



**CHINA TIANRUI AUTOMOTIVE INTERIORS CO., LTD**  
**中國天瑞汽車內飾件有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立的有限公司)*

Stock code 股份代號: 6162



年報

ANNUAL  
REPORT

2019

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# Corporate Information

## 公司資料

### DIRECTORS

#### Executive Directors

Mr. Hou Jianli (*Chairman*)  
Ms. Chen Bierui  
Mr. Zhao Shijie

#### Independent Non-executive Directors

Mr. Zhu Hongqiang  
Mr. Zhou Genshu  
Mr. Shin Yick Fabian

#### Members of the audit committee

Mr. Zhou Genshu (*Chairman*)  
Mr. Zhu Hongqiang  
Mr. Shin Yick Fabian

#### Members of the remuneration committee

Mr. Zhu Hongqiang (*Chairman*)  
Ms. Chen Bierui  
Mr. Zhou Genshu

#### Members of the nomination committee

Mr. Hou Jianli (*Chairman*)  
Mr. Zhou Genshu  
Mr. Shin Yick Fabian

### JOINT COMPANY SECRETARIES

Mr. Zhao Shijie  
Mr. Ip Pui Sum

### AUTHORISED REPRESENTATIVES (FOR THE PURPOSE OF THE LISTING RULES)

Mr. Zhao Shijie  
Mr. Ip Pui Sum

### LEGAL ADVISERS AS TO HONG KONG LAW

Zhong Lun Law Firm

### 董事

#### 執行董事

侯建利先生(*主席*)  
陳別銳女士  
趙世傑先生

#### 獨立非執行董事

朱紅強先生  
周根樹先生  
冼易先生

#### 審核委員會

周根樹先生(*主席*)  
朱紅強先生  
冼易先生

#### 薪酬委員會

朱紅強先生(*主席*)  
陳別銳女士  
周根樹先生

#### 提名委員會

侯建利先生(*主席*)  
周根樹先生  
冼易先生

### 聯席公司秘書

趙世傑先生  
葉沛森先生

### 授權代表(就上市規則而言)

趙世傑先生  
葉沛森先生

### 法律顧問香港

中倫律師事務所

# Corporate Information

## 公司資料

### AUDITORS

KPMG  
Public Interest Entity Auditor  
registered in accordance with the  
Financial Reporting Council Ordinance

### COMPLIANCE ADVISER

Innovax Capital Limited

### PRINCIPAL BANKERS

Industrial and Commercial Bank of China,  
Baoji Jiangtan Branch  
Chang'An Bank, Xi'an Gaoling District Branch

### REGISTERED OFFICE

Sertus Chambers  
Governors Square  
Suite #5-204  
23 Lime Tree Bay Avenue  
P.O. Box 2547  
Grand Cayman, KY1-1104  
Cayman Islands

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN PRC

No. 6 Weihua Road North  
Jingwei Xincheng  
Xi'an Economic & Technological Development Zone  
Xi'an City  
Shaanxi Province  
China

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

9/F., MW Tower,  
No. 111 Bonham Strand,  
Sheung Wan, Hong Kong

### HONG KONG SHARE REGISTRAR

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

### 核數師

畢馬威會計師事務所  
於《財務匯報局條例》  
下的註冊公眾利益實體核數師

### 合規顧問

創陸融資有限公司

### 主要往來銀行

中國工商銀行寶雞姜譚支行  
  
長安銀行西安市高陵區支行

### 註冊辦事處

Sertus Chambers  
Governors Square  
Suite #5-204  
23 Lime Tree Bay Avenue  
P.O. Box 2547  
Grand Cayman, KY1-1104  
Cayman Islands

### 中國總部及主要營業地點

中國  
陝西省  
西安市  
西安經濟技術開發區  
涇渭新城  
渭華路北段6號

### 香港主要營業地點

香港上環  
文咸東街111號  
MW Tower 9樓

### 香港股份登記處

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

# Corporate Information

## 公司資料

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

Estera Trust (Cayman) Limited  
Clifton House  
75 Fort Street  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### STOCK CODE

6162

### COMPANY WEBSITE

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

### 開曼群島主要股份過戶登記處

Estera Trust (Cayman) Limited  
Clifton House  
75 Fort Street  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### 股份代號

6162

### 公司網址

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

# Financial Summary

## 財務概要

截至12月31日止年度

For the Year Ended December 31

		2019年 人民幣千元 RMB'000	2018年 人民幣千元 RMB'000	2017年 人民幣千元 RMB'000	2016年 人民幣千元 RMB'000	2015年 人民幣千元 RMB'000
Revenue	收入	297,907	263,820	241,659	120,897	95,088
Gross profit	毛利	101,188	89,905	83,552	43,157	34,669
Gross profit margin	毛利率	34.0%	34.1%	34.6%	35.7%	36.5%
Profit before tax	除稅前溢利	51,917	32,856	43,820	29,228	24,214
Profit attributable to equity shareholders of the Company	公司權益股東應佔溢 利	44,822	28,016	35,055	24,981	20,730
Listing expenses	上市開支	4,005	12,447	9,937	—	—

於12月31日

As at December 31

		2019年 人民幣千元	2018年 人民幣千元	2017年 人民幣千元	2016年 人民幣千元	2015年 人民幣千元
Total assets	資產總額	522,552	338,993	311,920	306,788	249,359
Total liabilities	負債總額	291,833	223,546	275,336	134,016	101,568
Total equity	權益總額	230,719	115,447	36,584	172,772	147,791

Notes:

附註：

The summary of the consolidated results and financial position of the Group for the year ended 31 December 2015, 2016 and 2017 are extracted from the Company's prospectus dated 31 December 2018 (the "Prospectus").

本集團截至2015年、2016年及2017年12月31日止年度的綜合業績及財務狀況摘要乃摘錄自本公司日期為2018年12月31日的招股章程(「招股章程」)。



# Chairman's Statement

## 主席報告書

Dear Shareholders,

On behalf of the Board (the “**Board**”) of Directors of China Tianrui Automotive Interiors Co., LTD (the “**Company**”), together with its subsidiaries (the “**Group**”), I am pleased to present the annual report of the Company for the year ended 31 December 2019 (the “**Year**”).

Despite lower macroeconomic growth rate caused by global economic volatility and international trade frictions, the gross domestic product (GDP) still recorded a growth of 6.1% in 2019. During the Year, affected by factors such as less preferential vehicle purchase tax policies, the automotive industry faced greater pressure. The sales of vehicles in the PRC were approximately 25.77 million, representing a year-on-year decrease of 8.2%; of which, the sales of passenger vehicles were 21.44 million, representing a year-on-year decrease of 9.6%.

However, due to factors such as stricter compliance requirements on vehicles, increase in new purchased vehicles, launch of new infrastructure projects one after another, upgrading of domestic consumption, and the vigorous development of the logistics industry, the domestic heavy truck market continued to maintain a slight growth trend and the total market demand remained at high level. According to the statistics of the China Association of Automobile Manufacturers, the whole industry sold approximately 1,174,300 heavy trucks, representing a year-on-year increase of 2.3%, and the sales reached a new high.

By leveraging on this market opportunity, the Group deployed, formulated and implemented the “2+2” two-wheel driven strategy of “two commercial vehicle users + two passenger vehicle users” in advance, continued to strengthen our leading position in the largest heavy truck market in North West China, and selectively entered the passenger vehicle market, becoming an interior decorative components and parts manufacturer that provides technical solutions.

The Group recorded revenue of approximately RMB297.9 million in 2019, which represents a year-on-year increase of 12.9% (2018: RMB263.8 million). The profit attributable to equity shareholders of the Company recorded a year-on-year increase of 60.0% to approximately RMB44.8 million (2018: approximately RMB28.0 million). The Company proposed the payment of 2019 Final Dividend to the shareholders of HK\$0.6 cents per ordinary Share. Looking back on 2019, we have achieved good results in various tasks. On behalf of the Group, I sincerely express my gratitude to our team, the customers who have always given us full trust, and the supplier friends who have always given us strong support.

致尊敬的各位股東：

本人謹代表中國天瑞汽車內飾件有限公司(「本公司」)董事會(「董事會」)遞呈本公司及其附屬公司(「本集團」)截止2019年12月31日止年度(「本年度」)之年報。

2019年，儘管受全球經濟波動和國際貿易摩擦影響，宏觀經濟增速回落，國內生產總值(GDP)依然實現了6.1%的增長。年內，受車輛購置稅優惠政策的退坡等因素影響，汽車行業面臨較大壓力，中國汽車銷量約2,577萬輛，同比下降8.2%；其中乘用車銷量2,144萬輛，同比下降9.6%。

然而，受車輛合規性要求趨嚴，車輛新購增多，新基建項目陸續開工，國內消費升級，物流業蓬勃發展等多重因素影響，國內重卡市場繼續保持小幅增長態勢，市場需求總量保持在高位運行。根據汽車工業協會統計資料，全行業實現重卡銷售約117.43萬輛，同比增長2.3%，銷量再創歷史新高。

本集團也借此市場機遇，提前佈局，制定並實施「兩個商用車用戶+兩個乘用車用戶」的「2+2」雙輪驅動戰略，繼續鞏固在中國西北最大的重型卡車市場中的領先地位，並有選擇性地進入了乘用車市場，成為提供技術解決方案的內飾零部件製造商。

本集團於2019年錄得收入約人民幣297.9百萬元，按年增長12.9% (2018年：人民幣263.8百萬元)；歸屬於本公司權益股東應占溢利按年新增60.0%至約人民幣44.8百萬元 (2018年：約人民幣28.0百萬元)。本公司建議向股東宣派2019年末期股息，每股普通股派息0.6港仙。回望2019年，各項工作取得了較好的成績，在此，本人代表本集團，衷心感謝我們的團隊，感謝一直以來給予我們充分信任的客戶，也感謝一直以來給予我們大力支持的供應商朋友。

# Chairman's Statement

## 主席報告書

In 2020, the momentum of the global economic recovery will slow down. The foreign trade of China is facing a more complicated and severe situation, and the domestic economy will continue to suffer downward pressure. In the future, despite of many uncertainties and market pressure, the year of 2020 is the closing year of building a moderately prosperous society in an all-round way and the 13th Five-Year Plan of China, and the year of 2021 is also the 100th anniversary of the founding of the Chinese Communist Party. The commercial vehicle industry will benefit from the macroeconomic control policies, and it is expected that the commercial vehicle market will maintain high volatility and increase steadily in the next two years.

Looking forward, the year of 2020 will witness an overall growth and be the first year for Tianrui to embrace reform, and the Group is confident of the stable development of all businesses. The Group enjoys a complementary advantage between the commercial vehicle business closely related to macroeconomic investments and the passenger vehicles business closely related to individual consumption. In October 2019, the Group completed the on-site review of the supplier list for 9 assembly products under BYD, which was conducive to the prudent expansion of the businesses in the passenger vehicle market. It is expected that the Group will maintain the business growth and profitability in the coming 3 to 5 years.

In addition, the Group formally adopted the Tianrui Excellent Management System Project ("TES") in 2019, for the purpose of enhancing the management level in terms of leadership, research and development, production, relationship with customers and suppliers and employee incentives. Meanwhile, the Group further improved its technologies through introduction of slush-molding lines, cold knife reduction and closed foam lines, equipment automation upgrading and establishment of CNAS laboratories, forging a unique competitive edge in terms of products, technologies, quality, brands, costs, delivery schedule and services.

Last but not least, on behalf of the Board, I would like to express my sincere gratitude to our honorable shareholders. The Group will take priority in promoting sustainable development and constantly improving business management by grasping market opportunities, bringing into full play of its advantages and firmly adhering to the philosophy of "Pursuit of Excellence through Cooperation and Reform". By implementing the TES and further increasing its competitiveness, the Group is committed to promoting its long-term and sound development, transformation and reform, so as to create greater value to reward the support of the shareholders.

**Hou Jianli**  
Chairman

27 March 2020

2020年，世界經濟復蘇勢頭將有所減緩，中國對外貿易面臨著更加複雜嚴峻的形勢，國內經濟將持續面臨下行壓力。面向未來，儘管存在著諸多不確定因素和市場壓力，但是，2020年是中國全面建成小康社會和「十三五」規劃的收官之年，同時2021年是建黨100周年，宏觀政策調控將利好於商用車行業，預計未來兩年商用車市場將維持高位波動，穩中有增。

展望2020年，將是天瑞全面增長的一年，也將是天瑞的變革元年，集團對各業務的穩步發展充滿信心。本集團的優勢在於，商用車與宏觀投資相關，乘用車與個人消費相關，互為補充，相得益彰。本集團於2019年10月通過比亞迪9款總裝產品供應目錄准入的現場審核，在乘用車市場的業務也將穩健拓展。預計未來的三到五年，本集團將繼續實現業務增長，並保持盈利水平。

此外，本集團於2019年正式啟動了天瑞卓越管理體系項目（「TES」項目），旨在提升包含領導力、研發、生產、客戶、供應商夥伴關係及員工激勵在內的管理水平。同時，隨著搪塑線，冷刀弱化，閉模發泡線，設備自動化改造，CNAS實驗室等項目的落地，本集團的技術將會得到進一步加強，形成在產品、技術、質量、品牌、成本、交期和服務等各方面獨有的競爭優勢。

最後，本人謹代表董事會向尊敬的股東致以最衷心的謝意。本集團將繼續把握市場機遇，憑藉自身優勢，緊緊圍繞「攜手共進、銳意變革、追趕超越」這個主題，將以持續業務發展和不斷改善的企業經營管理為工作重點，實現天瑞卓越管理體系的落地，進一步提升競爭力，致力於推進集團長期健康發展，完成集團的轉型與變革，以回饋廣大股東的信任，為股東創造更大回報。

**侯建利**  
主席

2020年3月27日



# Management Discussion and Analysis

## 管理層討論及分析

### INDUSTRY OVERVIEW

Automotive ownership in the PRC increased rapidly amid China's rapid economic growth, continuing urbanization and increasing levels of household consumption. The growth of the heavy trucks and passenger vehicles' interior decorative product markets in the PRC are mainly driven by the following growth drivers: (i) increase in popularity of passenger vehicles and wide application of heavy trucks; (ii) increase in demand from logistics industry and construction industry; (iii) higher requirements for comfort; and (iv) regulatory control and policy support. The Board expects that automotive interior products market in the PRC is expected to maintain growth as China's automotive ownership to grow.

### BUSINESS REVIEW

We are the largest heavy trucks' interior decorative components and parts manufacturer in North West China with a market-leading position. Our products primarily comprise a wide array of automotive interior decorative components and parts and to a lesser extent exterior decorative components and parts, which are designed to be installed on heavy trucks or passenger vehicles. We offer design and development solutions tailored to meet our customers' specific requirements of automotive interior decorative products including functional specifications and appearance.

### 行業概覽

近年來，隨著中國經濟的快速增長、城市化的持續推進及居民消費水平的不斷提高，中國汽車保有量快速增長。中國重型卡車及乘用車內飾產品市場的增长主要受以下增長驅動因素所推動：(i) 乘用車日益普及以及重型卡車的廣泛應用；(ii) 物流行業及建築行業需求的增加；(iii) 更高的舒適度要求；(iv) 監管控制及政策支持。董事會預期，隨著中國汽車保有量的持續增長，中國汽車內飾產品市場預期也能夠維持增長。

### 業務回顧

我們已發展成為中國西北最大的重型卡車內飾零部件製造商，佔據市場領先地位。我們的產品主要包括重型卡車或乘用車安裝用的各類汽車內飾零部件，其次包括外飾零部件。我們按照客戶對汽車內飾產品的功能規格及外觀等具體要求提供定制的設計和開發解決方案。

# Management Discussion and Analysis

## 管理層討論及分析

The Group is principally engaged in the manufacture and sale of automotive interior and exterior decorative components and parts. Set forth below is the breakdown of our revenue by product category for the years ended 31 December 2019 and 2018:

本集團主要從事汽車內外裝飾零部件製造及銷售。下表載列於2019年及2018年12月31日止年度按產品類別劃分之我們的收入：

		Year ended 31 December 截至12月31日止年度			
		2019 2019年		2018 2018年	
		RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%
Heavy trucks' decorative components and parts	重型卡車裝飾零部件	254,732	85.5	238,896	90.6
Passenger vehicles' decorative components and parts	乘用車裝飾零部件	43,175	14.5	24,924	9.4
Total	總計	297,907	100.0	263,820	100.0

### Revenue from sales of heavy trucks' decorative components and parts

Revenue generated from sales of heavy trucks' decorative components and parts increased from approximately RMB238.9 million for the year ended 31 December 2018 to approximately RMB254.7 million for the year ended 31 December 2019, representing an increase of approximately 6.6%, mainly due to the increasing customers demand of our Group's heavy trucks' decorative components and parts, which was principally attributable to the increase in construction and industrial activities. Since heavy trucks were widely applied in infrastructure construction and logistics industries while the construction and logistics industries were stimulated by the policies such as "One Belt, One Road" and "Yangtze River Economic Zone", there has been a constant increase in the demand for heavy trucks.

### 自重型卡車裝飾零部件銷售產生之收入

銷售重型卡車裝飾零部件產生的收入由截至2018年12月31日止年度的約人民幣238.9百萬元增至截至2019年12月31日止年度的約人民幣254.7百萬元，增幅約為6.6%，主要由於建築及工業活動增加促進客戶對本集團重型卡車裝飾零部件的需求增加所致。由於建設及物流行業受「一帶一路」及「長江經濟帶」等政策所刺激，重型卡車在基礎設施建設及物流行業中廣泛應用，因此重型卡車的需求持續增加。

# Management Discussion and Analysis

## 管理層討論及分析

### Revenue from sales of passenger vehicles' decorative components and parts

Revenue generated from sales of passenger vehicles' decorative components and parts increased from approximately RMB24.9 million for the year ended 31 December 2018 to approximately RMB43.2 million for the year ended 31 December 2019, representing an increase of approximately 73.2%. Such increase was mainly due to our expanded customer base and new relationships with first-tier and/or multi-tier suppliers that supply automotive decorative products to passenger vehicle manufacturers.

### FINANCIAL REVIEW

#### Revenue

Our revenue increased from approximately RMB263.8 million for the year ended 31 December 2018 to approximately RMB297.9 million for the year ended 31 December 2019, representing an increase of approximately 12.9%. The increase was primarily due to growth in sales of our heavy trucks' decorative components and parts and passenger vehicles' decorative components and parts.

#### Gross profit and gross profit margin

Our overall gross profit increased from approximately RMB89.9 million for the year ended 31 December 2018 to approximately RMB101.2 million for the year ended 31 December 2019, representing an increase of approximately 12.5%. Such increase was generally in line with the increase in revenue for the same period. Our overall gross profit margin decreased slightly from approximately 34.1% in 2018 to approximately 34.0% in 2019. Such decrease was mainly due to the increase in proportion of our Group's sales for passenger vehicle decorative components and parts to first-tier and/or multi-tier suppliers.

#### Other income/(loss)

We recorded other income of approximately RMB6.1 million for the year ended 31 December 2019 compared to other loss of approximately RMB0.6 million for the year ended 31 December 2018. Such change was primarily due to (i) net foreign exchange losses of approximately RMB2.8 million resulting from consideration payable for acquiring Xian Tianrui Automotive Interiors Co., Ltd. (the "Xian Tianrui") in 2018; and (ii) increase in government grants of approximately RMB2.2 million, mainly due to listing subsidies which were recognised as other income in 2019.

### 自乘用車裝飾零部件銷售產生之收入

銷售乘用車裝飾零部件產生的收入由截至2018年12月31日止年度的約人民幣24.9百萬元增加至截至2019年12月31日止年度的約人民幣43.2百萬元，增幅約為73.2%。該增加主要是由於我們擴大客戶群並與向乘用車製造商供應汽車飾件產品的一級和／或多級供應商建立新關係。

### 財務回顧

#### 收入

收入從截至2018年12月31日止年度的約人民幣263.8百萬元增至截至2019年12月31日止年度的約人民幣297.9百萬元，增幅約為12.9%。該增加主要是由於我們的重型卡車裝飾零部件及乘用車裝飾零部件銷售增長。

#### 毛利及毛利率

毛利從截至2018年12月31日止年度的約人民幣89.9百萬元增至截至2019年12月31日止年度的約人民幣101.2百萬元，增幅約為12.5%。該增加與同期的收入增加一致。我們的整體毛利率由2018年的約34.1%略微減少至2019年的約34.0%。該減少主要是由於本集團向一級和／或多級供應商銷售乘用車裝飾零部件的比例增加所致。

#### 其他收入／(虧損)

截至2019年12月31日止年度，我們錄得其他收入約人民幣6.1百萬元，而截至2018年12月31日止年度錄得虧損約人民幣0.6百萬元。該變動主要由於(i)2018年收購西安天瑞汽車內飾件有限公司(「西安天瑞」)的應付代價產生外匯虧損淨額約人民幣2.8百萬元；及(ii)於2019年確認為其他收入的上市補貼導致的政府補助增加約人民幣2.2百萬元所致。

# Management Discussion and Analysis

## 管理層討論及分析

### Selling expenses

Our selling expenses increased from approximately RMB7.3 million for the year ended 31 December 2018 to approximately RMB9.3 million for the year ended 31 December 2019, representing an increase of approximately 27.3%. Such increase was mainly due to the increase in transportation costs from approximately RMB2.8 million in 2018 to approximately RMB4.6 million in 2019, primarily attributable to the increase in our sales volume.

### Administrative expenses

Our administrative expenses decreased from approximately RMB41.6 million for the year ended 31 December 2018 to approximately RMB40.3 million for the year ended 31 December 2019, representing a decrease of approximately 3.0%. Such decrease was mainly due to (i) decrease in listing expenses in 2019 of approximately RMB8.4 million; which was partially offset by (ii) increase in research and development expenses in 2019 of approximately RMB4.7 million; and (iii) increase in impairment losses on trade receivable in 2019 of approximately RMB2.9 million.

### Finance costs

Our finance costs decreased from approximately RMB7.6 million for the year ended 31 December 2018 to approximately RMB5.7 million for the year ended 31 December 2019, representing a decrease of approximately 24.5%, which was mainly attributable to the decrease in our weighted average balance of bank and other loans during 2019.

### 銷售開支

銷售開支從截至2018年12月31日止年度的約人民幣7.3百萬元增至截至2019年12月31日止年度的約人民幣9.3百萬元，增幅約為27.3%。該增加主要是由於我們的銷量增加導致運輸成本由2018年的約人民幣2.8百萬元增至2019年的約人民幣4.6百萬元所致。

### 行政開支

行政開支從截至2018年12月31日止年度的約人民幣41.6百萬元減至截至2019年12月31日止年度的約人民幣40.3百萬元，減幅為3.0%，該減少主要由於(i) 2019年上市產生開支減少約人民幣8.4百萬元；被以下各項部分抵銷：(ii) 2019年研發開支增加約人民幣4.7百萬元；及(iii) 於2019年貿易應收款項減值虧損產生開支增加約人民幣2.9百萬元。

### 財務成本

財務成本從截至2018年12月31日止年度的約人民幣7.6百萬元減至截至2019年12月31日止年度的約人民幣5.7百萬元，減幅約為24.5%。該減少主要是由於2019年我們的銀行及其他貸款加權平均餘額減少所致。

# Management Discussion and Analysis

## 管理層討論及分析

### Income tax

Our income tax expense increased from approximately RMB4.8 million for the year ended 31 December 2018 to approximately RMB7.1 million for the year ended 31 December 2019, representing an increase of approximately 46.6%. Such increase was mainly due to the increase in profit before tax for the period. The effective tax rates decreased from approximately 14.7% for the year ended 31 December 2018 to approximately 13.7% for the year ended 31 December 2019, mainly due to the combined effect of (i) increase of qualified research and development costs allowed for bonus deduction and (ii) foreign exchange loss for acquisition of Xian Tianrui in 2018, which is non-deductible for tax purpose.

### Profit for the year

As a result of the foregoing, our profit for the year increased from approximately RMB28.0 million for the year ended 31 December 2018 to approximately RMB44.8 million for the year ended 31 December 2019, representing an increase of approximately 60.0%.

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's business operations are primarily financed by cash generated from operating activities, net proceeds received from the global offering of the Company completed in January 2019 and bank and other loans. As of 31 December 2019 and 2018, the Group had cash and cash equivalents of approximately RMB30.2 million and RMB13.4 million, respectively.

The Group monitors the cash flows and cash balance on a regular basis and seeks to maintain optimal level of liquidity that can meet the working capital needs while supporting a healthy level of business and its various growth strategies.

### Bank and Other Loans

Our bank and other loans increased from approximately RMB52.8 million as at 31 December 2018 to approximately RMB78.1 million as at 31 December 2019. Bank and other loans in the amounts of approximately RMB78.1 million (2018: approximately RMB 52.8 million) were secured by trade and bills receivables, property, plant and equipment of the Group.

### 所得稅

所得稅開支從截至2018年12月31日止年度的約人民幣4.8百萬元增至截至2019年12月31日止年度的約人民幣7.1百萬元，增幅約為46.6%。該增加主要由於期內除稅前溢利增加。實際稅率自截至2018年12月31日止年度的約14.7%減少至截至2019年12月31日止年度的約13.7%，主要是由於(i)合格研發成本加計抵扣增加及(ii)2018年收購西安天瑞產生的外匯虧損(不可作稅項抵扣)之綜合影響。

### 年內溢利

由於上述原因，年內溢利從截至2018年12月31日止年度的約人民幣28.0百萬元增至截至2019年12月31日止年度的約人民幣44.8百萬元，增幅約60.0%。

### 流動資金、財務資源及資本架構

本集團的業務經營資金主要來自經營活動所得現金、本公司在2019年1月完成的全球發售所得款項淨額以及銀行及其他借款。於2019年及2018年12月31日，本集團現金及現金等價物分別約為人民幣30.2百萬元及人民幣13.4百萬元。

本集團定期監視現金流量及現金結餘，尋求將流動資金維持於最佳水平，既可滿足營運資金需求，同時亦可支持業務健康發展及各項增長策略。

### 銀行及其他貸款

銀行及其他貸款從2018年12月31日的約人民幣52.8百萬元增至2019年12月31日的約人民幣78.1百萬元。有抵押的銀行及其他貸款為約人民幣78.1百萬元(2018年：約人民幣52.8百萬元)，由本集團的貿易應收款項及應收票據、物業、廠房及設備抵押。

# Management Discussion and Analysis

## 管理層討論及分析

### Gearing Ratio

The gearing ratio as at 31 December 2018 and 2019 were at 45.7% and 33.8% , respectively.

Gearing ratio equals total debts divided by total equity as at the end of the respective year. Total debts include all interest-bearing bank and other loans.

### Inventories

Our inventories increased from approximately RMB27.3 million as at 31 December 2018 to approximately RMB60.8 million as at 31 December 2019, representing an increase of approximately 123.2%. Such increase was mainly due to an increase of production activities and scale in response to our business growth and the raw materials accumulated for processing certain sales orders to be delivered after the Lunar New Year in 2020.

### Prepayments for acquisitions of property, plant and equipment

Our prepayments for acquisitions of property, plant and equipment increased from approximately RMB9.3 million as at 31 December 2018 to approximately RMB23.0 million as at 31 December 2019, representing an increase of approximately 146.3%. Such increase was mainly due to our expansion in production facility to cope with our business growth.

### Secured Assets

Certain of the Group's bank and other loans are secured by the following assets of the Group:

### 資本負債比率

於2018年及2019年12月31日，資本負債比率分別為45.7%及33.8%。

資本負債比率相等於各年末的債務總額除以權益總額。債務總額包括所有計息銀行及其他貸款。

### 存貨

存貨從2018年12月31日的約人民幣27.3百萬元增至2019年12月31日的約人民幣60.8百萬元，增幅約為123.2%。該增加主要是由於為應對業務增長而增加生產活動和擴大規模，及儲備原材料以加工於2020年農曆新年後交付的若干銷售訂單所致。

### 購置物業、廠房及設備之預付款項

購置物業、廠房及設備之預付款項從2018年12月31日的約人民幣9.3百萬元增至2019年12月31日的約人民幣23.0百萬元，增幅約為146.3%。該增加主要是由於為我們擴充生產設施以應對業務規模增加所致。

### 已抵押資產

本集團的若干銀行及其他貸款由本集團的以下資產作擔保：

		2019 RMB'000	2018 RMB'000
Property, plant and equipment	物業、廠房及設備	76,615	57,060
Lease prepayments	租賃預付款項	—	9,486
Trade and bills receivables	貿易應收款項及應收票據	46,718	41,241
		<b>123,333</b>	107,787



# Management Discussion and Analysis

## 管理層討論及分析

### Capital Expenditure

As at 31 December 2019, the capital expenditures were approximately RMB31.3 million (2018: approximately RMB34.1 million). The capital expenditure incurred for the year ended 31 December 2019 primarily related to the construction of new plants and the purchase of new machinery and equipment.

### Capital Commitments

As at 31 December 2019, the capital commitments in respect of property, plant and equipment contracted for approximately RMB39.1 million (2018: approximately RMB34.0 million).

### Contingent Liabilities

As at 31 December 2019, the Group did not have any material contingent liabilities (2018: RMBNil).

### FLUCTUATION OF RMB EXCHANGE RATE AND FOREIGN EXCHANGE RISKS

The majority of the Group's business and all bank borrowings are denominated and accounted for in RMB. Therefore, the Group does not have significant exposure to foreign exchange fluctuation.

The Board does not expect the fluctuation of RMB exchange rate and other foreign exchange fluctuations will have material impact on the business operations or financial results of the Group. The Group will closely monitor the foreign exchange market and take appropriate and effective measures from time to time to reduce any negative impact from exchange-rate risk to the furthest extent.

### SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no significant investments held or material acquisitions and disposals of subsidiaries and associated companies during the year ended 31 December 2019.

### DIVIDEND

The Board recommends the payment of a final dividend of HK\$12,000,000 (equivalent to approximately RMB10,825,000), representing HK\$0.6 cents per ordinary Share, for the year ended 31 December 2019. The proposed final dividend is subject to the shareholders' approval at the forthcoming annual general meeting.

### 資本開支

於2019年12月31日，資本開支約為人民幣31.3百萬元(2018年：約人民幣34.1百萬元)。截至2019年12月31日止年度產生的資本開支主要與新建廠房、購置新機器及設備有關。

### 資本承擔

於2019年12月31日，本集團已訂約物業、廠房及設備的承擔約為人民幣39.1百萬元(2018年：約人民幣34.0百萬元)。

### 或有負債

於2019年12月31日，本集團並無任何重大或然負債(2018年：人民幣零元)。

### 人民幣匯率波動及匯兌風險

本集團的絕大部分業務及全部銀行貸款均以人民幣交易及入賬，故無重大外匯波動風險。

董事會並不預期人民幣匯率波動及其它外幣匯兌波動會對本集團的業務或業績帶來重大影響。本集團將密切留意外匯市場並不時採取合理有效的措施，以盡可能地消除任何匯率風險造成的負面影響。

### 持有的重大投資、重大收購事項及出售事項

截至2019年12月31日止年度，本集團並無任何所持重大投資或附屬公司及聯營公司的重大收購及出售。

### 股息

董事會建議派付截至2019年12月31日止年度末期股息港幣12,000,000元(相等於約人民幣10,825,000元)，相當於每股普通股0.6港仙。建議末期股息須待股東於股東週年大會上批准作實。

# Management Discussion and Analysis

## 管理層討論及分析

### EMPLOYEE AND REMUNERATION POLICIES

As of 31 December 2019, the Group had a total of 540 full time employees (2018: 425). For the year ended 31 December 2019, the Group incurred total staff costs of approximately RMB40.7 million (2018: approximately RMB29.8 million), representing an increase of approximately 36.7% as compared with those in 2018.

The remuneration policy of our Group to reward its employees and executives is based on their performance, qualifications, competence displayed and market comparable. Remuneration package typically comprises salaries and other benefits, discretionary bonuses, retirement benefits scheme contributions.

In order to retain and develop the knowledge, skill level and quality of our employees, the Group places a strong emphasis on training our employees. In addition, the Group offers a competitive remuneration package to retain elite employees, and reviews the package annually according to industry benchmark and financial results as well as the individual performance of employees.

### USE OF PROCEEDS

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 15 January 2019 (the “Listing Date”). The net proceeds from the Company’s issue of new shares in the global offering, after deducting the underwriting commission and other related listing expenses payable by the Company in relation to the global offering, amounted to approximately HK\$82.1 million, which are intended to be applied in compliance with the intended use of proceeds set out in the section headed “Future Plans and Use of Proceeds” contained in the Prospectus.

### 僱員及薪酬政策

截至2019年12月31日，本集團共有540名全職僱員（2018年：425名）。截至2019年12月31日止年度，本集團所產生的員工成本總額約為人民幣40.7百萬元（2018年：約為人民幣29.8百萬元），較2018年增加約36.7%。

本集團的薪酬政策是按僱員及行政人員的表現、資歷、所展現能力及市場可比較水平對彼等的獎勵。薪酬待遇一般包括薪金及其他福利、酌情花紅、退休福利計劃供款。

為挽留僱員並豐富其知識、提高其技能水平及資質，本集團極其注重僱員培訓。此外，本集團提供具競爭力的薪酬待遇以挽留優秀僱員，並根據行業基準及財務業績以及僱員的個別表現對薪酬待遇進行年度審閱。

### 所得款項用途

本公司於2019年1月15日（「上市日期」）在香港聯合交易所有限公司（「聯交所」）上市。本公司全球發售發行新股份經扣除包銷佣金及本公司就全球發售應付的其他相關上市開支後的所得款項淨額約為82.1百萬港元，本公司擬根據招股章程中「未來計劃及所得款項用途」一節所載有關所得款項的擬作用途而動用該款項。

# Management Discussion and Analysis

## 管理層討論及分析

During the period from the Listing Date and up to 31 December 2019, the Group has applied the net proceeds as follows:

自上市日期起至2019年12月31日止期間，本集團已將所得款項淨額用於以下用途：

		Proposed use of net proceeds as set out in the Prospectus 招股章程所列所得 款項淨額建議用途 HK\$ million 百萬港元 (approximately) (概約)	Actual usage up to 31 December 2019 截至2019年 12月31日實際用途 HK\$ million 百萬港元 (approximately) (概約)	Balance as at 31 December 2019 於2019年 12月31日餘額 HK\$ million 百萬港元 (approximately) (概約)
Improving the production capabilities and capacity	提高生產能力及產量	34.7	17.7	17.0
Partial repayment of bank loans	償還部分銀行貸款	14.4	14.4	—
Enhancing the research and development capabilities	提高研發能力	11.9	6.3	5.6
Improving and widening the product offerings	改善及擴大產品供應	8.9	8.9	—
Establishing new offices and warehouses including the hiring of new salespersons and optimising and upgrading the information systems	設立新辦事處及倉庫，包括 聘用新的銷售人員以及 優化及升級資訊系統	3.9	3.5	0.4
General working capital	一般營運資金	8.3	8.3	—
Total	總計	82.1	59.1	23.0

The unused balance of the proceeds was placed as deposits with banks.

未動用所得款項結餘已作為存款存放於銀行。

As of the date of this annual report, the Company does not anticipate any change to its plan on the use of proceeds as stated in the Prospectus.

於本年報日期，本公司預期不會改變招股章程所述的所得款項用途計劃。

### MAJOR SUBSEQUENT EVENTS

Details of the event after the reporting period are set out in note 28 to the financial statements in this annual report.

### 主要期後事項

報告期後事件詳情載於本年報財務報表附註28。

# Management Discussion and Analysis

## 管理層討論及分析

### FUTURE PROSPECTS

Looking forward to the future, due to the development campaign of western regions (西部大開發) adopted in this area which would spur the development of infrastructure, such as transportation, energy, telecommunications, etc.; and considering that Shaanxi Government will raise a special industrial fund of RMB4.0 billion to expedite the automotive industry, the Group will capitalize on this opportunity and continue to strengthen new product development with existing customers, actively expand new passenger vehicle customers, continuously diversify product mix and enhance core competitiveness.

We have passed the evaluation of a passenger vehicles manufacturer and have been qualified as one of the approved suppliers for certain passenger vehicle decorative products. To this end, we will continue to devote additional resources into our research and development activities, optimize the management system and increase operating efficiency to complete transformation and change, and make new achievements. At the same time, we were selected into the list of the Novel Coronavirus Pneumonia prevention and control companies announced by the Ministry of Industry and Information Technology and will enjoy relevant preferential policies such as financial discounts. We will capture the emerging opportunities to carry out the production of medical goggles projects and will use the opportunities to actively identify partners for joint development and achieve sustainable and long-term business growth.

### 未來展望

展望未來，得益於中國西北地區實施的西部大開發將刺激運輸、能源、電信等基建發展；及考慮到陝西省政府將籌集產業專項資金人民幣40億元促進汽車產業發展等政策，本集團將借此機會繼續加強與現有客戶新產品開發、積極拓展乘用車新客戶，不斷豐富產品組合，增強核心競爭力。

我們已經通過一家乘用車製造廠商的評估併合資格成為其部分乘用車裝飾產品認可的供應商之一。為此，我們將持續加大研發資源投入，優化管理體系和改善經營效率，完成轉型與變革，再創佳績。同時我們入選工業和信息化部辦公廳公佈的新冠肺炎疫情防控重點保障企業名單並享受財政貼息等相關優惠政策，我們將捕捉此新興機會開展醫用護目鏡生產項目，並將利用此契機積極物色合作夥伴，以作共同發展，實現業務的可持續長期增長。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層履歷

### DIRECTORS

#### Executive Directors

**Mr. Hou Jianli (侯建利)**, aged 56, is one of the founders of our Group, our Executive Director, the chairman of our Board, the chief executive officer and the general manager of our Group. Mr. Hou is mainly responsible for the overall management, operations, strategic development and business planning of our Group. Mr. Hou joined our Group in May 2009 and has been acting as executive director and general manager of Xian Tianrui since then. He was appointed as our Director on 27 April 2017 and was redesignated as our Executive Director on 9 May 2018. Mr. Hou is also the director of certain subsidiaries of the Company. Mr. Hou is also the chairman of the nomination committee of the Company.

Mr. Hou also possesses over 30 years of experience in the manufacturing industry. From August 1985 to January 2000, Mr. Hou successively served as technician, workshop deputy director, branch manager, chief engineer and head of the composite packaging materials research institute of 陝西省先鋒機械廠 (Shaanxi Province Pioneer Machinery Factory\*). Since January 2000, Mr. Hou served as legal representative and director of 寶雞市天祥包裝印務有限公司 (Baoji Tianxiang Packaging and Printing Co., Ltd.\*).

Mr. Hou graduated from Shaanxi Institute of Technology (陝西工學院) (now known as Shaanxi University of Technology (陝西理工大學)) in the PRC with a bachelor's degree in industrial electronic automation in July 1985.

Mr. Hou is the spouse of Ms. Chen, who is our Controlling Shareholder, our Executive Director and the deputy general manager of our Group.

**Ms. Chen Bierui (陳別銳)**, aged 58, is one of the founders of our Group, our Executive Director and the deputy general manager of our Group. Ms. Chen is mainly responsible for administrative management and business operation of our Group. Ms. Chen joined our Group in May 2009, she was appointed as our Director on 27 April 2017 and redesignated as our Executive Director on 9 May 2018. Ms. Chen is also a member of the remuneration committee of the Company.

### 董事

#### 執行董事

**侯建利先生**，56歲，為本集團的創辦人之一、執行董事、董事長兼行政總裁及本集團總經理。侯先生主要負責本集團的整體管理、經營、戰略發展及業務規劃。侯先生於2009年5月加入本集團，自此一直擔任西安天瑞的執行董事兼總經理。彼於2017年4月27日獲委任為我們的董事，並於2018年5月9日調任為我們的執行董事。侯先生亦為本公司若干附屬公司的董事。侯先生亦為本公司提名委員會主席。

侯先生亦於製造行業擁有逾30年經驗。自1985年8月至2000年1月，侯先生先後擔任陝西省先鋒機械廠的技術員、車間副主任、分廠廠長、總工程師及複合包裝材料研究所所長。自2000年1月以來，侯先生擔任寶雞市天祥包裝印務有限公司的法人代表兼董事。

侯先生於1985年7月畢業於中國陝西工學院(現稱陝西理工大學)，獲工業電氣自動化專業學士學位。

侯先生為我們的控股股東、執行董事及本集團副總經理陳女士的配偶。

**陳別銳女士**，58歲，為本集團創辦人之一、我們的執行董事及本集團副總經理。陳女士主要負責本集團的行政管理及業務經營。陳女士於2009年5月加入本集團，彼於2017年4月27日獲委任為我們的董事，並於2018年5月9日調任為我們的執行董事。陳女士亦為本公司薪酬委員會之成員。

## Biographical Details of Directors and Senior Management 董事及高級管理層履歷

Ms. Chen possesses over 10 years of experience in the manufacturing industry. From August 1985 to May 1996, Ms. Chen served as a general staff in 陝西省先鋒機械廠 (Shaanxi Province Pioneer Machinery Factory\*). Ms. Chen also possesses over 20 years of experience in the information technology industry. From June 1996 to December 2016, Ms. Chen served as director of information engineering department and deputy director of municipal agricultural information centre of 寶雞市科技信息研究所 (Baoji City Scientific and Technological Information Research Institute\*).

Ms. Chen graduated from Shaanxi Institute of Technology (陝西工學院) (now known as Shaanxi University of Technology (陝西理工大學)) in the PRC with a bachelor's degree in industrial electronic automation in July 1985.

