權結算之購股權計劃 (續)

於二零一六年六月二十四日及二零一六年十二月十六日授出的購股權公平值分別為18,960,000港元(相當於人民幣16,204,000元)及3,924,000港元(相當於人民幣3,510,000元),其中本集團於截至二零一八年及二零一九年十二月三十一日止年度已分別確認以股份為基礎的付款人民幣2,155,000元及人民幣1,131,000元。

於二零一八年六月十九日授出的購股權公平值為17,289,000港元(相當於人民幣14,148,000元),其中本集團於截至二零一八年及二零一九年十二月三十一日止年度分別確認以股份為基礎的付款人民幣11,969,000元及人民幣3,660,000元。

公平值乃經計及授出購股權依據的條款及條件後於授出日期使用二項式模型估計。

於二零一九年十二月三十一日,購股權計劃項下將予授出之所有購股權獲行使後,將發行148,685,960股股份,相當於截至二零一九年十二月三十一日及本年報日期全部已發行股份之約10%。於二零一九年十二月三十一日,本公司於購股權計劃項下擁有241,180,000份(二零一八年:241,180,000份)尚未行使的購股權,佔於該日期已發行股份約16.22%(二零一八年:18.49%)。根據本公司現時資本架構,悉數行使該等尚未行使的購股權將導致額外發行241,180,000股(二零一八年:241,180,000股)股份及額外股本及股份溢價(未扣除發行開支)分別約18,783,000港元(相當於人民幣16,825,000元)(二零一八年:18,891,000港元,相當於人民幣16,553,000元)及約137,170,000港元(相當於人民幣122,874,000元)(二零一八年:137,061,000港元,相當於人民幣120,093,000元)。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 33. RESERVES

The amounts of the Group's reserves and movements therein for the current and prior reporting periods are presented in the consolidated statement of changes in equity.

#### (i) Contributed surplus

On 17 January 2011, CITIC Capital, the Company and its shareholders had entered into certain conditional release and discharge agreements, pursuant to which, the new exchangeable note would be duly released and discharged, which had taken place on the Listing Date, 28 January 2011, and prior to the commencement of the trading of the Shares on the Stock Exchange. Accordingly, the liability component of the new exchangeable note of RMB57,768,000 on the Listing Date was extinguished and transferred to the contributed surplus in shareholders' equity upon the full conversion of the new exchangeable note.

Pursuant to the stock borrowing agreement entered into between Best Mark and the Subscriber on 21 June 2012, Best Mark lent 32,000,000 Shares to the Subscriber. Upon initial recognition, the value of such contribution amounting to approximately RMB12,183,000 from the substantial shareholder was accounted for as a deemed contribution in the shareholder's equity. The carrying amount of such contribution from the substantial shareholder is not remeasured in subsequent years.

On 10 September 2012, Best Mark and the Subscriber entered into a letter agreement (the "Call and Put Option Confirmation") pursuant to which the Subscriber had granted to the Best Mark the right to purchase 32,000,000 of the Shares at a strike price of HK\$1.01 and the Best Mark has granted the Subscriber the right to require the Best Mark to purchase 32,000,000 of the Shares at the same strike price.

On 17 December 2014, the Company was informed by Best Mark that 32,000,000 Shares had been transferred by the Subscriber to Best Mark and the transaction set out in the Call and Put Option Confirmation was terminated.

### 33. 儲備

於目前及過往呈報期間，本集團儲備的金額及增減呈列於綜合權益變動表。

#### (i) 實繳盈餘

於二零一一年一月十七日，CITIC Capital、本公司及其股東訂立若干有條件解除及撤除協議，據此，於上市日期即二零一一年一月二十八日及股份於聯交所開始買賣之前，新可換股票據獲正式解除及撤除。因此，於悉數兌換新可換股票據後，於上市日期新可換股票據負債部分人民幣57,768,000元已撇銷並轉撥至股東權益內的實繳盈餘。

根據於二零一二年六月二十一日Best Mark與認購人訂立的借股協議，Best Mark向認購人借出股份32,000,000股。於初始確認後，有關主要股東注資的價值約為人民幣12,183,000元，於股東權益項下入賬列為視作注資。有關主要股東作出的注資賬面值於其後年度不予重新計量。

於二零一二年九月十日，Best Mark與認購人訂立一份協議書（「認購及認沽期權確認書」），據此，認購人向Best Mark授出以行使價1.01港元購買Best Mark 32,000,000股股份的權利，而Best Mark向認購人授出要求Best Mark以相同行使價購買32,000,000股股份的權利。

於二零一四年十二月十七日，本公司獲Best Mark告知，32,000,000股股份已由認購人轉讓予Best Mark，認購及認沽期權確認書中所載交易已終止。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 33. RESERVES (continued)

#### (ii) Statutory surplus fund

In accordance with the relevant regulations applicable in the PRC, the Group's subsidiary established in the PRC is required to transfer a certain percentage of its statutory annual profits after tax (after offsetting any prior period's losses), if any, to the statutory surplus fund until the balance of the fund reaches 50% of its registered capital. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory surplus fund may be used to offset against accumulated losses of the PRC subsidiary. The amount of the transfer is subject to the approval of the board of directors of the PRC subsidiary.