Ms. Chen is the spouse of Mr. Hou, who is our Controlling Shareholder, our Executive Director, the chairman of our Board, the chief executive officer and the general manager of our Group.

**Mr. Zhao Shijie (趙世傑)**, aged 37, is our Executive Director, the chief financial officer of our Group, the secretary of our Board and one of the joint company secretaries of our Company. Mr. Zhao is primarily responsible for the accounting and financial management of our Group and assisting our Board on corporate governance matters. Mr. Zhao joined our Group in June 2016. He was appointed as our Director on 27 April 2017 and redesignated as our Executive Director on 9 May 2018.

Mr. Zhao has over 13 years of experience in accounting. From July 2006 to August 2011, Mr. Zhao served as project assistant and project manager at the Chongqing branch of Pan-China Certified Public Accountants LLP (天健會計師事務所). From August 2011 to May 2016, Mr. Zhao served as deputy general manager and chief financial officer of 北京市春立正達醫療器械股份有限公司 (Beijing Chunlizhengda Medical Instruments Co., Ltd\*), the shares of which were listed on the Main Board (stock code: 1858).

Mr. Zhao obtained a bachelor's degree in accounting from Chongqing University (重慶大學) in the PRC in June 2006.

陳女士於製造行業擁有逾10年經驗。自1985年8月至1996年5月，陳女士擔任陝西省先鋒機械廠的普通員工。陳女士亦於信息技術行業擁有逾20年經驗。自1996年6月至2016年12月，陳女士擔任寶雞市科技信息研究所信息工程部主任及市農業信息中心副主任。

陳女士於1985年7月畢業於中國陝西工學院(現稱陝西理工大學)，獲得工業電氣自動化專業學士學位。

陳女士為我們的控股股東、我們的執行董事、董事長兼行政總裁及本集團總經理侯先生的配偶。

**趙世傑先生**，37歲，為我們的執行董事、本集團財務總監兼董事會秘書及本公司其中一名聯席公司秘書。趙先生主要負責本集團的會計及財務管理工作，並協助董事會處理企業管治事宜。趙先生於2016年6月加入本集團。彼於2017年4月27日獲委任為我們的董事，並於2018年5月9日調任為我們的執行董事。

趙先生擁有逾13年會計經驗。自2006年7月至2011年8月，趙先生於天健會計師事務所重慶分所擔任項目助理及項目經理。自2011年8月至2016年5月，趙先生一直擔任北京市春立正達醫療器械股份有限公司(其股份於主板上市(股份代號：1858))的副總經理兼財務總監。

趙先生於2006年6月獲中國重慶大學會計學學士學位。



# Biographical Details of Directors and Senior Management

## 董事及高級管理層履歷

### Independent Non-executive Directors

**Mr. Zhu Hongqiang (朱紅強)**, aged 50, was appointed as our Independent Non-executive Director on 18 December 2018 and is also the chairman of the remuneration committee of the Company and a member of the audit committee of the Company. Mr. Zhu has over 18 years of experience in legal practice in the PRC. He joined Shaanxi Yongjia Law Firm (陝西永佳律師事務所) in October 2001 as a lawyer and the deputy director and is currently a partner of the law firm.

Mr. Zhu obtained a diploma in law from Northwest College of Political Science and Law (西北政法學院) (now known as Northwest University of Political Science and Law (西北政法大學)) through self-study higher education examination (高等教育自學考試) in the PRC in June 1998. Mr. Zhu obtained a bachelor's degree in law from Evening College of Xi'an Technological Institute (西安工業學院) (now known as Xi'an Technological University (西安工業大學)) in the PRC in July 2005. Mr. Zhu was admitted as a PRC lawyer by the Shaanxi Provincial Department of Justice (陝西省司法廳) in October 2001.

**Mr. Zhou Genshu (周根樹)**, aged 55, was appointed as our Independent Non-executive Director on 18 December 2018 and is also the chairman of the audit committee of the Company and a member of each of the remuneration committee and nomination committee of the Company. Mr. Zhou has over 24 years of experience in the education industry. Since November 1995, he worked in the School of Materials Science and Engineering of Xi'an Jiaotong University (西安交通大學材料科學與工程學院) successively as associate professor, professor and doctoral supervisor and is mainly responsible for lecturing and material science research. During such period, he has hosted several important scientific research projects and published academic papers on reputable scientific journals.

### 獨立非執行董事

朱紅強先生，50歲，於2018年12月18日獲委任為我們的獨立非執行董事，亦為本公司薪酬委員會主席以及本公司審核委員會之成員。朱先生於中國擁有逾18年法律執業經驗。彼於2001年10月加入陝西永佳律師事務所，擔任律師及副主任，目前為該律師事務所合夥人。

朱先生於1998年6月通過中國高等教育自學考試取得西北政法學院(現稱為西北政法大學)的法律專業文憑。朱先生於2005年7月取得中國西安工業學院(現稱為西安工業大學)夜大法律專業學士學位。朱先生於2001年10月獲陝西省司法廳認可為中國執業律師。

周根樹先生，55歲，於2018年12月18日獲委任為我們的獨立非執行董事，亦為本公司審核委員會主席以及本公司薪酬委員會及提名委員會各自之成員。周先生擁有逾24年教育行業經驗。自1995年11月起，彼先後於西安交通大學材料科學與工程學院擔任副教授、教授及博士生導師，主要負責授課及材料科學研究。於該期間，彼主持了多項重要科研項目，並於知名科學期刊上發表了學術論文。

## Biographical Details of Directors and Senior Management

### 董事及高級管理層履歷

Mr. Zhou obtained a bachelor's degree in foundry engineering and a master's degree in foundry engineering from Tsinghua University (清華大學) in July 1986 and August 1989 respectively. He obtained a doctoral degree in foundry engineering from Northwestern Poly-technical University (西北工業大學) in October 1993. He obtained a post-doctoral certificate in material science and engineering from National Post-Doctoral Regulatory Committee (全國博士後管理委員會) in December 1995. He serves as the committee member and secretary of the Typical Component Heat Treatment Technology Committee of the Chinese Mechanical Engineering Society (全國熱處理學會典型零件熱處理技術委員會) since October 2006, the standing committee member of the Heat Treatment Branch of Chinese Mechanical Engineering Society (中國機械工程學會熱處理分會) since July 2015 and the chairman of the Material and Heat Treatment Branch of the Shaanxi Provincial Mechanical Engineering Society (陝西省機械工程學會材料及熱處理分會) since March 2016. He has been granted several awards including the third prize of Shaanxi Province Science and Technology Award, the second prize of Xi'an City Science and Technology Award, the second prize of Chinese University Science and Technology Award and the Technology Innovation Award of Heat Treatment Society.

**Mr. Shin Yick Fabian (洗易)**, aged 51, was appointed as our Independent Non-executive Director on 18 December 2018 and is also a member of each of the audit committee and nomination committee of the Company. Mr. Shin possesses over 29 years experience in finance and investment banking.

Mr. Shin is currently an independent non-executive director of Zhengye International Holdings Company Limited (stock code: 3363), China Automobile New Retail (Holdings) Limited (stock code: 526) and Newton Resources Limited (stock code: 1231), a non-executive director of Pak Tak International Limited (stock code: 2668), those companies being listed on the Main Board of the Hong Kong Stock Exchange, a non-executive director of BIO-key International, Inc. (NASDAQ: BKYI), a company whose shares are traded at the Nasdaq stock market of the United States, and an independent director of Olympic Circuit Technology Co., Ltd (stock code: 603920), a company being listed on the Shanghai Stock Exchange. He was a senior consultant of a China-based securities company from June 2018 to January 2019, the chief executive officer of a private corporate financial company from July 2015 to May 2018 and the deputy chief executive officer of CMB International Capital Corporation Limited from February 2010 to July 2015. Prior to joining CMB International Capital Corporation Limited, he worked in several investment banks in Hong Kong.

周先生分別於1986年7月及1989年8月取得清華大學的鑄造工程專業學士學位及鑄造工程專業碩士學位。彼於1993年10月取得西北工業大學的鑄造工程專業博士學位。彼於1995年12月取得全國博士後管理委員會頒發的材料科學及工程專業博士後證書。彼自2006年10月以來擔任全國熱處理學會典型零件熱處理技術委員會的會員及秘書，自2015年7月以來擔任中國機械工程學會熱處理分會的常務委員及自2016年3月以來擔任陝西省機械工程學會材料及熱處理分會的主席。彼曾榮獲多項獎項，包括陝西省科學技術三等獎、西安市科學技術二等獎、中國高校科學技術類二等獎及熱處理學會技術創新獎。

洗易先生，51歲，於2018年12月18日獲委任為我們的獨立非執行董事，亦為本公司審核委員會及提名委員會各自之成員。洗先生擁有逾29年財務及投資銀行經驗。

洗先生現為正業國際控股有限公司(股份代號：3363)、中國汽車新零售(控股)有限公司(股份代號：526)及新礦資源有限公司(股份代號：1231)之獨立非執行董事、百德國際有限公司(股份代號：2668)之非執行董事(上述公司均於香港聯交所主板上市)、BIO-key International, Inc. (NASDAQ: BKYI)之非執行董事(該公司股份於美國納斯達克證券交易所買賣)以及廣東世運電路科技股份有限公司(於上海證券交易所上市，股票代碼：603920)之獨立董事。於2018年6月至2019年1月期間，彼曾為一間中資證券公司之高級顧問、於2015年7月至2018年5月期間，為一間私營企業融資公司之行政總裁及於2010年2月至2015年7月期間，為招銀國際金融有限公司副首席執行官。於加入招銀國際金融有限公司前，彼曾任職於若干香港投資銀行。

## Biographical Details of Directors and Senior Management 董事及高級管理層履歷

Mr. Shin was an independent non-executive director of Huabang Financial Holdings Limited (stock code: 3638) from 30 September 2016 to 2 October 2018 and an independent non-executive director of China Shun Ke Long Holdings Limited (stock code: 974) from 19 August 2015 to 31 October 2018.

Mr. Shin graduated from the University of Birmingham in England with a bachelor's degree in commerce in July 1990. After graduation, he worked in the audit department of Deloitte Touche Tohmatsu. He had also worked in a listed company in Hong Kong as group financial controller. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) and the Hong Kong Institute of Chartered Secretaries.

### SENIOR MANAGEMENT

**Mr. Hou Jianli (侯建利)**, aged 56, is one of the founders of our Group, our Executive Director, the chairman of our Board, the chief executive officer and the general manager of our Group. For further details, please refer to the paragraph headed "Executive Directors" in this section above.

**Ms. Chen Bierui (陳別銳)**, aged 58, is one of the founders of our Group, our Executive Director and the deputy general manager of our Group. For further details, please refer to the paragraph headed "Executive Directors" in this section above.

**Mr. Zhao Shijie (趙世傑)**, aged 37, is our Executive Director, the chief financial officer of our Group, secretary of our Board and joint company secretary of our Company. For further details, please refer to the paragraph headed "Executive Directors" in this section above.

冼先生於2016年9月30日至2018年10月2日期間擔任華邦金融控股有限公司(股份代號：3638)之獨立非執行董事及於2015年8月19日至2018年10月31日期間擔任中國順客隆控股有限公司(股份代號：974)之獨立非執行董事。

冼先生於1990年7月畢業於英國伯明翰大學，持有商學學士學位。於畢業後，彼曾任職於德勤會計師事務所之審核部門。彼亦曾任職於一間香港上市公司，擔任集團財務總監。彼為香港會計師公會、英國特許公認會計師公會、英國特許管制公會(前稱英國特許秘書及行政人員公會)及香港特許秘書公會資深會員。

### 高級管理層

**侯建利先生**，56歲，為本集團的創辦人之一、執行董事、董事長、行政總裁兼本集團總經理。有關進一步詳情，請參閱本節上文「執行董事」一段。

**陳別銳女士**，58歲，為本集團的創辦人之一、執行董事兼本集團副總經理。有關進一步詳情，請參閱本節上文「執行董事」一段。

**趙世傑先生**，37歲，為我們的執行董事、本集團財務總監兼董事會秘書及本公司聯席公司秘書。有關進一步詳情，請參閱本節上文「執行董事」一段。

## Biographical Details of Directors and Senior Management

### 董事及高級管理層履歷

**Mr. Xu Yunhua (許雲華)**, aged 42, is our sales director. He is mainly responsible for sales management of Xian Tianrui. He joined our Group in September 2010 and had successively worked as sales supervisor and the head of the sales department of Xian Tianrui. He was then promoted to the sales director of Xian Tianrui in February 2019. Mr. Xu is also the director of a subsidiary of the Company.

Mr. Xu has over 16 years of experience in the sales industry. From August 2003 to September 2010, he worked successively as a salesman, the assistant section head of the sales department and the head of the plastic production factory of 寶雞市萬合實業有限公司 (Baoji Wanhe Enterprise Co., Ltd\*).

Mr. Xu obtained his technical secondary school diploma in industrial electronic automation from Baoji Industrial School (寶雞市工業學校)(now known as Baiji Vocational and Technical College (寶雞職業技術學院)) in July 1997.

#### JOINT COMPANY SECRETARIES

**Mr. Zhao Shijie (趙世傑)**, aged 37, was appointed as one of our joint company secretaries of our Company on 9 May 2018. He is also our Executive Director, the chief financial officer of our Group and the secretary of our Board. For his qualifications and experience, please refer to the paragraph headed “Executive Directors” in this section.

許雲華先生，42歲，為我們的銷售總監。彼主要負責西安天瑞的銷售管理。彼於2010年9月加入本集團，並歷任為西安天瑞的銷售主管和銷售部部長。彼之後於2019年2月晉升西安天瑞的銷售總監。許先生亦為本公司一間附屬公司的董事。

許先生擁有逾16年銷售行業經驗。自2003年8月至2010年9月，彼先後擔任寶雞市萬合實業有限公司銷售部的推銷員、副部長助理以及塑料製品廠廠長。

許先生於1997年7月取得寶雞市工業學校(現稱寶雞職業技術學院)工業電氣自動化專業中專技術文憑。

#### 聯席公司秘書

趙世傑先生，37歲，於2018年5月9日獲委任為本公司之聯席公司秘書之一。彼亦為我們的執行董事、本集團財務總監兼董事會秘書。有關其資歷及經驗，請參閱本節「執行董事」一段。

## Biographical Details of Directors and Senior Management 董事及高級管理層履歷

**Mr. Ip Pui Sum (葉沛森)**, aged 60, was appointed as one of our joint company secretaries of our Company on 9 May 2018. Mr. Ip has been the partner of Sum, Arthur & Co., Certified Public Accountants since 1999 whose scope of services include the provision of financial statement audit, accounting and company secretary services. Mr. Ip has been appointed as the company secretary of various companies listed on the Main Board and GEM of the Stock Exchange including Tingyi (Cayman Islands) Holding Group (stock code: 322), Luoyang Glass Company Limited (stock code: 1108), Orient Victory Travel Group Company Limited (stock code: 0265), Beijing Chunlizhengda Medical Instruments Co., Ltd. (stock code: 1858), Baofeng Modern International Holdings Company Limited (stock code: 1121) and Asiaray Media Group Limited (stock code: 1993) since January 1996, August 2008, October 2014, March 2015, April 2017 and June 2017 respectively and one of the joint company secretaries of ZACD Group Ltd. (stock code: 8313) since July 2017.

Mr. Ip obtained a higher diploma in accountancy from the Hong Kong Polytechnic University in November 1982 and obtained a master's degree in business administration from Henley Management College and Brunel University in May 1997. Mr. Ip is a Certified Public Accountant (Practising) in Hong Kong, a fellow member of the Chartered Association of Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants, the Chartered Institute of Management Accountants, the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries.

葉沛森先生，60歲，於2018年5月9日獲委任為本公司的聯席公司秘書之一。葉先生自1999年以來為沛森沛林會計師行的合夥人，其服務範圍包括提供財務報表審計、會計及公司秘書服務。自1996年1月、2008年8月、2014年10月、2015年3月、2017年4月及2017年6月起，葉先生已分別獲委任為多家聯交所主板及GEM上市公司的公司秘書，該等公司包括康師傅控股有限公司(股份代號：322)、洛陽玻璃股份有限公司(股份代號：1108)、東勝旅遊集團有限公司(股份代號：0265)、北京市春立正達醫療器械股份有限公司(股份代號：1858)、寶峰時尚國際控股有限公司(股份代號：1121)及雅仕維傳媒集團有限公司(股份代號：1993)，以及自2017年7月起獲委任為及傑地集團有限公司(股份代號：8313)的聯席公司秘書之一。

葉先生於1982年11月於香港理工大學獲得會計學專業高級文憑及於1997年5月獲得英國布魯內爾大學亨利管理學院的工商管理碩士學位。葉先生現為香港執業會計師、英國特許公認會計師公會資深會員以及香港會計師公會、英國特許管理會計師協會、英國特許秘書與行政人員協會及香港特許秘書公會會員。

# Corporate Governance Report

## 企業管治報告

### IN COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Company has committed to delivering and maintaining a higher standard of corporate governance to meet business needs and shareholders' expectation. Our Company has adopted the principles and code provisions of the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as the basis of our Company's corporate governance practices. The Corporate Governance Code has been applicable to our Company with effect from the Listing Date, save for the following deviation:

Pursuant to code provision A.2.1 of the Corporate Governance Code, the role of chairman and the chief executive should be segregated and should not be performed by the same individual. However, Mr. Hou Jianli currently performs the roles as the chairman and general manager. The Board believes that vesting the roles of both chairman and general manager in the same person has the benefit of ensuring consistent leadership within our Group and enables more efficient overall strategic planning for our Group. The Board considers that the balance of power and authority will not be impaired by the present arrangement and this structure will enable our Company to make and implement decisions promptly and effectively. After taking into account the overall circumstances of our Group, the Board will continue to review and consider whether the duties of the chairman and general manager should be separated.

Save as disclosed above, our Company will comply with the Corporate Governance Code set out in Appendix 14 to the Listing Rules. Our Directors will review our corporate governance policies and compliance with the Corporate Governance Code each financial year.

### 遵守企業管治守則

本公司致力達至並維持較高的企業管治水平，以符合業務所需及股東要求。本公司採納聯交所證券上市規則（「上市規則」）附錄14所載之企業管治守則的原則及守則條文為本公司企業管治常規之基礎，而企業管治守則自上市日期起已適用於本公司，惟以下偏離事項除外：

根據企業管治守則的守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。然而，侯建利先生目前同時兼任主席與行政總裁兩個職位。董事會相信，由同一人兼任主席與行政總裁的角色有利於確保本集團領導層的一致性，並可更有效地進行整體戰略規劃。董事會認為，就現行安排而言，權力與權限之間的平衡將不會受到影響，而此架構將令本公司可更迅速有效地執行及實施決策。董事會將繼續檢討本集團的整體情況，考慮是否應將主席與行政總裁的職務分開。

除上文所披露者外，本公司將遵守上市規則附錄14所載企業管治守則。我們的董事將於每個財政年度檢討我們的企業管治政策及企業管治守則的遵守情況。



# Corporate Governance Report

## 企業管治報告

### BOARD OF DIRECTORS

The Board is committed to providing effective and responsible leadership for the Company. The Directors, individually and collectively, must act in good faith in the best interests of the Company and its Shareholders. The Board has established three Board committees, being the audit committee (the “Audit Committee”), the remuneration committee (the “Remuneration Committee”), and the nomination committee (the “Nomination Committee”) (each a “Board Committee” and collectively the “Board Committees”), to oversee different areas of the Company’s affairs. As of the date of this annual report, the composition of the Board is as follows:

#### Executive Directors:

Mr. Hou Jianli (*Chairman*)  
Ms. Chen Bierui  
Mr. Zhao Shijie

#### Independent Non-executive Directors

Mr. Zhu Hongqiang  
Mr. Zhou Genshu  
Mr. Shin Yick Fabian

Their biographical details are set out in the section headed “Biographical Details of Directors and Senior Management” on pages 18 to 24 in the annual report. A list of the Directors identifying their role and function and whether they are independent non-executive Directors are available on the Company’s website.

Each of the Executive Directors has entered into a service contract with our Company commencing from 15 January 2019 for an initial term of three years unless terminated by either party giving not less than one month’s notice in writing to the other party.

Each of the Independent Non-executive Directors has entered into an appointment letter with our Company for an initial term of three years commencing from 15 January 2019 unless terminated by either party giving not less than one month’s written notice to the other party.

The relationship of the chairman and general manager Mr. Hou Jianli and Executive Director Ms. Chen Bierui is husband and wife. Other than that, there is no financial, business or other material/relevant relationships among members of the Board.

### 董事會

董事會銳意為本公司提供有效及負責任的領導。董事個別及共同必須秉持真誠行事，以本公司及其股東的最佳利益為依歸。董事會下設三個董事委員會，包括審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）（各自為「董事委員會」及統稱為「董事委員會」），以監督本公司各方面的事務。於本年報日期，董事會由下列人士組成：

#### 執行董事

侯建利先生(主席)  
陳別銳女士  
趙世傑先生

#### 獨立非執行董事

朱紅強先生  
周根樹先生  
冼易先生

上述人士的履歷載於年報第18至24頁的「董事及高級管理層履歷」一節。本公司網站載有列明董事角色及職能，以及彼等是否為獨立非執行董事的清單。

各執行董事已與本公司訂立服務合約，自2019年1月15日起計初步為期三年，除非由任何一方向另一方發出不少於一個月書面通知予以終止。

各獨立非執行董事已與本公司簽署聘書，自2019年1月15日起計初步為期三年，除非由任何一方向另一方發出不少於一個月書面通知予以終止。

主席兼行政總裁侯建利先生與執行董事陳別銳女士為夫妻關係，除此之外，董事會成員之間概無財務、業務或其他重大／關連關係。

# Corporate Governance Report

## 企業管治報告

The functions and duties of the Board include but are not limited to: convening Shareholders' general meetings and reporting the Board's work at the Shareholders' general meetings; implementing the resolutions passed at the Shareholders' general meetings; determining our business plans and investment plans; preparing annual budget proposals and final accounts proposals; preparing plans for profit distribution and recovery of losses; preparing plans for the increase or decrease in registered capital; and exercising other power, functions and duties as conferred by the Articles of Association. Each of our Directors has entered into a service contract with the Company.

The Board is also responsible for developing, reviewing and monitoring the policies and practices on corporate governance and legal and regulatory compliance of the Company, and the training and continuous professional development of Directors and senior management. The Board also reviews the disclosures in the Corporate Governance Report to ensure compliance.

### DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

All Directors are aware of their responsibilities to the Shareholders and have exercised their duties with reasonable care, skill and diligence, in pursuit of the development of the Company. Every newly appointed Director receives an induction to ensure that he/she has a proper understanding of the business and operations of the Company and that he/she is fully aware of his duties and responsibilities as a director under applicable rules and requirements.

The Company has been encouraging the Directors to enrol in a wide range of professional development courses and seminars relating to the Listing Rules, the Companies Ordinance or act and corporate governance practices organised by professional bodies so that they can continuously update and further improve their relevant knowledge and skills. In addition, briefings and updates on the latest development regarding the Listing Rules and other applicable regulatory requirements are provided to each of the Directors during Board meetings to ensure compliance and enhance their awareness of good corporate governance practices.

董事會的職能及職責包括但不限於：召開股東大會及於股東大會上匯報董事會的工作；實行股東大會上通過的決議案；制定業務計劃及投資計劃；編製年度預算方案及決算賬目；編製利潤分派及彌補虧損計劃；為增加或削減註冊股本制訂計劃；行使組織章程細則所賦予的其他權力、職能及職責。各董事已與本公司訂立服務合約。

董事會亦負責制定、審閱及監察本公司的企業管治以及法律及監管合規政策及常規，以及董事及高級管理層的培訓及持續專業發展情況。董事會亦審閱企業管治報告內作出的披露，以確保符合法規。

### 董事的持續培訓及專業發展

全體董事均瞭解彼等對股東應負的責任，並已合理審慎、有技巧及勤勉盡責地履行彼等的職責，為本公司的發展作出貢獻。新委任的董事將各自獲提供入職資料，以確保其對本公司的業務及營運有適當瞭解，並充分理解於適用規則及規定下其作為董事的職責及責任。

本公司一直鼓勵董事報讀由專業團體舉辦有關上市規則、公司條例或法例及企業管治常規之廣泛專業發展課程及講座，使彼等可持續更新及進一步提高其相關知識及技能。此外，於董事會會議上，各董事亦獲提供有關上市規則及其他適用監管規定最新發展的簡介及更新資料，以確保合規及提升彼等對良好企業管治常規的意識。

# Corporate Governance Report

## 企業管治報告

### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The role of the independent non-executive Directors is to provide independent and objective opinions to the Board, giving adequate control and balances for the Company to protect the overall interests of the Shareholders and the Company.

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors, representing more than one-third of the Board. One of the independent non-executive Directors has the appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

Each independent non-executive director has submitted annual confirmation of his independence to the Company pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmations, the Company considers that all of the independent non-executive Directors are independent.

### BOARD COMMITTEES

The Board is supported by a number of committees, including the Audit Committee, Nomination Committee, and Remuneration Committee. Each Board Committee has its defined and written terms of reference approved by the Board covering its duties, powers and functions. The terms of reference of the Audit Committee, Nomination Committee and the Remuneration Committee are respectively available on the Company's website.

All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

### 獨立非執行董事的獨立性

獨立非執行董事的角色乃向董事會提供獨立及客觀的意見，為本公司提供充分的制約及平衡，以保障股東及本公司的整體利益。

為遵守上市規則第3.10(1)及3.10A條，本公司已委任三名獨立非執行董事，超過董事會人數三分之一。根據上市規則第3.10(2)條的規定，其中一名獨立非執行董事具備合適會計專業資格或相關財務管理專業知識。

各獨立非執行董事已按上市規則第3.13條的規定向本公司提交年度獨立性確認書。根據該等確認書的內容，本公司認為全體獨立非執行董事均屬獨立人士。

### 董事委員會

董事會獲多個委員會支持，包括審核委員會、提名委員會及薪酬委員會。各董事委員會均設有經董事會批准的明確書面職權範圍，涵蓋其職責、權力及職能。審核委員會、提名委員會及薪酬委員會各自的職權範圍分別載於本公司網站。

董事委員會均獲提供充足資源以履行職責，包括可於必要時取得管理層或專業意見。

# Corporate Governance Report

## 企業管治報告

### AUDIT COMMITTEE

Our Company established the audit committee on 18 December 2018 with its written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are mainly to make recommendations to the Board on the appointment and removal of external auditors; review the financial statements and material advice in respect of financial reporting; and oversee internal control procedures of our Company.

Our audit committee comprises three members, namely, Mr. Zhou Genshu, Mr. Shin Yick Fabian and Mr. Zhu Hongqiang. Mr. Zhou Genshu is the chairman of our audit committee.

During the Year, the Audit Committee held two meetings. The Audit Committee has reviewed, among other things, the financial statements of the Company for the six months ended 30 June 2019 and the year ended 31 December 2019, including the accounting principles and practices adopted by the Company, report prepared by the external auditors covering major findings in the course of the audit, the risk management and internal control systems and the overall effectiveness of the Company's internal audit function and the accounting and financial reporting matters, and selection and appointment of the external auditors.

### REMUNERATION COMMITTEE

Our Company established the remuneration committee on 18 December 2018 with its written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph B.1 of the Corporate Governance Code 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 overall remuneration policy and structure relating to all Directors and senior management of our Group; review performance based remuneration; and ensure none of our Directors determine their own remuneration.

### 審核委員會

本公司於2018年12月18日成立審核委員會，其書面職權範圍符合上市規則第3.21條及上市規則附錄14所載企業管治守則第C.3段。審核委員會的主要職責為就委聘及辭退外聘核數師向董事會作出推薦建議；審閱財務報表及有關財務報告的重要意見；以及監督本公司的內部監控程序。

我們的審核委員會由三名成員組成，即周根樹先生、冼易先生及朱紅強先生。周根樹先生為我們審核委員會主席。

年內，審核委員會曾舉行兩次會議。審核委員會已審閱(其中包括)本公司截至2019年6月30日止六個月及截至2019年12月31日止年度的財務報表，包括本公司所採納的會計原則及常規、外部核數師編製的報告，其涵蓋審核期間的主要發現、風險管理及內部監控制度、本公司內部審核職能的整體成效及會計及財務報告事宜，以及甄選及委任外部核數師。

### 薪酬委員會

本公司於2018年12月18日成立薪酬委員會，其書面職權範圍符合上市規則第3.25條及上市規則附錄14所載企業管治守則第B.1段。薪酬委員會的主要職責為就有關全體董事及本集團高級管理層之整體薪酬政策及架構向董事會提供推薦意見；檢討績效掛鈎薪酬；及確保概無董事釐定其自身的薪酬。

# Corporate Governance Report

## 企業管治報告

Our remuneration committee comprises three members, namely, Mr. Zhu Hongqiang, Mr. Zhou Genshu and Ms. Chen Bierui. Mr. Zhu Hongqiang is the chairman of our remuneration committee.

During the Year, the Remuneration Committee held one meeting. The Remuneration Committee has reviewed the remuneration policy and structure relating to the Directors and senior management of the Company.

### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on the remuneration of Directors and senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2019 are set out in note 8 to the financial statements in this annual report.

The biographies of the senior management are disclosed in the section headed "Biographical Details of Directors and Senior Management" in this annual report. The remuneration of the senior management by band for the year ended 31 December 2019 is as follows:

我們薪酬委員會由三名成員組成，即朱紅強先生、周根樹先生及陳別銳女士。朱紅強先生為我們薪酬委員會主席。

年內，薪酬委員會曾舉行一次會議。薪酬委員會已審閱有關董事及本公司高級管理層的薪酬政策及架構。

### 董事及高級管理層薪酬

本公司已就釐定本集團董事及高級管理層薪酬的政策訂立正式及具透明度的程序。於截至2019年12月31日止年度，各董事的薪酬詳情載於本年報財務報表附註8。

高級管理層的履歷披露於本年報「董事及高級管理層履歷」一節。於截至2019年12月31日止年度，高級管理層的薪酬組別如下：

Remuneration band (HK\$) 薪酬組別(港元)	Number of individuals 人數
0 — 1,000,000	1
1,000,001 — 1,500,000	—

# Corporate Governance Report

## 企業管治報告

### NOMINATION COMMITTEE

Our Company established the nomination committee on 18 December 2018 with its written terms of reference in compliance with paragraph A.5 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules. The primary duties of the nomination committee are to review the structure, size and composition of the Board on a regular basis; identify individuals suitably qualified to become Board members; assess the independence of Independent Non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors.

Our nomination committee comprises three members, namely, Mr. Hou Jianli, Mr. Zhou Genshu and Mr. Shin Yick Fabian. Mr. Hou Jianli is the chairman of our nomination committee.

During the Year, the Nomination Committee held one meeting. The Nomination Committee has reviewed the policy for the nomination of Directors, the structure, size and composition of the Board and assessed independence of the independent non-executive Directors.

The Company has adopted a nomination policy (the "Nomination Policy"). The Nomination Committee will assess the candidate or incumbent on criteria such as education background, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The Nomination Committee will monitor the implementation of the Nomination Policy and report to the Board when necessary. Also, the Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy and will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Company has adopted a Board diversity policy (the "Board Diversity Policy"). The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Board Diversity Policy aims to set out the approach to achieve diversity on the Company's board of directors. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

### 提名委員會

本公司於2018年12月18日成立提名委員會，其書面職權範圍符合上市規則附錄14所載企業管治守則第A.5段。提名委員會的主要職責為定期檢討董事會的結構、規模及組成；物色具備合適資格成為董事會成員的個人；評估獨立非執行董事的獨立性；及就董事委任或續任的相關事宜向董事會提供推薦建議。

我們提名委員會由三名成員組成，即侯建利先生、周根樹先生及冼易先生。侯建利先生為我們提名委員會主席。

年內，提名委員會曾舉行一次會議。提名委員會已審閱提名董事的政策、董事會的架構、人數及組成，並評核獨立非執行董事的獨立性。

本公司已採納提名政策（「提名政策」）。提名委員會將按學歷、經驗、技能及投入時間和精力以履行職責及責任的能力等標準評估候選人或現任委員。提名委員會將監督提名政策的履行情況，並於需要時向董事會匯報。此外，提名委員會將適時檢討提名政策，以確保提名政策有效，並將商討任何可能需要的修訂，以及向董事會推薦任何有關修訂以供考慮及批准。

本公司已採納董事會成員多元化政策（「董事會成員多元化政策」）。本公司明白並深信董事會成員多元化對提升公司的表現素質裨益良多。董事會成員多元化政策旨在列載本公司董事會為達致成員多元化而採取的方針。為達致可持續的均衡發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。本公司在設計董事會成員組成時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。



# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE FUNCTIONS

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

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

### ATTENDANCE RECORD OF DIRECTORS

The attendance record of each of the current Directors at the Board and Board committee meetings and the general meetings of the Company held during the year ended 31 December 2019 is set out in the table below. The Directors did not authorize any alternate Director to attend Board or Board Committee meetings.

#### Attendance/Number of Meetings

Name of Directors 董事姓名	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Board 董事會	Annual General Meeting 股東週年大會
Mr. Hou Jianli 侯建利先生	N/A 不適用	N/A 不適用	1/1	4/4	1/1
Ms. Chen Bierui 陳別銳女士	N/A 不適用	1/1	N/A 不適用	4/4	1/1
Mr. Zhao Shijie 趙世傑先生	N/A 不適用	N/A 不適用	N/A 不適用	4/4	1/1
Mr. Zhu Hongqiang 朱紅強先生	2/2	1/1	N/A 不適用	4/4	1/1
Mr. Zhou Genshu 周根樹先生	2/2	1/1	1/1	4/4	1/1
Mr. Shin Yick Fabian 冼易先生	2/2	N/A 不適用	1/1	4/4	1/1

### 企業管治職能

董事會負責履行企業管治守則守則條文第D.3.1條所載的職能。

董事會已制定、審閱及監察本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展情況，以及本公司於遵守法律及監管規定方面的政策及常規、遵守標準守則的情況，以及本公司遵守企業管治守則的情況及於本企業管治報告內的披露。

### 董事的出席記錄

下表載列於截至2019年12月31日止年度舉行的本公司董事會及董事委員會會議以及股東大會上各現任董事的出席記錄詳情。董事並無授權任何替代董事出席董事會或董事委員會會議。

#### 出席情況／會議次數

# Corporate Governance Report

## 企業管治報告

### BOARD MEETINGS

Meetings of the Board of Directors shall be held regularly at least four times each year and shall be convened by the chairman of the Board of Directors. If a Director is unable to attend a Board meeting, he may appoint another Director by a written power of attorney to attend on his behalf. Such a power of attorney shall specify the scope of authorization. Directors attending Board meetings on behalf of other directors shall exercise their power as directors within their scope of authorization. If a Director fails to attend a Board meeting and does not appoint an attorney to attend, the Director is deemed to have waived his rights to vote at that meeting. Each Director shall have one vote. Questions arising at any meetings of the Board of Directors shall be determined by a majority of votes. Where the numbers of votes cast for and against a resolution are equal, the chairman shall have the right to cast an additional vote.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules as the Company’s code of conduct regarding Directors’ and employees’ securities transactions. Upon specific enquiries, all Directors and members of the senior management confirmed that they have complied with the relevant provisions of the Model Code throughout the period from the Listing Date to the date of this annual report.

### JOINT COMPANY SECRETARIES

To maintain good corporate governance practices and compliance with the Listing Rules and applicable laws, the Company appointed Mr. Zhao Shijie (Executive Director) and Mr. Ip Pui Sum as the joint company secretaries. Mr. Ip Pui Sum assists Mr. Zhao Shijie in performing his duties as company secretary of the Company. Mr. Zhao Shijie is the main contact person of the Company. The joint company secretaries confirmed having received no less than 15 hours’ of professional training.

### 董事會會議

董事會每年應定期舉行至少四次會議，並由董事會主席召開。倘董事未能出席董事會會議，其可書面授權其他董事代其出席。該授權書應列明授權範圍。代為出席董事會會議的董事將於授權範圍內行使董事的權力。倘董事未能出席董事會會議，亦未有委任代表出席，則視作董事已放棄於該次會議上的投票權。各名董事有一票表決權。於任何董事會會議上提出的問題均須由大多數票決定。倘贊成票與反對票相等，則主席有權多投一票。

### 證券交易的標準守則

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則（「標準守則」）作為本公司有關董事及雇員進行證券交易的行為守則。經作出特定查詢後，全體董事及高級管理層確認，彼等於上市日期至本年報日期期間一直遵守標準守則的相關條文。

### 聯席公司秘書

為維持良好的企業管治常規並確保遵守上市規則及適用法律，本公司委聘趙世傑先生（執行董事）及葉沛森先生為聯席公司秘書。葉沛森先生會繼續協助趙世傑先生履行其作為本公司公司秘書的職責。本公司的主要聯絡人為趙世傑先生。聯席公司秘書已確認彼已接受不少於15小時相關專業培訓。

# Corporate Governance Report

## 企業管治報告

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for maintaining an effective risk management and internal control systems to safeguard the Company's assets and the interests of Shareholders. We have put in place a set of internal control and risk management protocols to address various operational, financial, legal and market risks identified in relation to our operations, including but not limited to procurement and sales management, inventory management, research and development management, credit risk management, and various other financial and operational control and monitoring procedures. Our risk management protocols and policies set forth procedures to identify, categorize, analyze and mitigate various risks and the relevant reporting hierarchy of risks identified in our operations. In respect of the year ended 31 December 2019, the Board, through the Audit Committee, conducted a review of the effectiveness of the internal control system of the Company, believing that the internal control system is effective and adequate.

### EXTERNAL AUDITOR

KPMG has been appointed as the external auditor of the Company. The Audit Committee has been notified of the nature and the service charges of non-audit services performed by KPMG and considered that such services have no adverse effect on the independence of the external auditor.

The Group was charged RMB1.8 million and RMB50,000 by KPMG for auditing and non-auditing services respectively for the year ended 31 December 2019. The non-auditing services mainly consist of counting services.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor during the year under review.

### 風險管理及內部控制

董事會負責維持有效的風險管理及內部控制系統以保護本公司的資產及股東的權益。我們已制定一套內部監控和風險管理程序，以解決所發現與我們業務相關的各種運營、財務、法律和市場風險，包括但不限於採購及銷售管理、存貨管理、研發管理、信用風險管理以及其他各種財務及運營控制與監督程序。我們的風險管理程序及政策載明各種風險的識別、分類、分析及緩解程序，以及於我們業務中所識別風險的相關匯報層級。截至2019年12月31日止年度董事會已透過審核委員會審查本公司內部控制系統的有效性，並認為內部控制制度為有效及充足。

### 外部核數師

畢馬威會計師事務所已獲委任為本公司的外部核數師。審核委員會已獲通知畢馬威會計師事務所提供的非核數服務性質及服務收費，並認為有關服務對外部核數師的獨立性並無不利影響。

本集團於截至2019年12月31日止年度向本集團核數師支付審核服務費用人民幣1.8百萬元及非審核服務費用人民幣50,000元。非審核服務費主要是點票服務。

於回顧年度，董事會與審核委員會之間對外部核數師的選任及委任事宜並無分歧。

# Corporate Governance Report

## 企業管治報告

### COMPLIANCE ADVISER

Our Company will appoint Innovax Capital as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise our Company in the following circumstances:

- (1) before the publication of any regulatory announcement, circular or financial report;
- (2) where a transaction, which might be a notifiable or connected transaction under the Listing Rules, is contemplated by our Group, including but not limited to share issues and share repurchases;
- (3) where our Company proposes to use the proceeds of the Global Offering in a manner different from that detailed in the Prospectus or where our business activities, developments or results deviate from any forecast, estimate, or other information in the Prospectus; and
- (4) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of our Shares or any other matters under Rules 13.10 of the Listing Rules.

The term of this appointment of the compliance adviser shall commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of the financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

### SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("EGM").

### 合規顧問

本公司將根據上市規則第3A.19條委任創陞融資為我們的合規顧問。根據上市規則第3A.23條，合規顧問會就下列情況向本公司提供意見：

- (1) 刊發任何監管公告、通函或財務報告前；
- (2) 本集團擬進行根據上市規則可能屬須予公佈交易或關連交易之交易，包括但不限於股份發行及股份購回；
- (3) 倘本公司擬使用全球發售所得款項的方式有別於招股章程所詳述者，或倘我們的業務活動、發展或業績偏離招股章程的任何預測、估計或其他資料；及
- (4) 如聯交所根據上市規則第13.10條向本公司查詢有關我們股份的價格或交投量的不尋常變動或任何其他事宜時。

合規顧問的任期將由上市日期起及預期於本公司就上市日期後開始首個完整財政年度的財務業績遵守上市規則第13.46條規定之日止，且有關委任可經由雙方互相協定予以延續。

### 股東權利

本公司股東大會為股東及董事會提供溝通機會。本公司每年於董事會可能釐定的地點舉行股東週年大會。除股東週年大會外，各股東大會均稱為股東特別大會（「股東特別大會」）。

# Corporate Governance Report

## 企業管治報告

### CONVENING AN EXTRAORDINARY GENERAL MEETING AND PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or a Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### PUTTING FORWARD ENQUIRIES TO THE BOARD

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company by mail to 9/F., MW Tower, No. 111 Bonham Strand, Sheung Wan, Hong Kong.

### INVESTOR RELATIONS

The Company has established a range of communication channels between itself and its shareholders, investors and other stakeholders. These include the annual general meeting, the annual and interim reports, notices, announcements and circulars and the Company's website at [www.trqcns.com](http://www.trqcns.com).

### CONSTITUTIONAL DOCUMENTS

Conditionally adopted by a special resolution dated 18 December 2018, the Articles of Association were adopted with effect from the Listing Date. As at the date of this report, no change has been made to the Articles of Association after the Listing Date.

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

### 召開股東特別大會及於股東大會上提出建議

股東特別大會亦可由一名或多名持有股東要求召開，該等股東於提出要求當日須持有本公司實繳股本不少於十分之一並有權在股東大會上投票。有關要求須以書面形式向董事會或秘書提出，藉以要求董事會就處理有關要求所指明之任何事務而召開股東特別大會。有關會議須在存放該請求書後2個月內召開。如董事會在請求書存放日期起計21日內未有進行安排召開有關會議，則請求人(或多名請求人)可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而招致的所有合理費用，須由本公司償還請求人。

### 向董事會作出查詢

股東如對本公司董事會有任何查詢，可將書面查詢郵寄至本公司(地址為香港上環文咸東街111號MW Tower 9樓)。

### 投資者關係

本公司已於本身及股東、投資者及其他利益相關者之間設立多個溝通渠道，包括股東週年大會、年度及中期報告、通告、公告及通函，以及本公司網站 [www.trqcns.com](http://www.trqcns.com)。

### 章程文件

組織章程細則經日期為2018年12月18日的特別決議案有條件採納，並自上市日期起採納生效。於本報告日期，組織章程細則於上市日期後概無變動。

組織章程細則可於聯交所及本公司網站查閱。

# Corporate Governance Report

## 企業管治報告

### DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare accounts of the Group and other financial disclosures required under the Listing Rules and the Company's management will provide information and explanation to the Board to enable it to make informed assessments of the financial and other decisions.

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

The statement of the auditors of the Company in respect of their reporting responsibilities on the Company's financial statements for the year ended 31 December 2019 is set out in the "Independent Auditors' Report" contained in this annual report.

### 董事就財務報表之財務申報責任

董事確認，彼等負責根據上市規則規定編製本集團賬目及其他財務披露，而本公司管理層將為董事會提供資料及解釋，令董事會可對財務及其他決定作出知情評估。

董事並無發現有關可導致本公司繼續持續經營的能力出現重大疑問的事件或狀況的任何重大不確定因素。

本公司核數師就其對本公司截至2019年12月31日止年度財務報表之申報責任發出的聲明載於本年報所載的「獨立核數師報告」。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### SUMMARY

This report is the second Environmental, Social and Governance (“ESG”) annual report issued by the Group. This report covers the work in the financial year from 1 January 2019 to 31 December 2019 (the “Reporting Period”).

### PREPARATION BASIS

The Group prepared the ESG report in accordance with the ESG Guide (the “ESG Guide”) of Appendix 27 of the Listing Rules. The ESG report is intended to provide environmental performance and social performance of the Group during the Reporting Period, mainly including the environmental and social issues related to the sustainable development of the Group which the stakeholders concern, so that key stakeholders can better understand the Group’s sustainable development concepts, measures and related performance, etc.

### SCOPE AND EXTENT OF REPORT

Unless specially stated, the policies, statements and data in this report basically cover the Company and its subsidiaries.

### DATA SOURCE AND RELIABILITY ASSURANCE

The data and cases of this report are mainly derived from the statistics report and related documents of the Group. There is no false record or misleading statement in this report and we shall be liable for the authenticity, accuracy and completeness of the report.

### PARTICIPATION AND CONTACT OF STAKEHOLDERS

The Group expects to respond to concerns of different stakeholders on our performance of environmental and social responsibilities through the ESG report, and incorporate the opinions of various stakeholders into the management of corporate sustainability. If the stakeholders have any comments on the contents of the Group’s ESG report, please feel free to send a letter to the Company’s principal office in Hong Kong to contact the company secretary of the Company: 9/F., MW Tower, No. 111 Bonham Strand, Sheung Wan, Hong Kong.

### 概覽

本報告是本集團發佈的第二份環境、社會及管治（以下簡稱「ESG」）年度報告。本報告涵蓋2019年1月1日至2019年12月31日財務年度（以下簡稱「報告期」）的工作。

### 編制依據

本集團按照上市規則附錄27環境、社會及管治報告指引（「環境、社會及管治指引」）編制本環境、社會及管治報告。本環境、社會及管治報告旨在提供本集團於報告期內的環境表現和社會表現，主要包括權益人所關注與本集團可持續發展有關的環境及社會議題，以便各主要權益人更加瞭解本集團可持續發展的理念、措施及相關表現等。

### 報告範圍及邊界

除特殊說明之外，本報告中的政策、聲明、數據等基本覆蓋本公司及附屬公司。

### 資料來源及可靠性保證

本報告的資料和案例主要來源於本集團統計報告和相關文檔。本報告不存在任何虛假記載、誤導性陳述，並對其重要方面的內容真實性、準確性和完整性負責。

### 權益人參與及聯絡方式

本集團期望透過本環境、社會及管治報告響應不同權益人對我們履行環境和社會責任的關注，並將各權益人意見納入企業可持續發展管理工作當中。如權益人對本集團的環境、社會及管治報告內容有任何意見，歡迎將信件寄至本公司香港主要辦事處：香港上環文咸東街111號MW Tower 9樓，聯繫本公司秘書。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### CONFIRMATION AND APPROVAL

As confirmed by the management, this report was approved by the board of directors on 27 March 2020.

### 確認及批准

本報告經管理層確認後，於2020年3月27日獲董事會通過。

### 1. Key Achievements of the Performance of ESG in 2019

### 1. 2019年 ESG 績效重點成就



### 2. ESG Concept of the Group

The Group formulated the concept of ESG development by building the "2+2" two-wheel driven strategy of "commercial vehicles + passenger vehicles supply chain", based on the Group's core values of "Integrity, Concentration, Innovation and Win-win". Under the guidance of the ESG concept implemented by the Group through applying the six modules of the Tianrui Excellent Management System Project ("TES"), tasks are well done in such aspects as the "top priority to research and development", "quality-oriented", "supremacy of environment protection", "quality services", "sharing development with employees", "giving back to society" and "performance of social responsibilities".

### 2. 集團 ESG 理念

本集團以打造「商用車+乘用車供應鏈」雙輪驅動的「2+2」戰略為方向，基於「誠信、專注、創新、共贏」的集團核心價值觀，制定了 ESG 發展理念。通過天瑞卓越管理體系項目（「TES 項目」）的六大模塊將 ESG 理念落到實處，做到研發為先、質量為本、環境至上、優質服務、與員工共享發展、回饋社會、踐行社會責任。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

To better promote the normalized management of ESG, implement the ESG strategies and enhance the ESG related risk control, the Group adopts the three-level governance structure: the board of directors, the general manager and ESG working group. The board of directors is responsible for implementing the ESG management in a top-down way, the general manager for directly managing and supervising, and ESG working group for specific execution of the same.

### 3. Integrity: Honesty and Trustworthiness, Quality-oriented

#### 3.1 Integrity: Honesty and Trustworthiness

The Group strictly abides by relevant national laws and regulations, advocates a corporate culture of integrity, and attaches importance to its own integrity establishment. We promote the stable development of an enterprise featured by ecologically sustainable growth and strongly objects to monopoly, illegal competition, destroying of market environment, violation of competition rules and other unfair competition methods.

We have developed the Anti-Corruption Policy and Whistle-blowing Policy that explicitly requires all of our employees and other external interested persons to abide by the anti-corruption laws and regulations of each jurisdiction, and encourages report the potential illegal acts of employees, customers, suppliers and other interested parties. As for the whistle-blowing process, we have set up a whistle-blowing system and channels to protect the whistle-blowers from unfair dismissals, persecution and unnecessary disciplinary actions.

Through induction training for new employees, learning of employee handbook, irregular training and knowledge competition, we regulate the behavior of employees, maintain an atmosphere of integrity and dedication, and prevent the occurrence of intentional fabrication and disclosure of trade secrets, corruption, misappropriation, embezzlement and other acts that damage the interests of the Group. During the Reporting Period, we were not involved in any unfair competition or corruption related lawsuits.

為了更好地推動本集團ESG的常態化管理，踐行ESG戰略實施和提升ESG相關風險管控，本集團採取三級治理架構：董事會、總經理以及ESG工作小組。董事會自上而下推動ESG管理，總經理直接管理和監督，ESG工作小組專項執行。

### 3. 誠信：誠實守信 質量為本

#### 3.1 誠信：誠實守信

本集團嚴格遵守國家相關法規政策，倡導誠實守信的企業文化，重視自身的廉潔性建設。通過加強廉潔管理和公平競爭的有效管理，打造穩健發展的生態可持續企業。我們堅決反對壟斷、違法參與競爭、破壞市場環境和競爭規則及賄賂等各類不公平競爭手段。

我們制定了《反腐敗政策》和《舉報政策》，明確要求全體員工及其他外部相關人士遵守司法管轄權的反腐敗法律法規，並鼓勵員工、客戶、供應商及其他權益人對潛在違法行為進行舉報。在舉報流程中，我們設立有專門舉報機制和渠道，實施吹哨人保護制度，保護舉報人免受害不公正的解雇、迫害或不必要的紀律處分。

我們通過新員工入職培訓、《員工手冊》學習及不定期的培訓與知識競賽，規範員工行為，樹立廉潔從業和勤勉敬業的良好風氣，防止故意虛構、洩露商業秘密、貪污、挪用、侵佔等損害集團利益的行為發生。報告期內，我們未發生任何不正當競爭或貪污腐敗相關訴訟案件。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 3.2 Integrity: Quality-oriented

#### 3.2.1 Quality concept

The Group has always been committed to strengthening the enterprise quality awareness education, firmly establishing the philosophy of “Quality is the foundation of an enterprise”, and taking providing quality products as an important part of the construction of enterprise integrity and as significant obligation of the performance of social responsibilities. The Group vigorously promotes the quality management and carries out QC working group activities, thus improving the effectiveness and adequacy of the quality management system.

We strictly abide by laws and regulations such as the Product Quality Law, the Standardization Law, the Metrology Law, the Law on the Protection of Rights and Interests of Consumers. We carry out business operations in accordance with laws, abide by contracts, ensure quality and firmly object to the selling of sub-quality products.

During the Reporting Period, the Group introduced the TES project and integrated the original system mode with the standard TES, thus creating a unique TES system of the Group, which is currently in implementation and trial operation.

### 3.2 誠信：質量為本

#### 3.2.1 質量理念

本集團一直切實加強企業質量意識教育，牢固樹立「質量是企業的根本」理念，把抓好產品質量作為企業誠信建設的重要部分，作為企業履行社會責任的重要義務。大力推行全面質量管理工作，積極開展全員質量小組（QC小組）活動，持續提高質量管理體系的有效性和充分性。

我們嚴格遵守《產品質量法》、《標準化法》、《計量法》、《消費者權益保護法》等法律法規，依法經營，信守合同，保證質量，堅決抵制制售不合格產品等行為。

本集團於報告期內導入TES項目，將原有的體系模式與標杆企業卓越管理體系結合，形成集團特色的卓越管理體系，目前正在實施並試運行。

# Environmental, Social and Governance Report

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### 3.2.2 Control of incoming material quality

We conducted incoming sampling and quality check on raw purchased materials, out-sourced parts and other products in accordance with the GB2828.1-2012 Standard, Regulations on Purchase Control Management (《進貨控制管理規定》) and Guide Book for Testing of Incoming Materials. We determined whether the products are qualified or not on the principle of zero-defect, i.e. only the products without defect are accepted. In exceptional circumstances, some of the defects without effect on product quality are accepted after the review and approval of the responsible persons and leaders of the relevant departments. Meanwhile, close attention of the SQE and inspectors are called to the product passing rates involving the materials with concessionary acceptance. For incoming material with defects, the SQE will give feedbacks to the supplier and require it provide an 8D rectification report in respect thereof. We carry out regular review and performance assessment on our suppliers for the control of the quality of incoming materials. The statistics of incoming material inspection are submitted to the relevant departments as the basis for the incoming material quality control and management. We participate in the process of optimization of logistics control link and put forward suggestions and opinions on the process of optimization of logistic control and material inspection.

### 3.2.3 Process quality control

In the production process, we identify the conformity and consistency of product quality through initial inspection, self-inspection, mutual inspection, special inspection and tests. Any non-conforming products identified shall be handled in accordance with the “Nonconforming Product Control Procedure”, and the QRQC up-going process shall be implemented to immediately suspend the production of non-conforming products and take response measures to resume production as soon as possible, thus reducing the downtime of the production lines. All products are delivered to customers only after passing the inspection and the outer cartons are posted with identification cards and the identification cards are stamped with qualification seals.

### 3.2.2 來料質量受控

我們對採購的原材料、外購件及外協產品依據《GB2828.1-2012》標準、《進貨控制管理規定》及《來料檢驗作業指導書》進行來料抽樣並對其質量進行檢驗，判斷該批產品是否合格，原則上我們堅持「零收一退」，即零缺陷就接收，有一個缺陷就退貨；特殊情況經相關部門負責人及領導評審在不影響產品質量的前提下可讓步接收，同時通知SQE及檢驗員密切關注讓步接收物料上線產品良率情況；對來料出現批次不良的物料，SQE及時反饋該供應商，並要求回復8D整改報告；我們實行定期供應商審核並對其進行績效評價，以此管控來料質量情況；統計來料檢驗過程中的質量數據並反饋給相關部門，作為供應商的來料質量控制和管理的依據；參與物流控制環節中的相關流程優化，對於物流中和物料檢驗有關的流程優化提出建議和意見。

### 3.2.3 過程質量管控

在生產過程中，我們通過首檢、自檢、互檢、專檢及測試，確保產品質量的符合性與一致性。發現不合格品，依據《不合格品控制程序》進行處理，實行QRQC上升流程，第一時間制止不合格產品的繼續產生，並採取應對措施，儘快恢復生產，以減少生產線停線時間。所有出貨產品均通過檢驗合格、外箱張貼產品標識卡且在產品標識卡上加蓋產品合格章後才交付到客戶手中。

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In quality control process, we imbue the QA staff with 8D ideas, namely description of questions, provisional measures, analysis of fundamental causes, long-term rectification measures, evaluation of rectification measures, measures for prevention of recurrence. We intensify the process inspection and strictly perform the requirements for process, SOP and SIP; adhere to civilized production and balance production; analyze the quality process capacity by applying statistical techniques such as SPC and CPK, and the monitoring and measurement systems applying MSA to get the dynamic quality; analyze the potential failure mode of FMEA and the consequence thereof at the project design and process design stages, and take measures as necessarily regarding the risk priority number and the failure mode with higher risks, so as to eliminate or reduce the probability of the occurrence of failure mode; make identification or product labeling and traceability process, strengthen management and verify control of status, should the process outputs can't be verified by subsequent monitoring and measurement, i.e. in case of special process; establish and improve process quality control points by applying quality control methods; identify, verify, protect and maintain customers' properties used by us, or constituting part of the products, and stipulate and implement product protection; and analyze the statistics regarding the quality cost in the production process.

During the Reporting Period, we implemented the 4M (i.e. the staff, equipment, materials, and operating methods) management of change, management of quality warning cards, improved a number of evaluation modules regarding quality, and refined and updated the inspection instructions, which significantly improved the client quality.

### 3.2.4 Quick response to quality issues

To safeguard the health and safety of customers and prevent and eliminate the risk of potential product defects in the use of the products, we clearly formulated the detailed procedures for product recall in accordance with the Product Recall Management System of the Group. If there is any product defect in our products, we will carry out investigations within 24 hours. If any product is required to be recalled, we will develop and implement the recall plan in accordance with the management system and plan.

在質量過程管控環節，我們一直給質量人員灌輸8D思想，即問題描述、臨時措施、根本原因分析、長期糾正措施、糾正措施效果評估、預防再發生措施；我們強化過程檢驗，嚴格執行工藝、SOP及SIP的要求；堅持文明生產和均衡生產；應用統計技術SPC、CPK對質量過程能力進行分析，應用MSA對監視和測量系統進行分析，掌握質量動態；在項目設計階段和過程設計階段開展FMEA潛在失效模式及後果分析，對於風險順序數及嚴重度較高的失效模式採取必要的預防措施，以消除或減少潛在失效發生的機會；當過程的輸出不能由後續的監視和測量加以驗證時，即特殊過程，對這樣的過程實施確認及建立產品標識和可追溯性過程並加強管理，驗證狀態的控制；綜合運用質量控制方法，建立健全過程質量控制點；識別、驗證、保護和維護供其使用或構成產品的一部分的顧客財產，規定並實施產品防護；對生產過程質量成本的數據進行分析。

報告期內，我們推行4M（即人員、設備、材料、作業方法）變更管理、質量警示卡管理，完善了質量方面的多個評估模塊，並細化更新了檢驗作業指導書，客戶端質量得到重大改善。

### 3.2.4 質量快速響應

在使用環節，為了保障客戶的健康與安全，預防和消除產品潛在缺陷的風險，我們根據本集團《產品召回管理制度》，明確規定了產品召回的詳細流程。若發現產品缺陷存在，我們會在24小時內展開調查行動。若產品需要召回，我們將根據管理制度和預案制定並執行召回計劃。



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The Group developed the proactive reporting system for quality-related safety accidents and strictly implemented the quality and safety accountability system, thereby preventing the unexpected use or delivery of non-performing products. The department concerned will arrange emergency recall in a timely manner upon receipt of information for the products issues, while the quality department will analyze the causes for the product recall, take measures to prevent reoccurrence of the issues, and finally make proper disposal of the products concerned. After the products are recalled, we will repair them. The products repaired by us will be downgraded for use if they are qualified, otherwise they will be scrapped.

During the Reporting Period, we had no material product recall due to product quality problems.

本集團建立了質量安全事故主動報告制度，嚴格落實質量安全責任追究制度，以防止不合格品非預期使用或交付。當有關部門接到產品問題訊息時會及時安排緊急回收，質量部門會對召回的產品組織進行原因分析並制定措施以防問題再發生，最後再將產品作適當處置。產品回收後，我們進行返修，經返修的產品若合格，降級使用；若不合格，則報廢處理。

報告期內，我們未因產品質量問題發生重大產品召回事件。

### 3.2.5 Continuous improvement in quality

We have constantly strengthened the quality management culture and system, improved the technical quality of production equipment, integrated resources and increased investment. In accordance with the requirements of CNAS, we have improved the laboratory environment, guaranteed the objective product evaluation and performed real-time monitoring of the laboratory environment to ensure the product quality.

### 3.2.5 持續質量改善

我們不斷延伸質量管理文化與制度，提升生產配套設備的技術質量，整合資源，加大投入。我們根據CNAS認可要求，對實驗室環境進行改善提升，保證客觀的產品評估評價，實時監控實驗環境，保證產品質量。



Pursuant to the requirements recognized by CNAS, we improved the laboratory lighting to greatly increase the accuracy of testing results and enhance the cleanness our laboratory.

按照CNAS認可要求提升實驗室照明光，大程度改善對試驗結果的評判準確度。同時根據CNAS要求，提升實驗室清潔度。



We replaced the original temperature and humidity display instruments with digital ones, thereby improving the environmental monitoring methods adopted by testers, and reducing their workload, providing an audio-visual monitoring.

從表顯溫濕度儀器升級為數顯溫濕度儀器，改善試驗員對環境的檢測方式，降低試驗員的工作強度，監控更加直觀。

# Environmental, Social and Governance Report

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### Upgrading of inspection equipment and minimizing risks from use of products 檢測設備升級提升，降低產品使用風險

As the hardware for product quality inspection, the inspection equipment serves as a necessary means for product quality control and precondition for ensuring product quality. During the Reporting Period, we added 14 machines to our laboratory facilities (including ozone aging chamber, tensile testing machine, automotive interiors combustion tester, water-cooled xenon lamp aging chamber, etc.), with a total of 25 machines, thus improving the ex-factory quality and minimizing risks from use of products.

檢測設備作為產品質量檢測的硬件，是產品質量控制的必要手段，也是產品質量保證的前提條件。報告期內，我們的實驗設備增投14台（如：臭氧老化試驗箱、拉力試驗機、汽車內飾物燃燒試驗儀、水冷式氙燈老化試驗箱等），總數達到25台，以此提高產品出廠前的質量，降低產品使用風險。



Ozone aging chamber: stimulate the aging process of products under the effect of ozone which is accelerated by environmental factors to test the aging resistance of products.

臭氧老化試驗箱：模擬環境的手段加速產品被臭氧老化的過程，測試產品耐老度。



Tensile testing machine: perform quality control on raw materials to test their curvature, tensile strength, adhesive strength, etc.

拉力試驗機：針對原材料進料質量控制，測量其彎曲、拉伸、粘接力等。



Automotive interiors combustion tester: judge the combustion ability of the test samples from the state, flame color and odour in flammability testing.

汽車內飾物燃燒試驗儀：通過燃燒試樣的狀態、焰色、氣味等徵兆判定試樣的燃燒能力。



Water-cooled xenon lamp aging chamber: stimulate the full sunlight spectrum to reproduce destructive light waves under different conditions, thereby providing acceleration tests for the development and quality control of products.

氙燈老化試驗箱：模擬全陽光光譜再現不同環境下存在的破壞性光波，為產品開發和質量控制提供相應的加速試驗。

# Environmental, Social and Governance Report

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### Proposed construction of a CNAS laboratory 擬籌建CNAS實驗室

CNAS (China National Accreditation Service for Conformity Assessment) represents the technical capacity in making calibration and testing in accordance with relevant international standards, and the recognition of the testing and notarization capability of a laboratory.

The Group intends to initiate the construction of a CNAS laboratory in 2020, thereby improving the management level of laboratory, enhancing the quality inspection standards, and increasing the competitiveness of our laboratory in calibration and testing market.

CNAS認可，為中國合格評定國家認可委員會(China National Accreditation Service for Conformity Assessment，CNAS)的英文縮寫，是證明實驗室具有按照有關國際標準進行校準/測試的技術能力，亦是對實驗室的測試能力和公證能力的認可。

本集團擬於2020年開始籌建CNAS實驗室，以此為契機，有效地提高實驗室的管理水平，提升質量檢驗標準，也提高實驗室在校準/測試市場的競爭力。

### 3.2.6 Quality achievements

We continuously monitor and control the quality of our products throughout the entire product development and production process to ensure that our products are of superior quality and that our customers can install them smoothly. We have been awarded the IATF16949 Automotive Industry Quality Management System Certification and CCC certification. During the Reporting Period, Baoji Qinrui Automotive Interiors Co., Ltd (寶雞秦瑞汽車內飾件有限公司) (“Baoji Qinrui”), a wholly-owned subsidiary of the Company, has successfully passed the IATF16949 System Certification.

### 3.2.6 質量成就

我們在整個產品開發及生產過程中持續監控及控制產品質量，確保產品具備優越質量，客戶能夠順利安裝。我們已獲頒 IATF16949 汽車行業質量管理系統認證和 CCC 認證。報告期內，本公司之全資附屬公司寶雞秦瑞汽車內飾件有限公司(「寶雞秦瑞」) IATF16949 體系認證審核順利通過。



Passed the CCC Certification  
CCC認證檢查通過

Baoji Qinrui passed the IATF16949  
System Certification  
寶雞秦瑞通過IATF16949  
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The Group won a number of awards, including “Shaanxi AAAAA Credit Enterprise” (陝西省 AAAAA 級信譽單位), “Shaanxi Outstanding Enterprises of High Quality and Reputation” (陝西省重質量守信譽先進單位), “Shaanxi Demonstration Enterprises Valuing Quality and Brand-making” (陝西省重質量創品牌示範單位), and “Shaanxi Demonstration Enterprises with Zero Complaint of Product Quality” (陝西產品質量無投訴示範單位) granted by Shaanxi Product Quality Management Center (陝西省產品質量管理中心). In October 2019, we completed the on-site review of the supplier list for 9 assembly products under BYD and won the “2019 Excellent Supply: Military Components Supply Award” granted by Shaanxi Automobile Holding.

本集團已獲得陝西省產品質量管理中心頒發的「陝西省 AAAAA 級信譽單位」、「陝西省重質量守信譽先進單位」、「陝西省重質量創品牌示範單位」、「陝西產品質量無投訴示範單位」等獎項。2019年10月，我們通過比亞迪9款總裝產品供應商目錄准入的現場審核，我們亦榮獲陝汽控股2019年優秀供應商「軍品保障獎」榮譽。



Passed the BYD on-site review  
通過比亞迪現場審核



Won the “Military Components  
Supply Award” granted by Shaanxi  
Automobile Holding  
獲陝汽控股「軍品保障獎」

#### 4. Focus: Environmental Protection and Green Operation

We focus on environmental management and are committed to cultivating, protecting and improving the environment. We incorporate the concept of green operation into the processes of production and management, and fulfill our corporate responsibilities through continuous innovation and improvement. We have set up an environmental improvement team to save resources, improve the utilization efficiency of resources and reduce the impact on environment, so as to promote green integration and build a better future together.

#### 4. 專注：環境至上 綠色經營

我們專注於環境管理，環境至上，致力於呵護環境，保護環境，改善環境。我們將綠色經營理念貫穿於整個生產和經營的環節中，通過不斷創新與改善，發揮企業責任。我們成立了環境改善小組，旨在節約資源，提升資源利用效率，降低環境影響，推動綠色共融，共建美好未來。

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The Group strictly abides by the Law of the People's Republic of China on Environmental Protection, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Ambient Noise Pollution, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, and other laws and regulations. During the Reporting Period, we did not suffer any material fines or penalties for violating any environmental laws or regulations.

本集團嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國環境噪聲污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國固體廢物污染環境防治法》等法律法規。報告期內，我們並無因違反任何環境法律或法規而遭致任何重大罰款或處罰。

### 4.1 Save Resources

### 4.1 節約資源

#### 4.1.1 Management of water resource

#### 4.1.1 水資源管理

The Group's production and operating activities mainly use tap water. To improve the efficiency of the use of water resources, we implemented a series of improvement projects for water saving in administration and technological improvement. During the Reporting Period, the total water consumption of the Group was as follows, and the water consumption per output value decreased by 0.02% as compared with 2018.

本集團的生產經營活動主要使用自來水，為了提升水資源的使用效率，我們在行政管理和技術改造層面推行了一系列節水改造項目。報告期內，本集團總耗水量如下，產值耗水量較2018年下降0.02%。

Type	類別	2018		2019	
		Total	Density (consumption per RMB1 million revenue) 密度(每百萬人 人民幣收益消耗量)	Total	Density (consumption per RMB1 million revenue) 密度(每百萬人 人民幣收益消耗量)
Total water consumption (T)	總耗水量(T)	21,480	81.4	24,250	81.4

\* The total water consumption increased due to increase in output value. To disclosure the information more fairly, we adjusted the calculation method of density from consumption/square meters to consumption/RMB 1 million revenue and recalculated the data for 2018. Similarly, incorrect data on total water consumption in 2018 was disclosed due to statistical caliber issues, which has been corrected.

\* 因為產值增加，總耗水量增加，為更公允的披露信息，我們調整了密度的算法，由消耗量/平方米更換為消耗量/每百萬人民幣收益，對2018的數據也重新進行了計算。下同。2018年由於數據統計口徑問題將總耗水量數據披露錯誤，現已更正。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Upgrading and transformation of irrigation system for greenbelts 綠化帶澆灌系統升級改造

During the Reporting Period, we transformed all flood irrigation systems for greenbelts into lawn sprinkler irrigation systems to save water and energy, which saved approximately 150 tonnes of water resources during the year.

報告期內，我們將綠化帶漫灌全部改造為草坪自動噴灌系統，節水節能，年節約水資源約 150 噸。



### Replacement of main tap water pipe and repair of leakage points 自來水主管道更換及漏水點維修

Based on the analysis of monthly water consumption data, we identify abnormal water consumption through data differences, and conduct on-site investigations to find leakage points caused by aging water pipes and replace and repair the same in a timely manner. During the Reporting Period, we replaced 23 faucets, repaired the main pipeline once, repaired the main pipeline for heating and water supply once, and replaced 21 water supply valves in the dormitory, which saved approximately 100 tonnes of water resources during the year.

我們基於每月用水數據的分析，通過數據差異識別用水異常，並實地排查發現自來水管老化引起的漏水點，及時更換維修。報告期內，我們共更換水龍頭 23 個，主管道維修一次，暖氣供水主管道維修一次，更換宿舍上水閥門 21 個，年節約水資源約 100 噸。



#### 4.1.2 Management of energy

We actively strengthen the management of consumption of electricity, fuel, natural gas and other resources in all processes to improve employees' awareness of energy conservation and environmental protection and the utilization efficiency of resources.

During the Reporting Period, the consumption of major energy and resources by the Group is as follows:

#### 4.1.2 能源管理

我們積極加強所有環節用電量、耗油量、天然氣及其他資源的管理，提高員工節能環保意識和資源使用效率。

報告期內，本集團的主要能源和資源消耗情況如下：

Type	類別	2018		2019	
		Total	Density (consumption per RMB1 million revenue) 密度(每百萬人 人民幣收益消耗量)	Total	Density (consumption per RMB1 million revenue) 密度(每百萬人 人民幣收益消耗量)
Consumption of electricity (KWH)	用電量(KWH)	6,758,273	25617.0	<b>7,618,027</b>	<b>25571.8</b>
Consumption of fuel (L)	耗油量(L)	97,052	367.9	<b>97,907</b>	<b>328.6</b>
Consumption of natural gas (M3)	天然氣(M3)	280,000	1061.3	<b>307,806</b>	<b>1033.2</b>

\* Incorrect data on total electricity consumption in 2018 was disclosed due to statistical caliber issues, which has been corrected.

\* 2018年由於數據統計口径問題將總耗電量數據披露錯誤，現已更正。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Upgrading of electricity monitoring system 電能監控系統升級

During the Reporting Period, we installed 57 remote electricity monitoring points on site, which can monitor electricity in real time, form monthly analysis and reports, and provide timely suggestions on improvement of electricity consumption, making the electricity consumption manageable and controllable.

報告期內，我們現場安裝 57 個遠程電能監測點，可實時監測電量，形成月分析、月通報，並及時提供用電改善建議，用電量可管可控。



### Mold temperature machine upgrading project 模溫機升級項目

During the Reporting Period, we fully used modified boilers for heating, which removed the gas emission and saved electric energy, the total electricity saved each year reached 100,000KWH.

報告期內，我們全部使用改造後的鍋爐供熱，去除了煙氣排放，又節約了電能，年節約總電量 100,000KWH。



### Boiler burner upgrading project 鍋爐燃燒器升級改造項目

During the Reporting Period, we made Low nitrogen transformation for boilers, nitrogen oxide emission reduced from 40mg/M3 before transformation to 28mg/M3, the waste gas emission was significantly reduced and the environmental quality was improved.

報告期內，我們對鍋爐進行低氮改造，氮氧化物排放量由改造前的 40mg/M3 降到 28mg/M3，大大降低了廢氣排放，提升環境質量。



### Oil electric forklift replacement project 油電叉車替換項目

During the Reporting Period, we carried out the oil electric forklift replacement project, and currently own 12 electric forklifts and 1 oil electric forklift. The oil electric forklift was equipped with smoke purification device to reduce the greenhouse gas emission.

報告期內，我們開展了油電叉車替換項目，目前共 12 台電叉，1 台油叉，其中油叉加裝煙氣淨化裝置，以達到減少溫室氣體排放的目的。



### Transformation project of remote natural gas transportation 天然氣遠程傳輸改造項目

During the Reporting Period, we eliminated the manual plug-in gas purchasing device and installed the new remote gas purchasing device which displays the real-time gas consumption and remaining amount. The natural gas consumption was monitored and supervised in real time, which facilitates the environmental improvement team to regularly propose optimization plan.

報告期內，我們淘汰人工插卡購氣裝置，安裝新式的遠程購氣裝置，購氣裝置實時顯示耗氣量和剩餘金額，天然氣用量實現實時監控監督，便於環境改善小組定期提出優化方案。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 4.1.3 Management of packaging material

The Group previously used cartons to package products, which has high costs and prices, severe losses, and pollutes environment, and its protection for products is relatively weak. During the Reporting Period, we continued to produce plastic baskets with waste plastic injection materials to replace cartons, and independently developed plastic frame combination welding equipment to meet the needs for diversified sizes and facilitate storage management and optimize product protection.

### 4.1.3 包裝材料管理

本集團原採用紙箱包裝，成本高，價格高，損耗嚴重，污染環境，對產品防護相對較弱。報告期內，我們持續加大利用廢棄注塑原材料製成膠筐代替紙箱包裝，並自主開發膠框組合焊接設備，滿足多樣化尺寸需求，也便於倉儲管理，優化產品防護。

Type	類別	2018		2019	
		Total	Density (consumption per RMB1 million revenue) 密度(每百萬人 人民幣收益消耗量)	Total	Density (consumption per RMB1 million revenue) 密度(每百萬人 人民幣收益消耗量)
Packaging material (T)	包裝物(T)	490	1.9	407	1.4

During the Reporting Period, we used waste nozzles of injection molding products and defective products reasonably. The density of packaging material consumption decreased by 26.44% and approximately RMB400,000 of packaging material costs were saved, which reduced waste disposal expenses and waste of material costs, and in turn reduced environmental pollution.

報告期內，我們合理利用了廢棄的注塑產品水口、不良品等，包裝物消耗密度下降26.44%，節約包裝材料成本約人民幣40萬元，減少了廢料處理開支與材料成本浪費，降低了環境污染。



Replacing carton packing with recycled injection molding materials  
使用廢棄注塑原材料製成膠筐代替紙箱包裝

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 4.2 Environmental Management

Through technological reforms and innovations, we continuously improved the process and strive to reduce the impact of production and operation on the environment. We increased investment in environmental governance, purchased environment-friendly equipment, further reduced wastewater discharge and exhaust gas emissions, and strengthened and optimized the management and disposal of solid wastes. During the Reporting Period, our expenses for environmental governance and renovation amounted to RMB1.2 million.

#### 4.2.1 Wastewater discharge

The Group attaches great importance to emissions and waste management. In the production process of the Group, water is mainly used in the cooling process. The water used in the cooling of the injection molding machine and the cooling of the mould water cutting is circulated through sealed pipe network, which will be recycled for production. Therefore, we do not produce large amounts of industrial wastewater throughout the production process. The wastewater discharged by the Group is mainly employees' daily life wastewater, including toilet drainage and wash drainage. Such wastewater will be discharged into the municipal sewage pipe network after being treated by the treatment facilities such as grease traps and septic tanks, and finally enter the sewage treatment plant. The plants are equipped with rainwater pipe network, through which the rainwater is collected and flows into the municipal rainwater pipe network.

#### 4.2.2 Exhaust gas emissions

The Group adopts organized emissions on dust and organic waste gases from different stages of the production process. The dust generated in the production process is dedusted by a bag filter, and a gas collecting hood is set to collect the organic waste gas generated in the production process, and then collected and treated by a special exhaust gas treatment facility by "UV photolysis + activated carbon adsorption". After the treatment, dust and organic waste gas are discharged through a dedicated exhaust pipe.

### 4.2 環境管理

我們通過技術改革和創新，不斷改進工藝流程，努力降低生產和經營過程中的環境影響。我們加大環境治理投入，購置環保設備，進一步降低廢水和廢氣的排放，加強和優化固體廢棄物的管理和處置。報告期內，我們用於環境治理與改造的費用達人民幣120萬元。

#### 4.2.1 廢水排放

本集團高度重視排放物及廢料管理。在本集團的生產過程中，水主要用於冷卻工藝。注塑機模具冷卻和模壓水切割冷卻都是密封管網循環用水，將會循環利用於生產，因此，在整個生產流程上我們並不會產生大量工業廢水。本集團的主要廢水排放來源於員工日常生活廢水，涉及廁所排水、洗漱排水，以上廢水經隔油池、化糞池等處理設施處理達標後，排入市政污水管網，最後進入汙水處理廠。廠區設置有雨水管網，彙集流入市政雨水管網。

#### 4.2.2 廢氣排放

本集團對生產過程中不同環節所產生的粉塵和有機廢氣採取了有組織的排放。對生產過程中產生的粉塵通過布袋除塵器進行除塵處理，設置集氣罩對生產過程中產生的有機廢氣進行收集，收集後通過專用廢氣處理設施採用「UV光解+活性炭吸附」方式進行處理，粉塵和有機廢氣經處理後通過專用排氣筒排放。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

During the Reporting Period, the Group's emissions of dust and organic waste gas are as follows:

報告期內，本集團排放的粉塵和廢氣數據如下：

Main emissions	主要排放物	2018	2019
Dust (kg)	粉塵(kg)	85.4kg	<b>77.9kg</b>
Nitrogen oxide (kg)	氮氧化物(kg)	96.0kg	<b>86.0kg</b>
Toluene (kg)	甲苯(kg)	156.2kg	<b>147.0kg</b>
Xylene (kg)	二甲苯(kg)	160.9kg	<b>167.1kg</b>
Non-methane hydrocarbon (kg)	非甲烷總烴(kg)	245.8kg	<b>259.9kg</b>

During the Reporting Period, the greenhouse gas emissions of the Group are as follows:

報告期內，本集團排放的溫室氣體數據如下：

Greenhouse gas category	溫室氣體類別	2018		2019	
		Total	Density (consumption per RMB1 million revenue) 密度(每百萬元 人民幣收益消耗量)	Total	Density (consumption per RMB1 million revenue) 密度(每百萬元 人民幣收益消耗量)
CO <sub>2</sub> (T)	CO <sub>2</sub> (T)	50	0.19	<b>55</b>	<b>0.18</b>

We insist on continuously improving production processes and optimizing measures for pollution prevention. The Group installed a total of 10 environmental protection hosts and 10 exhaust cylinders on the injection molding, molding, foaming, gumming, powder and boiler, which will be monitored and maintained regularly to jointly promote environmental protection.

我們堅持不斷提升生產工藝，優化污染防治措施。本集團在注塑環節、模壓環節、發泡環節、塗膠環節、粉料環節和鍋爐上共安裝環保主機10個，排氣筒10個，並定期監測、維護、保養，共同推進環保工作。



Environmental protection hosts and exhaust cylinders installed  
安裝環保主機與排氣筒

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 4.2.3 Treatment of hazardous and nonhazardous waste

The solid waste generated in the production process of the Group mainly includes domestic garbage, production solid waste and Hazardous solid waste.

Domestic garbage is classified and collected in bags by garbage bins and then recycled and disposed of by the qualified sanitation department at the garbage station.

Production solid waste is mainly the scrap produced in the production process, such as fiberglass board, black fabric and leather. After being collected, the scrap is temporarily stored in the temporary storage area for general waste, and then classified, packaged and delivered to qualified recycling units through recycling & comprehensive utilization or regular sales.

Hazardous solid waste includes oil-water mixed waste and oily solid waste, and mainly represent hazardous waste, such as waste oil, waste activated carbon, used lamp and waste titanium dioxide photocatalyst plates, etc. Waste oils and fats are regularly entrusted to qualified disposal suppliers by the government for safe disposal. Activated carbon, UV photolysis lamps and titanium dioxide photocatalyst plates are regularly replaced. To reduce waste, the hazardous wastes generated during the production process are collected in special containers and temporarily stored in the temporary storage for hazardous waste, and are regularly entrusted to qualified disposal suppliers by the government for safe disposal.

During the Reporting Period, data of hazardous and nonhazardous waste generated by the Group is as follows:

### 4.2.3 有害及無害廢棄物處理

本集團生產過程中產生的固體廢棄物主要包括生活垃圾、生產固廢及危險固廢等。

生活垃圾分類收集、集中裝袋，經垃圾桶分類收集後在垃圾台由有資質的環衛部門統一回收處置。

生產固廢主要為生產過程產生的邊角料，譬如玻纖板、黑布料、人革等，邊角料經收集後暫存於一般廢物暫存區內，後期分類打包，回收綜合利用或定期外售給有資質的回收單位。

危險固廢含油水混合、粘油固體垃圾，主要為廢油脂、廢活性炭、廢舊燈管和廢二氧化鈦光觸媒板等危廢物。廢油脂定期委託獲政府許可的合格處理商作安全處置，活性炭、UV光解燈管及二氧化鈦光觸媒板則定期更換。生產過程中產生的危險廢物採用專用容器標識並分類收集，暫存於危險廢物暫存間，定期委託獲政府許可的合格處理商作安全處置。

報告期內，本集團產生的有害廢棄物和無害廢棄物數據如下：

Type of solid waste	固體廢棄物類別	2018		2019	
		Total	Density (consumption per RMB1 million revenue) 密度(每百萬元 人民幣收益消耗量)	Total	Density (consumption per RMB1 million revenue) 密度(每百萬元 人民幣收益消耗量)
Nonhazardous waste-Household waste (T)	無害廢棄物-生活垃圾(T)	4	0.0152	4.5	0.0151
Nonhazardous waste-Production solid waste (T)	無害廢棄物-生產固廢(T)	810	3.0703	834	2.7995
Hazardous waste-Hazardous solid waste (T)	有害廢棄物-危險固廢(T)	2.3	0.0087	2.5	0.0084

# Environmental, Social and Governance Report

## 環境、社會及管治報告



Garbage sorting  
生活垃圾分類



Temporary storage area for solid waste  
固廢暫存區

#### 4.2.4 Noise management

The main noise sources of the Group are noise from air compressors, fans, injection molding machines, pulverizers, circulation pumps, cooling towers and other facilities. The Group selects low-noise device, rationally plans the layout of the plant area, maintains the various types of noise equipment indoors or at the equipment rooms, or adopts vibration reduction and noise reduction measures for noise equipment, and also sets greenbelts to reduce noise, thus reducing the impact on the surrounding environment.