#### (iii) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside the PRC which are dealt with in accordance with the accounting policy set out in note 3 to the consolidated financial statements.

### 34. OPERATING LEASE ARRANGEMENTS

The Group leases a production plant and premises under operating lease arrangements. Leases for these plant and premises are negotiated for average terms of one to five years.

As at 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	668
In the second to fifth years, inclusive	第二至五年(包括首尾兩年)	984
		<hr/> 1,652

### 33. 儲備(續)

#### (ii) 法定盈餘公積金

根據中國相關適用規例，本集團在中國成立的附屬公司須將法定年度除稅後溢利(已抵銷任何過往期間虧損)(如有)的若干百分比轉撥至法定盈餘公積金，直至公積金結餘達到其註冊資本50%為止。法定盈餘公積金可用作抵銷中國附屬公司的累計虧損，惟須遵守相關中國法規的若干規限。所轉撥的金額須經中國附屬公司的董事會批准。

#### (iii) 匯兌波動儲備

匯兌波動儲備包括換算中國境外營運財務報表所產生的一切外匯差額，乃根據綜合財務報表附註3所載會計政策入賬處理。

### 34. 經營租賃安排

本集團根據經營租賃安排租賃生產廠房及場地。該等廠房及場地的平均租期經協商定為一年至五年。

截至二零一八年十二月三十一日，本集團根據不可撤銷經營租賃於下列日期屆滿的未來最低租賃付款總額如下：



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 34. OPERATING LEASE ARRANGEMENTS

(continued)

The Group has initially applied IFRS 16 using the modified retrospective approach. From 1 January 2019 onward, future lease payments are recognised as lease liabilities in accordance with the accounting policy set out in note 3.

### 34. 經營租賃安排(續)

本集團已使用經修訂追溯法首次應用國際財務報告準則第16號。自二零一九年一月一日起，未來租賃付款根據附註3所載會計政策確認為租賃負債。

### 35. COMMITMENTS

The Group had the following commitments at the end of the reporting period:

### 35. 承擔

本集團於呈報期末有以下承擔：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contracted for capital commitment in respect of investment in subsidiaries	有關於附屬公司投資的訂約資本承擔	<b>169,970</b>	185,021
Contracted for commitments in respect of:	有關以下項目的訂約承擔：		
– advertising and consultancy services	– 廣告及諮詢服務	<b>249</b>	373
– construction in progress	– 在建工程	–	354
– research and development contract	– 研發合約	<b>300</b>	300
– property, plant and equipment	– 物業、廠房及設備	<b>3,117</b>	9,468
		<b>3,666</b>	10,495

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 36. EVENTS AFTER REPORTING PERIOD

Due to the outbreak of the novel coronavirus (“COVID-19”) epidemic in the PRC in January 2020, the Group’s operational and financial performance are expected to be affected by the epidemic in the first half of 2020.

Though the Group’s factories in Fujian Province have resumed work since 10 February 2020, the Group expects that the COVID-19 epidemic will result in late delivery of some products. On the other hand, due to the continuous outbreak of the COVID-19 epidemic in the US since March 2020, the Group’s major OEM customers in the US requested to postpone the delivery time of some orders and the specific delivery time is still uncertain. The Group has been closely monitoring the impact of the developments on the Group’s businesses and keeps close contact with customers to strive for solutions.

The Group will keep continuous attention on the situation of the COVID-19 epidemic, assess and react actively to its impacts on the financial position and operating results of the Group. Up to the date of issue of the consolidated financial statements, the assessment is still in progress.