#### 4.3 Environmental Achievement

During the Reporting Period, the Group obtained the environmental approval documents and sewage permits from the environmental protection authority for all environmental assessment procedures of the gas-related processes of the Group (including the three major workshops of injection molding, molding and foaming, and tooling spray painting process), and achieved standardized discharging.

In order to actively respond to the new requirements for the management of solid waste imposed by national and local laws and regulations and regulatory authorities, during the Reporting Period, we carried out activities such as domestic waste sorting publicity and employee sorting awareness training. Besides, the Group actively responded to the call of the local government to make emergency plans for heavily pollution weather, and actively implemented energy-saving and emission reduction measures to reduce pollutant emissions.

#### 4.2.4 噪音管理

本集團主要噪聲源為空壓機、風機、注塑機、粉碎機、循環泵、冷卻塔等設備噪聲。本集團選用低噪音設備，合理規劃廠區佈局，將各類噪音設備佈置在室內或設備間，或對噪音設備採取減振、消聲措施，同時設置綠化帶來降低噪音，以降低對周邊環境的影響。

#### 4.3 環境成就

報告期內，本集團所有涉氣工藝環評手續全覆蓋(含注塑、模壓、發泡三大車間和工裝噴漆工藝)，均取得了環保部門的環評批復文件和排汙許可證，達標排汙。

為了積極響應國家及地方法律法規和監管部門對固體廢棄物管理的新要求，報告期內，我們多次開展生活垃圾分類宣傳、員工分類意識培訓等活動。同時，本集團積極響應本地政府號召，做好重污染天氣應急預案措施，積極履行節能減排措施，減少污染物排放。



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Pollutant Discharge Permit  
排污許可

Emergency measures for heavy pollution weather  
重污染天氣應急措施

### 5. Innovation: Technological Progress and Continuous Improvement

Since its establishment, the Group has always been committed to creating a strong technical support mechanism and has established a scientific product design, R&D and innovation system. It also values the protection of intellectual property rights to guarantee the innovation results of the enterprise. The Group's technical center currently has 53 employees, and is composed of a project department, a design department, an engineering department, a laboratory, and a data and standardization division, positioning it as a technical authority and a maker of technical standards, a transmission base for technical and management talents, a key construction and policy-oriented department, and an embodiment of the competitiveness of the Group. We have been accredited by provincial and municipal enterprise technology centers and own a number of patents.

### 5. 創新：技術進步 持續改善

自成立以來，本集團始終致力於打造強有力的技術支撐機制，並建立了科學的產品設計研發創新體系，同時注重知識產權保護，保障企業創新成果。集團技術中心現有員工53人，下設項目部、設計部、工程部、實驗室及資料和標準化室，定位為集團技術權威、技術標準的制定者、集團技術和管理人才的輸送基地、集團重點建設和政策傾斜部門、集團競爭力的體現者。我們先後獲得省、市企業技術中心認定，擁有多項專利。

207 new products (parts) developed  
207 個新產品（零件）開發

R&D capacity  
研發能力

10 new projects developed  
10 新項目開發

4 technological innovations  
4 項技術革新

Product delivery  
產品交付

delivered a total of 222 commercial vehicles  
商用車 累計交付 222 輛份

delivered a total of 94 types of new passenger vehicles  
乘用車 累計交付 94 種新品

Mould development  
模具開發

165 sets of moulds  
模具開發累計 165 套

# Environmental, Social and Governance Report

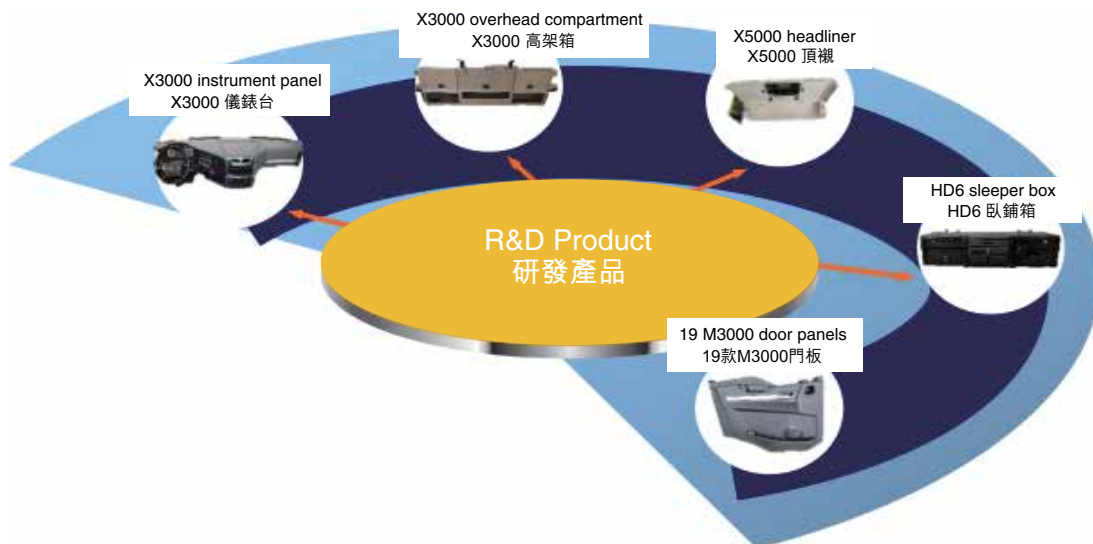
## 環境、社會及管治報告

### 5.1 Enhancing Customer Experience through Technological Innovation

In accordance with the planning of "focusing on the design and development of heavy trucks and strengthening the design and development of sedans" under the Group's "2+2 strategy", the technical center introduced internationally advanced management system and management standards, and is currently conducting in-depth cooperation with the leading design companies in the industry. By adhering to the management concept of "quality and cost are rooted in design", and the mission of "providing customers with satisfactory interior system solutions", we are always committed to creating long-term value for customers. During the Reporting Period, we developed three types of vehicle interior products, involving the fields of interior and exterior decorative products for heavy trucks and vehicles and ceiling assembly of passenger vehicles, carpet assembly, trunk assembly and fenders, etc.

### 5.1 技術創新提升客戶體驗

按照本集團「2+2戰略」以「重卡設計開發為主打，轎車設計開發要加強」的規劃，技術中心率先導入了國際先進的管理體系和管理標準，目前正與行業頭部設計公司深度合作，遵循「質量和成本是設計出來」的管理理念，以「為客戶提供滿意的內飾系統解決方案」為己任，為客戶提供長期價值。報告期內我們累計開發整車內飾三款，涉及領域：重卡整車汽車內外飾及乘用車頂棚總成、地毯總成、行李箱總成及擋泥板等。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Design and Development of Lightweight Sleeper Toolbox 輕量化臥鋪工具箱設計開發

At present, the lightweight design is a main goal in the commercial vehicle field. During the Reporting Period, the Group together with the major vehicle manufacturers completed the design of the sleeper box assembly with plastic instead of steel, using polyamide-6 and adding appropriate glass fiber and replacing the original steel structure after injection molding, which increased the comfort level and reduced the overall weight by approximately 30%, greatly exceeding the expected target.

當下商用車領域以輕量化為設計的主要目標，報告期內，本集團聯合主機廠完成了以塑代鋼的臥鋪箱總成設計，利用聚醯胺-6添加適當的玻璃纖維，注塑成型後替代原先鋼結構，增加了舒適度，產品整體降重約30%，大大超過預期目標。



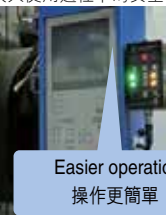
### Upgrading of Mold Injection and Replacement System 注塑換模系統改造

During the Reporting Period, we transformed the mold replacement system in the injection molding workshop by changing traditional plates to hydraulic plates and reducing the mold replacement personnel from 2 to 1, which reduced the time of mold replacement by 70% for each set of mold and greatly increased the utilization rate of equipment. The hydraulic plates are equipped with the lock force detection and anti-pressure relief device, which improved the safety of the mold in operation.

報告期內，我們對注塑車間的換模系統進行改造，將傳統的碼板改造為液壓碼板，換模人員從2人減少到1人，單套模具的換模時間節約70%，大大增加了設備的稼動率，液壓碼板增加了鎖緊力檢測和防泄壓裝置，提升模具使用過程中的安全性。



Manual pressing plate  
手動打壓板

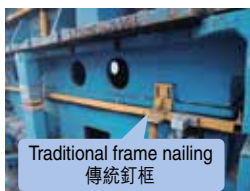


Easier operation  
操作更簡單

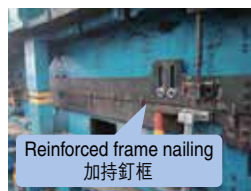
### Upgrading of traditional frame nailing 傳統釘框改造

During the Reporting Period, we improved the utilization rate of raw materials through the improvement of frame nailing, shortened the distance between the scrap edges, and reduced the raw material usage area by approximately 3% for each set of mold on average.

報告期內，我們通過對釘框的改善提高了原材料的利用率。降低了廢料邊的距離，平均每套模具可降低3%左右的原材料使用面積。



Traditional frame nailing  
傳統釘框



Reinforced frame nailing  
加持釘框

### Upgrading of cutting methods of blow moulded products 吹塑產品裁切方式改造

During the Reporting Period, the Group has newly developed cutting jigs to effectively improve the difficulties in cutting and increase the production efficiency by 60%, which contributed to the substantial improvement of product quality.

報告期內，本集團新開發製作裁切治具，有效的改善裁切困難問題，生產效率提高60%。產品質量也大幅度提高。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 5.2 Continuous Improvement and Enhancement

The Group has established a special process improvement team to supervise and evaluate the proposed improvement work, including but not limited to equipment modification, technical improvement and raw material improvement, etc. During the Reporting Period, the Group has carried out 165 technological improvements, generating direct economic benefits of approximately RMB3 million.

### 5.2 持續改善與提升

本集團成立專項工藝改善組，督導並評估提案改善工作，包括但不限於設備改造、技術改善、原材料改善等。報告期內，本集團技術改善有165項，產生直接經濟效益約人民幣300萬元。

提案改善项目申报表				提案改善项目申报表				提案改善项目申报表			
项目名称	申报人	申报日期	审核日期	项目名称	申报人	申报日期	审核日期	项目名称	申报人	申报日期	审核日期
<p>项目名称: 宇19副机壳左右盖加工精度提升改善</p> <p>申报人: 杨国栋</p> <p>申报日期: 2019.9.25</p> <p>审核日期: 2019.10.18</p> <p>现状描述: 副机壳左右盖加工精度低, 导致装配困难, 影响生产效率。</p> <p>改善对策: 优化加工工艺, 提高加工精度。</p> <p>现状描述(图片): </p> <p>改善对策(图片): </p> <p>现状描述(数据及数据表): 产品在1个工单生产100个左右, 装配合格率: 70%左右, 废品率: 30%左右, 废品成本: 1000元/月, 废品损失: 3000元/月, 废品率: 30%, 废品成本: 1000元/月, 废品损失: 3000元/月。</p> <p>改善对策(数据): 改善后1个工单生产100个左右, 装配合格率: 90%左右, 废品率: 10%左右, 废品成本: 1000元/月, 废品损失: 3000元/月。</p> <p>节省费用(计算方式): 0.21*0.84*0.089=0.15元/月</p>				<p>项目名称: 新件清洗工位防护罩</p> <p>申报人: 王尧生</p> <p>申报日期: 2019.9.25</p> <p>审核日期: 2019.9.25</p> <p>现状描述: 新件清洗工位无防护罩, 存在安全隐患。</p> <p>改善对策: 增加防护罩, 提高安全性。</p> <p>现状描述(图片): </p> <p>改善对策(图片): </p> <p>现状描述(数据及数据表): 此产品有2个工位, 左右加工, 6个工位, 员工加工每个工位点灯用10秒, 同时600个。</p> <p>改善对策(数据): 通过优化加工工艺, 提高生产效率, 减少点灯时间, 节约成本。</p> <p>节省费用(计算方式): 一个工位节省了2个工位, 节约材料约1.4kg, 按每月消耗为18000个, 每公斤材料约为10元/公斤 (18000*10=180000元), 每月可节省成本: 2175元。</p>				<p>项目名称: 812的压边, 右顶帽压边(改善精修)</p> <p>申报人: 李强, 王成清, 工艺部, 张旭</p> <p>申报日期: 2019年9月18日</p> <p>审核日期: 2019年9月18日</p> <p>现状描述: 812的压边, 右顶帽压边, 存在质量问题。</p> <p>改善对策: 优化加工工艺, 提高产品质量。</p> <p>现状描述(图片): </p> <p>改善对策(图片): </p> <p>现状描述(数据及数据表): 该零件长度(长)为1.5mm, 直径为0.5mm, 公差为±0.02mm。</p> <p>改善对策(数据): 通过优化加工工艺, 提高产品质量, 减少废品率。</p> <p>节省费用(计算方式): 节省费用: 8元/月</p> <p>实际费用: 8元/月</p>			

Excellent improvement project cases  
優秀改善項目展示

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 5.3 Carrying Out Industry-universities-research

#### Cooperation Projects

The Group vigorously carries out industry-university-research cooperation projects, introduces high-quality resources from universities and society, and maintains the advanced research and development capacity.

### 5.3 開展產學研合作項目

本集團大力開展產學研合作項目，引入高校與社會的優質資源，保持研發環節的先進性。

#### Appointment of Dr. Chu Jianjie as the Chief Expert of Group 聘請初建傑博士為集團首席專家

Dr. Jianjie Chu, an associate professor of the School of Mechanical Engineering of Northwestern Polytechnical University, is mainly engaged in the research of fields including industrial product design and development, industrial design of equipment manufacturing, and ergonomic evaluation technology. Mr. Chu has been the deputy director of the Key Laboratory of Industrial Design and Ergonomics of the Ministry of Industry and Information Technology of Northwestern Polytechnical University since 2018 and the deputy director of the Shaanxi Industrial Design and Development Center of Northwestern Polytechnical University. He has won various awards such as the second prize of the National Teaching Achievement Award and the third prize of the Shaanxi Science and Technology Progress Award.

Dr. Chu Jianjie served as the chief expert of the Group during the Reporting Period, focusing on the research of fields including digital design, product design, simulation of ergonomic design and development of new products.

初建傑博士為西北工業大學機電學院工業設計系的副教授，主要從事工業產品設計開發、裝備製造業的工業設計及人體工效評價技術等領域的研究。初先生自2018年以來擔任西北工業大學工業設計與人體工效工信部重點實驗室副主任、西北工業大學陝西省工業設計發展中心副主任。曾榮獲包括國家教學成果二等獎、陝西省科學技術進步獎三等獎等獎項。

初建傑博士於報告期內擔任本集團首席專家，重點聚焦於數字化設計、產品設計、人體工效設計仿真與新產品研發等領域的研究。

#### Industry-university-research cooperation with the Key Laboratory of Industrial Design and Ergonomics of the Ministry of Industry and Information Technology of Northwestern Polytechnical University 與西北工業大學工業設計與人體工效工信部重點實驗室開展產學研合作

Northwestern Polytechnical University is the only multidisciplinary and research-oriented university in China that is simultaneously developing education and research programs in the fields of aeronautics, astronautics, and marine technology engineering. It is now affiliated to the Ministry of Industry and Information Technology. It is one of the universities of the "211 Project", "985 Project" and "First-class Universities" (Class A) in China. As one of the earliest universities in China to develop talents for modern industrial design, conduct scientific research and provide design services, Northwestern Polytechnical University is a vice chairman of China Industrial Design Association, a vice president of Innovation Design Alliance of China and the Industrial Design Institution of China Mechanical Engineering Society, and a deputy chairman of the Teaching Steering Subcommittee of Industrial Design of the Ministry of Education, and has high status and good reputation in the domestic industrial design community.

Northwestern Polytechnical University has been devoted to the research of fields including digital design, product design, simulation of ergonomic design and development of new products. It has undertaken dozens of major scientific and technological research projects such as the National 863 Program, the National Science and Technology Support Plan, the National Natural Science Foundation, the National Manned Space Project, and the Basic Research on National Defense.

The Group carried out industry-university-research cooperation with the Key Laboratory of Industrial Design and Ergonomics of the Ministry of Industry and Information Technology of Northwestern Polytechnical University, and provided design services and technical support for developing new products by leveraging the resources of the Key Laboratory of Industrial Design and Ergonomics of the Ministry of Industry and Information Technology, Shaanxi Industrial Design Engineering Laboratory, Shaanxi Industrial Design and Development Center and other provincial platforms, focused on the design of automotive interior parts in the field of industrial design, and conducted in-depth research on key common technologies continuously, so as to maintain the advanced nature of research and development of key design technologies.

西北工業大學是我國唯一所以同時發展航空、航天、航海人才培養和科學研究為特色的多科性、研究型、開放式大學，隸屬於工業和信息化部。是國家「211工程」、「985工程」及國家「一流大學」建設高校（A類）。作為我國較早開展現代工業設計人才培養、科學研究和設計服務的高等學府，西北工業大學現為中國工業設計協會副會長單位、中國創新設計產業戰略聯盟副理事長單位、中國機械工程學會工業設計分會的副理事長單位、教育部工業設計教學指導分委員會副主任委員單位，在國內工業設計界享有較高的地位和良好的聲譽。

西北工業大學長期致力於數字化設計、產品設計、人體工效設計仿真與新產品研發等領域的研究。先後承擔了國家863計劃、國家科技支撐計劃、國家自然科學基金和國家載人航天工程和國防基礎科研等重大科技攻關項目數十項。

本集團與西北工業大學工業設計與人體工效工信部重點實驗室開展產學研合作，依託工業設計與人體工效工信部重點實驗室、陝西省工業設計工程實驗室、陝西省工業設計發展中心等省部級平臺，重點聚焦於工業設計領域的汽車內飾件造型設計，開展設計服務和新產品研發的技術支持，持續不斷地深入研究關鍵共性技術，保持研發設計關鍵技術研究的先進性。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 5.4 Protection of Intellectual Property Rights

The Group has established a three-in-one intellectual property system of patents, trademarks and copyrights, and has implemented innovation-oriented and high-quality development.

The Group has a total of 17 patents, including 2 invention patents, 1 design patent and 14 utility model patents. Invention patents and design patents are applied to the major products of the Group and are the core process technology. The utility model patents are mainly used for the improvement of production equipment and process methods to realize the purposes of achieving energy-saving and emission reduction, improving production efficiency, mitigating labor intensity, eliminating hidden safety hazards and reducing labor costs. During the Reporting Period, we had 4 new patents.

### 5.4 知識產權保護

本集團建立了專利、商標、版權三位一體的知識產權體系，實施創新引領和高質量發展。

本集團共擁有專利17項，其中發明專利2項、外觀設計專利1項、實用新型專利14項。發明專利和外觀設計專利應用於本集團的主導產品，為核心工藝技術。實用新型專利技術主要用於生產裝備和工藝方法的改善，解決達到節能減排、提高生產效率、降低勞動強度、消除安全隱患、節省勞動成本等目的。報告期內，新增專利4項。

Number 序號	Certificate type 證書類別	Patent name 專利名稱	Issuing authority 授權單位
1	Utility Model Patent Certificate 實用新型專利證書	An open-loop reciprocating conveyor belt device used for contact-type plate heater 一種用於接觸式平板加熱機的開環往復傳送帶裝置	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
2	Utility Model Patent Certificate 實用新型專利證書	A high-temperature hot stamping device for foam leather 一種發泡革高溫熱壓印裝置	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
3	Utility Model Patent Certificate 實用新型專利證書	An automotive sound-absorbing and heat-insulating integrated carpet 一種汽車吸音隔熱整體式地毯	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
4	Utility Model Patent Certificate 實用新型專利證書	A plastic-absorbing molding and pre-feeding device for integrated carpet production line 整體式地毯生產線吸塑成型預送裝置	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
5	Utility Model Patent Certificate 實用新型專利證書	A automatic demoulding and unloading conveying device after loading and molding of flexible materials 一種柔性片料上料及模壓後自動脫模卸料傳送裝置	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
6	Utility Model Patent Certificate 實用新型專利證書	A kind of filming headliner for heavy vehicles 一種載重汽車覆膜頂篷	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
7	Utility Model Patent Certificate 實用新型專利證書	A safety protection device for hydraulic machines 液壓機安全保護裝置	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
8	Utility Model Patent Certificate 實用新型專利證書	A testing device for automotive ashtray 一種汽車煙灰缸測試裝置	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
9	Utility Model Patent Certificate 實用新型專利證書	A large-scale molding soundproofing blanket positioning auxiliary material device 一種大型成形隔音選氈定位輔料裝置	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
10	Design Patent Certificate 外觀設計專利證書	Heavy truck integrated carpets 重型卡車整體式地毯	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
11	Innovation Patent Certificate 發明專利證書	A kind of heavy vehicle filming headliner and headliner filming method 一種載重汽車覆膜頂篷及頂篷覆膜方法	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
12	Innovation Patent Certificate 發明專利證書	A production method for automotive sound-absorbing and heat-insulating integrated carpet 一種汽車吸音隔熱整體式地毯的生產方法	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
13	Utility Model Patent Certificate 實用新型專利證書	An omni-directional mechanical feeding robot arm 一種全方位機械送料機械臂	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
14	Utility Model Patent Certificate 實用新型專利證書	A thin film transportation device 一種薄膜傳送設備	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
15	Utility Model Patent Certificate 實用新型專利證書	A molding pressure modulation conveying device for automotive headliners 一種汽車頂棚模壓調幅輸送裝置	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
16	Utility Model Patent Certificate 實用新型專利證書	A flexible material cutting device for automotive interiors 一種汽車內飾柔性材料裁切裝置	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局
17	Utility Model Patent Certificate 實用新型專利證書	A hanging frame transmission device for automotive interiors flexible materials 一種汽車內飾柔性材料掛料框傳輸設備	National Intellectual Property Administration of the PRC 中華人民共和國國家知識產權局



# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group mainly protects its intellectual property rights through online tracking and rights protection litigation. Besides, when our sales and R&D staff discover competitive products or marketing materials that may infringe the intellectual property rights of the Group, they will immediately notify the legal department, which will then follow up and conduct the investigation.

The Group has established an innovation incentive mechanism to encourage technical R&D personnel to boldly innovate, design and develop special equipment with independent intellectual property rights by utilizing the advanced process technologies and equipment in the industry, and quickly transform it into productive forces and put it into production, thus promoting the automotive and intelligent production process.

### 6. Win-win: Making Progress and Building a Bright Future Together

#### 6.1 Win-win: Quality Customer Services

##### 6.1.1 Management system for customer services

During the Reporting Period, the Group continued to strictly implement the site customer service management systems, standards and regulations such as the Guidance on the Management of Site Customer Emergency and the Regulation on the Processing and Management of Customer Information, and strived to provide customers with quality services to meet their diversified needs.

For after-sales services, we arranged dedicated after-sales service personnel at the customer's office, and conducted after-sales interview with customers through email, WeChat, telephone and other means.

本集團主要通過線上跟蹤、維權訴訟等方式保護自身知識產權。同時，我們的銷售和研發人員在發現可能侵犯本集團知識產權的競爭產品或營銷材料時，會在第一時間通知法律部門，並由法律人員進行跟進調查。

本集團完善的創新激勵機制，鼓勵技術研發人員借鑒行業內先進工藝技術、裝備，大膽創新，設計研發具有自主知識產權的專用裝備並迅速轉化為生產力投入生產，生產過程朝著自動化、智能化方向邁進。

### 6. 共贏：攜手並進 共築未來

#### 6.1 共贏：優質客戶服務

##### 6.1.1 客戶服務管理制度

報告期內，本集團繼續嚴格執行《顧客現場應急管理指導書》、《顧客信息處理管理規定》等客戶現場服務管理制度、標準和規範。向客戶提供優質服務，全力滿足客戶多元化需求。

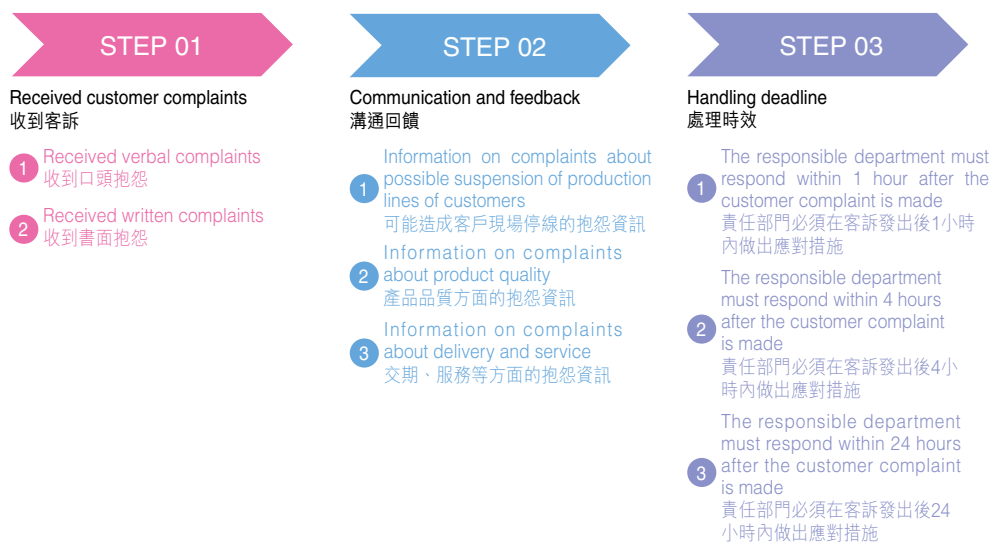
在售後服務方面，我們在客戶處設立專職售後服務人員，同時以郵件、微信、電話等方式定期對客戶進行回訪。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 6.1.2 Customer complaints management procedures

We attach great importance to customer demands and have established procedures under the Regulation on the Processing and Management of Customer Information, which divides customer complaints into two categories, verbal complaints and written complaints. After receiving complaints from customers, we will complete the Quality Response Plan and send the feedback to relevant departments by email as soon as possible. To ensure that customer complaints are handled in a timely manner, we have established complete procedures for processing customer complaint information, as shown below:



During the Reporting Period, we included indicators such as the timeliness of completion of customer complaint and customer satisfaction in the Performance Assessment Form, which stipulated that the feedback and tracking of customer complaints must be evidenced by corresponding Analysis and Rectification Report of Problem, and reviewed the number of customer complaints and timeliness of completion on a monthly basis. Meanwhile, we carried out the customer satisfaction survey on an annual basis according to the Comprehensive Analysis Form of Customer Satisfaction, involving 5 aspects such as quality, delivery, service, price, and suggestions for improvement. After the completion of the survey, we investigated and summarized the items with low individual scores and complaints in customers' messages, and discussed improvement measures, and finally formed the final Analysis Report of Customer Satisfaction.

### 6.1.2 客訴管理流程

我們非常重視客戶訴求，建立了《顧客信息處理管理規定》流程，將客戶投訴劃分為口頭抱怨與書面抱怨兩種。接到客戶投訴後，我們會填寫《質量反應計劃》，第一時間以郵件形式反饋至相關部門。為保證客訴處理的時效性，我們建立了完善的客戶抱怨信息處理流程，如下所示：

報告期內，我們將客訴關閉及時率、客戶滿意度指標納入績效考核表中，規定客戶的投訴反饋和跟蹤必須有相應的《問題分析整改報告》，並每月覆核客戶投訴數量和關閉及時率。同時，每年度根據《顧客滿意度綜合分析表》開展客戶滿意度調查，調查共包含質量、交期、服務、價格、改進建議等5個項目模塊。在完成調查後，我們會針對單項得分較低的項目模塊和客戶留言中的抱怨進行調查和總結，討論改善對策，最終形成《顧客滿意度分析報告》。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

In addition to the management of individual complaint cases, we also summarized and analyzed customer complaints to identify the source of the problem, optimized the solution from the source, and formed the Summary of Product Quality Complaints and analysis report, so as to analyze the causes and determine the responsible person, as well as formulate corrective measures and track verification results. If quality problems with potential risk were identified, we would send a quality alert and follow up and solve it as soon as possible.

### 6.1.3 Protection of customer privacy

It is our responsibility and obligation to protect customer privacy and security of business information. We strictly comply with the laws and regulations in relation to the Confidentiality Agreement entered into with customers, and strictly protect the privacy information of customers.

We are also committed to protecting the privacy and confidentiality of the personal data of our employees, customers, suppliers, business partners and other identifiable parties. For the use of information, we have restricted the level and authorization of information available to employees, and require employees to prudently handle customer data in accordance with the authorization. Employees may have access to relevant customer data only when there is a supportable reason, and the use of customer data is limited to the purposes as specified in our contract.

## 6.2 Win-win: Partnership with Suppliers

### 6.2.1 Establishing win-win partnership with suppliers

The Group introduces excellent suppliers with quality assurance and timely service on the basis of partnership established with suppliers under the guidance of mutual benefit and win-win cooperation, and gives priority to the introduction of international and domestic suppliers and leading suppliers in the industry so as to ensure the quality of products. For example: plastic raw materials are purchased from domestic and foreign well-known suppliers including “Sabic”, “KingFa”, “PRET” and others; fiberglass board is purchased from domestic leading suppliers including “Taizhou Golden”, “Zhejiang Huajiang” and others; and the fabric is purchased from domestic leading suppliers including “Hongda High-Tech” and “Lear Group”.

除了對投訴個案進行管理，我們亦會對客戶抱怨進行匯總分析，從中識別問題根源，從源頭優化解決，形成《產品質量投訴匯總表》與分析報告，分析原因及確定責任人，並制定整改措施，跟蹤驗證結果。若發現存有潛在風險的質量問題，我們將發送質量警報，第一時間跟進解決。

### 6.1.3 客戶隱私保護

保護客戶隱私與業務信息安全是我們的責任與義務。我們嚴格遵循與客戶簽訂的《保密協議》的法律法規，嚴密保護客戶所涉隱私信息。

我們也致力於保護我們的員工、客戶、供應商、業務夥伴及其他可識別人士個人資料的私隱及機密。在信息使用環節，我們對員工可獲取信息的等級和操作權限做了限制，並要求員工按權限審慎處理客戶數據。僅當有充分理由的情況下，員工方可獲得有關客戶資料，且對客戶數據的使用僅限於我們合約中所指的目的。

## 6.2 共贏：供應商夥伴關係

### 6.2.1 建立合作共贏的供應商夥伴關係

本集團本著建立供應商夥伴關係為基礎，互惠互利、合作共贏為導向，引入品質保證、服務及時的優秀供應商，同時為保證產品的品質，優先引入國際、國內以及行業領先的供應商。例如：塑膠原料選用國內外知名供應商“Sabic”、“KingFa”、“普利特”等；玻纖板選用了國內領先供應商「泰州高得」、「浙江華江」等，面料使用了國內領先供應商「宏達高科」及「李爾集團」。

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During the Reporting Period, the Group had 104 major material suppliers as follows:

報告期內，本集團共有主要材料供應商104家。分佈如下：



We maintain close contact with suppliers. During the Reporting Period, we have conducted in-depth exchanges with suppliers on new technologies and processes for passenger vehicles and heavy trucks' interiors, such as plastic raw materials, fabrics (VOC) and lightweight fiberglass board, so as to provide customers with more environment-friendly and sustainable products.

我們與供應商保持著緊密的聯繫，報告期內，我們在乘用車內飾、重卡內飾中對於塑膠原料和面料VOC、玻纖板輕量化等新技術、新工藝方面與供應商進行了深入的交流，為客戶提供更加環保和可持續發展的產品。



**Technology exchange of suppliers**  
供應商技術交流會議

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We review and select new suppliers through the Questionnaire of Suppliers' Qualification and the Evaluation Report on Quality Assurance of Potential Suppliers every year, and conduct comprehensive evaluation on the daily behavior of suppliers through procedural documents such as the Procedures for Managing and Controlling Supplies, the Guidance on Regular Evaluation of Suppliers of Productive Materials and the Regulations on the Control and Management of Issues in Relation to Suppliers of Productive Materials, and carry out effective tracking, management and control based on the evaluation results of suppliers' performance. We will provide specific guidance to suppliers with lower ranking and eliminate those who still cannot meet the supply requirements after such guidance.

### 6.2.2 Continuing to promote the suppliers' social responsibilities

While continuously strengthening its own management of sustainable development, the Group takes the lead in promoting the ecological management system for the sustainable development of the entire supply chain. Suppliers are evaluated from five aspects according to the Questionnaire of Suppliers' Social Responsibilities, namely labor rights, health and safety, environmental protection, business ethics, and requirements of management system. For suppliers with sound performance, we will increase the share of purchase from them at the same conditions and give priority to them in respect of business cooperation opportunities; for suppliers with poor performance, especially those who violate relevant requirements, rectification is required within a time limit, and we will reduce the share of purchase from them or restrict business cooperation opportunities until the cooperation is terminated.

Meanwhile, we include environment related clauses in the Purchase Contract signed with suppliers, which clearly requires that the products provided by suppliers must comply with the laws, regulations and the implementation rules in China, the European Union and the United States on environmental protection and health, as well as meet local effective requirements on environmental protection and health. To this end, we not only support the realization of China's sustainable development goal, but also work closely with customers and suppliers in the upstream and downstream of the supply chain to build a sustainable and better fully connected world environment.

每年，我們通過《供應商資質調查表》、《潛在供應商質量保證能力評審報告》對新引入供應商進行審核、選定，通過《供應商管理控制程序》、《生產性物資供應商定期評價作業指導書》、《生產性物資供應商問題控制管理規定》等程序文件對供應商日常的行為表現進行綜合評價，並根據供應商績效考核結果，進行有效的跟蹤、管控，排名靠後的供應商進行重點輔導，輔導後仍無法達到供貨要求的供應商進行淘汰。

### 6.2.2 持續推動供應商社會責任

本集團在不斷加強自身可持續發展管理的同時，也在牽頭推進整個供應鏈的可持續發展生態管理體系。通過《供應商社會責任調查表》從勞工權益、健康和 safety、環境保護、商業道德、管理體系要求等五個方面對供應商進行審核。對於表現好的供應商，在同等條件下提高採購份額，優先提供業務合作機會；對於表現差，尤其是違反相關要求的供應商，限期整改，同時降低採購份額或限制業務合作機會，直到取消合作關係。

同時，我們在與供應商簽署的《採購合同》中設置環境條款，明確要求供應商提供的產品必須滿足中國、歐盟及美國關於環境保護和健康的法律法規及其實施細則，以及滿足當地行之有效的環境保護和健康相關要求。為此，我們不僅支持中國可持續發展目標的實現，還同時與供應鏈上下游的客戶和供應商密切合作，致力於構建一個可持續的、更美好的全聯接世界環境。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 6.3 Win-win: Share Development Results with Employees

#### 6.3.1 Employment overview

The Group pays great attention to the labor rights and interests of our employees, and strictly complies with the provisions of the Labor Contract Law of China and other labor laws and regulations. It formulates other employment terms on working hours, and holidays, so as to effectively protect the legitimate and reasonable rights and interests of our employees. We never permit the use of any forced labor.

We have a fair and transparent staff recruitment and employment process, conduct background investigation for the newly recruited employees, put an end to illegal employment of child labor and the phenomenon of forced labor, and is committed to providing fair employment opportunities and creating a respectful work environment for our employees. The Group advocates anti-discrimination and formulates relevant policies to treat others with fairness and dignity. Our recruitment of employees will be based on a range of diversity, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. In the case of dismissal, the Labor Contract of employees who do not meet the requirements of the Labor Law will be terminated according to the Labor Law and the Company's rules and regulations.

### 6.3 共贏：與員工共享發展

#### 6.3.1 僱傭概況

本集團極為關注員工所享有的勞工權益，並嚴格遵守中國的《勞動合同法》規定及其他勞工法律法規，同時規定其他聘用條件和工時規則、假期制度，切實保障員工的合法合理權益。我們亦絕不容許有強制勞工的情況出現。

我們執行公平透明的員工招聘和聘任流程，對入職人員進行背景調查，杜絕童工、強制勞工等違法僱傭現象的發生，並致力提供公平的就業機會，為員工創造一個互相尊重的工作環境。本集團大力倡導反歧視，並制定相關政策，主張公平、尊嚴地對待他人。我們招聘雇員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。在解雇方面，會對不符合勞動法規定錄用的員工，根據勞動法和公司規章制度解除勞動合同。

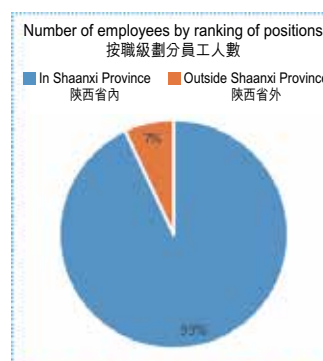
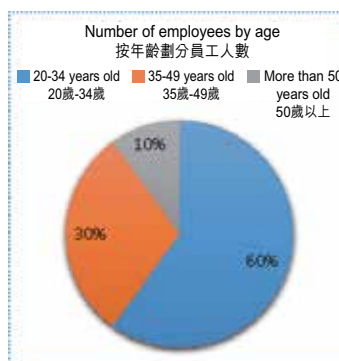
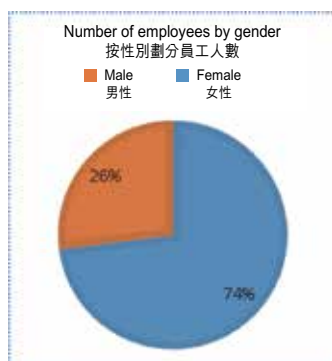


# Environmental, Social and Governance Report

## 環境、社會及管治報告

As of 31 December 2019, there were 540 employees in our team.

截至2019年12月31日，我們的團隊已擁有雇員540名。



The remuneration policy of our Group is based on employees' performance, qualifications, competence and rewards to them with reference to comparable market level. Remuneration package typically comprises salaries and other benefits, discretionary bonuses and retirement benefits scheme contributions. We have established a scientific and reasonable salary system with market competitiveness in accordance with the salary management procedure and files of salary scales and levels, and formulate salary grade strategies in accordance with the ranking of positions and market level based on the present condition of the company. The Group offers fairly competitive average remuneration in the local region, and reviews the package annually with reference to industry benchmark, financial results, and individual performance of employees. Meanwhile, our human resources department will determine the salary of newly recruited employees based on the standard of corresponding salary grade of the Company and the assessment of the comprehensive ability of incumbents to ensure a fair and reasonable salary distribution.

本集團的薪酬政策是按雇員的表現、資歷、能力及市場可比較水平對彼等的獎勵。薪酬待遇一般包括薪金及其他福利、酌情花紅、退休福利計劃供款。我們根據《薪資管理程序》及薪級薪檔文件，建立科學合理以及具有市場競爭力的薪酬體系，按照職位等級和市場水平，結合公司現狀，明確薪酬等級策略。本集團的平均薪酬待遇在當地具有相當強的競爭優勢，並根據行業基準、財務業績以及雇員的個別表現對薪酬待遇進行年度審閱。同時，人力資源部門會根據公司職位相應的薪酬等級標準和任職者的綜合能力背景評估確定新入職員工薪酬，以此保證公平合理的薪酬分配。

# Environmental, Social and Governance Report

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We have been committed to providing diversified and superior benefits to employees and creating a better working environment. In addition to statutory benefits, we have in place a benefit system with diversity.

我們一直以來致力於為員工提供多元的優質福利，創造更好的工作環境。我們在保障員工享受法定福利的基礎之上，搭建了多樣的福利體系。



### 6.3.2 Staff training and development

The Group provides a variety of trainings for all employees to improve their skills and meet their needs of positions. Induction trainings on regulations at group and department level, job duties, working skills, safety production and career development program, etc. familiarize our employees with the Group as soon as practicable and make them fit in with their respective positions. For on-the-job employees, the Group provides targeted training tailored to their career development and encourages employees to participate in job-related training organized by external organizations, whereby enriching our employees' knowledge and arming them with multiple abilities. We also engage professional institutions and individuals to provide training to the directors and senior management of the Group, so as to keep them informed of the latest regulations, regulatory policies, corporate governance and other information of the Company.

### 6.3.2 員工培訓與發展

本集團為所有員工提供各類培訓，以提高技能、滿足崗位需求。員工入職初期的上崗培訓，包括集團和部門規章、崗位職責、工作技能、安全生產和職業發展規劃等，能幫助員工儘快瞭解本集團，適應工作崗位。對於在職員工，為幫助員工豐富知識、提升技能，使他們由單一技能人才向多技能人才的方向發展，本集團針對性的提供適應其職業生涯發展的課程培訓，同時也鼓勵員工積極參加集團外部機構組織的與崗位相關的培訓。我們還邀請專業機構和人員為本集團董事和高級管理人員提供培訓，以使他們瞭解最新的公司條例、監管政策、企業管治等信息。

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## 環境、社會及管治報告

During the Reporting Period, we set up a series of new courses, including general management courses and skill upgrading courses, organizing 82 group-level online and offline trainings and 45 department-level trainings, with 531 employees participating and a total of 13,400 hours of training.

報告期內，我們新開設了包括通用管理類及技能提升類在內的一系列課程培訓，組織集團級線上線下培訓82項，部門級培訓45項，參與員工531人，培訓總學時達13,400小時。

The proportion of trainees by gender and the average duration of training			
按性別劃分受訓僱員佔比及平均參訓時長			
Gender	性別	男	女
Trainees	參訓人數	392	139
Headcount	總人數	400	140
The participation of trainees	參訓佔比	98%	99%
Average training duration (in hours)	平均參訓時長(小時)	25	25

The proportion of trainees by gender and the average duration of training					
按性別劃分受訓僱員佔比及平均參訓時長					
Position	職級	Senior	Middle	Junior	General staff
		Management	Management	Management	一般員工
		高級管理層	中級管理層	初級管理層	
Trainees	參訓人數	11	16	37	467
Headcount	總人數	11	16	37	476
The participation of trainees	參訓佔比	100%	100%	100%	98%
Average training duration (in hours)	平均參訓時長(小時)	120	96	45	19



Training for newly recruited employees  
新員工入職培訓



Training for all-round workshop director  
全能型車間主任培訓



Management ability training for team leader  
班組長管理能力培訓



Workshop practice course  
車間实操課程



Operation training for interns with fixed  
working position  
定崗實習生操作培訓



Loading and practice of trainee of  
management  
管培生裝車及實踐

# Environmental, Social and Governance Report

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### 6.3.3 Health and safety of the employees

The Group has always attached great importance to the health and safety of the employees, and is committed to providing employees with a safe working environment to avoid occupational hazards. The Group strictly abides by the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Safe Production Law of the People's Republic of China, the Fire Law of the People's Republic of China, and other laws and regulations.

The Group requires the newly recruited employees to carry the entry medical examination report and pays the social insurance and housing fund (五險一金) and commercial insurance for the employees according to the statutory requirements. We also provide regular safety training to the employees to ensure that they understand the dangerous situation at work. We attach importance to employee sports and set up table tennis, basketball and badminton sports venues and facilities for employees to exercise.

We have implemented infrastructure and safety policies in order to ensure equipment safety and prevent or minimize exposure to hazardous materials. During the Reporting Period, we have revised more than 10 safety management documents, including the Safe Production Responsibility System (《安全生產責任制》), the Hidden Hazards Inspection and Rectification System (《隱患排查與治理制度》), the Regulations on the Management of Safety Accidents (《安全事故管理規定》), the Safety Education System (《安全教育制度》), etc., providing guidance to employees in maintaining a safe working environment, and we have assigned responsibility for maintaining safe work spaces to each department. We have established the Safety Management Committee consisting of representatives from management and employees. The Safety Management Committee ensures that all responsible departments conduct safety training, report accidents and implement accident prevention procedures. The Group also has fire prevention facilities and conducts fire drills on a regular basis. Production employees receive regular training on equipment operation and occupational safety equipment. We have also adopted accident handling policies, in order to minimize losses and increase our response time in accident handling.

### 6.3.3 員工健康和 safety

本集團一向高度重視員工的健康與安全，致力為員工提供安全的工作環境，避免他們受到職業性危害。本集團嚴格遵守《中華人民共和國職業病防治法》、《中華人民共和國安全生產法》、《中華人民共和國消防法》等法律法規的規定。

本集團對新入職員工，要求攜帶入職體檢報告，按照法定要求為員工繳納五險一金及商業保險，我們也向員工提供定期安全培訓，確保彼等瞭解工作中的危險情況。我們重視員工體育運動，設置了乒乓球、籃球、羽毛球運動場所及設施供員工進行體育鍛煉。

我們已實施基礎設施及安全政策，以確保設備安全，防範或盡量減少接觸有害物質。報告期內，我們修訂了《安全生產責任制》、《隱患排查與治理制度》、《安全事故管理規定》、《安全教育制度》等10余項安全管理文件，就維持安全的工作環境向員工提供指引並將有關維持安全工作處所的職責下派到每個部門。我們已成立安全管理委員會，成員由管理層及員工的代表組成。安全管理委員會確保各責任部門進行安全培訓，報告事故及執行事故預防程序。本集團亦設有防火設施並定期進行消防演練。生產員工會定期接受有關設備操作及職業安全裝備的培訓。我們亦已採取事故處理政策，最大程度地減少損失及提高我們在事故處理中的反應時間。

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### Visual safety Board 可視化安全看板

We implemented the visual safety management, and installed board with safety knowledge, which covers the safety production and occupational health management system, fire escape chart, notice on risk of position safety, safety label, labor protection equipment, etc.

實施安全管理目視化，設立的安全看板覆蓋安全生產及職業健康管理制、消防逃生圖、崗位安全風險告知、安全標示、勞保用品穿戴等內容。



### Declaration and evaluation of employee safety mechanism project 員工安全機制項目申報與評價

During the Reporting Period, we evaluated the current situation of occupational hazards, passed the declaration of non-occupational hazard project and established a three-level safety standardization and double prevention mechanism for special equipment.

報告期內，我們進行職業危害現狀評價並通過了無職業危害項目申報，建立了三級安全標準化及特種設備雙預防機制。



### Safety education and practice 安全教育與實戰演練

We adhered to the unit of one shift or group, and conducted work safety education before operation daily; the Group also conducted special safety training regularly to enhance the safety awareness of employees. The Group was equipped with a number of miniature fire stations, and the factories were required to carry out drills on the emergency plan according to the actual situation to continuously improve the ability of handling on-site emergency.

我們堅持以班組為單位，每日開展班前作業安全教育；集團也定期開展安全專題培訓，提升員工安全意識。本集團配置多個微型消防站，要求工廠根據實際情況對應急預案進行演練，不斷提升現場應急處置能力。



### Reducing the safety risk of employees based on the technical transformation of hardware equipment 基於硬件設備的技術改造，降低員工安全風險

During the Reporting Period, we also carried out a number of modifications for hardware equipment, including but not limited to automatic modification, to reduce safety risks resulting from touching by dangerous parts or covering by people/objects. The coverage rate of essential safety of the equipment reached 100%.

報告期內，我們也進行了多項基於硬件設備的改造，包括但不限於自動化改造減少危險部位接觸、人物遮擋引起的安全隱患等。設備的本質安全化覆蓋率達到100%。



We added grating, if someone/object blocked the grating against the light, the operating button on the equipment was out of mode, thus the touch of dangerous parts will be reduced. 增設光柵，在有人/物體遮擋光柵對射光線時，操作按鈕設備不合模，減少危險部位接觸。



The hydraulic press was reconstructed automatically, and the feeding in the rear does not need manual feeding, so as to achieve automatic conveying by the machine. 自動化改造油壓機，使後側上料不需要人為壓機進料，實現機器自動輸送。



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## 環境、社會及管治報告

During the Reporting Period, the Group did not suffer any major work-related injuries or fatalities caused by work. We have complied with all relevant laws, regulations and administrative regulations in all major aspects of health and work safety, and have not received penalties from Chinese regulatory authorities.

報告期間內，本集團未發生因工作關係而產生的任何重大工傷或死亡事故，我們在健康與工作安全的所有重大方面均遵守了所有相關法律、法規及行政規定且並無受到中國監管部門的處罰。

### 6.3.4 Employment Care

The Group is committed to create a harmonious, warm and united working environment for employees, and cares for every employee from various aspects, including basic necessities of life. We not only consider employee's benefit, but also hope to convey our caring for employees to their families. During the Reporting Period, the Group sets up the worker helping special fund for staff care activities, including family support.

### 6.3.4 員工關懷

本集團致力於為員工營造和諧、溫暖、團結的工作氛圍，從員工的衣、食、住、行等各方面入手，關懷每一位員工。我們不僅心系員工，也希望把我們對員工的關愛傳遞給他們的家人。報告期內，本集團成立職工幫扶專項基金，用於家庭幫扶在內的員工關愛活動。

#### Acquirement of direct drinking water equipment: 添置直飲水設備：

The Group appropriated approximately RMB250,000 for purchasing direct drinking water equipment which was installed at the production site, to provide the staff with healthier drinking water with higher quality. 本集團投入約人民幣25萬元，在生產現場為員工安裝直飲水設備，向員工提供更優質、更健康的飲用水。

#### Improvement on the environment of production site: 生產場所環境改善：

The Group appropriated approximately RMB2,400,000 for purchasing factory fan ventilators, cold air conditioning systems and environmental protection facilities at the production site, to provide the staff with clean air, comfortable temperature and healthy environment. 本集團投入約人民幣240萬元，在生產場所增設廠房風機換氣和冷水空調及環保設施，為員工提供更清潔的空氣、更舒適的溫度與更健康的環境。

### Employee healthcare programs 員工健康關愛項目

#### Diversified staff activities 多樣化員工生活

We renovated our staff dormitories to provide staff with air-conditioners, heating, internet and TV accesses free of charge. In order to facilitate the daily life of employees, we provided basketball court, badminton field, washing machine, bath room, automatic express cabinet and charging device for electric vehicles. Our staff activity room was equipped with various entertainment facilities, including table tennis facilities, treadmills, karaoke facilities and chess & cards facilities. To offer our staff with a work-life balance, we carry out diversified monthly theme activities for enriching spare time.

我們對員工宿舍進行了改造，住宿間提供空調和暖氣，免費網絡、電視。為方便員工日常生活，我們提供籃球場和羽毛球場，置辦洗衣機、浴室、快遞自動收發櫃和電動車充電裝置等，員工活動室配備乒乓球設施、跑步機、卡拉OK、棋牌等豐富多彩的娛樂設施；為了幫助員工更好的平衡工作與生活，我們開展多樣化的主題月活動，豐富大家業餘時間。





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### 6.4 Win-win: Actively Practicing Social Responsibility

The Group is committed to public welfare undertakings, promoting the harmonious development of society. It has carried out a number of public welfare activities in the fields of charitable donation, environmental protection and voluntary services, and actively exerted its influence to provide women and children in the community with needed help.

As a responsible corporate citizen, we believe that we can promote the harmonious development of society by actively fulfilling the responsibility of improving people's livelihood. Our management encourages employees to improve society through community involvement. The management and employees of the Group are eager to help and support the local community and their fellow citizens through their own actions. The Group insists on fulfilling its corporate social responsibility. We cooperate with government, media, hospitals, charities and other organizations to actively participate in public welfare activities.

During the Reporting Period, the Group donated HK\$1 million to charitable organizations for the development of social charities and won the Award of Excellence from The Community Chest.

### 6.4 共贏：積極踐行社會責任

本集團致力於公益事業，推動社會的和諧發展。在慈善捐贈、環保公益和志願服務等領域開展多個公益活動，積極發揮自身影響力，為社區婦女兒童提供所需要的幫助。

作為一名負責任的企業公民，我們相信，我們可以通過積極履行改善民生責任，促進社會和諧發展。我們的管理層鼓勵雇員通過社區參與改善社會，管理層及雇員均熱切希望通過自己的行動來幫助及支持當地社區及周邊同胞。本集團堅持履行企業的社會責任，我們與政府、媒體、醫院、慈善組織等機構合作，積極參與公益活動。

報告期內，本集團向慈善組織捐贈港幣100萬元用以發展社會慈善事業，獲香港公益金頒發的「公益卓越獎」。



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### APPENDIX: THE CONTENT INDEX FOR THE GUIDANCE OF ESG REPORT OF HKEX

### 附錄：香港聯交所環境、社會及管治報告指引內容索引

Major Categories, Aspects, General Disclosure and Key Performance Indicators 主要範疇、層面、一般披露及關鍵績效指標	Disclosure Requirement 披露要求	Disclosure Section 披露章節
<b>A. Environment</b> <b>A. 環境</b>		
<b>ASPECT A1: EMISSIONS</b> <b>層面 A1: 排放物</b>	General disclosure Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 一般披露 有關廢氣及溫室氣體排放、向水及土地的排汙、有害及無害廢棄物的產生等的：	4. Focus: Supremacy of Environment Protection Green Operation 4. 專注：環境至上 綠色經營
KPI A1.1 關鍵績效指標	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	4.2 Environment Management 4.2 環境管理
A1.1		
KPI A1.2 關鍵績效指標	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility) 溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	4.2.2 Exhaust Gas Emissions 4.2.2 廢氣排放
A1.2		
KPI A1.3 關鍵績效指標	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility) 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	4.2.3 Treatment of hazardous and nonhazardous waste 4.2.3 有害及無害廢棄物處理
A1.3		
KPI A1.4 關鍵績效指標	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility) 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	4.2.3 Treatment of hazardous and nonhazardous waste 4.2.3 有害及無害廢棄物處理
A1.4		
KPI A1.5 關鍵績效指標	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	4.2 Environment Management 4.2 環境管理
A1.5		
KPI A1.6 關鍵績效指標	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	4.2.3 Treatment of hazardous and nonhazardous waste 4.2.3 有害及無害廢棄物處理
A1.6		
<b>ASPECT A2: USE OF RESOURCES</b> <b>層面 A2: 資源使用</b>	General disclosure Policies on the efficient use of resources including energy, water and other raw materials. 一般披露 有效使用資源(包括能源、水及其他原材料)的政策。	4.1 Save Resources 4.1 節約資源
KPI A2.1 關鍵績效指標	Direct and / or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及/或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	4.1.2 Management of Energy 4.1.2 能源管理
A2.1		

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KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility). 關鍵績效指標 總耗水量及密度(如以每產量單位、每項設施計算)。 A2.2	General disclosure 一般披露	4.1.1 Management of Water Resource 4.1.1 水資源管理
KPI A2.3 Description of energy use efficiency initiatives and results achieved. 關鍵績效指標 描述能源使用效益計劃及所得成果。 A2.3	General disclosure 一般披露	4.1 Save Resources 4.1 節約資源
KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 關鍵績效指標 描述求取適用水源上可有任何問題, 以及提升用水效益計劃及所得成果。 A2.4	General disclosure 一般披露	4.1.1 Management of Water Resource 4.1.1 水資源管理
KPI A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced. 關鍵績效指標 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。 A2.5	General disclosure 一般披露	4.1.3 Management of Packaging Material 4.1.3 包裝材料管理
<b>ASPECT A3: THE ENVIRONMENT AND NATURAL RESOURCES I.</b> 層面 A3: 環境及天然資源	General disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources. 一般披露 減低發行人對環境及天然資源造成重大影響的政策。	4.2 Environment Management 4.2 環境管理
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 關鍵績效指標 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。 A3.1	General disclosure 一般披露	4.2 Environment Management 4.2 環境管理
<b>B. SOCIAL</b> <b>B. 社會</b> <b>EMPLOYMENT AND LABOUR PRACTICES</b> 僱傭及勞工常規		
<b>ASPECT B1: EMPLOYMENT</b> 層面 B1: 僱傭	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits. 一般披露 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的:	6.3.1 Employment Overview 6.3.1 僱傭概況
KPI B1.1 Total number of employees by gender, type of employment, age group and region. 關鍵績效指標 按性別、僱傭類型、年齡組別及地區劃分的雇員總數。 B1.1	Suggested disclosures 建議披露	6.3.1 Employment Overview 6.3.1 僱傭概況
KPI B1.2 Employee turnover by gender, age group and region. 關鍵績效指標 按性別、年齡組別及地區劃分的雇員流失比率。 B1.2	Suggested disclosures 建議披露	

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<b>ASPECT B2: HEALTH AND SAFETY</b> 層面 B2: 健康與安全 General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	General disclosure  一般披露	6.3.3 Health and Safety of Employees  6.3.3 員工健康和安全
一般披露 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 KPI B2.1 Work-related fatalities.	一般披露  Suggested disclosures	6.3.3 員工健康和安全  6.3.3 Health and Safety of Employees
關鍵績效指標 因工作關係而死亡的人數及比率。 B2.1 KPI B2.2 Number of working days lost due to work-related injuries. 關鍵績效指標 因工傷損失工作日數。 B2.2	建議披露  Suggested disclosures 建議披露	6.3.3 員工健康和安全  N/A 不適用
KPI B2.3 Describe the occupational health and safety measures adopted and the relevant enforcement and monitoring methods. 關鍵績效指標 描述所採納的職業健康與安全措施，以及相關執行及監察方法。 B2.3	Suggested disclosures 建議披露	6.3.3 Health and Safety of Employees 6.3.3 員工健康和安全
<b>ASPECT B3: DEVELOPMENT AND TRAINING</b> 層面 B3: 發展及培訓 General disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	General disclosure  一般披露	6.3.2 Staff Training and Development  6.3.2 員工培訓與發展
一般披露 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。 KPI B3.1 Percentage of trainees by gender and type of employee (e.g. senior management, middle management, etc.). 關鍵績效指標 按性別及雇員類別(如高級管理層、中級管理層等)劃分的受訓雇員百分比。 B3.1	Suggested disclosures 建議披露	6.3.2 Staff Training and Development 6.3.2 員工培訓與發展
KPI B3.2 Average number of hours completed by each employee by gender and type of employee. 關鍵績效指標 按性別及雇員類別劃分，每名雇員完成受訓的平均時數。 B3.2	Suggested disclosures 建議披露	6.3.2 Staff Training and Development 6.3.2 員工培訓與發展
<b>ASPECT B4 LABOUR STANDARDS</b> 層面 B4: 勞工準則 General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	General disclosure  一般披露	6.3.1 Employment Overview  6.3.1 僱傭概況
一般披露 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	一般披露	6.3.1 僱傭概況

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KPI B4.1 Describe measures to review recruitment practices to avoid child Labor and forced Labor. 關鍵績效指標 描述檢討招聘慣例的措施以避免童工及強制勞工。 B4.1	Suggested disclosures 建議披露	6.3.1 Employment Overview 6.3.1 僱傭概況
KPI B4.2 Describe the steps taken to eliminate violations when they are discovered. 關鍵績效指標 描述在發現違規情況時消除有關情況所採取的步驟。 B4.2	Suggested disclosures 建議披露	6.3.1 Employment Overview 6.3.1 僱傭概況
<b>Operating practice</b> <b>營運慣例</b>		
<b>ASPECT B5: SUPPLY CHAIN MANAGEMENT</b> <b>層面 B5: 供應鏈管理</b>		
General disclosure Policies on managing environmental and social risks of supply chain. 一般披露 管理供應鏈的環境及社會風險政策。	General disclosure 一般披露	6.2.2 Promote the Fulfillment of Suppliers' Social Responsibilities Continuously 6.2.2 持續推動供應商社會責任
KPI B5.1 Number of suppliers by geographical region. 關鍵績效指標 按地區劃分的供應商數目。 B5.1	Suggested disclosures 建議披露	6.2.1 Win-win Partnership Established with Suppliers 6.2.1 建立合作共贏的供應商夥伴關係
KPI B5.2 Describe the practices in relation to the employment of suppliers, the number of suppliers to whom the practices are enforced, and the methods of enforcement and monitoring of the practices. 關鍵績效指標 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目，以及有關慣例的執行及監察方法。 B5.2	Suggested disclosures 建議披露	6.2.1 Win-win Partnership Established with Suppliers 6.2.1 建立合作共贏的供應商夥伴關係
<b>Aspect B6: Product Responsibility</b> <b>層面 B6: 產品責任</b>		
General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters and remedies of the products and services provided. 一般披露 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	General disclosure 一般披露	3.2 Integrity: Quality-oriented 3.2 誠信：質量為本
KPI B6.1 Percentage of total products sold or shipped that must be recalled for safety and health reasons. 關鍵績效指標 已售或已運送產品總數中因安全與健康理由而須回收的百分比。 B6.1	Suggested disclosures 建議披露	3.2.4 Quick Response to Quality Issues 3.2.4 質量快速響應
KPI B6.2 Number of complaints about products and services received and approach to solve them. 關鍵績效指標 接獲關於產品及服務的投訴數目以及應對方法。 B6.2	Suggested disclosures 建議披露	6.1.2 Procedures for Managing Customer Complaints 6.1.2 客訴管理流程
KPI B6.3 Describe practices relating to the maintenance and protection of intellectual property rights. 關鍵績效指標 描述與維護及保障知識產權有關的慣例。 B6.3	Suggested disclosures 建議披露	5.4 Protection of Intellectual Property Rights 5.4 知識產權保護

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Major Categories, Aspects, General Disclosure and Key Performance Indicators 主要範疇、層面、一般披露及關鍵績效指標	Disclosure Requirement 披露要求	Disclosure Section 披露章節
KPI B6.4 Describe the quality verification process and product recovery procedures. 關鍵績效指標 描述質量檢定過程及產品回收程序。 B6.4	Suggested disclosures 建議披露	3.2 Integrity: Quality-oriented 3.2 誠信：質量為本
KPI B6.5 Describe consumer data protection and privacy policies, and their enforcement and monitoring methods. 關鍵績效指標 描述消費者資料保障及私隱政策，以及相關執行及監察方法。 B6.5	Suggested disclosures 建議披露	6.1.3 Protection of Customer Privacy 6.1.3 客戶隱私保護
<b>ASPECT B7: ANTI-CORRUPTION</b> <b>層面 B7: 反貪污</b>	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 一般披露 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	General disclosure 3.1 Integrity: Honesty 3.1 誠信：誠實守信
KPI B7.1 The number of corruption cases brought and concluded against the issuer or its employees during the Reporting Period and the results of the proceedings. 關鍵績效指標 於彙報期內對發行人或其雇員提出並已審結的貪污訴訟案件的數目及訴訟結果。 B7.1	Suggested disclosures 建議披露	3.1 Integrity: Honesty 3.1 誠信：誠實守信
KPI B7.2 Describe preventive measures and reporting procedures, as well as related enforcement and monitoring methods. 關鍵績效指標 描述防範措施及舉報程序，以及相關執行及監察方法。 B7.2	Suggested disclosures 建議披露	3.1 Integrity: Honesty 3.1 誠信：誠實守信
<b>Community</b> <b>社區</b>		
<b>Aspect B8: Community Investment</b> <b>層面 B8: 社區投資</b>	General disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 一般披露 有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	General disclosure 6.4 Win-win: Actively Practicing Social Responsibility 6.4 共贏：積極踐行社會責任
KPI B8.1 Focus on areas of contribution (e.g. education, environmental issues, labor needs, health, culture and sports) 關鍵績效指標 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。 B8.1	Suggested disclosures 建議披露	6.4 Win-win: Actively Practicing Social Responsibility 6.4 共贏：積極踐行社會責任
KPI B8.2 Resources (such as money or time) used in areas of focus 關鍵績效指標 在專注範疇所動用資源(如金錢或時間)。 B8.2	Suggested disclosures 建議披露	6.4 Win-win: Actively Practicing Social Responsibility 6.4 共贏：積極踐行社會責任



# Directors' Report

## 董事會報告

### DIRECTORS' REPORT

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2019.

### PRINCIPAL ACTIVITIES

The Company is a limited liability company incorporated in the Cayman Islands and its registered office address is Sertus Chambers, Governors Square, Suite #5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company, and the Company's subsidiaries are principally engaged in the research and development, manufacture and sale of automotive interior decorative components and parts.

### BUSINESS REVIEW

A review of the Group's business, investment and financial activities, including a fair review of the business using financial key performance indicators and an indication of likely future development in the Group's business as well as environmental policies and performance, as required by Schedule 5 of the Companies Ordinance (Chapter 622 of Laws of Hong Kong), is shown in the section headed "Management Discussion and Analysis" on pages 8 to 17 and in the section headed "Environmental, Social and Governance Report" on pages 38 to 79 of this annual report.

### POSSIBLE RISKS AND UNCERTAINTIES FACING THE COMPANY

Description of possible risks and uncertainties facing the Company is set out in note 24 to the financial statements in this annual report.

### MAJOR CUSTOMERS AND SUPPLIERS

The aggregate amount of revenue from the Group's largest and five largest customers for the year ended 31 December 2019 represented approximately 37.6% (31 December 2018: 42.2%) and 87.9% (31 December 2018: 89.0%), respectively, of the Group's total revenue from sales operations.

The aggregate amount of purchases from the Group's largest and five largest suppliers for the year ended 31 December 2019 represented approximately 13.4% (31 December 2018: 9.6%) and 39.4%, respectively (31 December 2018: 34.1%).

### 董事會報告

董事會欣然提呈本集團截至2019年12月31日止年度年報連同經審核綜合財務報表。

### 主要業務

本公司為一間於開曼群島註冊成立的有限公司及其註冊辦事處位於Sertus Chambers, Governors Square, Suite #5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands。

本公司為一間投資控股公司，而本公司的附屬公司主要從事汽車內飾件的研發、製造及銷售。

### 業務回顧

本年報第8至17頁「管理層討論及分析」一節及第38至79頁「環境、社會及管治報告」一節所載有關本集團業務、投資及財務活動的回顧，包括按照公司條例（香港法例第622章）附表5規定運用財務表現關鍵指標對業務作出的公平審閱及本集團日後可能出現的業務發展，以及環境政策和表現。

### 本公司可能面臨的風險及不明朗因素

本公司可能面臨的風險及不明朗因素的描述載於本年報財務報表附註24。

### 主要客戶及供應商

截至2019年12月31日止年度，來自本集團的最大客戶及五大客戶收入總額分別約佔本集團銷售業務總收入的37.6%（2018年12月31日：42.2%）及87.9%（2018年12月31日：89.0%）。

截至2019年12月31日止年度，向本集團最大供應商及五大供應商採購的總額分別約佔13.4%（2018年12月31日：9.6%）及39.4%（2018年12月31日：34.1%）。

# Directors' Report

## 董事會報告

So far as is known to our Directors, none of our Directors, their respective close associates or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

### KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group endeavours to maintain sustainable development in the long term, continuously create value for its employees and customers, and foster good relationships with its suppliers. The Group understands that employees are its valuable assets, and the realization and enhancement of employees' values will facilitate the achievement of the Group's overall goals. For the year ended 31 December 2019, the Group provided generous social security benefits to its employees to motivate them while heightening their sense of belonging. The Group also understands the importance of maintaining good relationships with its suppliers and customers to the overall development of the Group. The Group places emphasis on supplier selection and encourages fair and open competition to foster long-term relationships with quality suppliers on the basis of mutual trust. To maintain the competitiveness of its brand and products, the Group abides by the principles of honesty and trustworthiness and commits itself to consistently provide quality products to establish a reliable service environment for its customers. For the year ended 31 December 2019, there was no significant and material dispute between the Group and its suppliers and/or customers.

### FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on page 5 of this annual report.

### TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

就我們的董事所知，概無董事、彼等各自的緊密聯繫人或於本公司5%以上的已發行股本中擁有權益的股東於本集團的五大客戶或五大供應商中擁有任何權益。

### 與僱員、客戶及供應商的重要關係

本集團致力於保持長期的可持續發展，為僱員和客戶持續創造價值，並與供應商維持良好關係。本集團深明僱員為寶貴資產，僱員價值的實現與提升，會有助於本集團整體目標的實現。於截至2019年12月31日止年度，本集團為僱員提供豐富的社保福利，在激發僱員工作積極性的同時亦加強了僱員的歸屬感。本集團亦明白與供應商及客戶維持良好關係，對本集團之整體發展十分重要。本集團十分重視對供應商的選擇，鼓勵公平及公開競爭，本著互信與優質供應商建立長遠的合作關係。為維持本集團品牌及產品之競爭力，本集團秉承誠實守信之原則，致力向客戶提供一貫之優質產品，為客戶營造一個可信賴的服務環境。於截至2019年12月31日止年度，本集團與其供應商及／或客戶之間概無重要及重大之糾紛。

### 財務概要

本集團過去五個財政年度的已公佈業績及資產及負債概要載於本年報第5頁。

### 稅務寬免及豁免

董事並不知悉股東因持有本公司之證券而享有任何稅務寬免及豁免。

# Directors' Report

## 董事會報告

### FINAL DIVIDEND

The Board is pleased to recommend the payment of a final dividend of HK\$0.6 cents per ordinary Share (the "Proposed Final Dividend") for the year ended 31 December 2019. Subject to the approval of the Proposed Final Dividend by the Shareholders at the Company's forthcoming annual general meeting to be held on 12 June 2020. The Proposed Final Dividend will be paid on or about 18 August 2020 to the Shareholders whose names appear on the register of members of the Company on 24 June 2020.

There is no arrangement under which a shareholder has waived or agreed to waive any dividends.

### SHARE CAPITAL

Details of the movements in share capital of the company during the year are set out in note 23 to the financial statements in this annual report.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to contributing to the sustainability of the environment and is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. We strive to minimize our environmental impact by saving electricity and water and encouraging recycle of office supplies and other materials.

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year ended 31 December 2019, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

### BANKING FACILITIES AND OTHER BORROWINGS

Details of the borrowings are set out in the section headed "Management Discussion and Analysis" in this annual report and note 17 to the financial statements in this annual report.

### EVENT AFTER THE REPORTING PERIOD

Details of the event after the reporting period are set out in note 28 to the financial statements in this annual report.

### 末期股息

董事會欣然建議派付截至2019年12月31日止年度末期股息每股普通股0.6港仙(「建議末期股息」)。建議末期股息須待股東於2020年6月12日舉行之應屆股東週年大會上批准作實。建議末期股息將於2020年8月18日或該日期前後向於2020年6月24日名列本公司股東名冊的股東派付。

概無任何有關股東放棄或同意放棄任何股息的安排。

### 股本

本公司股本於年內的變動詳情載於本年度財務報表附註23。

### 環境政策及表現

本集團致力促進環境可持續性，銳意成為關注保護自然資源的環保企業。我們透過節約用電用水及鼓勵循環再用辦公用品及其他材料，努力降低對環境的影響。

### 遵守相關法律及法規

截至2019年12月31日止年度，據本公司所知悉，本集團並無嚴重違反或不遵守任何對本集團業務及運營有重大影響的適用法律及法規。

### 銀行融資及其他借款

借款詳情載於本年報「管理層討論及分析」一節及本年報財務報表附註17。

### 報告期後事件

報告期後事件詳情載於本年報財務報表附註28。

# Directors' Report

## 董事會報告

### PROPERTIES, PLANT AND EQUIPMENT

Details of movements in properties, plants and equipment for the year ended 31 December 2019 are set out in note 11 to the financial statements in this annual report.

### DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's reserves available for distribution amounted to RMB213.2million of which RMB10.8 million has been proposed as a final dividend for the year ended 31 December 2019.

### RESERVES

Details of the movement in the reserves of the Group and of the Company during the year ended 31 December 2019 are set out in note 23 to the financial statements in this annual report.

### DIVIDEND POLICY

The Company seeks to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy. The Company's dividend policy aims to allow shareholders to participate in the Company's profit and for the Company to retain adequate reserves for future development. When considering the dividend payment, the Board shall take into account the factors including but not limited to the Company's operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, capital expenditure and future development requirements, shareholders' interests and other factors that the Board considers relevant.

### 物業、廠房及設備

有關本集團截至2019年12月31日止年度的物業、廠房及設備變動，詳情載於本年報財務報表附註11。

### 可供分派儲備

於2019年12月31日，本公司之可供分派儲備為人民幣213.2百萬元，其中人民幣10.8百萬元已獲建議作為截至2019年12月31日止年度之末期股息。

### 儲備

本集團及本公司截至2019年12月31日止年度儲備變動詳情載於本年報財務報表附註23。

### 股息政策

本公司致力通過可持續的股息政策，在符合股東期望與審慎資本管理兩者之間保持平衡。本公司的股息政策旨在讓股東得以分享本公司的利潤，同時讓本公司預留足夠儲備金供日後發展之用。董事會於考慮派付股息時將考慮下列因素，包括但不限於本公司的經營及盈利、資本要求及盈餘、整體財務狀況、合約限制、資本開支及未來發展需要、股東權益及董事會認為相關的其他因素。

# Directors' Report

## 董事會報告

### PRE-EMPTIVE RIGHTS

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

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2019 and up to the date of this annual report, neither our Company, nor its subsidiary have purchased, redeemed or sold any of the Company's listed securities.

### SUFFICIENCY OF THE PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the directors of the Company as of the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules at any time up to the date of this annual report.

### DIRECTORS' INDEMNITIES AND INSURANCE

As permitted by the articles of association of the Company, every Director or other officer of the Company shall be entitled to be indemnified out of the assets and profit of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her office or otherwise in relation thereto.

The Company has arranged appropriate directors' and officer's liability coverage for the Directors and officers of the Company.

### EQUITY-LINKED AGREEMENTS

There were no equity-linked agreements entered into by the Group, or existed during the year ended 31 December 2019.

### CHARITABLE DONATIONS

During the year ended 31 December 2019, the Group made a donation of HK\$1 million to The Community Chest of Hong Kong.

### 優先購買權

本公司組織章程細則或開曼群島法律概無有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

### 購買、出售或贖回上市證券

截至2019年12月31日止年度及直至本年報日期，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

### 公眾持股量充足

根據截至本年報日期本公司可取得的公開資料及據本公司董事所知，本公司於截至本年報日期止的任何時間，一直維持上市規則所訂明的公眾持股量。

### 董事的彌償及保險

本公司章程細則允許本公司各董事或其他高級職員有權就履行其職責或其他與此有關方面蒙受或產生的所有虧損或債務自本公司的資產及溢利中獲得賠償。

本公司已為本公司董事及高級職員購買適當的董事及高級職員責任保險作為保障。

### 股票掛鈎協議

截至2019年12月31日止年度，本集團並無訂立或已有股票掛鈎協議。

### 慈善捐款

截至2019年12月31日止年度，本集團向香港公益金捐款港幣100萬元。

# Directors' Report

## 董事會報告

### DIRECTORS

The Directors who held office during the year ended 31 December 2019 and up to the date of this annual report are:

#### Executive Directors

Mr. Hou Jianli (*Chairman*)  
Ms. Chen Bierui  
Mr. Zhao Shijie

#### Independent Non-executive Directors

Mr. Zhu Hongqiang  
Mr. Zhou Genshu  
Mr. Shin Yick Fabian

Mr. Hou Jianli and Mr. Zhao Shijie shall retire from office by rotation in accordance with Article 108 of the Company's Articles of Association and, being eligible, offer themselves for re-election in the forthcoming annual general meeting.

### INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has received from each of the Independent Non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules, and considers that all the Independent Non-executive Directors are independent.

### BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 18 to 24 of this annual report.

### DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with our Company commencing from 15 January 2019 for an initial term of three years unless terminated by either party giving not less than one month's notice in writing to the other party.

Each of the Independent Non-executive Directors has entered into an appointment letter with our Company for an initial term of three years commencing from 15 January 2019 unless terminated by either party giving not less than one month's written notice to the other party.

### 董事

截至2019年12月31日止年度及截至本報告日期止的董事如下：

#### 執行董事

侯建利先生(主席)  
陳別銳女士  
趙世傑先生

#### 獨立非執行董事

朱紅強先生  
周根樹先生  
冼易先生

侯建利先生及趙世傑先生將根據本公司組織章程細則第108條輪值退任，並有資格在即將舉行的股東週年大會上重選連任。

### 獨立非執行董事之獨立性

董事會接獲各獨立非執行董事根據上市規則第3.13條就其獨立性發出之年度確認書，並認為全體獨立非執行董事均屬獨立人士。

### 董事及高級管理人員履歷詳情

本年報日期之董事及本集團高級管理人員履歷詳情載於本年報第18頁至24頁「董事及高級管理層履歷」一節。

### 董事的服務合約

各執行董事已與本公司訂立服務合約，自2019年1月15日起計初步為期三年，除非由任何一方另向另一方發出不少於一個月書面通知予以終止。

各獨立非執行董事已與本公司簽署聘書，自2019年1月15日起計初步為期三年，除非由任何一方另向另一方發出不少於一個月書面通知予以終止。



# Directors' Report

## 董事會報告

None of the Directors being proposed for re-election at the forthcoming annual general meeting has entered into a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

### CONTRACTS WITH DIRECTORS AND CONTROLLING SHAREHOLDERS

No contract of significance (as defined under Notes 16.1 and 16.2 of Appendix 16 to the Listing Rules) has been entered into between the Company or any of its subsidiaries and a controlling Shareholder or any of its subsidiaries during the year ended 31 December 2019.

No contract of significance (as defined under Notes 15.2 and 15.3 of Appendix 16 to the Listing Rules) which the Company or any of its subsidiaries was a party, and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2019.

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

Save as disclosed in note 26 to the financial statements, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company, any of its subsidiaries was a party and in which any Director or an entity connected with him/her or Controlling Shareholder of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year under review.

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

Details of the remuneration of the Directors of the Company and five highest paid individuals are set out in note 8 and 9 to the financial statements in this annual report. The emoluments of the Directors is determined by reference to the relevant Directors' experience, responsibility, workload and the time devoted to our Group.

### DIRECTORS' COMPETING INTERESTS

None of our Directors and their respective close associates are interested in any business which competes or is likely to compete with that of our Group.

建議於應屆股東週年大會上重選的董事概無與本公司或其任何附屬公司訂立不可由本集團於一年內終止而無須補償(法定補償除外)的服務合約。

### 與董事及控股股東的合約

截至2019年12月31日止年度，本公司或其任何附屬公司與控股股東或其任何附屬公司之間概無訂立任何重大合約(定義見上市規則附錄16附註16.1及16.2)。

本公司或其任何附屬公司概無於年終或截至2019年12月31日止年度內任何時間存續而董事(不論直接或間接)於其中擁有重大權益之任何重大合約(定義見上市規則附錄16附註15.2及15.3)。

### 董事於交易、安排及合約之權益

除於財務報表附註26所披露者外，於本年終結算日或回顧年內任何時間，概無本公司董事或與他/她有關的實體或控股股東於與本集團業務有關，而本公司、其任何附屬公司為合約方之重大交易、安排或合約直接或間接擁有重大權益。

### 董事及五名最高薪人士的薪酬

本公司董事及五名最高薪人士的薪酬詳情載於本年報財務報表附註8及9。董事酬金乃基於相關董事的經驗、責任、工作量及對本公司投入的時間而釐定。

### 董事的競爭權益

每一位董事及彼等各自的緊密聯繫人概無於與本集團業務競爭或有可能競爭的任何業務中擁有權益。

# Directors' Report

## 董事會報告

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Details of corporate governance practice adopted by the Company are set out in the section of "Corporate Governance Report" of this annual report.

### 遵守企業管治守則

本公司採納的企業管治常規詳情載於本年報「企業管治報告」一節中。

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

As at the date of this annual report, the interests or short positions of each of our Directors and chief executive of our Company in our Shares, underlying Shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which, were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which any of them was taken or deemed to have taken under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to our Company and the Stock Exchange pursuant to the Model Code were as follows:

### 董事及最高行政人員於股份、相關股份及債權證的權益及淡倉

於本年報日期，我們董事及本公司主要行政人員各自於本公司及其相聯法團（定義見證券及期貨條例第 XV 部）的股份、相關股份或債權證中擁有根據證券及期貨條例第 XV 部第 7 及第 8 分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的條文任何彼等被當作或視作擁有的權益或淡倉）或根據證券及期貨條例第 352 條須記入該條所述的登記冊中及根據標準守則須知會本公司及聯交所的權益或淡倉將如下：

#### (a) Interest in our Company

#### (a) 於本公司的權益

Name of Director 董事姓名	Nature of interest 權益性質	Number of Shares (Note 1) 股份數目(附註1)	Percentage of shareholding 持股百分比
Mr. Hou 侯先生	Interest of spouse; interest in a controlled corporation (Note 2) 配偶權益；受控制法團權益(附註2)	1,500,000,000 (L)	75%
Ms. Chen 陳女士	Interest of spouse; interest in a controlled corporation (Note 2) 配偶權益；受控制法團權益(附註2)	1,500,000,000 (L)	75%

Notes:

附註：

- The letter "L" denotes our Directors' long position (as defined under Part XV of the SFO) in such Shares.
- Mr. Hou is the spouse of Ms. Chen. The entire issued share capital of H&C Group Holding Limited is beneficially and legally owned as to 60% and 40% by Mr. Hou and Ms. Chen respectively. By virtue of the SFO, each of Mr. Hou and Ms. Chen is deemed to be interested in the same number of Shares held by H&C Group Holding Limited.

- 字母「L」指我們董事於該等股份的好倉（定義見證券及期貨條例第 XV 部）。
- 侯先生為陳女士的配偶。H&C Group Holding Limited 的全部已發行股本分別由侯先生及陳女士實益及合法擁有 60% 及 40%。根據證券及期貨條例，侯先生及陳女士均被視為於 H&C Group Holding Limited 所持的相同數目股份中擁有權益。

# Directors' Report

## 董事會報告

### (b) Interests in our associated corporations

### (b) 於相聯法團的權益

Name of Director 董事姓名	Name of associated corporation 相聯法團的名稱	Nature of interest 權益性質	Number of shares (Note 1) 股份數目(附註1)	Percentage of shareholding 股權百分比
Mr. Hou 侯先生	H&C Group Holding Limited	Beneficial owner; Interest of spouse (Note 2) 實益擁有人；配偶權益(附註2)	100 (L)	100%
Ms. Chen 陳女士	H&C Group Holding Limited	Beneficial owner; Interest of spouse (Note 2) 實益擁有人；配偶權益(附註2)	100 (L)	100%

Notes:

- The letter "L" denotes the long position (as defined under Part XV of the SFO) in such shares.
- Mr. Hou is the spouse of Ms. Chen. The entire issued share capital of H&C Group Holding Limited is beneficially and legally owned as to 60% and 40% by Mr. Hou and Ms. Chen respectively. By virtue of the SFO, each of Mr. Hou and Ms. Chen is deemed to be interested in the same number of shares held by H&C Group Holding Limited.