### 36. 報告期後事項

由於二零二零年一月於中國爆發新型冠狀病毒(「COVID-19」)疫情，二零二零年上半年本集團的營運及財務表現預期會受到疫情的影響。

儘管本集團於福建省的工廠自二零二零年二月十日起已復工，本集團預期COVID-19疫情將導致若干產品的延遲交付。另一方面，由於自二零二零年三月起COVID-19疫情在美國持續爆發，本集團於美國的主要OEM客戶要求延遲一些訂單的交付時間且具體交付時間仍不確定。本集團一直密切監控有關發展對本集團業務的影響，並與客戶保持密切聯繫以尋求解決方案。

本集團將持續關注COVID-19疫情的情況，評估並積極應對其對本集團財務狀況及經營業績的影響。截至綜合財務報表刊發日期，評估仍在進行中。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows are, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

### 37. 融資活動所產生負債之對賬

下表詳述本集團融資活動所產生之負債變動，包括現金及非現金變動。融資活動所產生之負債為現金流量會於或未來現金流量將會於本集團綜合現金流量表內分類至融資活動所產生之現金流量的該等負債。

		Bills payables 應付票據 RMB'000 人民幣千元	Short term borrowings 短期借貸 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	7,090	117,000	-	124,090
Drawdown of new short term borrowings	提取新短期借貸	-	123,100	-	123,100
Repayments of short term borrowings	償還短期借貸	-	(117,000)	-	(117,000)
Repayments of bills payables	償還應付票據	(7,090)	-	-	(7,090)
Interest paid	已付利息	-	(5,862)	-	(5,862)
Interest expenses	利息開支	-	5,862	-	5,862
At 31 December 2018	於二零一八年十二月三十一日	-	123,100	-	123,100
Adjustment upon application of IFRS 16	應用國際財務報告準則第16號後調整	-	-	1,211	1,211
At 1 January 2019 (restated)	於二零一九年一月一日(重列)	-	123,100	1,211	124,311
Drawdown of new short term borrowings	提取新短期借貸	-	114,200	-	114,200
Repayments of short term borrowings	償還短期借貸	-	(123,100)	-	(123,100)
Repayments of lease liabilities	償還租賃負債	-	-	(514)	(514)
Drawdown of bills payables	提取應付票據	12,850	-	-	12,850
Interest paid	已付利息	(111)	(5,890)	(71)	(6,072)
Interest expenses	利息開支	111	5,890	71	6,072
New leases entered	新訂租賃	-	-	457	457
At 31 December 2019	於二零一九年十二月三十一日	12,850	114,200	1,154	128,204

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 38. RELATED PARTY TRANSACTIONS

Other than disclosed in elsewhere in the consolidated financial statements, the significant related party transactions are disclosed as follows:

Compensation of key management personnel of the Group is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fees	袍金	106	–
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,109	1,968
Contributions to retirement benefits schemes	退休福利計劃供款	45	30
		<b>2,154</b>	<b>1,998</b>

### 39. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings (note 26) and provision for contingent consideration (note 29); net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors of the Company consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

### 38. 關連人士交易

除綜合財務報表其他部分所披露外，重大關聯交易披露如下：

本集團主要管理人員的酬金如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fees	106	–
Other emoluments:		
Salaries, allowances and benefits in kind	2,109	1,968
Contributions to retirement benefits schemes	45	30
	<b>2,154</b>	<b>1,998</b>

### 39. 資本風險管理

本集團管理其資本，旨在透過優化債務與股本平衡，確保本集團的實體可持續經營，亦為股東締造最大回報。本集團的整體策略與往年維持不變。

本集團的資本架構包括債務淨額(包括借貸(附註26)及或然代價撥備(附註29)(扣除現金及現金等價物))及本公司擁有人應佔權益(包括已發行股本、儲備及保留溢利)。

本公司董事每半年檢討一次資本結構。作為檢討的一部分，本公司董事考慮資本成本及與各類資本相關的風險。根據本公司董事的建議，本集團將透過支付股息、發行新股、購回股份以及發行新債或贖回現有債務以平衡其整體資本結構。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

#### Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial liabilities	Fair value as at 31 December 2019 於二零一九年十二月三十一日的公平值	Fair value hierarchy	Significant unobservable inputs	Range	Valuation technique(s) and key input(s)
金融負債		公平值等級	重大不可觀察輸入值	範圍	估值方法及主要輸入值
Provision for contingent consideration	Liabilities, RMB Nil	Level 3	Discount rate	14.84%-14.86% (2018: 12.54%-12.72%)	Discounted Cash Flow Approach The key inputs are set out in note 29
或然代價撥備	負債，人民幣零元	第三級	貼現率	14.84%-14.86% (二零一八年：12.54%-12.72%)	貼現現金流法 主要輸入值載於附註29

#### Fair value hierarchy

#### 公平值等級

#### Level 3 第三級

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
-----------------------------------	-----------------------------------

#### Financial liabilities

#### 金融負債

– Provision for contingent consideration

– 或然代價撥備

–

4,769





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

#### Reconciliation of Level 3 fair value measurements

As at 1 January 2019	於二零一九年一月一日	4,769
Fair value gain credited to profit or loss during the year	年內於損益計入的公平值收益	(4,769)
As at 31 December 2019	於二零一九年十二月三十一日	-

#### Fair values of the Group's financial assets and financial liabilities carried at other than fair value

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities at amortised cost recorded in the consolidated financial statements approximate their fair values.