附註：

- 字母「L」指於該等股份的好倉(定義見證券及期貨條例第XV部)。
- 侯先生為陳女士的配偶。H&C Group Holding Limited的全部已發行股本分別由侯先生及陳女士實益及合法擁有60%及40%。根據證券及期貨條例，侯先生及陳女士均被視為於H&C Group Holding Limited所持的相同數目股份中擁有權益。

Save as disclosed above, as at the date of this annual report, none of the Directors or the chief executive of our Company has any interests or short positions in our shares, underlying shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which any of them was taken or deemed to have taken under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to our Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，於本年報日期，概無本公司董事或行政總裁於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所(包括根據證券及期貨條例的條文何彼等被當作或視作擁有的權益或淡倉)或根據證券及期貨條例第352條須記入該條所述的登記冊中及根據標準守則須知會本公司及聯交所的權益或淡倉。

# Directors' Report

## 董事會報告

### INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the date of this annual report, the persons or corporations who has an interest or short position in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

### 主要股東於股份或相關股份中擁有的權益及淡倉

於本年報日期，根據證券及期貨條例第 XV 部第 2 及第 3 分部須向本公司披露或根據證券及期貨條例第 336 條須備存的登記冊所記錄，下列人士或法團於本公司的股份或相關股份中擁有的權益或淡倉如下：

Name of Shareholder 股東名稱	Nature of interest 權益性質	Number of shares (Note 1) 股份數目(附註1)	Percentage of shareholding 持股百分比
H&C Group Holding Limited	Beneficial owner 實益擁有人	1,500,000,000 (L)	75%
Mr. Hou 侯先生	Interest of spouse; interest in a controlled corporation (Note 2) 配偶權益；受控制法團權益(附註2)	1,500,000,000 (L)	75%
Ms. Chen 陳女士	Interest of spouse; interest in a controlled corporation (Note 2) 配偶權益；受控制法團權益(附註2)	1,500,000,000 (L)	75%

Notes:

- The letter "L" denotes the long position (as defined under Part XV of the SFO) in such shares.
- Mr. Hou is the spouse of Ms. Chen. The entire issued share capital of H&C Group Holding Limited is beneficially and legally owned as to 60% and 40% by Mr. Hou and Ms. Chen respectively. By virtue of the SFO, each of Mr. Hou and Ms. Chen is deemed to be interested in the same number of shares held by H&C Group Holding Limited.

附註：

- 字母「L」指於該等股份的好倉(定義見證券及期貨條例第 XV 部)。
- 侯先生為陳女士的配偶。H&C Group Holding Limited 的全部已發行股本分別由侯先生及陳女士實益及合法擁有 60% 及 40%。根據證券及期貨條例，侯先生及陳女士均被視為於 H&C Group Holding Limited 所持的相同數目股份中擁有權益。

Save as disclosed above, as at the date of this annual report, the directors were not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

除上文披露者外，於本年報日期，董事并不知悉任何其他人士或法團於本公司股份或相關股份中擁有根據證券及期貨條例第 XV 部第 2 及第 3 分部須向本公司披露或根據證券及期貨條例第 336 條須備存的登記冊所記錄的權益或淡倉。

# Directors' Report

## 董事會報告

### DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2019 or the period following 31 December 2019 up to the date of this annual report, was the Company or any of its subsidiaries or holding company or any of the subsidiaries of the Company's holding company a party to any arrangement to enable the Directors or the chief executive of the Company or their respective associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors and chief executive, or their spouse and children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during such period.

### RETIREMENT BENEFIT PLAN

The Group participates in defined contribution retirement benefit plan managed by the PRC local government authorities for the Group's eligible employees in the PRC, and operates a Mandatory Provident Fund Scheme under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. Particulars of these retirement plans are set out in note 6 to the financial statements in this annual report.

### RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2019, which did not constitute connected transactions under chapter 14A of the Listing Rules are set out in note 26 of the financial statements in this annual report.

### DEED OF NON-COMPETITION

The Company has received the written confirmation from each of H&C Group Holding Limited, Mr. Hou Jianli, Ms. Chen Bierui (the "Covenantors") in respect of the compliance with the terms of the non-compete undertaking (the "Non-compete Undertaking"), entered into between the Covenantors and the Company as set out in the section headed "Relationship with Controlling Shareholders — Non-Competition Undertakings From Our Controlling Shareholders" of the Prospectus. Each of the Covenantors has confirmed and declared that he/she/it had strictly complied with the Non-compete Undertaking without any breach thereof. All the Independent Non-executive Directors had reviewed the matters relating to the enforcement of the Non-compete Undertaking and consider that the terms of the Non-compete Undertaking have been complied with by each of the Covenantors for the year ended 31 December 2019.

### 董事收購股份或債權證的權利

本公司或其任何附屬公司於截至2019年12月31日止年度任何時間概無訂立任何安排，致使董事可藉收購本公司或任何其他法團的股份或債權證而獲益，而截至2019年12月31日止年度，董事、彼等的配偶或18歲以下的子女概無擁有或行使任何認購本公司證券的權利。

### 退休福利計劃

本集團為本集團合資格的中國僱員參與中國地方政府部門管理的定額供款退休福利計劃，並根據香港強制性公積金計劃條例為其根據香港僱傭條例僱用之僱員設立強制性公積金計劃。有關此等退休計劃的詳情載於本年報財務報表附註6。

### 關聯方交易

截至2019年12月31日止年度，本集團與關聯方交易（不構成上市規則第14A章項下之持續關連交易）之詳情載於本年報財務報表附註26。

### 不競爭契據

本公司已接獲H&C Group Holding Limited、侯建利先生、陳別銳女士（「契諾人」）各自就遵守招股章程內「與控股股東的關係 — 我們控股股東之不競爭承諾」一節所載契諾人與本公司訂立的不競爭承諾（「不競爭承諾」）條款發出的書面確認。各契諾人已確認並作出聲明，其一直嚴格遵守不競爭承諾，並無違反當中任何條款。全體獨立非執行董事已審閱有關不競爭承諾執行情況的事宜，並認為各契諾人於截至2019年12月31日止年度已遵守不競爭承諾的條款。

# Directors' Report

## 董事會報告

### AUDITORS

The Company appointed KPMG as auditors of the Company for the year ended 31 December 2019.

KPMG will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

**China Tianrui Automotive Interiors Co., LTD**

**Hou Jianli**

*Chairman*

Xi'an, the PRC, 27 March 2020

### 核數師

截至2019年12月31日止年度，本公司已委聘畢馬威會計師事務所為本公司核數師。

畢馬威會計師事務所將退任並符合資格願意於應屆股東週年大會重獲委聘。本公司將於應屆股東週年大會提呈決議案，續聘畢馬威會計師事務所為本公司核數師。

代表董事會

中國天瑞汽車內飾件有限公司

主席

侯建利

中國·西安·2020年3月27日



# Independent Auditor's Report

## 獨立核數師報告



**Independent auditor's report to the shareholders of  
China Tianrui Automotive Interiors Co., LTD**  
*(Incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of China Tianrui Automotive Interiors Co., LTD (the "Company") and its subsidiaries (the "Group") set out on pages 101 to 196, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 its 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 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 (the "HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code") 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.

致中國天瑞汽車內飾件有限公司  
股東的獨立核數師報告  
*(於開曼群島註冊成立的有限公司)*

### 意見

我們就第101至196頁所載中國天瑞汽車內飾件有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表進行審計，該等財務資料包括於2019年12月31日的綜合財務狀況表、截至該日止年度的綜合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，包括重大會計政策概要。

我們認為，該等綜合財務報表已根據國際會計準則理事會頒佈的國際財務報告準則真實公平反映貴集團於2019年12月31日的綜合財務狀況及其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披露規定進行編製。

### 意見基準

我們已根據香港會計師公會頒佈的香港審計準則進行審計。我們在該等準則下承擔的責任已在本報告核數師就審計綜合財務報表承擔的責任一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)及與我們審計開曼群島的綜合財務報表有關的任何道德規定，我們獨立於貴集團，並已履行此等規定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審計意見提供基礎。

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS

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

### 關鍵審計事項

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

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

Loss allowance for trade receivables 貿易應收款項虧損準備	
<p>Refer to Notes 14 and 24(a) to the consolidated financial statements and the accounting policies in Notes 2(g)(i) and 2(j).</p> <p>參閱綜合財務報表附註14和24(a)及附註2(g)(i)和2(j)的會計政策。</p>	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 審計事項如何解決
<p>At 31 December 2019, the Group had a significant balance of gross trade receivables which amounted to RMB164,505,000, representing approximately 31.48% of the Group's total assets at that date, against which loss allowance of RMB 3,001,000 was recorded.</p> <p>於2019年12月31日，貴集團的貿易應收款項餘額為人民幣164,505,000元，佔貴集團於該日總資產賬面價值約31.48%，而錄得虧損撥備人民幣3,001,000元。</p> <p>The Group's trade receivables mainly arose from heavy truck and passenger vehicle manufacturers.</p> <p>貴集團的貿易應收款項主要來自重型卡車及乘用車製造商。</p> <p>Management measures loss allowance at an amount equal to lifetime expected credit loss for trade receivables which is based on ageing of the receivables and expected loss rate.</p> <p>管理層根據貿易應收款項的賬齡和預期虧損率按可使用年期的預期信貸虧損相等金額計量虧損準備。</p> <p>We identified the loss allowance for trade receivables as a key audit matter because determining the level of loss allowance is inherently subjective which requires significant management judgement.</p> <p>我們將貿易應收款項虧損準備確定為關鍵審計事項，因為確定虧損準備水準本質上是主觀的，需要作出重大的管理判斷。</p>	<p>Our audit procedures to assess the loss allowance for trade receivables included the following:</p> <p>與評價貿易應收款項壞賬準備相關的審計程序包括以下各項：</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls relating to credit control, debt collection and estimate of credit loss allowances;</li> <li>• 瞭解及評估管理層與信貸控制，債務追收和信貸虧損準備估計有關的關鍵內部監控的設計、實施及運作有效性；</li> <li>• assessing whether items were correctly categorised in the trade receivables ageing report by comparing a sample of individual items with the underlying goods delivery notes, sales invoices and other relevant underlying documentation;</li> <li>• 通過將單個專案的樣本與其貨物交付單，銷售發票和其他相關文檔進行比較，評估項目是否在貿易應收賬款項賬齡報告中正確分類；</li> <li>• assessing the reasonableness of management's loss allowance estimates for trade receivables by examining the information used by management to form such judgements, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on latest financial information of major customers, current economic conditions and forward-looking information; and</li> <li>• 通過檢查管理層用以形成此類判斷的資訊，評估管理層對貿易應收款項虧損準備估計的合理性，包括測試歷史違約資料的準確性，並根據主要客戶的最新財務資訊評估歷史損失率是否已適當地調整，及當前的經濟狀況和前瞻性資訊；和</li> <li>• Inspecting relevant underlying documentation in respect of significant payments made by the customers after the end of the reporting period.</li> <li>• 於報告期末後，檢查有關客戶重大付款的相關文檔。</li> </ul>

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

Timing of revenue recognition 收入確認時間	
<p>Refer to Note 4 to the consolidated financial statements and the accounting policies in Note 2(q). 參閱綜合財務報表附註4及附註2(q)的會計政策。</p>	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 審計事項如何解決
<p>Revenue from sales of automotive interior and exterior decorative products is recognised when products are delivered at the customers' premises, the customers take possession of and accept the products, which is taken to be the point in time when the Group transfers control over the products to the customers. 當貨物於客戶場地交付，客戶佔有及接納產品時，即被視為在貴集團將對產品的控制權轉讓予該客戶的某一個時間點，銷售汽車內外飾件產品之收入方確認入賬。</p> <p>We identified the timing of revenue recognition as a key audit matter because revenue is a key performance indicator of the Group which increases the risk that the timing of revenue recognition may be manipulated to meet financial expectations or targets. 我們識別收入確認時間為關鍵審計事項，因為收入為貴集團一項的關鍵表現指標，增加收入可能受操控以達致財政預期或目標的風險。</p>	<p>Our audit procedures to assess the timing of recognition of revenue included the following: 與評價收入確認時點相關的審計程序包括以下各項：</p> <ul style="list-style-type: none"> <li>obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition;</li> <li>瞭解及評估管理層與收入確認有關的關鍵內部監控的設計、實施及運作有效性；</li> <li>inspecting key customer contracts to identify terms and conditions relating to goods acceptance and assessing the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards;</li> <li>檢閱與關鍵客戶的合約，以識別與貨物認可有關係的條款及條件，並根據現行會計準則的規定評估貴集團的收入確認時間；</li> <li>comparing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with underlying documentation, which included goods acceptance notes, to assess whether the revenue had been recognised in accordance with the terms of the sales contracts and in the appropriate financial periods;</li> <li>按照樣本基準，比較於財政年度結算日前後錄得的特定收入交易與相關文檔(包括貨物簽收單)，以評估收入是否已根據銷售合約條款於合適財政期間確認；</li> <li>inspecting underlying documentation for manual journal entries relating to revenue which were recorded during the year and which met other specific risk-based criteria; and</li> <li>檢閱與年內錄得收入相關及符合其他特定風險特徵的手工會計分錄的相關文件；及</li> </ul>

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

Timing of revenue recognition 收入確認時點	
Refer to Note 4 to the consolidated financial statements and the accounting policies in Note 2(q). 參閱綜合財務報表附註4及附註2(q)的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 審計事項如何解決
	<ul style="list-style-type: none"> <li>obtaining external confirmation of, on a sample basis, transaction amounts for the year and debtor balances as at the financial year end directly with customers.</li> <li>按照樣本基準，直接向客戶發放年度交易金額和截至財政年度末貿易應收款項餘額的詢證函。</li> </ul>

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

### 綜合財務報表及核數師報告以外的資料

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

董事須對其他資料負責。其他資料包括載於年報內的所有資料，惟不包括綜合財務報表及我們的核數師報告。

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

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。

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.

結合我們對綜合財務報表的審計，我們的責任為閱讀其他資料，在此過程中，考慮其他資訊是否與綜合財務報表或我們在審計過程中所瞭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。

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.

基於我們已執行的工作，如果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。在這方面，我們沒有任何報告。

# Independent Auditor's Report

## 獨立核數師報告

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the 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.

### 董事就綜合財務報表承擔的責任

董事負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定編製作出真實公平反映的綜合財務報表，並落實董事認為必要的內部監控，以確保於編製綜合財務報表時不存在因欺詐或錯誤而引致的重大錯誤陳述。

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

審核委員會協助董事履行彼等的責任，監督貴集團的財務申報流程。

### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理核證，並出具包括我們意見的核數師報告。本報告僅向閣下作為整體報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理核證是高水準的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤而引致，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。



# 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 HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

### 核數師就審計綜合財務報表承擔的責任(續)

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見基準。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

# Independent Auditor's Report

## 獨立核數師報告

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

(Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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.

### 核數師就審計綜合財務報表承擔的責任(續)

- 評價綜合財務報表的整體呈列方式、結構和內容，包括披露，以及綜合財務報表是否公允反映交易和事項。
- 就貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

# Independent Auditor's Report

## 獨立核數師報告

The engagement partner on the audit resulting in this independent auditor's report is Chu Man Wai.

出具本獨立核數師報告的審計項目合夥人為朱文偉。

### **KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

27 March 2020

**畢馬威會計師事務所**

執業會計師

香港中環

遮打道10號

太子大廈8樓

2020年3月27日

# Consolidated Statement of Profit or Loss

## 綜合損益表

For the year ended 31 December 2019 截至2019年12月31日止年度  
(Expressed in Reminbi ("RMB")) (以人民幣(「人民幣」)列示)

		Note	2019	2018
		附註	RMB'000	(Note)
			人民幣千元	人民幣千元
<b>Revenue</b>	收入	4	<b>297,907</b>	263,820
Cost of sales	銷售成本		<b>(196,719)</b>	(173,915)
<b>Gross profit</b>	毛利	4(b)	<b>101,188</b>	89,905
Other income/(loss)	其他收入/(虧損)	5	<b>6,056</b>	(596)
Selling expenses	銷售費用		<b>(9,266)</b>	(7,278)
Administrative expenses	行政開支		<b>(40,337)</b>	(41,598)
<b>Profit from operations</b>	經營溢利		<b>57,641</b>	40,433
Finance costs	財務成本	6(a)	<b>(5,724)</b>	(7,577)
<b>Profit before taxation</b>	除稅前溢利	6	<b>51,917</b>	32,856
Income tax	所得稅	7(a)	<b>(7,095)</b>	(4,840)
<b>Profit attributable to equity shareholders of the Company for the year</b>	公司權益股東應佔年內溢利		<b>44,822</b>	28,016
<b>Earnings per share</b>	每股盈利			
Basic and diluted (RMB cents)	基本及攤薄(人民幣分)	10	<b>2.25</b>	1.87

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日採用經修訂追溯法首次應用國際財務報告準則第16號。根據此方法，比較資料未經重列。見附註2(c)。

The notes on pages 109 to 196 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 23(c).

第109至196頁之附註構成本財務報表的一部分。應付予本公司權益股東應佔年內溢利之股息的詳情載於附註23(c)。

# 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2019年12月31日止年度  
Expressed in RMB (以人民幣列示)

		2019	2018
		RMB'000	(Note)
		人民幣千元	(附註)
			RMB'000
			人民幣千元
<b>Profit for the year</b>	年內溢利	<b>44,822</b>	28,016
<b>Other comprehensive income for the year (after tax):</b>	年內其他全面收入 (扣除稅項後):		
Items that may be reclassified subsequently to profit or loss:	可能隨後重新分類至損益的項目:		
— Exchange differences on translation into presentation currency of the Group	— 換算為本集團呈列貨幣的匯兌差額	<b>(127)</b>	664
<b>Total comprehensive income attributable to equity shareholders of the Company for the year</b>	公司權益股東應佔年內全面總收入	<b>44,695</b>	28,680

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日採用經修訂追溯法首次應用國際財務報告準則第16號。根據此方法，比較資料未經重列。見附註2(c)。

The notes on pages 109 to 196 form part of these financial statements.

第109至196頁之附註構成本財務報表的一部分。

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2019 於2019年12月31日  
Expressed in RMB (以人民幣列示)

		Note	2019	2018
		附註	RMB'000	(Note)
			人民幣千元	RMB'000
				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	11	128,983	114,501
Lease prepayments	租賃預付款項		—	9,486
Prepayments for acquisitions of property, plant and equipment	購置物業、廠房及設備之預付款項	15(a)	22,962	9,322
Deferred tax assets	遞延稅項資產	22(b)	1,880	758
			<b>153,825</b>	134,067
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	13	60,814	27,252
Trade and bills receivables	貿易應收款項及應收票據	14	235,944	132,965
Prepayments and other receivables	預付款項及其他應收款項	15(b)	12,021	11,324
Cash at bank and on hand	銀行及手頭現金	16	59,948	33,385
			<b>368,727</b>	204,926
<b>Current liabilities</b>	<b>流動負債</b>			
Bank and other loans	銀行及其他貸款	17	73,691	37,449
Trade and bills payables	貿易應付款項及應付票據	18	168,406	136,867
Accrued expenses and other payables	應計開支及其他應付款項	19	36,409	27,576
Amounts due to the controlling shareholders	應付控股股東款項		—	1,405
Lease liabilities	租賃負債	20	1,007	—
Current taxation	即期稅項	21(a)	3,595	2,318
			<b>283,108</b>	205,615
<b>Net current assets/(liabilities)</b>	<b>流動資產/(負債)淨額</b>		<b>85,619</b>	(689)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>239,444</b>	133,378

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日採用經修訂追溯法首次應用國際財務報告準則第16號。根據此方法，比較資料未經重列。見附註2(c)。

The notes on pages 109 to 196 form part of these financial statements.

第109至196頁之附註構成本財務報表的一部分。



# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2019 於2019年12月31日  
Expressed in RMB (以人民幣列示)

		Note	2019	2018
		附註	RMB'000	(Note)
			人民幣千元	RMB'000
				人民幣千元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank and other loans	銀行及其他貸款	17	4,395	15,359
Lease liabilities	租賃負債	20	1,983	—
Deferred income	遞延收入	22	2,347	2,572
			<b>8,725</b>	17,931
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>230,719</b>	115,447
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>	23		
Share capital	股本		17,522	13,216
Reserves	儲備		213,197	102,231
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>230,719</b>	115,447

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日採用經修訂追溯法首次應用國際財務報告準則第16號。根據此方法，比較資料未經重列。見附註2(c)。

Approved and authorised for issue by the board of directors on 27 March 2020.

董事會於2020年3月27日批准並授權刊發。

**Hou Jianli**  
侯建利  
Chairman  
主席

**Zhao Shijie**  
趙世傑  
Executive Director  
執行董事

The notes on pages 109 to 196 form part of these financial statements.

第109至196頁之附註構成本財務報表的一部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2019 截至2019年12月31日止年度  
Expressed in RMB (以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔						
		Share capital	Share premium	Other reserve	Statutory reserve	Exchange reserve	Retained profits	Total
		股本	股份溢價	其他儲備	法定儲備	匯兌儲備	保留溢利	總計
		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
		(Note 23(b))	(Note 23(d)(i))	(Note 23(d)(ii))	(Note 23(d)(iii))	(Note 23(d)(iv))		
		(附註23(b))	(附註23(d)(i))	(附註23(d)(ii))	(附註23(d)(iii))	(附註23(d)(iv))		
<b>Balance at 1 January 2019</b>	於2019年1月1日	13,216	51,432	(17,500)	14,232	1,921	52,146	115,447
<b>Changes in equity for the year ended 31 December 2019:</b>	截至2019年12月31日止年度之權益變動：							
Profit for the year	年內溢利	—	—	—	—	—	44,822	44,822
Other comprehensive income for the year	年內其他全面收入	—	—	—	—	(127)	—	(127)
Total comprehensive income for the year	年內全面總收入	—	—	—	—	(127)	44,822	44,695
Issuance of shares by initial public offering (Note 23(b)(i))	透過首次公開發售發行股份(附註23(b)(i))	4,306	87,152	—	—	—	—	91,458
Dividends approved and paid in respect of the previous year (Note 23(c))	就上一年度批准並支付的股息(附註23(c))	—	(10,220)	—	—	—	—	(10,220)
Interim dividends declared and paid (Note 23(c))	已宣派並支付的中期股息(附註23(c))	—	(10,661)	—	—	—	—	(10,661)
Appropriation to reserve	分配至儲備	—	—	—	5,066	—	(5,066)	—
		4,306	66,271	—	5,066	—	(5,066)	70,577
<b>Balance at 31 December 2019</b>	於2019年12月31日	17,522	117,703	(17,500)	19,298	1,794	91,902	230,719

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日採用經修訂追溯法首次應用國際財務報告準則第16號。根據此方法，比較資料未經重列。見附註2(c)。

The notes on pages 109 to 196 form part of these financial statements.

第109至196頁之附註構成本財務報表的一部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2019 截至2019年12月31日止年度  
Expressed in RMB (以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔						
		Share capital 股本	Share premium 股份溢價	Other reserve 其他儲備	Statutory reserve 法定儲備	Exchange reserve 匯兌儲備	Retained profits 保留溢利	Total 總計
		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	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		(Note 23(b)) (附註23(b))	(Note 23(d)(i)) (附註23(d)(i))	(Note 23(d)(ii)) (附註23(d)(ii))	(Note 23(d)(iii)) (附註23(d)(iii))	(Note 23(d)(iv)) (附註23(d)(iv))		
<b>Balance at 1 January 2018</b>	於2018年1月1日	—	—	(17,500)	11,108	1,257	41,058	35,923
<b>Changes in equity for the year ended 31 December 2018:</b>	截至2018年12月31日止年度之權益變動：							
Profit for the year	年內溢利	—	—	—	—	—	28,016	28,016
Other comprehensive income for the year	年內其他全面收入	—	—	—	—	664	—	664
Total comprehensive income for the year	年內全面總收入	—	—	—	—	664	28,016	28,680
Issuance of shares	股份發行	—	64,648	—	—	—	—	64,648
Capitalisation issue	資本化發行	13,216	(13,216)	—	—	—	—	—
Dividends declared in respect of the previous year (Note 23(c))	就上一年度宣派的股息(附註23(c))	—	—	—	—	—	(13,804)	(13,804)
Appropriation to reserve	分配至儲備	—	—	—	3,124	—	(3,124)	—
		13,216	51,432	—	3,124	—	(16,928)	50,844
<b>Balance at 31 December 2018</b>	於2018年12月31日	13,216	51,432	(17,500)	14,232	1,921	52,146	115,447

The notes on pages 109 to 196 form part of these financial statements.

第109至196頁之附註構成本財務報表的一部分。

# Consolidated Cash Flow Statement

## 綜合現金流量表

For the year ended 31 December 2019 截至2019年12月31日止年度  
Expressed in RMB (以人民幣列示)

	Note	2019	2018
	附註	RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Operating activities</b>	<b>經營活動</b>		
Profit before taxation	除稅前溢利	<b>51,917</b>	32,856
Adjustments for:	就以下各項作出調整：		
Depreciation and amortisation	折舊及攤銷	6(c) <b>13,733</b>	12,804
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備收益淨額	5 <b>(73)</b>	—
Finance costs	財務成本	6(a) <b>5,724</b>	7,577
Interest income	利息收入	5 <b>(248)</b>	(239)
Amortisation of deferred income	遞延收入攤銷	22 <b>(225)</b>	(225)
Changes in working capital:	營運資金變動：		
(Increase)/decrease in inventories	存貨(增加)/減少	<b>(33,562)</b>	2,120
Increase in trade and bills receivables	貿易應收款項及應收票據增加	<b>(102,979)</b>	(5,410)
Increase in prepayments and other receivables	預付款項及其他應收款項增加	<b>(8,571)</b>	(3,190)
Increase in restricted bank deposits	受限制銀行存款增加	<b>(9,702)</b>	(9,030)
Increase in trade and bills payables	貿易應付款項及應付票據增加	<b>31,539</b>	16,006
(Decrease)/increase in accrued expenses and other payables	應計開支及其他應付款項(減少)/增加	<b>(2,822)</b>	4,951
<b>Cash (used in)/generated from operations</b>	<b>經營(所用)/所得現金</b>	<b>(55,269)</b>	58,220
Income tax paid	已付所得稅	21(a) <b>(6,940)</b>	(5,892)
<b>Net cash (used in)/generated from operating activities</b>	<b>經營活動(所用)/所得現金淨額</b>	<b>(62,209)</b>	52,328

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日採用經修訂追溯法首次應用國際財務報告準則第16號。根據此方法，比較資料未經重列。見附註2(c)。

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第109至196頁之附註構成本財務報表的一部分。

# Consolidated Cash Flow Statement

## 綜合現金流量表

For the year ended 31 December 2019 截至2019年12月31日止年度  
Expressed in RMB (以人民幣列示)

		Note	2019	2018
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
<b>Investing activities</b>	<b>投資活動</b>			
Payments for purchase of property, plant and equipment and land use right	購買物業、廠房及設備以及土地使用權之付款		(31,298)	(34,054)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項		230	—
Interest received	已收利息		248	239
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>		<b>(30,820)</b>	<b>(33,815)</b>
<b>Financing activities</b>	<b>融資活動</b>			
Proceeds from bank and other loans	銀行及其他貸款所得款項	16(b)	147,813	130,000
Repayment of bank and other loans	償還銀行及其他貸款	16(b)	(122,535)	(170,280)
Proceeds from bills discounting	票據貼現所得款項		14,701	—
Proceeds from issuance of shares	股份發行所得款項		—	64,648
Proceeds from issuance shares by initial public offering, net of share issuance expenses	透過首次公開發售發行股份所得款項(扣除股份發行開支)	23(b)(i)	99,332	—
Payments for acquisition of equity interest of Xi'an Tianrui	收購西安天瑞股權之付款		—	(68,025)
Net (decrease)/increase in the amounts due to the controlling shareholders	應收控股股東款項減少/(增加)淨額	16(b)	(1,346)	30,591
Dividend paid	已付股息	16(b)	(22,505)	(12,180)
Interest paid	已付利息	16(b)	(5,573)	(7,577)
<b>Net cash generated from/(used in) financing activities</b>	<b>融資活動所得/(所用)現金淨額</b>		<b>109,887</b>	<b>(32,823)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及現金等價物增加/(減少)淨額</b>		<b>16,858</b>	<b>(14,310)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>年初現金及現金等價物</b>	16(a)	<b>13,385</b>	<b>27,695</b>
<b>Effect of foreign exchange rate changes</b>	<b>外匯匯率變動影響</b>		<b>3</b>	<b>—</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>年末現金及現金等價物</b>	16(a)	<b>30,246</b>	<b>13,385</b>

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日採用經修訂追溯法首次應用國際財務報告準則第16號。根據此方法，比較資料未經重列。見附註2(c)。

The notes on pages 109 to 196 form part of these financial statements.

第109至196頁之附註構成本財務報表的一部分。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
(Expressed in RMB unless otherwise indicated) (除另有註明者外，均以人民幣列示)

### 1 CORPORATE INFORMATION

China Tianrui Automotive Interiors Co., LTD (the “Company”) was incorporated in the Cayman Islands on 27 April 2017 as an exempted company with limited liability under the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 15 January 2019. The Company and its subsidiaries (together, the “Group”) are principally engaged in the manufacture and sale of automotive interior and exterior decorative components and parts.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

### 1 公司資料

中國天瑞汽車內飾件有限公司(「本公司」)於2017年4月27日根據經不時修訂、補充或以其他方式修改的開曼群島公司法(1961年法例三，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司股份於2019年1月15日在香港聯合交易所有限公司(「聯交所」)主板上市。本公司及其附屬公司(統稱「本集團」)主要從事汽車內外裝飾零部件製造及銷售。

### 2 重大會計政策

#### (a) 合規聲明

此等財務報表根據所有適用國際財務報告準則(「國際財務報告準則」)編製，該統稱包括國際會計準則理事會(「國際會計準則理事會」)頒佈的所有適用獨立國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋以及香港公司條例的披露規定。此等財務報表亦符合聯交所證券上市規則(「上市規則」)的適用披露條文。本集團所採用的重大會計政策於下文披露。

國際會計準則理事會已頒佈若干新訂及經修訂國際財務報告準則，該等準則於本集團的本會計期間首次生效或可供提早採納。首次應用該等新訂及經修訂國際財務報告準則所引致本集團的本會計期間及過往會計期間的任何會計政策變動已於此等財務報表內反映，有關資料載於附註2(c)。



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
(Expressed in RMB unless otherwise indicated) (除另有註明者外，均以人民幣列示)

### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The consolidated financial statements for the year ended 31 December 2019 comprise the Group.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

#### (c) Changes in accounting policies

The IASB has issued a new IFRS, IFRS 16, *Leases*, and a number of amendments to IFRSs that are first effective for the current accounting period of the Group.

### 2 重大會計政策(續)

#### (b) 財務報表的編製基準

截至2019年12月31日止年度的綜合財務報表包括本集團的賬目。

財務報表的編製以歷史成本為計量基準。

按照國際財務報告準則編製的財務報表要求管理層須作出判斷、估計和假設，而該等判斷、估計和假設會影響政策的應用和資產、負債、收入及開支的呈報金額。該等估計及相關假設乃基於過往經驗及在具體情況下被認為屬合理的各項其他因素作出，而所得結果構成對其他來源並無明確顯示的資產及負債的賬面值作出判斷的基準。實際結果或有別於該等估計。

該等估計及相關假設會持續予以審閱。倘會計估計的修訂僅對作出修訂的期間產生影響，則有關修訂於該期間內確認；倘會計估計的修訂對現時及未來期間產生影響，則會在作出該修訂期間及未來期間內確認。

管理層應用國際財務報告準則作出對財務報表有重大影響的判斷以及估計不確定因素的主要來源於附註3討論。

#### (c) 會計政策變動

國際會計準則理事會已頒佈一項新訂國際財務報告準則，國際財務報告準則第16號，*租賃*及多項經修訂國際財務報告準則，而該等國際財務報告準則於本集團的當前會計期間首次生效。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Changes in accounting policies (Continued)

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

#### IFRS 16, *Leases*

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

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

The Group has initially applied IFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach, with the cumulative effect of initial application (if any) recognised as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under IAS 17.

### 2 重大會計政策(續)

#### (c) 會計政策變動(續)

除以下披露的國際財務報告準則第16號租賃外，概無變動對本集團於如何編製或呈報當前期間或過往期間的業績及財務狀況產生重大影響。本集團並未採納任何於當前會計期間尚未生效的新訂準則或詮釋。

#### 國際財務報告準則第16號，租賃

國際財務報告準則第16號取代國際會計準則第17號租賃及相關詮釋，國際財務報告詮釋委員會詮釋第4號，釐定一項安排是否包含租賃，詮釋常務委員會詮釋第15號，經營租賃—優惠及詮釋常務委員會詮釋第27號評估涉及租賃法律形式交易的內容。其為承租人引入單一會計處理模式，該模式要求承租人就所有租賃確認使用權資產及租賃負債，惟租期為12個月或以下的租賃（「短期租賃」）及低價值資產除外。出租人會計處理規定沿用國際會計準則第17號，基本保持不變。

國際財務報告準則第16號還引入了其他定性和定量披露要求，旨在使財務報表的使用者能夠評估租賃對主體的財務狀況，財務業績和現金流量的影響。

本集團已於2019年1月1日起首次應用國際財務報告準則第16號。本集團已選擇使用經修訂追溯法，將首次應用的累計影響（如有）確認為對在2019年1月1日權益期初結餘的調整。比較資料不予重列，並繼續根據國際會計準則第17號呈報。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Changes in accounting policies (Continued)

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

##### (a) *New definition of a lease*

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

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

### 2 重大會計政策(續)

#### (c) 會計政策變動(續)

有關過往會計政策變動的性質及影響以及所應用的過渡選擇的進一步詳情載列如下：

##### (a) *租賃的新定義*

租賃定義的變動主要涉及控制的概念。國際財務報告準則第16號根據客戶是否在一段期間內控制已識別資產的使用來定義租賃，其可藉界定的使用量釐定。倘客戶既有權指示已識別資產的使用，亦有權自該使用中獲得絕大部分經濟利益，則控制權已轉移。

本集團僅對於2019年1月1日或之後訂立或變更的合約應用國際財務報告準則第16號中的租賃新定義。對於2019年1月之前訂立的合約，本集團已採用過渡性實際權宜之計，以令對現有安排為租賃或包含租賃的過往評估不受新規定限制。因此，先前根據國際會計準則第17號評估為租賃的合約繼續按國際財務報告準則第16號入賬列為租賃，而先前評估為非租賃服務安排的合約繼續入賬列為待執行合約。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Changes in accounting policies (Continued)

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

IFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by IAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under IAS 17, other than those short-term leases and leases of low-value assets. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment as disclosed in Note 11(b).

At the date of transition to IFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019.

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

- (i) the Group elected not to apply the requirements of IFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of IFRS 16, i.e. where the lease term ends on or before 31 December 2019; and

### 2 重大會計政策(續)

#### (c) 會計政策變動(續)

##### (b) 承租人會計處理及過渡影響

國際財務報告準則第16號取消了如國際會計準則第17號先前所要求的承租人將租賃分類為經營租賃或融資租賃的規定。相反，本集團於為承租人時，須資本化所有租賃，包括先前根據國際會計準則第17號分類為經營租賃的租賃，惟短期租賃及低價值資產租賃除外。就本集團而言，該等新資本化租賃主要與附註11(b)所披露的物業、廠房及設備有關。

於向國際財務報告準則第16號過渡日期(即2019年1月1日)，本集團釐定剩餘租期長短，並就先前分類為經營租賃之租賃按剩餘租賃付款現值計量租賃負債，使用於2019年1月1日之相關增量借貸利率貼現。

為簡化向國際財務報告第16號過渡，本集團於首次應用國際財務報告第16號之日期採用以下確認豁免及可行權宜方法：

- (i) 本集團決定不應用國際財務報告準則第16號有關確認剩餘租期自初次應用國際財務報告準則第16號日期起12個月內到期(即截至2019年12月31日之租期或於2019年12月31日前)的租賃之租賃負債及使用權資產的規定；及

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Changes in accounting policies (Continued)

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

(Continued)

- (ii) when measuring the lease liabilities at the date of initial application of IFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).

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

The Group presents right-of-use assets that do not meet the definition of investment property in “property, plant and equipment” and presents lease liabilities separately in the statement of financial position.

### 2 重大會計政策(續)

#### (c) 會計政策變動(續)

##### (b) 承租人會計處理及過渡影響(續)

- (ii) 於計量初次應用國際財務報告準則第16號日期的租賃負債時，本集團對具有合理相似特徵的租賃組合（如在相似的經濟環境下具有相似類別的相關資產的相似剩餘租期之租賃）採用單一貼現率。

先前分類為經營租賃的租賃之使用權資產已按與餘下租賃負債已確認金額等值金額確認，按於2018年12月31日財務狀況表確認之租賃有關的任何預付或應計租賃付款金額作出調整。

本集團將不符合投資物業定義的使用權資產呈列為「物業、廠房及設備」及在財務狀況表中單獨呈列租賃負債。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Changes in accounting policies (Continued)

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

(Continued)

The following table summarises the impacts of the adoption of IFRS 16 on the Group's consolidated statement of financial position:

Line items in the consolidated statement of financial position impacted by the adoption of IFRS 16:	綜合財務狀況表內受採納國際財務報告準則第16號影響的項目：	Capitalisation and reclassification of operating lease contracts		
		Carrying amount at 31 December 2018 於2018年12月31日的賬面值 RMB'000 人民幣千元	Carrying amount of operating lease contracts 經營租賃合同資本化及重分類的賬面值 RMB'000 人民幣千元	Carrying amount at 1 January 2019 於2019年1月1日的賬面值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	114,501	9,486	123,987
Lease prepayments	租賃預付款項	9,486	(9,486)	—

#### (c) Impact on the financial result and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported profit from operations in the Group's consolidated statement of profit or loss, as compared to the results if IAS 17 had been applied during the year.

### 2 重大會計政策(續)

#### (c) 會計政策變動(續)

##### (b) 承租人會計處理及過渡影響(續)

下表概述採用國際財務報告準則第16號對本集團綜合財務狀況表的影響：

#### (c) 對本集團財務業績及現金流量的影響

於2019年1月1日初步確認使用權資產及租賃負債後，本集團作為承租人須確認就租賃負債未償還結餘而應計的利息開支以及使用權資產折舊，而不是按先前政策在租賃期內按直線基準確認經營租賃項下產生的租金開支。與若於年內應用國際會計準則第17號產生的結果相比較，其對本集團綜合損益表內呈報的經營溢利產生正面影響。



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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Changes in accounting policies (Continued)

##### (c) **Impact on the financial result and cash flows of the Group** (Continued)

In the cash flow statement, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under IAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under IAS 17. Although total cash flows are unaffected, the adoption of IFRS 16 therefore results in a change in presentation of cash flows within the cash flow statement.

The following tables may give an indication of the estimated impact of adoption of IFRS 16 on the Group's financial result for the year ended 31 December 2019, by adjusting the amounts reported under IFRS 16 in these consolidated financial statements to compute estimates of the hypothetical amounts that would have been recognised under IAS 17 if this superseded standard had continued to apply to 2019 instead of IFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under IAS 17.

### 2 重大會計政策(續)

#### (c) 會計政策變動(續)

##### (c) **對本集團財務業績及現金流量的影響**(續)

於現金流量表中，本集團作為承租人須將根據資本化租賃支付的租金劃分為本金部分及利息部分。該等部分分類為融資現金流出(類似於先前國際會計準則第17號項下租賃分類為融資租賃的做法)，不是如國際會計準則第17號項下經營租賃作為現金流出。儘管現金流量總額未受影響，採用國際財務報告準則第16號將導致現金流量表內的現金流量呈列發生變化。

下表或可表明於截至2019年12月31日止年度採用國際財務報告準則第16號對本集團財務業績之估計影響，通過調整於該等綜合財務報表根據國際財務報告準則第16號呈報的金額，以計算若被取代的國際會計準則第17號於2019年繼續適用而不是國際財務報告準則第16號而應確認的估計假設金額，並將2019年的該等假設金額與根據國際會計準則第17號編製的2018年實際相應金額進行比較。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Changes in accounting policies (Continued)

##### (c) Impact on the financial result and cash flows of the Group (Continued)

### 2 重大會計政策(續)

#### (c) 會計政策變動(續)

##### (c) 對本集團財務業績及現金流量的影響(續)

	2019			2018		
	Amounts reported under IFRS 16	Add back: IFRS 16 depreciation and interest expense	Deduct: Estimated amounts related to operating leases as if under IAS 17 減： 若應用國際會計準則第17號而得出的經營租賃相關估計金額	Hypothetical amounts for 2019 as if under IAS 17 若應用國際會計準則第17號而得出的2019年假設金額	Compared to amounts reported for 2018 under IAS 17 與2018年根據國際會計準則第17號呈報的金額比較	
	(A)	(B)	(C)	(D=A+B-C)		
	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	RMB'000 人民幣千元	
Financial result for the year ended 31 December 2019 impacted by the adoption of IFRS 16:	截至2019年12月31日止年度受採納國際財務報告準則第16號所影響的財務業績：					
Profit from operations	經營溢利	57,641	373	(439)	57,575	40,433
Finance costs	財務成本	(5,724)	151	—	(5,573)	(7,577)
Profit before taxation	除稅前溢利	51,917	524	(439)	52,002	32,856
Profit for the year	年內溢利	44,822	524	(439)	44,907	28,016

As there are no cash outflow in relation to above operating lease for the year ended 31 December 2019, the adoption of IFRS 16 does not have impact on the consolidated cash flow statement.

截至2019年12月31日止年度，上述經營租賃無現金流出，因此採用國際財務報告準則第16號不會對綜合現金流量表產生影響。

#### (d) Subsidiaries

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

#### (d) 附屬公司

附屬公司指本集團控制的實體。當本集團承受或享有參與實體所得之可變回報，且有能力透過其對實體之權力影響該等回報時，則本集團控制該實體。當評估本集團是否具有該權力時，只會考慮由本集團及其他人士擁有的實質性權利。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Subsidiaries (Continued)

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

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative equity interests, but no adjustments are made to goodwill and no gain or loss is recognised.

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

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(g)(ii)), unless the investment is classified as held-for-sale.

### 2 重大會計政策(續)

#### (d) 附屬公司(續)

於附屬公司的投資自控制權開始當日起併入綜合財務報表，直至控制權終止當日為止。集團內結餘、交易及現金流，以及集團內交易所產生的任何未變現利潤，在編製綜合財務報表時均悉數對銷。集團內交易所產生的未變現虧損則僅在無出現減值證據的情況下以與對銷未變現收益相同的方式予以對銷。

本集團於附屬公司之權益變動(並無導致失去控制權)列作權益交易，並對綜合權益中之控股及非控股權益金額作出調整，以反映有關股權之變動，惟概無對商譽作出任何調整及並無確認任何盈虧。

當本集團失去附屬公司之控制權時，其會被列賬作出售於該附屬公司之全部權益，所得收益或虧損於損益確認。於失去控制權當日於前附屬公司保留之任何權益乃按公允值確認，有關金額被視為初步確認一項財務資產之公允值，或(如適用)於聯營公司或合營企業投資之初始確認成本。

本公司財務狀況表中，於附屬公司投資乃按成本減減值虧損列賬(見附註2(g)(ii))，惟歸類為持作銷售的投資除外。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(g)(ii)).

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest;
- buildings situated on leasehold properties; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note 2(f)).

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

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

### 2 重大會計政策(續)

#### (e) 物業、廠房及設備

以下物業、廠房及設備項目乃按成本減累計折舊及減值虧損入賬(見附註2(g)(ii))。

- 在本集團並非物業權益之註冊擁有人之情況下產生自永久物業或租賃物業租賃之使用權資產；
- 於租賃物業上的建築物；及
- 包括產生自相關廠房及設備租賃之使用權資產之廠房及設備項目(見附註2(f))。

自建物業、廠房及設備項目的成本包括物料成本、直接勞工成本、拆卸及搬遷項目以及恢復項目所在地原貌的成本的初步估計(倘有關)及適當比例的生產經常費用及借貸成本(見附註2(t))。

報廢或出售物業、廠房及設備項目所產生的損益以該項目的出售所得款項淨額與其賬面值之間的差額釐定，並於報廢或出售當日在損益內予以確認。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

		Estimated useful lives 估計可使用年期
Plant and buildings	廠房及樓宇	10 - 40 years 10至40年
Machinery and equipment	機器及設備	5 - 10 years 5至10年
Moulds	模具	4 - 5 years 4至5年
Motor vehicles and other equipment	汽車及其他設備	5 - 10 years 5至10年
Right-of-use assets:	使用權資產：	
— Land-use-right leased for own use	— 租作自用的土地使用權	Over the unexpired term of lease 於未屆滿的租賃期內
— Plant and buildings	— 廠房及樓宇	5 years 5年

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually. No depreciation is provided in respect of construction in process until it is completed and ready for its intended use.

#### (f) Leased assets

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

### 2 重大會計政策(續)

#### (e) 物業、廠房及設備(續)

物業、廠房及設備項目折舊按下列估計可使用年期，在扣除其估計剩餘價值(如有)後，以直線法撇銷其成本計算：

倘物業、廠房及設備項目的部件擁有不同的可用年期，該項目的成本將以合理基準在部件之間進行分配，各部件單獨折舊。資產的可使用年期及剩餘價值(如有)均每年進行審核。在相關資產完工並且可用作擬定用途前，不計入在建工程的折舊。

#### (f) 租賃資產

於合約開始時，本集團評估合約是否屬於或包括租賃。倘合約為換取代價而轉移已識別資產在一段期間內的使用控制權，則該合約屬於或包括租賃。倘客戶既有權主導已識別資產的使用又有權從有關使用中獲取絕大部分經濟利益，則表示控制權已經轉移。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### (i) As a lessee

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

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

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

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

### 2 重大會計政策(續)

#### (f) 租賃資產(續)

##### (i) 作為承租人

##### (A) 自2019年1月1日起適用的政策

倘合約包含租賃部分及非租賃部分，本集團已選擇不分離所有租賃的非租賃部分，並將各租賃部分及相關非租賃部分作為單一租賃部分列賬。

於租賃開始日期，本集團確認使用權資產及租賃負債，惟租期為12個月或以下的短期租賃及低價值資產的租賃除外。倘本集團就低價值資產訂立租賃，則本集團決定是否要將資產按個別情況資本化。與未資本化的租賃相關的租賃付款於租期內有系統地確認為開支。

倘租賃已資本化，則租賃負債初步按租賃期內應付租賃款項的現值確認，並使用租賃隱含的利率或(倘該利率難以釐定)相關增量借款利率貼現。於初步確認後，租賃負債按攤銷成本計量，而利息開支則使用實際利率法計算。並非視乎指數或利率而定的可變租賃付款不計入租賃負債的計量，因此可變租賃付款於其產生的會計期間內在損益中扣除。



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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### (i) As a lessee (Continued)

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

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

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

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and presents lease liabilities separately in the statement of financial position.

### 2 重大會計政策(續)

#### (f) 租賃資產(續)

##### (i) 作為承租人(續)

##### (A) 自2019年1月1日起適用的政策 (續)

於租賃資本化時確認的使用權資產初步按成本計量，其中包括租賃負債的初始金額加上於開始日期或之前作出的任何租賃付款以及已產生的任何初始直接成本。於適用情況下，使用權資產的成本亦包括為拆卸並移除相關資產或復修相關資產或該資產所在地點的估計成本，並貼現至其現值再減去任何已收租賃優惠。使用權資產其後按成本減累計折舊及減值虧損列賬(見附註2(e)及2(g)(ii))。

倘指數或利率有變導致未來租賃付款有變，或本集團預期根據剩餘價值擔保應付的估計金額有變，或因重新評估本集團是否將合理確定行使購買、延期或終止選擇權而引起變動，則重新計量租賃負債。倘在此等情況下重新計量租賃負債，則應對使用權資產的賬面值作相應調整，或倘使用權資產的賬面值已調減至零，則相應調整於損益入賬。

本集團將不符合投資物業定義的使用權資產呈列為「其他物業、廠房及設備」並在財務狀況表內單獨呈列租賃負債。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- (i) As a lessee (Continued)
- (B) Policy applicable prior to 1 January 2019

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

Where the Group acquired the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets were recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, were recorded as obligations under finance leases. Depreciation was provided at rates which wrote off the cost or valuation of the assets over the term of the relevant lease or, where it was likely the Group would obtain ownership of the asset, the life of the asset, as set out in Note 2(e). Impairment losses were accounted for in accordance with the accounting policy as set out in Note 2(g). Finance charges implicit in the lease payments were charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

### 2 重大會計政策(續)

#### (f) 租賃資產(續)

- (i) 作為承租人(續)
- (B) 自2019年1月1日前適用的政策

於比較期內，絕大部分與所有權有關的風險及回報並無轉移至本集團的租賃乃分類為經營租賃。

倘本集團收購融資租賃資產之用途，則代表該資產之租賃資產之公平值或最低租賃付款之現值(倘較低者)之金額確認為物業、廠房及設備，而扣除融資費用後的相應負債記錄為融資租賃的債務。折舊乃按撇銷有關租賃期內資產的成本或估值的利率，或在本集團很可能會取得資產所有權，資產的壽命的情況下計提，如附註2(e)所述。減值虧損乃根據附註2(g)所載之會計政策入賬。租賃付款中所隱含的財務費用在租賃期間內計入當期損益，以便對每個會計期間的債務餘額產生近似恒定的定期費用率。或有租金在其產生的會計期間內計入當期損益。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### (i) As a lessee (Continued)

##### (B) Policy applicable prior to 1 January 2019 (Continued)

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

##### (ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(q).

### 2 重大會計政策(續)

#### (f) 租賃資產(續)

##### (i) 作為承租人(續)

##### (B) 自2019年1月1日前適用的 政策(續)

在本集團使用根據經營租賃持有的資產時，根據租賃作出的付款在租期所涵蓋的會計期間內在損益內等額分期扣除，除非有更具有代表性的基準衡量從租賃資產獲取利益的模式。已收取的租賃優惠在損益內確認為已作出的租賃付款淨值總額的組成部分。或有租金將於其產生的會計期間自損益扣除。

##### (ii) 作為出租人

在本集團為出租人的情況下，本集團於租賃開始時釐定各項租賃屬於融資租賃抑或經營租賃。倘租賃將絕大部分附帶於相關資產所有權的風險及回報轉移至承租人，則分類為融資租賃。倘並非如此，則有關租賃分類為經營租賃。

倘若合約包含租賃及非租賃部分，本集團按相對獨立售價基準將合約代價分配至每個組成部分。自經營租賃產生的租金收入根據附註2(q)確認。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### (ii) As a lessor (Continued)

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(f)(i), then the Group classifies the sub-lease as an operating lease.

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

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

The Group recognises a loss allowance for ECL on financial assets measured at amortised cost (including cash and cash equivalents, and trade and other receivables) and contract assets.

##### **Measurement of ECLs**

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

The expected cash shortfalls for trade and other receivables and contract assets are discounted using the effective interest rate determined at initial recognition or an approximation thereof, where the effect of discounting is material.

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

### 2 重大會計政策(續)

#### (f) 租賃資產(續)

##### (ii) 作為出租人(續)

倘本集團為中間出租人，則轉租乃參考由原租賃產生的使用權資產分類為融資租賃或經營租賃。倘若主租賃是本集團附註2(f)(i)中所述的豁免的短期租賃，則本集團將轉租分類為經營租賃。

#### (g) 信貸虧損及資產減值

##### (i) 來自金融工具及合約資產的信貸虧損

本集團就按攤銷成本計量的金融資產及合約資產(包括現金及現金等價物以及貿易及其他應收款項)的預期信貸虧損確認虧損準備。

##### **預期信貸虧損之計量**

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損按照所有預期現金短缺的現值(即根據合約應付本集團的現金流及本集團預計會收取的現金流之間的差額)計量。

倘貼現影響屬重大，則貿易及其他應收款項及合約資產之預期現金短缺將採用於初始確認時釐定的實際利率或其概約數的貼現率進行貼現。

估計預期信貸虧損時考慮的最長期限為本集團面臨信貸風險的最長合約期限。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

ECLs are measured on either of the following bases:

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

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

### 2 重大會計政策(續)

#### (g) 信貸虧損及資產減值(續)

##### (i) 來自金融工具及合約資產的信貸虧損(續)

於計量預期信貸虧損時，本集團計及無須付出不必要成本或工作而可獲得的合理及支持資料。其中包括有關過往事件、現狀及未來經濟狀況預測的資料。

預期信貸虧損按下列基準之一計量：

- 12個月的預期信貸虧損：預期於報告日期後12個月內因可能違約而導致的虧損；及
- 可使用年期的預期信貸虧損：預期適用於預期信貸虧損模式之項目的預期可使用年期內因所有可能的違約事件而導致的虧損。

貿易應收款項及合約資產的虧損準備通常按等於可使用年期的預期信貸虧損之金額計量。該等金融資產的預期信貸虧損根據本集團過往信貸虧損經驗，使用某一撥備矩陣予以估計，並就債務人之特有因素及對報告日期現時及預測整體經濟狀況的評估作出調整。

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## 財務報表附註

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

#### **Significant increases in credit risk**

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). 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.

### 2 重大會計政策(續)

#### (g) 信貸虧損及資產減值(續)

- (i) 來自金融工具及合約資產的信貸虧損(續)

就所有其他金融工具而言，本集團確認等於12個月預期信貸虧損的虧損準備，除非相關金融工具自初始確認起信貸風險大幅增加則作別論，在此情況下，虧損準備按可使用年期的預期信貸虧損相等金額計量。

#### **信貸風險大幅增加**

在評估金融工具的信貸風險是否自初始確認起大幅增加時，本集團比較報告日期評估的金融工具發生的違約風險與初始確認日期評估的違約風險。於作出該評估時，本集團在以下情況下認為發生違約事件：借款人不可能在本集團無追索權(例如：變現抵押品)(如持有)的情況下向本集團悉數支付其信貸債務。本集團考慮合理及可靠之定量及定性資料，包括過往經驗及無需花費過度成本或投入可取得的前瞻性資料。



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## 財務報表附註

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

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

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

### 2 重大會計政策(續)

#### (g) 信貸虧損及資產減值(續)

##### (i) 來自金融工具及合約資產的信貸虧損(續)

特別是，在評估自初始確認起信貸風險是否大幅增加時將以下資料納入考慮：

- 未能於合約到期日付款；
- 金融工具的外部或內部信用評級(倘適用)實際或預期明顯惡化；
- 債務人之經營業績實際或預期明顯惡化；及
- 市場、經濟或法制環境的現有變化或預期變化，對債務人履行對本集團義務之能力造成重大不利影響。

根據金融工具的性质，按照個別基準或整體基準評估信貸風險之大幅增加。倘按整體基準進行評估，則根據共有的信貸風險特徵(如逾期狀況及信用評級)對金融工具進行分類。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

***Basis of calculation of interest income***

Interest income recognised in accordance with Note 2(q)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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

### 2 重大會計政策(續)

#### (g) 信貸虧損及資產減值(續)

(i) 來自金融工具及合約資產的信貸虧損(續)

預期信貸虧損於各報告日期獲重新計量，以反映金融工具信貸風險自初始確認起出現的變動。預期信貸虧損金額的任何變動於損益確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並通過虧損備抵賬對金融工具的賬面值作出相應調整。

***利息收入的計算基準***

根據附註2(q)(ii)確認的利息收入乃基於金融資產的賬面總值計算，惟金融資產出現信貸減值則除外，在此情況下，利息收入基於金融資產的攤銷成本(即賬面總值減虧損準備)計算。

於各報告日期，本集團評估金融資產是否出現信貸減值。當發生會對該金融資產估計未來現金流量造成不利影響的一項或多項事件，則金融資產會被評定為出現信貸減值。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- significant changes in the market, economic or legal environment that have an adverse effect on the debtor.

#### **Write-off policy**

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

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

### 2 重大會計政策(續)

#### (g) 信貸虧損及資產減值(續)

##### (i) 來自金融工具及合約資產的信貸虧損(續)

金融資產出現信貸減值的證據包括下列可觀察事件：

- 債務人出現重大財務困難；
- 違約，比如拖欠或逾期付款；
- 借款人可能面臨破產或進行其他財務重組；或
- 市場、經濟或法制環境發生重大變化，對債務人造成不利影響。

#### **撇銷政策**

金融資產賬面總值被部分或全部撇銷，但以並無收回的現實前景的金額為限。當本集團釐定債務人並無資產或收入來源，以產生足夠的現金流來償還須予撇銷的金額時，便會出現此種常見情況。

後續收回先前被撇銷的資產乃於收回發生期間的損益中確認為減值撥回。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

- property, plant and equipment, including right-of-use assets;
- prepayments for acquisitions of property, plant and equipment; and
- investment in a subsidiary in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

##### — **Calculation of recoverable amount**

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

### 2 重大會計政策(續)

#### (g) 信貸虧損及資產減值(續)

##### (ii) 其他非流動資產減值

於各報告期末均會審閱內部和外部的資料來源，以識辨出以下資產是否有跡象顯示可能已經減值或以往確認的減值虧損不再存在或可能已經減少：

- 物業、廠房及設備，包括使用權資產；
- 購置物業、廠房及設備的預付款項；及
- 本公司財務狀況表中之於附屬公司之投資。

倘出現任何有關跡象，則會對資產的可收回金額作出估計。

##### — **可收回金額的計算**

資產的可收回金額是公允價值減出售成本與使用價值兩者的較高者。在評估使用價值時，估計未來現金流量按可反映當時市場對貨幣時間價值及該資產特定風險評估的稅前貼現率貼現至其現值。凡資產所產生的現金流入基本上並非獨立於其他資產所產生的現金流入，則就獨立地產生現金流入的最小資產組別(即現金產生單位)釐定可收回金額。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

(Continued)

##### — Recognition of impairment losses

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

##### — Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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

### 2 重大會計政策(續)

#### (g) 信貸虧損及資產減值(續)

##### (ii) 其他非流動資產減值(續)

##### — 減值虧損的確認

當資產或其所屬現金產生單位的賬面值高於其可收回金額時，便會在損益中確認減值虧損。就現金產生單位確認的減值虧損會予以分配，然後按比例降低單位(或一組單位)中資產的賬面值，但資產賬面值不會降至低於其個別公允值減去出售成本(如可計算)或使用價值(如可釐定)。

##### — 減值虧損的撥回

倘用作釐定可收回金額的估算出現有利的變動，則會撥回有關的減值虧損。

減值虧損的撥回以假設過往年度並無確認減值虧損的情況下而應釐定的資產賬面值為限。所撥回的減值虧損於確認撥回的年度計入損益。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (h) Inventories and other contract costs

##### (i) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or suppliers to be consumed in the production process.

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

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

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

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

### 2 重大會計政策(續)

#### (h) 存貨及其他合約成本

##### (i) 存貨

存貨為日常業務過程中持作銷售的資產，處在生產過程中的或在生產過程中待耗用的材料或物料。

存貨以成本與可變現淨值兩者中之較低者列賬。

成本以加權平均成本公式計算，其中包括所有採購成本、加工成本及將存貨送達至目前地點及達到現狀之其他成本。

可變現淨值為以日常業務過程中之估計售價減去完成生產之估計成本及銷售所需之估計成本。

出售存貨時，該等存貨之賬面值在相關收入獲確認之期間內確認為開支。任何存貨撇減至可變現淨值之金額及存貨之所有虧損均在進行撇減或出現虧損之期間內確認為開支。撇減任何存貨之撥回數額均在撥回之期間內確認為已列作開支之存貨數額減少。



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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (h) Inventories and other contract costs (Continued)

##### (ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventories (see Note 2(h)(i)).

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract. Other costs of fulfilling a contract, which are not capitalised as inventories are expensed as incurred.

### 2 重大會計政策(續)

#### (h) 存貨及其他合約成本(續)

##### (ii) 其他合約成本

其他合約成本為獲得與客戶的合約的增量成本或履行與客戶的合約的成本，有關成本並無作為存貨(見附註2(h)(i))而轉作資本。

獲得合約的增量成本為本集團獲得與客戶的合約而產生的該等成本(倘尚未獲得合約則並無產生該等成本)，例如增量銷售佣金。倘成本與將於未來報告期間內確認的收益有關，則獲得合約的增量成本會於產生時轉作資本，且成本預期將收回。獲得合約的其他成本於產生時支銷。

倘成本與現有合約或可明確識別的預期合約直接相關，則履行合約的成本會轉作資本；產生或提升將於日後用於提供商品或服務的資源；且預期將收回。與現有合約或可明確識別的預期合約直接相關的成本可能包括直接勞動力、直接材料、成本分攤、可明確向客戶收取的成本及僅因本集團訂立合約而產生的其他成本。並無作為存貨轉作資本的履行合約的其他成本於產生時支銷。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (h) Inventories and other contract costs (Continued)

##### (ii) Other contract costs (Continued)

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised. The accounting policy for revenue recognition is set out in Note 2(q).

##### (i) Contract assets and contract liabilities

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

### 2 重大會計政策(續)

#### (h) 存貨及其他合約成本(續)

##### (ii) 其他合約成本(續)

轉作資本的合約成本按成本減累計攤銷及減值虧損列賬。減值虧損在以下情況下確認：合約成本資產的賬面值超過(i)本集團預期將就交換資產與之相關的商品或服務收取的代價的剩餘金額減(ii)與提供該等商品或服務直接相關的尚未確認為支出的任何成本之淨額。

轉作資本的合約成本的攤銷於資產與之相關的收益獲確認時自損益中扣除。收益確認的會計政策載列於附註2(q)。

##### (i) 合約資產及合約負債

根據合約所載列的付款條款有權無條件獲取代價之前，合約資產於本集團確認收益時獲確認(見附註2(q))。合約資產乃根據附註2(g)(i)所載列的政策就預期信貸虧損予以評估，並於代價的權利成為無條件時重新分類為應收款項(見附註2(j))。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (i) Contract assets and contract liabilities (Continued)

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see Note 2(q)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 2(j)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

#### (j) Trade and other receivables

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

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

#### (k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in Note 2(g)(i).

### 2 重大會計政策(續)

#### (i) 合約資產及合約負債(續)

合約負債乃於客戶於本集團確認相關收益之前支付代價時確認(見附註2(q))。倘本集團擁有無條件的權利可於本集團確認相關收益之前收取代價，合約負債亦將獲確認。在有關情況下，相應的應收款項亦將獲確認(見附註2(j))。

就與客戶的單一合約而言，合約資產淨額或合約負債淨額獲呈列。就多項合約而言，不相關合約的合約資產及合約負債不會按淨額基準呈列。

#### (j) 貿易及其他應收款項

應收款項於本集團獲得無條件收取代價的權利時確認。倘支付該代價僅須經過時間流逝方，則獲得代價的權利為無條件。倘在本集團於獲得無條件收取代價的權利前收入獲確認，則該金額作為合約資產呈列(見附註2(i))。

應收款項按攤銷成本採用實際利率法減信貸虧損準備呈列(見附註2(g)(i))。

#### (k) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、存放於銀行及其他金融機構的活期存款，以及短期和高流通性的投資(此等投資可隨時轉換為已知的現金額且價值變動風險不大)。現金及現金等價物根據附註2(g)(i)所載政策評估預期信貸虧損。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (l) Trade and other payables

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

#### (m) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, using an effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 2(t)).

#### (n) Employee benefits

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

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

##### (ii) Termination benefits

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

### 2 重大會計政策(續)

#### (l) 貿易應付款項及其他應付款項

貿易應付款項及其他應付款項首次按公允價值確認。貿易應付款項及其他應付款項其後採用實際利率法按攤銷成本入賬，惟若貼現影響並不重大，則按成本列值。

#### (m) 計息借貸

計息借貸按公允價值減交易成本初步計量。首次確認後，計息借貸透過實際利率法以攤銷成本列賬。利息開支根據本集團的借貸成本會計政策確認(見附註2(t))。

#### (n) 僱員福利

##### (i) 短期僱員福利及向定額供款退休計劃作出的供款

薪金、年終花紅、有薪年假、向定額供款退休計劃作出的供款及非現金福利的成本，均在僱員提供相關服務的年度內產生。倘有關的付款或結算被延遲及其具重大影響，則該等金額以現值列賬。

##### (ii) 離職福利

離職福利會在本集團不再能夠撤回所提供的該等福利及確認涉及離職福利付款的重組成本(以較早者為準)時確認。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (o) Income tax

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

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

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

### 2 重大會計政策(續)

#### (o) 所得稅

期內所得稅包括即期稅項和遞延稅項資產與負債的變動。即期稅項和遞延稅項資產與負債的變動均在損益內確認，惟與於其他全面收益或直接於權益內確認之業務合併、項目有關者除外，在此情況下，相關稅項金額分別於其他全面收益或直接於權益內確認。

即期稅項是按期間內應課稅收入根據於報告期末已生效或實質上已生效的稅率計算的預期應納稅項，以及對於過往期間應納稅項的任何調整。

遞延稅項資產與負債分別由可扣稅和應課稅暫時差額產生，暫時差額是指資產與負債在財務申報上的賬面值與其稅基間的差額。遞延稅項資產亦會由未使用稅項虧損和未使用稅項抵免產生。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

### 2 重大會計政策(續)

#### (o) 所得稅(續)

除若干少數例外情況外，所有遞延稅項負債及所有遞延稅項資產在很可能獲得能利用資產來作出抵扣的未來應課稅溢利時確認。能夠用以確認可扣減暫時差額所引致遞延稅項資產的未來應課稅溢利，包括因撥回現有應課稅暫時差額而引起的未來應課稅溢利，惟該等差額必須與同一稅務當局及同一應課稅實體有關，並且預期在預計撥回可扣減暫時差額的同一期間撥回，或在遞延稅項資產引起的稅項虧損可以撥回或結轉的期間撥回。在決定現有應課稅暫時差額是否足以確認因尚未使用稅項虧損及稅項抵免造成的遞延稅項資產時，亦採用相同的準則，即若有關差額與同一稅務當局及同一應課稅實體有關，並預計在可以抵扣稅項虧損或稅款抵免的期間內撥回，則計入該等差額。

確認遞延稅項資產及負債的少數例外情況包括不會影響會計及應課稅溢利的資產或負債(惟其並非業務合併的一部分)首次確認產生的暫時差額，以及於附屬公司投資的相關暫時差額如屬應課稅差額，限於本集團可控制撥回時間且於可預見將來不大可能獲撥回的差額；或如屬可扣稅差額，則限於可能於未來獲撥回的差額。



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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or

### 2 重大會計政策(續)

#### (o) 所得稅(續)

已確認遞延稅項的金額按照資產及負債賬面值的預期變現或結算方式，使用於報告期末已生效或實質上已生效的稅率計算。遞延稅項資產及負債均不予貼現。

遞延稅項資產的賬面值會在各報告期末予以審閱，若不再可能有足夠應課稅溢利用以抵扣相關稅項溢利，則扣減遞延稅項資產的賬面值。若可能有足夠應課稅溢利用以抵扣，則撥回所扣減的數額。

即期稅項結餘及遞延稅項結餘以及相關變動，乃分別呈列且不會互相抵銷。僅於本公司或本集團有可合法強制執行的權利以將即期稅項資產抵銷即期稅項負債，而且符合以下額外條件時，即期稅項資產方可與即期稅項負債抵銷，且遞延稅項資產方可與遞延稅項負債抵銷：

- 就即期稅項資產及負債而言，本公司或本集團擬按照淨額基準結算，或同時變現資產及結算負債；或
- 就遞延稅項資產及負債而言，倘其與同一稅務當局所徵收的所得稅有關，且有關所得稅乃向：
  - 同一應課稅實體徵收；或

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

#### (p) Provisions and contingent liabilities

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

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

#### (q) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods in the ordinary course of the Group's business.

### 2 重大會計政策(續)

#### (o) 所得稅(續)

- 不同的應課稅實體徵收，而該等實體擬在預期有大額遞延稅項負債需要結算或大額遞延稅項資產可以收回的各未來期間內，按照淨額基準變現即期稅項資產及結算即期稅項負債，或同時變現該等資產及結算該等負債。

#### (p) 撥備及或然負債

倘本集團須就過去事件承擔法律或推定責任時，可能須就清償責任而導致經濟利益外流，則在可作出可靠的估計時確認撥備。凡貨幣的時間價值屬重大，則撥備按預計結算債務所需支出的現值列賬。

凡因事件而引致經濟效益流出的機會不大，或無法對有關金額作出可靠的估計，便需要將有關債務披露為或然負債，但付出經濟效益的可能性極低則除外。倘責任需要視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會被披露為或然負債，但經濟效益流出的可能性極低則除外。

#### (q) 收益及其他收入

倘收入於本集團的日常業務過程中產生自銷售商品，則本集團將收入分類為收益。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Revenue is recognised when control over a product is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

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

(i) *Sale of automotive interior and exterior decorative components and parts*

Revenue is recognised when goods are delivered at the customers' premises, the customers take possession of and accept the products, which is taken to be the point in time when the Group transfers control over the products to the customers. If the products are a partial fulfilment of a contract covering other goods, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods promised under the contract on a relative stand-alone selling price basis.

(ii) *Interest income*

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see Note 2(g)(i)).

### 2 重大會計政策(續)

#### (q) 收益及其他收入(續)

收益乃於對產品的控制權轉讓予客戶時確認，金額為本集團預期將有權收取的承諾代價，不包括代表第三方收取的該等款項。收益不包括增值稅或其他銷售稅，乃於扣除任何貿易折扣後。

本集團的收益及其他收入確認政策的進一步詳情如下：

(i) *汽車內外飾零部件銷售*

當貨物於客戶場地交付時，即被視為在本集團將對產品的控制權轉讓予該客戶的某一個時間點，收益方確認入賬。倘產品屬部分履行涵蓋其他貨品之合約，則確認之收益金額為合約項下總成交價之適當比例，乃按相對獨立售價基準在合約承諾之所有貨品之間分配。

(ii) *利息收入*

利息收入於應計時以實際利率法確認。就按攤銷成本計量且並無發生信貸減值的金融資產而言，實際利率用於該資產之賬面總值。就已發生信貸減值的金融資產而言，採用實際利率法計算資產的攤銷成本(即總賬面值減虧損準備)(見附註2(g)(i))。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### (iii) Government grants

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

#### (r) Translation of foreign currencies

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

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

### 2 重大會計政策(續)

#### (q) 收益及其他收入(續)

##### (iii) 政府補助

倘有合理保證可收取政府補助，而本集團將符合政府補助所附帶條件，則政府補助將初步於財務狀況表內確認。補償本集團所產生開支之補助於產生開支之同一期間有系統地於損益確認為其他收入。補償本集團資產成本之補助在該項資產的可使用年期確認為遞延收入及隨後有系統地於損益確認。

#### (r) 外幣換算

年度內的外幣交易按於交易日期適用的外幣匯率換算。以外幣計值的貨幣資產及負債乃按於報告期末適用的外幣匯率換算，外匯收益及虧損乃於損益確認。

以外幣歷史成本計量的非貨幣資產及負債乃使用於交易日期適用的外幣匯率換算。交易日期即本集團初步確認該等非貨幣資產或負債之日。

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (r) Translation of foreign currencies (Continued)

The results of foreign operations are translated into RMB, the Group's reporting currency, at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

#### (s) Research and development expenditures

Expenditure on research activities is recognised as an expense in the year in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs (see Note 2(t)), where applicable. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see Note 2(g)(ii)). Other development expenditure is recognised as an expense in the year in which it is incurred.

#### (t) Borrowing costs

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

### 2 重大會計政策(續)

#### (r) 外幣換算(續)

海外業務的業績按與於交易日期適用的外幣匯率相若的匯率換算為人民幣(本集團呈列貨幣)。財務狀況表項目乃按於報告期末的收市匯率換算為人民幣。所產生的匯兌差額乃於其他全面收入內確認，並於權益的匯兌儲備內單獨累計。

#### (s) 研發開支

研究活動開支於產生年度內確認為開支。倘若產品或工序在技術上及商業上可行，以及本集團有充裕資源和意願完成開發，則開發活動的開支會予以資本化。資本化的開支包括原材料成本、直接勞工成本、適當比例的經常費用及借貸成本(倘適用，見附註2(t))。資本化的開發成本按成本減去累計攤銷和減值虧損後列賬(見附註2(g)(ii))。其他開發開支均於產生年度內確認為開支。

#### (t) 借貸成本

與收購、建造或生產需要長時間才可以投入擬定用途或銷售的資產直接相關的借貸成本，將予資本化作為該資產成本的一部分。其他借貸成本則於產生期間計入開支。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (t) Borrowing costs (Continued)

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

#### (u) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;

### 2 重大會計政策(續)

#### (t) 借貸成本(續)

屬於合資格資產成本一部分的借貸成本，在資產產生開支、借貸成本產生和使資產投入擬定用途或銷售所必需的準備工作進行期間開始資本化。在使合資格資產投入擬定用途或銷售所必需的絕大部分準備工作中止或完成時，借貸成本便會暫停或停止資本化。

#### (u) 關聯方

- (a) 倘屬以下人士或該人士的家族成員，則與本集團有關聯：
- (i) 控制或共同控制本集團；
  - (ii) 對本集團擁有重大影響力；或
  - (iii) 本集團或本集團母公司的主要管理層成員。
- (b) 倘適用以下任何條件，則實體與本集團有關聯：
- (i) 實體與本集團為同一集團的成員；
  - (ii) 一家實體為另一實體的聯營公司或合營企業(或另一實體作為成員的集團成員的聯營公司或合營企業)；
  - (iii) 兩家實體均為同一第三方的合營企業；



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## 財務報表附註

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### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (u) Related parties (Continued)

- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

### 2 重大會計政策(續)

#### (u) 關聯方(續)

- (iv) 一家實體為第三方實體的合營企業而另一實體為該第三方實體的聯營公司；
- (v) 該實體乃為本集團或任何與本集團有關聯的實體的僱員福利設立的退休後福利計劃；
- (vi) 該實體為(a)所界定人士控制或共同控制的實體；
- (vii) (a)(i)所界定的人士對該實體具有重大影響力或為該實體(或該實體母公司)的主要管理層成員；
- (viii) 該實體或屬該實體其中一部分的集團旗下任何成員公司為向本集團或本集團母公司提供主要管理人員服務。

個別人士的近親指於彼等與實體進行交易時，預期可影響該人士或受該人士影響的家族成員。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
(Expressed in RMB unless otherwise indicated) (除另有註明者外，均以人民幣列示)

### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (v) Segment reporting

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

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

### 2 重大會計政策(續)

#### (v) 分部報告

經營分部及於歷史財務報表呈報之各分部項目金額，乃根據就分配資源予本集團各業務及地區分部及評估業績而定期提供予本集團最高層管理人員的財務資料而確定。

就財務呈報而言，除非分部具備類似經濟特徵及在產品性質、生產流程性質、客戶類型或類別、用作分配產品的方法及監管環境的性質方面類似，否則個別重大經營分部不會進行合併計算。個別非重大的經營分部，如符合上述大部分標準，則可進行合併計算。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
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### 3 ACCOUNTING JUDGEMENT AND ESTIMATES

Note 24 contains information about the assumptions and their risk factors relating to fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

#### (a) Impairment losses for long-lived assets

If circumstances indicate that the carrying amount of a non-current asset may not be recoverable, the asset may be considered “impaired”, and an impairment loss may be recognised in accordance with accounting policy for impairment of non-current assets as described in Note 2(g)(ii). These assets are tested for impairment whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the recoverable amount of the assets and could result in additional impairment charge or reversal of impairment in future years.

### 3 會計判斷及估計

附註24載列有關金融工具公允值的假設及其風險因素的資料。估計不明朗因素的其他主要來源如下：

#### (a) 長期資產減值虧損

倘有情況顯示非流動資產的賬面值未必可收回，該資產可被視作「已減值」，並可根據附註2(g)(ii)所述有關非流動資產減值的會計政策確認減值虧損。該等資產會於事件出現或情況改變顯示可能不能收回賬面值時進行減值測試。倘其已出現有關下跌，賬面值會減至可收回金額。可收回金額為公允值減出售成本與使用價值的較高者。在釐定使用價值時，資產產生的預期未來現金流量會貼現至其現值，其須作出有關收入水準及經營成本金額的重大判斷。本集團使用所有可隨時取得的資料釐定可收回金額的合理約數，包括根據合理及可支援的假設作出的估計及對收入水準及經營成本金額的預測。該等估計的變動可能會對資產的可收回金額有重大影響，並可能會導致未來年度的額外減值費用或減值撥回。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
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### 3 ACCOUNTING JUDGEMENT AND ESTIMATES

(Continued)

#### (b) Credit loss allowance for trade receivables

Loss allowance for trade receivables is based on assumptions about the expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the expected credit loss estimation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to profit or loss.

#### (c) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual values, if any. The Group reviews the estimated useful lives and residual values, if any, of the property, plant and equipment regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The determination of the useful lives and residual values, if any, are based on historical experience with similar assets after taking into account the anticipated changes on how such assets are to be deployed in the future. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

### 3 會計判斷及估計(續)

#### (b) 貿易應收款項的信貨虧損準備

貿易應收款項的虧損準備乃基於有關預期損失率的假設。本集團於作出該等假設時採用有關判斷並選擇預期信貸虧損估計的輸入數據，基於本集團過往的歷史、現有的市況及各報告期末的前瞻性估計。該等假設及估計的變動可能對評估結果造成重大影響，且對損益作出額外減值費用可能乃屬必要。

#### (c) 折舊

物業、廠房及設備乃於資產的估計可使用年期於計入估計剩餘價值(如有)後按直線法折舊。本集團定期檢討物業、廠房及設備的估計可使用年期及剩餘價值(如有)，以確定於任何報告期間應被記錄的折舊開支金額。可使用年期及剩餘價值(如有)乃經慮及該等資產未來如何配置的預期變動後根據以往在類似資產方面的經驗而作出。倘較原來估計有重大變動，未來期間的折舊開支會作出調整。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
(Expressed in RMB unless otherwise indicated) (除另有註明者外，均以人民幣列示)

### 4 REVENUE AND SEGMENT REPORTING

#### (a) Revenue

The Group is principally engaged in the manufacture and sale of automotive interior and exterior decorative components and parts. Further details regarding the Group's principal activities are disclosed in Note 4(b).

Disaggregation of revenue from contracts with customers by major products is as follows:

Revenue from contracts with customers within the scope of IFRS 15	在國際財務報告準則第15號範圍內與客戶簽訂合約之收入
Disaggregated by major products:	按主要產品分類：
— Sales of heavy trucks' decorative components and parts	— 銷售重型卡車裝飾零
— Sales of passenger vehicles' decorative components and parts	— 銷售乘用車裝飾零部
	件
	<b>254,732</b>
	<b>43,175</b>
	<b>297,907</b>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in Notes 4(b)(i) and 4(b)(iii) respectively.

The Group's customers with which transactions have exceeded 10% of the Group's revenue are set out below:

Customer A	客戶 A
Customer B	客戶 B

Details of concentration of credit risk rising from the Group's customers are set out in Note 24(a).

### 4 收入及分部報告

#### (a) 收入

本集團主要從事汽車內外裝飾零部件製造及銷售。有關本集團主要業務的進一步詳情於附註4(b)披露。

按主要產品對客戶合約之收入劃分如下：

2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
<b>254,732</b>	238,896
<b>43,175</b>	24,924
<b>297,907</b>	263,820

按收入確認時點和地域市場分類與客戶簽訂合約之收入分別於附註4(b)(i)及4(b)(iii)披露。

本集團與之交易超過本集團收入10%的客戶載列如下：

2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
<b>112,140</b>	111,347
<b>107,113</b>	98,556

客戶集中信貸風險詳情乃載於附註24(a)。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
(Expressed in RMB unless otherwise indicated) (除另有註明者外，均以人民幣列示)

### 4 REVENUE AND SEGMENT REPORTING (Continued)

#### (b) Segment reporting

The Group manages its businesses by products. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Heavy trucks' decorative components and parts: this segment includes primarily the research, development, manufacture and sale of decorative components and parts to be installed in heavy trucks.
- Passenger vehicles' decorative components and parts: this segment includes primarily the research, development, manufacture and sale of decorative components and parts to be installed in passenger vehicles.

#### (i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales and revenue generated by those segments and direct expenses incurred by those segments. The measure and revenue used for reporting segment result is gross profit. No inter-segment sales have occurred for the years ended 31 December 2019 and 2018. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

### 4 收入及分部報告(續)

#### (b) 分部報告

本集團按產品分類管理其業務。為與向本集團最高行政管理層內部匯報的資料以分配資源及評估業績之方式一致，本集團已呈報以下兩個可呈報分部。概無匯總經營分部，以組成下列可呈報分部。

- 重型卡車裝飾零部件：該分部主要包括安裝於重型卡車的裝飾零部件的研發、生產及銷售。
- 乘用車裝飾零部件：該分部主要包括安裝於乘用車的裝飾零部件的研發、生產及銷售。

#### (i) 分部業績，資產及負債

為評估分部業績及在分部之間分配資源，本集團最高行政管理層按以下基準監管各可呈報分部之應佔業績：

收入及開支參照該等分部產生的銷售及該等分部產生的直接開支，分配至可呈報分部。呈報分部業績以毛利計算。截至2019年及2018年12月31日止各年度，並無出現分部間銷售。一個分部向另一個分部提供的協助(包括共用資產及技術知識)並無計量。



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
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### 4 REVENUE AND SEGMENT REPORTING (Continued)

#### (b) Segment reporting (Continued)

##### (i) Segment results, assets and liabilities

(Continued)

The Group's other operating expenses, including other loss/income, selling and administration expenses and finance costs, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2019 and 2018 is set out below.