### 41. 金融工具的公平值計量(續)

#### 第三級公平值計量的對賬

Provision for contingent consideration  
或然代價撥備  
RMB'000  
人民幣千元  
(note 29)  
(附註29)

#### 按除公平值以外列賬之本集團金融資產及金融負債之公平值

本公司董事認為，於綜合財務報表按攤銷成本列賬的金融資產及金融負債的賬面值與其公平值相若。

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments, include trade receivables, financial assets included in prepayments, deposits and other receivables, pledged deposits, cash and bank balances, trade and bills payables, other payables and accruals, lease liabilities, short term borrowings, convertible notes and provision for contingent consideration. Details of the financial instruments are disclosed in respective notes.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, interest rate risk, liquidity risk and commodity price risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### 42. 財務風險管理目標及政策

本集團的主要金融工具包括應收貿易賬款、包含在預付款項、按金及其他應收款項的金融資產、已質押存款、現金及銀行結餘、應付貿易賬款及應付票據、其他應付款項及應計費用、租賃負債、短期借貸、可換股票據及或然代價撥備。該等金融工具的詳情於各附註披露。

本集團金融工具的主要風險包括外幣風險、信貸風險、利率風險、流動資金風險及商品價格風險。下文載列如何降低該等風險的政策。管理層管理及監控該等風險，以確保及時和有效地採取適當的措施。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales transactions and financing denominated in US dollars ("US\$") and Hong Kong dollars ("HK\$").

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the US\$ and HK\$ exchange rate, with all other variables held constant, of the Group's loss before tax.

### 42. 財務風險管理目標及政策(續)

#### 外幣風險

本集團有交易貨幣風險，主要源自以美元(「美元」)及港元(「港元」)計值的銷售交易及融資活動。

下表顯示於呈報期末，倘所有其他變量保持不變，本集團除稅前虧損對美元及港元匯率的合理可能變動的敏感性。

		Increase/ (decrease) in the Group's loss before tax	Increase/ (decrease) in US\$/HK\$ rate
		本集團除稅 前虧損上升/ (下跌)	美元/港元匯率 上升/(下跌)
		RMB'000 人民幣千元	%
<b>2019</b>	<b>二零一九年</b>		
If US\$ strengthens against RMB	倘美元兌人民幣升值	(2,129)	5
If HK\$ strengthens against RMB	倘港元兌人民幣升值	(14)	5
If US\$ weakens against RMB	倘美元兌人民幣貶值	2,129	(5)
If HK\$ weakens against RMB	倘港元兌人民幣貶值	14	(5)
<b>2018</b>	<b>二零一八年</b>		
If US\$ strengthens against RMB	倘美元兌人民幣升值	(1,692)	5
If HK\$ strengthens against RMB	倘港元兌人民幣升值	(935)	5
If US\$ weakens against RMB	倘美元兌人民幣貶值	1,692	(5)
If HK\$ weakens against RMB	倘港元兌人民幣貶值	935	(5)

The Group currently does not have a foreign currency hedging policy but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

本集團現時並無外幣對沖政策，但管理層監察外匯風險，並會於有需要時考慮對沖重大外幣風險。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk and impairment assessment

As at 31 December 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of IFRS 9 on trade receivables which are assessed individually with a provision matrix with appropriate groupings. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For prepayments, deposits and other receivables, the Group makes individual assessment based on industrial factors, historical observed default rates and are adjusted for forward-looking information that is available without undue cost or effort. No impairment was recognised by the Group on prepayments, deposits and other receivables during the current year.

The Group's credit risk on bank balances and cash is low and there is no significant concentration of credit risk because all bank deposits are deposited in or contracted with several state-owned banks with good reputation and with high credit ratings assigned by international credit-rating agencies. No recognition of ECL on bank balances, restricted bank balances and cash is considered necessary.

The Group's concentration of credit risk by geographical locations is mainly in US (2018: US), which accounted for 91% (2018: 76%) of the total trade receivables as at 31 December 2019.

The Group has concentration of credit risk as 48% (2018: 74%) and 97% (2018: 99%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

### 42. 財務風險管理目標及政策(續)

#### 信貸風險及減值評估

於二零一九年十二月三十一日，本集團所面臨因對方未能履行責任而將為本集團帶來財務損失的最大信貸風險，乃來自於綜合財務狀況表所列明有關已確認金融資產的賬面值。

為將信貸風險降至最低，本集團管理層已委派專責小組負責釐定信貸限額、批准信貸，以及應用其他監管程序以確保會就收回逾期債項採取跟進行動。此外，本集團於應用國際財務報告準則第9號後按預期信貸虧損模式就應收貿易賬款採用撥備矩陣與適當的分組進行單獨的減值評估。就此而言，本公司董事認為，本集團的信貸風險已大幅降低。

就預付款項、按金及其他應收款項而言，本集團根據行業因素、過往可觀察違約率單獨作出評估，並就毋須付出不必要成本或努力即可獲得之前瞻性資料進行調整。本集團於本年度概無就預付款項、按金及其他應收款項確認減值。

本集團銀行結餘及現金之信貸風險為低，且概無重大信貸集中風險，原因為所有銀行存款均存置於多間信譽良好且獲國際信貸評級機構給予高信貸評級之國有銀行。毋須就銀行結餘、受限制銀行結餘及現金確認預期信貸減值。

本集團按地理位置劃分的信貸風險主要集中在美國(二零一八年：美國)，美國佔於二零一九年十二月三十一日的應收貿易賬款總額的91%(二零一八年：76%)。

本集團有集中信貸風險，原因是應收貿易賬款總額的48%(二零一八年：74%)及97%(二零一八年：99%)為分別來自於本集團的最大客戶及五大客戶。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

### 42. 財務風險管理目標及政策(續)

#### 信貸風險及減值評估(續)

下表詳述本集團就須進行預期信貸虧損評估之金融資產面臨之信貸風險：

	12m or lifetime ECL 12個月或全期 預期信貸虧損	2019 二零一九年		2018 二零一八年	
		Gross carrying amount		Gross carrying amount	
		總賬面值		總賬面值	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Financial assets at amortised costs</b>					
<b>按攤銷成本計量之金融資產</b>					
Trade receivables from sales of goods 銷售商品產生之應收貿易賬款	Lifetime ECL (not credit impaired) 全期預期信貸虧損 (無信貸減值)	44,822		33,787	
	Credit-impaired 信貸減值	7,948	52,770	8,246	42,033
Bank balances and cash 銀行結餘及現金	12m ECL 12個月預期信貸虧損	4,101		21,080	
	Credit-impaired 信貸減值	-	4,101	-	21,080
Financial assets included in prepayments, deposits and other receivables 包含在預付款項、按金及其他應收 款項之金融資產	12m ECL (not credit impaired) 12個月預期信貸虧損 (無信貸減值)	32,853		1,854	
	Credit-impaired 信貸減值	-	32,853	-	1,854



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk and impairment assessment (continued)

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its sales of goods operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The following table shows the movement in lifetime ECL that has been recognised trade receivables under the simplified approach.

### 42. 財務風險管理目標及政策(續)

#### 信貸風險及減值評估(續)

作為本集團信貸風險管理的一部分，本集團使用債務人賬齡評估其銷售商品業務有關的客戶減值，原因為該等客戶由多名具有共同風險特徵的小型客戶組成，而共同風險特徵指客戶根據合約條款支付所有到期款項的能力。

下表載列已根據簡化方法確認應收貿易賬款之全期預期信貸虧損之變動。

		Lifetime ECL (not credit impaired) 全期預期 信貸虧損 (無信貸減值) RMB'000 人民幣千元	Lifetime ECL (credit impaired) 全期預期 信貸虧損 (信貸減值) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>As at 31 December 2017 under IAS 39</b>	於二零一七年 十二月三十一日根據 國際會計準則 第39號	–	2,689	2,689
Adjustment upon application of IFRS 9	於應用國際財務報告準 則第9號後調整	–	1,967	1,967
<b>As at 1 January 2018 – As restated</b>	於二零一八年 一月一日 – 經重列	–	4,656	4,656
– Impairment losses recognised	– 已確認減值虧損	128	3,590	3,718
<b>At 31 December 2018 and 1 January 2019</b>	於二零一八年 十二月三十一日及 二零一九年一月一日	128	8,246	8,374
– Transfer to credit-impaired	– 轉撥至信貸減值	(43)	43	–
– Impairment losses recognised	– 已確認減值虧損	38	44	82
– Impairment losses reversed	– 減值虧損撥回	(85)	(518)	(603)
– Exchange adjustments	– 匯率調整	–	133	133
<b>At 31 December 2019</b>	於二零一九年 十二月三十一日	38	7,948	7,986

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk and impairment assessment (continued)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over one year past due, whichever occurs earlier.

#### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short term borrowings with floating interest rates.

The Group regularly reviews and monitors the floating interest rate borrowings in order to manage its interest rate risks. The short term borrowings, cash and short term deposits are stated at amortised cost and not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the statement of profit or loss as earned/incurred.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's net loss before tax (through the impact on floating rate borrowings).

### 42. 財務風險管理目標及政策(續)

#### 信貸風險及減值評估(續)

倘有資料顯示債務人面臨嚴重財務困難且收回款項的機率不大(如債務人遭清盤或進入破產程序,或應收貿易款賬款已逾期超過一年,以較早者為準),本集團將撇銷應收貿易賬款。

#### 利率風險

本集團面臨的市場利率變化風險主要與本集團按浮息計息的短期借貸有關。

本集團定期審查及監測浮息借貸以管理其利率風險。短期借貸、現金及短期存款按攤銷成本入賬,而不會定期重估。浮息收入及支出於損益表內按已賺取/已產生予以進賬/扣除。

下表顯示倘所有其他變量保持不變,本集團除稅前虧損淨額(因浮息借貸影響)對利率之合理可能變動的敏感性。

		Increase in interest rate 利率增加 (basis points) (基點)	Increase in loss before tax 除稅前 虧損增加 RMB'000 人民幣千元
2019	二零一九年	100	1,142
2018	二零一八年	100	1,231





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings, internal resources and external facilities provided by an independent third party as significant sources of liquidity. As at 31 December 2019, the Group has fully utilised the short-term bank loan facilities (2018: available unutilised short-term bank loan facilities of approximately RMB9,000,000).

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

### 42. 財務風險管理目標及政策(續)

#### 流動資金風險

在流動資金風險管理方面，本集團監控並維持管理層認為足以撥付本集團營運所需現金及現金等價物水平，並盡量減低現金流量波動的影響。管理層監察銀行借貸的使用情況，並確保遵守貸款契約。

本集團依賴銀行借貸、內部資源及由獨立第三方提供的外部融資作為流動資金的重要來源。於二零一九年十二月三十一日，本集團已悉數動用短期銀行貸款融資(二零一八年：尚未動用的短期銀行貸款融資人民幣9,000,000元)。

下表詳列本集團非衍生金融負債的餘下合約到期情況。該表根據本集團可能被要求還款的最早日期金融負債的未貼現現金流量而編製。其他非衍生金融負債的到期日基於協定償還日期而定。此表包括利息及本金現金流量。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk (continued)

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

2019

二零一九年

	Less than 12 months or on demand	1 to 5 years	Undiscounted cash flow	Carrying amount
	少於十二個月或於要求時	一至五年	未貼現現金流量	賬面值
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-derivative financial liabilities:				
Trade and bills payables (note 24)	非衍生金融負債： 應付貿易賬款及應付票據 (附註24)	56,856	-	56,856
Financial liabilities included in deposits received, other payables and accruals	包含在已收按金、其他應付款項及應計費用的金融負債	34,373	-	34,373
Lease liabilities	租賃負債	648	588	1,236
Short term borrowings	短期借貸	116,706	-	116,706
		<b>208,583</b>	<b>588</b>	<b>209,171</b>
				<b>206,583</b>

2018

二零一八年

	Less than 12 months or on demand	1 to 5 years	Undiscounted cash flow	Carrying amount
	少於十二個月或於要求時	一至五年	未貼現現金流量	賬面值
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-derivative financial liabilities:				
Trade and bills payables (note 24)	非衍生金融負債： 應付貿易賬款及應付票據 (附註24)	46,806	-	46,806
Financial liabilities included in deposits received, other payables and accruals	包含在已收按金、其他應付款項及應計費用的金融負債	42,431	-	42,431
Short term borrowings	短期借貸	125,930	-	125,930
Provision for contingent consideration	或然代價撥備	3,078	3,077	6,155
		<b>218,245</b>	<b>3,077</b>	<b>221,322</b>
				<b>217,106</b>

### 42. 財務風險管理目標及政策(續)

#### 流動資金風險(續)

於呈報期末，倘利息流為浮動利率，則未貼現金額按利率曲線計算。







# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk (continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

#### Commodity price risk

The major raw materials used in the production of the Group's products include rubber and plastics. The Group is exposed to fluctuations in the prices of these raw materials which are influenced by global as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect the Group's financial performance. The Group historically has not entered into any commodity derivative instruments to hedge the potential commodity price changes.

### 42. 財務風險管理目標及政策(續)

#### 流動資金風險(續)

倘浮動利率變動有別於對呈報期末釐定利率的估計，計入上述非衍生金融負債的各種浮動利率工具數額將會發生變動。

#### 商品價格風險

本集團製造產品的主要原材料包括橡膠及塑膠。本集團面臨全球及區域供求情況令該等原材料價格波動的風險。原材料價格波動可能對本集團的財務表現有不利影響。本集團過往並無訂立任何商品衍生工具以對沖可能出現的商品價格波動。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 43. 本公司之財務狀況表

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註		
<b>NON-CURRENT ASSET</b>	<b>非流動資產</b>		
Intangible assets	無形資產	61,000	288,000
Interest in subsidiaries	於附屬公司的權益	912,570	902,882
Right-of-use assets	使用權資產	248	-
		<b>973,818</b>	<b>1,190,882</b>
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	310	331
Cash and bank balances	現金及銀行結餘	69	51
		<b>379</b>	<b>382</b>
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	1,965	32,791
Amounts due to subsidiaries	應付附屬公司款項	1,112,580	1,112,580
Lease liabilities	租賃負債	233	-
		<b>1,114,778</b>	<b>1,145,371</b>
<b>NET CURRENT LIABILITIES</b>	<b>流動負債淨額</b>	<b>(1,114,399)</b>	<b>(1,144,989)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>	<b>(140,581)</b>	<b>45,893</b>
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>		
Lease liabilities	租賃負債	20	-
Provision for contingent consideration	或然代價撥備	-	2,312
		<b>20</b>	<b>2,312</b>
<b>NET (LIABILITIES)/ASSETS</b>	<b>(負債)/資產淨值</b>	<b>(140,601)</b>	<b>43,581</b>
<b>EQUITY</b>	<b>權益</b>		
Share capital	股本	99,310	86,758
Reserves	儲備	(239,911)	(43,177)
<b>(CAPITAL DEFICIENCY)/TOTAL EQUITY</b>	<b>(資本虧絀)/權益總額</b>	<b>(140,601)</b>	<b>43,581</b>

Approved and authorised for issue by the Company's board of directors on 30 March 2020 and signed on its behalf by:

**ZHENG Jingdong**  
鄭景東  
Director  
董事

本公司董事會於二零二零年三月三十日批准及授權刊發，並由以下人士代表簽署：

**LEUNG Tsz Chung**  
梁子冲  
Director  
董事

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note

i) Reserves of the Company

### 43. 本公司之財務狀況表(續)

附註

i) 本公司儲備

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 實繳盈餘 RMB'000 人民幣千元	Capital redemption reserve 資本贖回儲備 RMB'000 人民幣千元	Share options reserve 購股權儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	416,325	395,026	524	28,284	(790,450)	49,709
Conversion of convertible notes	兌換可兌換股票據	147,490	-	-	-	-	147,490
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	-	(255,581)	(255,581)
Forfeiture of share options	沒收購股權	-	-	-	(1,689)	1,689	-
Equity-settled share-based payments	按股權結算以股份為基礎的付款	-	-	-	15,205	-	15,205
<b>At 31 December 2018 and 1 January 2019</b>	<b>於二零一八年十二月三十一日及二零一九年一月一日</b>	<b>563,815</b>	<b>395,026</b>	<b>524</b>	<b>41,800</b>	<b>(1,044,342)</b>	<b>(43,177)</b>
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	-	(232,654)	(232,654)
Completion of subscription of new Shares	完成認購新股份	30,621	-	-	-	-	30,621
Equity-settled share-based payments	按股權結算以股份為基礎的付款	-	-	-	5,299	-	5,299
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	<b>594,436</b>	<b>395,026</b>	<b>524</b>	<b>47,099</b>	<b>(1,276,996)</b>	<b>(239,911)</b>

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

### 44. 本公司主要附屬公司的詳情

Name 名稱	Place of registration/ incorporation and operations 登記/註冊成立及 經營地點	Issued and fully paid up capital 已發行及悉數 繳足資本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
BAOF International Limited	Hong Kong	HK\$10,000	100	-	Trading of slippers, provision of management services and investment holding
寶峰新國際有限公司	香港	10,000港元	100	-	買賣拖鞋、提供管理服務及投資控股
Quanzhou Baofeng Shoes Co., Ltd.* ("Quanzhou Baofeng")	PRC	RMB544,229,000	-	100	Manufacture and sale of slippers, sandals and casual footwear
泉州寶峰鞋業有限公司* ("泉州寶峰")	中國	人民幣 544,229,000元	-	100	製造及銷售拖鞋、涼鞋及休閒鞋
Baofeng Modern (HK) Limited 寶峰時尚(香港)有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100 100	- -	Dormant 暫無營業
Astute Sino Developments Limited 睿華發展有限公司	BVI 英屬處女群島	US\$100 100美元	100 100	- -	Dormant 暫無營業
2D Material Technology Company Limited 2維材料科技有限公司	Hong Kong 香港	HK\$100 100港元	100 100	- -	Investment holding 投資控股
2D Material Technology Limited	BVI 英屬處女群島	US\$100 100美元	100 100	- -	Dormant 暫無營業
Xinfeng 2D (Fujian) Material Technology Company Limited ("Xinfeng 2D")*	PRC	RMB22,051,000	-	100	Manufacture and sale of Graphene-based Products and investment holding
福建新峰二維材料科技有限公司 ("新峰二維")*	中國	人民幣 22,051,000元	-	100	製造及銷售石墨烯產品及投資控股
Fujian Caidian Keji Company Limited ("Caidian Keji")#	PRC	RMB1,150,000	-	100	Sale of Graphene-based Products
福建省踩點科技有限責任公司 ("踩點科技")#	中國	人民幣 1,150,000元	-	100	銷售石墨烯產品

\* Quanzhou Baofeng and Xinfeng 2D are registered as companies with limited liability (solely invested by Taiwan, Hong Kong or Macau legal person) under the law of the PRC.

# Caidian Keji is registered as company with limited liability (wholly invested by a wholly-foreign-owned enterprise) under the law of the PRC.

\* 泉州寶峰及新峰二維為根據中國法律註冊的有限責任公司(台港澳法人獨資)。

# 踩點科技為根據中國法律註冊的有限責任公司(外商投資企業法人獨資)。

None of the subsidiaries had issued any debt securities at 31 December 2019 and 2018 or at any time during the year.

於二零一九年及二零一八年十二月三十一日或本年度任何時間，概無附屬公司發行任何債務證券。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 45. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 30 March 2020.

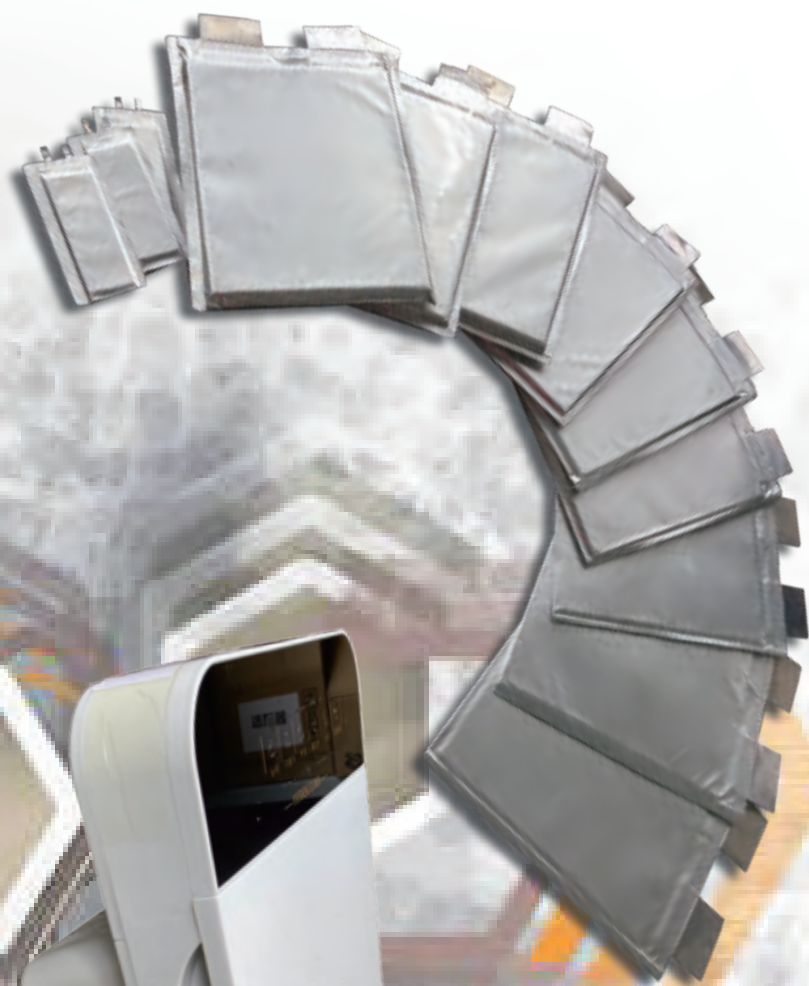
### 45. 合併財務報表之批准

合併財務報表經董事會於二零二零年三月三十日批准及授權刊發。

寶峰時尚

boree

2019  
年度報告  
ANNUAL REPORT



[www.baofengmodern.com](http://www.baofengmodern.com)  
Stock Code :1121



寶峰時尚國際控股有限公司  
(於開曼群島註冊成立的有限公司)  
股份代號 :1121

Baofeng Modern International Holdings Company Limited  
(Incorporated in the Cayman Islands with limited liability)