### 4 收入及分部報告(續)

#### (b) 分部報告(續)

##### (i) 分部業績，資產及負債(續)

本集團的其他經營開支(如其他虧損/(收入)、銷售開支、行政開支及財務成本)以及資產及負債均不計入個別分部。因此，無論是有關分部資產及負債的資料，亦或是有關資本開支、利息收入及利息開支的資料，均不作呈列。

截至2019年及2018年12月31日止各年度，按收入確認時點與客戶簽訂合約之收入及就分配資源及評估分部業績而向本集團最高行政管理層提供之有關本集團可呈報分部資料載列如下。

		2019		
		Heavy trucks' decorative components and parts 重型卡車裝飾零部件 RMB'000 人民幣千元	Passenger vehicles' decorative components and parts 乘用車裝飾零部件 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue recognised at a point in time from external customers	在某一時間點確認來自外部客戶之收入	254,732	43,175	297,907
Reportable segment gross profit	可呈報分部毛利	92,687	8,501	101,188

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
(Expressed in RMB unless otherwise indicated) (除另有註明者外，均以人民幣列示)

### 4 REVENUE AND SEGMENT REPORTING (Continued)

#### (b) Segment reporting (Continued)

##### (i) Segment results, assets and liabilities

(Continued)

		2018		
		Heavy trucks' decorative components and parts 重型卡車裝飾零部件 RMB'000 人民幣千元	Passenger vehicles' decorative components and parts 乘用車裝飾零部件 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue recognised at a point in time from external customers	在某一時間點確認來自外部客戶之收入	238,896	24,924	263,820
Reportable segment gross profit	可呈報分部毛利	81,860	8,045	89,905

##### (ii) Reconciliation of reportable segment profit or loss

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元 (Note) (附註)
Total reportable segment gross profit	可呈報分部毛利總額	101,188	89,905
Other income/(loss)	其他收入/(虧損)	6,056	(596)
Selling expenses	銷售開支	(9,266)	(7,278)
Administrative expenses	行政開支	(40,337)	(41,598)
Finance costs	財務成本	(5,724)	(7,577)
Consolidated profit before taxation	綜合除稅前溢利	51,917	32,856

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日採用經修訂追溯法首次應用國際財務報告準則第16號。根據此方法，比較資料未經重列。見附註2(c)。

### 4 收入及分部報告(續)

#### (b) 分部報告(續)

##### (i) 分部業績，資產及負債(續)

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
(Expressed in RMB unless otherwise indicated) (除另有註明者外，均以人民幣列示)

### (iii) Geographic information

The Group's revenue is substantially generated from the sales of automotive interior and exterior decorative components and parts in the PRC. The Group's business is substantially conducted in the PRC. Accordingly, no segment analysis based on geographical locations of the customers and assets is provided.

### (iii) 地域資料

本集團的收入主要源自於中國銷售汽車內外部裝飾零部件。本集團之業務主要位於中國。故此，並無提供按客戶及資產的地域位置進行的分部分析。

## 5 OTHER INCOME/(LOSS)

## 5 其他收入／(虧損)

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Government grants (including amortisation of deferred income in Note 22)	政府補助(包括附註22中遞延收益的攤銷)	3,421	1,225
Net gain on sales of scrap materials	銷售廢料之收益淨額	637	665
Operating lease income	經營租賃收入	11	31
Interest income	利息收入	248	239
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益淨額	73	—
Net foreign exchange gains/(losses)	匯兌收益／虧損淨額	59	(2,835)
Compensation received from a constructor	收到建築商賠償款	1,200	—
Others	其他	407	79
		<b>6,056</b>	<b>(596)</b>

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
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### 6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/  
(crediting):

#### (a) Finance costs

Interests on bank and other loans	銀行及其他貸款利息	<b>5,573</b>	7,577
Interest on lease liabilities	租賃負債利息	<b>151</b>	—
		<b>5,724</b>	7,577

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

No borrowing costs have been capitalised during the year ended 31 December 2019 (2018: RMB Nil).

#### (b) Staff costs\*

Salaries, wages and other benefits	薪金、工資及其他福利	<b>37,077</b>	26,271
Contributions to defined contribution retirement plan	界定供款退休計劃供款	<b>3,617</b>	3,505
		<b>40,694</b>	29,776

The employees of the subsidiaries of the Group established in the PRC (excluding Hong Kong) participate in the defined contribution retirement benefit plan managed by the local government authority, whereby the subsidiaries are required to contribute to the scheme at a rate of 16% of the employees' basic salaries. Employees of the subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC (excluding Hong Kong), from the above-mentioned retirement plan at their normal retirement age.

### 6 除稅前溢利

除稅前溢利乃於扣除／(計入)以下各項後得出

#### (a) 財務成本

2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元 (Note) (附註)
<b>5,573</b>	7,577
<b>151</b>	—
<b>5,724</b>	7,577

附註：本集團於2019年1月1日採用經修訂追溯法首次應用國際財務報告準則第16號。根據此方法，比較資料未經重列。見附註2(c)。

截至2019年12月31日止年度，概無借款成本被資本化(2018年：人民幣零元)。

#### (b) 員工成本\*

2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
<b>37,077</b>	26,271
<b>3,617</b>	3,505
<b>40,694</b>	29,776

本集團於中國(不包括香港)成立的附屬公司的僱員參加由當地政府部門管理的界定供款退休福利計劃，據此，該等附屬公司須按僱員基本薪金的16%向計劃作出供款。該等附屬公司的僱員在達到其正常退休年齡時有權享有上述退休計劃按中國(不包括香港)平均薪資水準一定百分比計算的退休福利。

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## 財務報表附註

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### 6 PROFIT BEFORE TAXATION (Continued)

#### (b) Staff costs\* (Continued)

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of Hong Kong Dollars ("HK\$") 30,000. Contributions to the MPF Scheme vest immediately.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

### 6 除稅前溢利(續)

#### (b) 員工成本\*(續)

本集團根據香港強制性公積金計劃條例為其根據香港僱傭條例僱用之僱員設立強制性公積金計劃(「強積金計劃」)。強積金計劃由獨立信託人管理定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入之5%向計劃供款，每月相關收入之上限為港幣30,000元。計劃之供款即時歸屬。

除上述供款外，本集團並無支付其他退休福利的其他重大責任。

#### (c) Other items

#### (c) 其他項目

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元 (Note)* (附註)*
Amortisation#	攤銷#	—	206
Depreciation charge# (Note 11)	折舊支出(附註11)		
— owned property, plant and equipment*	— 自有物業、廠房及設備*	13,154	12,598
— right-of-use assets*	— 使用權資產*	579	—
		<b>13,733</b>	12,804
Impairment losses on trade receivables (Note 24(a))	貿易應收款項減值虧損(附註24(a))	2,544	(321)
Auditors' remuneration	核數師酬金		
— in connection with the initial listing of the Company's shares	— 與本公司股份首次上市有關	—	3,000
— audit service	— 年度審計服務	1,800	1,300
Research and development costs	研發成本	15,287	10,552
Cost of inventories# (Note 13(b))	存貨成本#(附註13(b))	196,719	173,915

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## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
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### 6 PROFIT BEFORE TAXATION (Continued)

#### (c) Other items (Continued)

\* The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS 17. The depreciated carrying amount of the land-use-rights which were previously included in lease prepayments is also identified as a right-of-use asset. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. See Note 2(c).

# Cost of inventories includes RMB35,044,000 (2018: RMB25,805,000) relating to staff costs, and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

### 6 除稅前溢利(續)

#### (c) 其他項目(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號並調整於2019年1月1日的期初結餘，以確認與租賃(其先前根據國際會計準則第17號分類為經營租賃)有關的使用權資產。以往包括在租賃預付款項中的土地使用權攤銷的賬面值也被確認為使用權資產。於2019年1月1日初步確認使用權資產後，本集團作為承租人須確認使用權資產折舊，而不是按先前政策在租賃期內按直線基準確認經營租賃項下產生的租金開支。根據此方法，比較資料未經重列。見附註2(c)。

# 存貨成本包括有關員工成本、折舊及攤銷開支的人民幣35,044,000元(2018年：人民幣25,805,000元)，有關金額亦計入上文另行披露之各自總金額或附註6(b)之該等各類別開支。

### 7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

#### (a) Taxation in the consolidated statement of profit or loss represents:

### 7 綜合損益表內的所得稅

#### (a) 綜合損益表內的稅項指：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
<b>Current taxation (Note 21(a)):</b>	<b>即期稅項(附註21(a)):</b>		
Provision for the year	年內撥備	8,217	6,804
<b>Deferred taxation (Note 21(b)):</b>	<b>遞延稅項(附註21(b)):</b>		
— Origination and reversal of temporary differences	— 暫時差額的產生及撥回	(1,122)	(1,964)
		<b>7,095</b>	<b>4,840</b>



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
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### 7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

#### (b) Reconciliation between actual tax expense and accounting profit at applicable tax rates:

### 7 綜合損益表內的所得稅(續)

#### (b) 按適用稅率計算之實際稅項開支與會計溢利之對賬：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	<b>51,917</b>	32,856
Expected tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned (Notes (i), (ii) and (iii))	按適用於有關司法權區溢利之稅率計算之除稅前溢利之預期稅項(附註(i)、(ii)及(iii))	<b>13,732</b>	8,488
Tax effect of non-deductible expenses	不可扣稅開支之稅項影響	<b>195</b>	837
Tax effect on preferential tax rate (Note (iv))	優惠稅率之稅項影響(附註(iv))	<b>(5,116)</b>	(3,303)
Tax effect on bonus deduction of research and development costs (Note (v))	對研發成本之加計抵扣之稅項影響(附註(v))	<b>(1,687)</b>	(1,182)
Others	其他	<b>(29)</b>	—
Actual tax expense	實際稅項開支	<b>7,095</b>	4,840

Notes:

- (i) The Company and the subsidiary of the Group incorporated in the British Virgin Islands (the "BVI") are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.
- (ii) The Company and the subsidiary of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% for the year ended 31 December 2019 (2018: 16.5%). These companies did not have assessable profits which are subject to Hong Kong Profits Tax for the year ended 31 December 2019 (2018: RMBnil).
- (iii) The subsidiary of the Group established in the PRC (excluding Hong Kong) is subject to PRC Corporate Income Tax rate at 25% for the year ended 31 December 2019 (2018: 25%).

附註：

- (i) 本公司及本集團於英屬處女群島[英屬處女群島]註冊成立之附屬公司毋須根據其各自註冊國家的法規及規例繳納任何利得稅。
- (ii) 截至2019年12月31日止年度，本公司及本集團於香港註冊成立之附屬公司須按16.5%之稅率繳納香港利得稅(2018年：16.5%)。截至2019年12月31日止年度，該等公司概無產生須繳納香港利得稅的應課稅溢利(2018年：人民幣零元)。
- (iii) 截至2019年12月31日止年度，本集團於中國(不包括香港)成立的附屬公司須按25%之稅率繳納中國企業所得稅(2018年：25%)。

# Notes to the Financial Statements

## 財務報表附註

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### 7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

#### (b) Reconciliation between actual tax expense and accounting profit at applicable tax rates:

(Continued)

- (iv) The PRC Corporate Income Tax Law allows enterprises to apply for certificate of "High and New Technology Enterprise" ("HNTE") which entitles the qualified companies to a preferential income tax rate of 15%, subject to fulfilment of the recognition criteria. Xian Tianrui Automotive Interiors Co., Ltd. ("Xian Tianrui"), a subsidiary of the Group, is qualified as a HNTE and the qualification is valid for three years from 2019 to 2021.
- (v) According to the relevant tax rules in the PRC, qualified research and development costs, are allowed for bonus deduction for income tax purpose, i.e. an additional 75% (2018: 75%) of such expenses could be deemed as deductible expenses.

### 8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

### 7 綜合損益表內的所得稅(續)

#### (b) 按適用稅率計算之實際稅項開支與會計溢利之對賬：(續)

- (iv) 《中國企業所得稅法》允許企業申請「高新技術企業」(「高新技術企業」)證書，此使得合資格企業可享受優惠所得稅率15%，惟須符合確認標準。本集團一間附屬公司西安天瑞汽車內飾件有限公司(「西安天瑞」)符合高新技術企業資格，且有資格自2019年至2021年為期三年有效。
- (v) 根據中國有關稅收規定，合格研發成本可用作所得稅目的之加計抵扣，即該等開支的額外75% (2018年：75%)可視作可抵扣開支。

### 8 董事酬金

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露的董事薪酬如下：

		2019				
		Directors' fees	Salaries, allowances and benefits in-kind 薪金、津貼及實物福利	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休計劃供款	Total 總計
		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	RMB'000 人民幣千元
<b>Executive directors</b>	<b>執行董事</b>					
Mr Hou Jianli	侯建利先生	180	—	24	28	232
Ms Chen Bierui	陳別銳女士	180	—	13	—	193
Mr Zhao Shijie	趙世傑先生	180	—	34	43	257
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr Zhu Hongqiang	朱紅強先生	80	—	—	—	80
Mr Zhou Genshu	周根樹先生	80	—	—	—	80
Mr Shin Yick Fabian	冼易先生	80	—	—	—	80
		<b>780</b>	<b>—</b>	<b>71</b>	<b>71</b>	<b>922</b>

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## 財務報表附註

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### 8 DIRECTORS' EMOLUMENTS (Continued)

### 8 董事酬金(續)

		2018				
		Directors' fees	Salaries, allowances and benefits in-kind 薪金、津貼及實物福利	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休計劃供款	Total 總計
		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	RMB'000 人民幣千元
Executive directors	執行董事					
Mr Hou Jianli	侯建利先生	—	142	—	32	174
Ms Chen Bierui	陳別銳女士	—	128	—	—	128
Mr Zhao Shijie	趙世傑先生	—	162	—	49	211
Independent non-executive directors	獨立非執行董事					
Mr Zhu Hongqiang	朱紅強先生	—	—	—	—	—
Mr Zhou Genshu	周根樹先生	—	—	—	—	—
Mr Shin Yick Fabian	冼易先生	—	—	—	—	—
		—	432	—	81	513

### 9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2018: three) are directors whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the other two (2018: two) individuals are as follows:

### 9 最高薪酬人士

五名最高薪人士中分別有三名(2018年：三名)董事，其酬金詳情披露於附註8。於往績記錄期間，其餘兩名(2018年：兩名)人士的薪酬總額如下：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他酬金	529	497
Retirement scheme contributions	退休計劃供款	71	62
		<b>600</b>	559

# Notes to the Financial Statements

## 財務報表附註

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### 9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

(Continued)

The emoluments of the individuals who are not directors and who are amongst the five highest paid individuals of the Group are within the following band:

Hong Kong dollar ("HK\$")	零港元至1,000,000港元
Nil to HK\$1,000,000	

### 9 最高薪酬人士(續)

本集團五名最高薪人士中並非董事的人士的薪酬介於以下範圍內：

2019 Number of individuals 人數	2018 Number of individuals 人數
2	2

### 10 EARNINGS PER SHARE

#### (a) Basic earnings per share

The basic earnings per share for the year ended 31 December 2019 is calculated based on the profit attributable to equity shareholders of the Company of RMB44,822,000 (2018: RMB28,016,000) and the weighted average of 1,995,890,411 (2018: 1,500,000,000) ordinary shares.

The calculation of the weighted average number of ordinary shares are as follows:

		2019	2018
Issued ordinary shares at 1 January	1月1日發行普通股	1,500,000,000	100
Issuance of shares by initial public offering (Note 23(b)(i))	透過首次公開發售發行股份(附註23(b)(i))	495,890,411	—
Effect of capitalisation issue	資本化發行的影響	—	1,499,999,900
Weighted average number of ordinary shares at 31 December	12月31日普通股加權平均數	1,995,890,411	1,500,000,000

#### (b) Diluted earnings per share

There were no dilutive potential shares outstanding during the years ended 31 December 2019 and 2018.

### 10 每股盈利

#### (a) 每股基本盈利

截至2019年12月31日止年度每股基本盈利乃按本公司普通股權益股東應佔溢利人民幣44,822,000元(2018年：人民幣28,016,000元)及已發行普通股的加權平均數1,995,890,411股(2018年：1,500,000,000股)計算得出。

普通股的加權平均數計算如下：

#### (b) 每股攤薄盈利

截至2019年及2018年12月31日止年度，概無潛在攤薄股份。

# Notes to the Financial Statements

## 財務報表附註

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### 11 PROPERTY, PLANT AND EQUIPMENT

#### (a) Reconciliation of carrying amount

### 11 物業、廠房及設備

#### (a) 賬面值對賬

		Plant and buildings 廠房及樓宇 RMB'000 人民幣千元	Land-use-right leased for own use 租作自用的土地 地使用权 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Moulds 模具 RMB'000 人民幣千元	Motor vehicles and other equipment 汽車及其他設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>							
At 1 January 2018	於2018年1月1日	50,963	—	26,687	28,236	4,400	1,944	112,230
Additions	添置	4,188	—	10,738	20,736	1,056	7,686	44,404
Transfer in/(out)	轉入/(轉出)	3,115	—	—	—	—	(3,115)	—
At 31 December 2018	於2018年12月31日	58,266	—	37,425	48,972	5,456	6,515	156,634
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>							
At 1 January 2018	於2018年1月1日	(6,002)	—	(8,462)	(12,533)	(2,538)	—	(29,535)
Charge for the year	年內支出	(1,345)	—	(3,057)	(7,651)	(545)	—	(12,598)
At 31 December 2018	於2018年12月31日	(7,347)	—	(11,519)	(20,184)	(3,083)	—	(42,133)
<b>Carrying amount:</b>	<b>賬面值：</b>							
At 31 December 2018	於2018年12月31日	50,919	—	25,906	28,788	2,373	6,515	114,501
<b>Cost:</b>	<b>成本：</b>							
At 31 December 2018	於2018年12月31日	58,266	—	37,425	48,972	5,456	6,515	156,634
Impact on initial application of IFRS 16 (Note)	首次應用國際財務報告準則第16號的影響(附註)	—	9,486	—	—	—	—	9,486
At 1 January 2019	於2019年1月1日	58,266	9,486	37,425	48,972	5,456	6,515	166,120
Additions	添置	2,838	—	5,875	5,263	2,259	2,651	18,886
Transfer in/(out)	轉入/(轉出)	6,753	—	—	—	—	(6,753)	—
Disposals	出售	—	—	(479)	—	(93)	—	(572)
At 31 December 2019	於2019年12月31日	67,857	9,486	42,821	54,235	7,622	2,413	184,434
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>							
At 1 January 2019	於2019年1月1日	(7,347)	—	(11,519)	(20,184)	(3,083)	—	(42,133)
Charge for the year	年內支出	(1,963)	(206)	(3,791)	(7,018)	(755)	—	(13,733)
Written back on disposals	出售時撥回	—	—	376	—	39	—	415
At 31 December 2019	於2019年12月31日	(9,310)	(206)	(14,934)	(27,202)	(3,799)	—	(55,451)
<b>Carrying amount:</b>	<b>賬面值：</b>							
At 31 December 2019	於2019年12月31日	58,547	9,280	27,887	27,033	3,823	2,413	128,983

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## 財務報表附註

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### 11 PROPERTY, PLANT AND EQUIPMENT (Continued)

#### (a) Reconciliation of carrying amount (Continued)

Note: The Group has initially applied IFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS 17. See Note 2(c).

#### (b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

### 11 物業、廠房及設備(續)

#### (a) 賬面值對賬(續)

附註：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號並調整於2019年1月1日的期初結餘，以確認與租賃(其先前根據國際會計準則第17號分類為經營租賃)有關的使用權資產。見附註2(c)。

#### (b) 使用權資產

按相關資產級別劃分之使用權資產賬面淨值分析如下：

		<b>31 December 2019</b>	1 January 2019
		<b>2019年12月31日</b>	2019年1月1日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Land-use-right leased for own use	租作自用的土地使用權	<b>9,280</b>	9,486
Plant and buildings	廠房及樓宇	<b>2,838</b>	—
		<b>12,118</b>	9,486



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### 11 PROPERTY, PLANT AND EQUIPMENT (Continued)

#### (b) Right-of-use assets (Continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元 (Note) (附註)
Depreciation charge of right-of-use assets by class of underlying asset:	按相關資產類別劃分的使用權資產折舊支出：		
Land-use-right leased for own use	租作自用的土地使用權	206	206
Plant and buildings	廠房及樓宇	373	—
		<b>579</b>	206
Interest on lease liabilities (Note 6(a))	租賃負債利息(附註6(a))	151	—
Expense relating to short-term leases and other leases with remaining lease term ending on or before 31 December 2019	與剩餘租期於2019年12月31日或之前屆滿之短期租賃及其他租賃相關的開支	11	—
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	與低價值資產租賃(不包括低價值資產的短期租賃)相關的開支	30	—
Total minimum lease payments for leases previously classified as operating leases under IAS 17	先前根據國際會計準則第17號分類為經營租賃之租賃之最低租賃付款總額	—	32

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS 17. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. See Note 2(c).

During the year, additions to right-of-use assets were RMB2,838,000. This amount primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of the maturity analysis of lease liabilities are set out in Note 20.

### 11 物業、廠房及設備(續)

#### (b) 使用權資產(續)

與於損益確認的租賃相關的開支項目分析如下：

	2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元 (Note) (附註)
Depreciation charge of right-of-use assets by class of underlying asset:		
Land-use-right leased for own use	206	206
Plant and buildings	373	—
	<b>579</b>	206
Interest on lease liabilities (Note 6(a))	151	—
Expense relating to short-term leases and other leases with remaining lease term ending on or before 31 December 2019	11	—
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	30	—
Total minimum lease payments for leases previously classified as operating leases under IAS 17	—	32

附註：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號並調整於2019年1月1日的期初結餘，以確認與租賃(其先前根據國際會計準則第17號分類為經營租賃)有關的使用權資產。於2019年1月1日初步確認使用權資產後，本集團作為承租人須確認使用權資產折舊，而不是按先前政策在租賃期內按直線基準確認經營租賃項下產生的租金開支。根據此方法，比較資料未經重列。見附註2(c)。

年內，使用權資產的添置為人民幣2,838,000元。該金額主要與根據新租賃協議應付之已資本租賃付款有關。

有關租賃負債的到期日分析之詳情，請參閱附註20。

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### 12 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

### 12 於附屬公司的投資

以下表格載有主要影響本集團業績、資產或負債的附屬公司詳情。除非另有說明，所持有的股份類別為普通股。

Name of subsidiaries 附屬公司名稱	Place and date of establishment/ incorporation/ operation 註冊成立/經營 地點及日期	Particulars of registered/issued and paid-up capital 註冊/已發行及 繳足資本詳情	Percentage of ownership interest 所有權益百分比			Principal activities 主要業務
			The Group's effective interest 本集團 實際權益	Held by the Company 本公司 持有	Held by a subsidiary 附屬公司 持有	
Baoji Qinrui Automotive Interiors Co., Ltd. (寶雞秦瑞汽車內飾件有限公司)*	The PRC 24 July 2019 中國 2019年7月24日	RMB20,000,000 人民幣20,000,000元	100%	—	100%	Manufacture and sale of automotive interior and exterior decorative components and parts 汽車內外裝飾零部件製造及銷售
Xian Tianrui Automotive Interiors Co., Ltd. (西安天瑞汽車內飾件有限公司)*	The PRC 22 May 2009 中國 2009年5月22日	RMB100,000,000 人民幣100,000,000元	100%	—	100%	Manufacture and sale of automotive interior and exterior decorative components and parts 汽車內外裝飾零部件製造及銷售
Ryford Holding Limited **	The BVI 5 May 2017 英屬處女群島 2017年5月5日	United States Dollars ("USD") 100, 100 shares of USD 1 each 美元100股每股面值1美金的股份	100%	100%	—	Investment holding 投資控股
Tianrui International Holdings Limited ** 天瑞國際控股有限公司**	Hong Kong 13 June 2017 香港 2017年6月13日	1,000 shares 1,000股股份	100%	—	100%	Investment holding 投資控股

\* The English translation of the name is for identification only. The official name of the entity is in Chinese. This entity is registered as a wholly foreign-owned enterprise in the PRC.

\* 實體官方名稱為中文，英文譯文僅供識別。該實體於中國註冊為外商獨資企業。

\*\* These companies are limited liability companies incorporated outside of the PRC.

\*\* 該等公司為在中國境外註冊成立的有限公司。

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## 財務報表附註

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### 13 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

		<b>2019</b>	2018
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Raw materials and consumables	原材料及易耗品	<b>19,821</b>	11,879
Work in progress	在製品	<b>9,869</b>	2,313
Finished goods	成品	<b>31,124</b>	13,060
		<b>60,814</b>	27,252

(b) The analysis of the amount of inventories recognised as an expense and included in the consolidated statement of profit or loss is as follows:

		<b>2019</b>	2018
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Carrying amount of inventories sold	已出售存貨的賬面值	<b>196,719</b>	173,915

### 13 存貨

(a) 綜合財務狀況表中的存貨包括以下各項：

(b) 已確認為開支並計入綜合損益表的存貨金額分析如下：

### 14 TRADE AND BILLS RECEIVABLES

Trade receivables, net of loss allowance  
Bills receivables

		<b>31 December</b>	31 December
		<b>2019</b>	2018
		<b>2019年12月31日</b>	2018年12月31日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Trade receivables, net of loss allowance	貿易應收款項(扣除虧損撥備)	<b>161,504</b>	78,094
Bills receivables	應收票據	<b>74,440</b>	54,871
		<b>235,944</b>	132,965

All of the trade and bills receivables, net of loss allowance for doubtful debts (if any), are expected to be recovered within one year.

### 14 貿易應收款項及應收票據

所有貿易應收款項及應收票據(扣除呆賬撥備(如有))預計於一年內收回。

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### 14 TRADE AND BILLS RECEIVABLES (Continued)

#### (a) Ageing analysis

At the end of reporting period, the ageing analysis of trade and bills receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Less than 3 months	3個月以內	121,147	82,176
3 to 6 months	3個月至6個月	33,520	34,721
6 to 12 months	6個月至12個月	79,667	16,068
more than 1 year	1年以上	1,610	—
		<b>235,944</b>	132,965

Further details on the Group's credit policy and credit risk arising from trade and bills receivables are set out in Note 24(a).

#### (b) Transfer of financial assets

The Group receives short-term bank acceptance notes from its customers as a method of settlement of goods sold. These notes entitle the Group to receive the full face values from the issuing banks upon the maturities of these notes, which generally range from 3 to 6 months from the dates of issuance.

### 14 貿易應收款項及應收票據(續)

#### (a) 賬齡分析

於報告期末基於發票日期(或收入確認日期(倘較早))及扣除虧損撥備的貿易應收款項及應收票據賬齡分析如下：

	2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Less than 3 months	121,147	82,176
3 to 6 months	33,520	34,721
6 to 12 months	79,667	16,068
more than 1 year	1,610	—
	<b>235,944</b>	132,965

有關本集團信貸政策及貿易應收款項及應收票據產生的信貸風險的進一步詳情乃載於附註24(a)。

#### (b) 轉移金融資產

本集團自其客戶收到短期銀行承兌匯票作為已售商品的一種結算方法。該等票據賦予本集團權利以於該等票據到期時收到開票銀行的全部面值，該等票據一般自開票日期起計為期3個月至6個月。

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### 14 TRADE AND BILLS RECEIVABLES (Continued)

#### (b) Transfer of financial assets (Continued)

At 31 December 2019, the Group had discounted certain of the bank acceptance notes and endorsed certain of the bank acceptance notes to its suppliers and other creditors for settlement of the Group's trade and other payables on a full recourse basis. Upon the above discounting or endorsement, the Group has derecognised the bills receivables in their entirety. These derecognised bank acceptance notes have maturity dates of less than six months from the end of the reporting period. In the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership of these notes and has discharged its obligation of the payables to its suppliers and other creditors. The Group assessed that the discounted and endorsed bank acceptance notes were issued by highly-rated issuing banks, the credit risks were relatively insignificant and the Group was not exposed to the relative interest risk. At 31 December 2019, the Group's maximum exposure to loss and undiscounted cash outflow should the issuing banks fail to settle the bills on maturity dates amounted to RMB55,626,000 (2018: RMB117,273,000).

### 15 PREPAYMENTS AND OTHER RECEIVABLES

#### (a) Prepayments for acquisitions of property, plant and equipment

The amount at 31 December 2019 represents prepayments for the Group's contracted procurement of moulds and machinery.

### 14 貿易應收款項及應收票據(續)

#### (b) 轉移金融資產(續)

於2019年12月31日，本集團將若干銀行承兌匯票進行了貼現，並向其供應商及其他債權人背書若干銀行承兌匯票，以按完全追索權基準結算本集團的貿易應付款項及其他應付款項。待以上所述貼現或背書後，本集團已全部終止確認應收票據。該等已被終止確認的銀行承兌匯票的到期日自報告期末起計不足六個月。本公司董事認為，本集團已轉移該等票據的所有權的絕大部分風險及回報，並已履行對供應商及其他債權人的付款責任。本集團評估，已貼現及已背書銀行承兌匯票由高評級的開票銀行發行，信貸風險相對較低及本集團並未面臨相關利率風險。於2019年12月31日，倘開票銀行於到期日未能結算票據，則本集團的最大損失及未貼現現金流出風險承擔額為人民幣55,626,000元(2018年：人民幣117,273,000元)。

### 15 預付款項及其他應收款項

#### (a) 購置物業、廠房及設備的預付款項

於2019年12月31日的款項指本集團訂立合約購置模具及機器的預付款項。

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### 15 PREPAYMENTS AND OTHER RECEIVABLES

(Continued)

#### (b) Prepayments and other receivables

### 15 預付款項及其他應收款項(續)

#### (b) 預付款項及其他應收款項

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Advances to staff	向員工墊款	696	493
Others	其他	1,013	622
<hr/>			
Financial assets measured at amortised cost	按攤銷成本計量的金融資產	1,709	1,115
<hr/>			
Prepayments for purchase of raw materials	採購原材料的預付款項	8,479	2,494
Prepayments for costs incurred in connection with the initial listing of the Company's shares	本公司股份首次上市所產生 成本的預付款項	—	7,715
Value-added tax to be deducted	待抵扣增值稅	1,833	—
<hr/>			
		10,312	10,209
<hr/>			
		12,021	11,324

All of the above prepayments and other receivables as at 31 December 2019 are expected to be recovered or recognised as expenses within one year.

截至2019年12月31日，上述所有預付款項及其他應收款項預計於一年內可收回、確認作開支或轉撥至權益。



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## 財務報表附註

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### 16 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION

#### (a) Cash at bank and on hand comprise:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Cash at bank and on hand	銀行及手頭現金	30,246	13,385
Restricted bank deposits (Note (i))	受限制銀行存款(附註(i))	29,702	20,000
Cash at bank and on hand in the consolidated statement of financial position	於綜合財務狀況表的銀行及手頭現金	59,948	33,385
Less: restricted bank deposits (Note (i))	減：受限制銀行存款(附註(i))	(29,702)	(20,000)
Cash and cash equivalents in the consolidated cash flow statement	於綜合現金流量表的現金及現金等價物	30,246	13,385

The Group's operation in the PRC (excluding Hong Kong) conducted its business in RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC (excluding Hong Kong) is subject to the exchange restrictions imposed by the PRC government.

Note:

- (i) At the end of the reporting period, bank deposits are pledged as guarantees for bank acceptance bills issued by the Group.

#### (b) Reconciliation of assets and liabilities arising from financing activities

The table below details changes in the Group's assets and liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

### 16 銀行及手頭現金以及其他現金流量資料

#### (a) 銀行及手頭現金包括：

本集團於中國(香港除外)經營的業務以人民幣展開。人民幣並非可自由兌換貨幣，將資金匯出中國(香港除外)須受中國政府施加的外匯限制。

附註：

- (i) 於報告期末銀行存款被抵押作為本集團發行之銀行承兌匯票的擔保。

#### (b) 融資活動產生的資產及負債的對賬

下表詳述本集團融資活動所得資產及負債的變動，包括現金及非現金變動。融資活動所得負債乃現金流量或未來現金流量將於本集團的綜合現金流量表中分類為融資活動所得現金流量的負債。

# Notes to the Financial Statements

## 財務報表附註

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### 16 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (Continued)

#### (b) Reconciliation of assets and liabilities arising from financing activities (Continued)

### 16 銀行及手頭現金以及其他現金流量資料 (續)

#### (b) 融資活動產生的資產及負債的對賬(續)

		Liabilities 負債				
		Bank and other loans	Included in accrued expenses and other payables	Interest payable	Amounts due to the controlling shareholders	Total
		銀行及 其他貸款 RMB'000 人民幣千元 (Note 17) (附註17)	應計開支及 其他應付款項 RMB'000 人民幣千元 (Note 20) (附註20)	應付利息 RMB'000 人民幣千元	應付控股 股東款項 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
<b>At 1 January 2019</b>	<b>於2019年1月1日</b>	52,808	1,624	—	1,405	55,837
<b>Changes from financing cash flows:</b>	<b>融資現金流量變動：</b>					
Proceeds from bank and other loans	銀行及其他貸款所得款項	147,813	—	—	—	147,813
Repayment of bank and other loans	償還銀行及其他貸款	(122,535)	—	—	—	(122,535)
Proceeds from bills discounting	票據貼現	—	14,701	—	—	14,701
Net increase in the amounts due to the controlling shareholders	應付控股股東款項增加淨額	—	—	—	(1,346)	(1,346)
Interest paid	已付利息	—	—	(5,573)	—	(5,573)
Dividends paid	已付股息	—	(22,505)	—	—	(22,505)
<b>Total changes from financing cash flows</b>	<b>融資現金流量變動總額</b>	25,278	(7,804)	(5,573)	(1,346)	10,555
<b>Other changes:</b>	<b>其他變動：</b>					
Finance costs (Note 6(a))	財務成本(附註6(a))	—	—	5,573	—	5,573
Dividends declared during the year (Note 23(c))	年內宣派的股息(附註23(c))	—	20,881	—	—	20,881
Exchange adjustments	匯兌調整	—	—	—	(59)	(59)
<b>Total other changes</b>	<b>其他支出總額</b>	—	20,881	5,573	(59)	26,395
<b>At 31 December 2019</b>	<b>於2019年12月31日</b>	78,086	14,701	—	—	92,787

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### 16 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (Continued) (b) Reconciliation of assets and liabilities arising from financing activities (Continued)

### 16 銀行及手頭現金以及其他現金流量資料 (續) (b) 融資活動產生的資產及負債的對賬(續)

		Liabilities 負債				
		Bank and other loans 銀行及 其他貸款 RMB'000 人民幣千元 (Note 17) (附註17)	Included in accrued expenses and other payables 應計開支及 其他應付款項 RMB'000 人民幣千元 (Note 20) (附註20)	Interest payable 應付利息 RMB'000 人民幣千元	Amounts due to the controlling shareholders 應付控股 股東款項 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 1 January 2018</b>	<b>於2018年1月1日</b>	93,088	6,750	—	31,564	131,402
<b>Changes from financing cash flows:</b>	<b>融資現金流量變動：</b>					
Proceeds from bank and other loans	銀行及其他貸款所得款項	130,000	—	—	—	130,000
Repayment of bank and other loans	償還銀行及其他貸款	(170,280)	—	—	—	(170,280)
Payments for acquisition of Xi'an Tianrui	重組項下收購西安天瑞的付款	—	(6,786)	—	(61,239)	(68,025)
Net increase in the amounts due to the controlling shareholders	應付控股股東款項增加淨額	—	—	—	30,591	30,591
Interest paid	已付利息	—	—	(7,577)	—	(7,577)
Dividends paid	已付股息	—	(12,180)	—	—	(12,180)
<b>Total changes from financing cash flows</b>	<b>融資現金流量變動總額</b>	(40,280)	(18,966)	(7,577)	(30,648)	(97,471)
<b>Other changes:</b>	<b>其他變動：</b>					
Finance costs (Note 6(a))	財務成本(附註6(a))	—	—	7,577	—	7,577
Dividends declared during the year (Note 23(c))	年內宣派的股息(附註23(c))	—	13,804	—	—	13,804
Exchange adjustments	匯兌調整	—	36	—	489	525
<b>Total other changes</b>	<b>其他支出總額</b>	—	13,840	7,577	489	21,906
<b>At 31 December 2018</b>	<b>於2018年12月31日</b>	52,808	1,624	—	1,405	55,837

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### 16 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (Continued)

#### (c) Total cash outflow for leases

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Within operating cash flows	於經營現金流量內		
— Lease rentals paid relating to short-term leases and leases of low-value-assets	—與短期租賃及低價值資產租賃有關的已付租賃租金	41	32

### 16 銀行及手頭現金以及其他現金流量資料 (續)

#### (c) 有關租賃現金流出總額

### 17 BANK AND OTHER LOANS

#### (a) The Group's short-term bank and other loans comprise:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Bank loans:	銀行貸款：		
— Secured by trade and bills receivables of the Group (Note 17(d))	—由本集團貿易應收款項及應收票據抵押(附註17(d))	37,444	11,073
— Secured by property, plant and equipment of the Group (Note 17(d))	—由本集團物業、廠房及設備抵押(附註17(d))	23,500	3,500
		<b>60,944</b>	14,573
Other loans:	其他貸款：		
— Secured by trade and bills receivables of the Group (Note 17(d))	—由本集團貿易應收款項及應收票據抵押(附註17(d))	6,000	21,950
		<b>66,944</b>	36,523
Add: current portion of long-term bank and other loans (Note 17(b))	加：長期銀行及其他貸款的即期部分(附註17(b))	6,747	926
		<b>73,691</b>	37,449

### 17 銀行及其他貸款

#### (a) 本集團短期銀行及其他貸款包括：

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### 17 BANK AND OTHER LOANS (Continued)

#### (b) The Group's long-term bank and other loans comprise:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Bank loans:	銀行貸款：		
— Secured by property, plant and equipment and land use right of the Group and guaranteed by the controlling shareholders (Note 17(d))	— 由本集團物業、廠房及設備以及土地使用權抵押及由控股股東擔保(附註17(d))	—	15,000
Other loans:	其他貸款：		
— Secured by property, plant and equipment of the Group and guaranteed by the controlling shareholders (Note 17(d))	— 由本集團物業、廠房及設備抵押及由控股股東擔保(附註17(d))	—	1,285
— Secured by property, plant and equipment of the Group (Note 17(d))	— 由本集團物業、廠房及設備抵押(附註17(d))	11,142	—
		<b>11,142</b>	16,285
Less: current portion of long-term bank and other loans (Note 17(a))	減：長期銀行及其他貸款的即期部分(附註17(a))	<b>(6,747)</b>	(926)
		<b>4,395</b>	15,359

#### (c) The Group's long-term bank and other loans are repayable as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Within 1 year or on demand	1年內或按要求	6,747	926
After 1 year but within 2 years	1年後但於2年內	4,395	15,359
		<b>11,142</b>	<b>16,285</b>

### 17 銀行及其他貸款(續)

#### (b) 本集團長期銀行及其他貸款包括：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
銀行貸款：			
— 由本集團物業、廠房及設備以及土地使用權抵押及由控股股東擔保(附註17(d))		—	15,000
其他貸款：			
— 由本集團物業、廠房及設備抵押及由控股股東擔保(附註17(d))		—	1,285
— 由本集團物業、廠房及設備抵押(附註17(d))		11,142	—
		<b>11,142</b>	16,285
減：長期銀行及其他貸款的即期部分(附註17(a))		<b>(6,747)</b>	(926)
		<b>4,395</b>	15,359

#### (c) 本集團應償還長期銀行及其他貸款如下：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
1年內或按要求		6,747	926
1年後但於2年內		4,395	15,359
		<b>11,142</b>	<b>16,285</b>

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### 17 BANK AND OTHER LOANS (Continued)

#### (d) Certain of the Group's bank and other loans are secured by the following assets of the Group:

Carrying value of secured assets:	擔保資產的賬面值
Property, plant and equipment	物業、廠房及設備
Lease prepayments	租賃預付款項
Trade and bills receivables	貿易應收款項及應收票據

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元

76,615	57,060
—	9,486
46,718	41,241

123,333	107,787
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(e) The loan contracts secured by personal guarantees from the controlling shareholders have been terminated in 2019.

(f) Certain of the Group's bank and other loans are subject to the fulfilment of covenants commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the loans would become repayable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 24(b). At 31 December 2019, none of the covenants relating to the bank and other loans had been breached (2018: None).

### 17 銀行及其他貸款(續)

#### (d) 本集團的若干銀行及其他貸款由本集團的以下資產作擔保：

(e) 控股股東提供的個人擔保的貸款合同已於2019年終止。

(f) 本集團若干銀行及其他貸款均須達成與金融機構於借貸安排中通常訂立的契諾。倘本集團違反契諾，則該等貸款將成為按要求償還。本集團定期監察其遵守該等契諾的情況。有關本集團流動資金風險管理之進一步詳情載於附註24(b)。於2019年12月31日，概無違反有關銀行及其他貸款的契諾(2018年：無)。

### 18 TRADE AND BILLS PAYABLES

Trade payables	貿易應付款項
Bills payables	應付票據

### 18 貿易應付款項及應付票據

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元

109,003	96,867
59,403	40,000

168,406	136,867
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All of the trade and bills payables are expected to be settled within one year or are repayable on demand.

所有貿易應付款項及應付票據預計於一年內結算或按要求償還。



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### 18 TRADE AND BILLS PAYABLES (Continued)

At the end of reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Less than 3 months	3個月以內	95,105	54,432
3 to 6 months	3個月至6個月	57,476	70,476
6 to 12 months	6個月至12個月	14,727	10,001
Over 1 year	1年以上	1,098	1,958
		<b>168,406</b>	136,867

### 18 貿易應付款項及應付票據(續)

於報告期末基於發票日期的貿易應付款項及應付票據的賬齡分析如下：

### 19 ACCRUED EXPENSES AND OTHER PAYABLES

Payables for staff related costs	員工有關成本應付款項	3,534	1,642
Payables for acquisitions of property, plant and equipment	購置物業、廠房及設備應付款項	7,564	11,140
Payables for other taxes	其他稅項應付款項	4,607	2,917
Payables for costs incurred in connection with the initial listing of the Company's shares	本公司股份首次上市所產生成本應付款項	—	7,783
Dividends payable to the controlling shareholders (Note 23(c))	應付控股股東股息(附註23(c))	—	1,624
Payable in relation to the bills discounting	票據貼現應付款項	14,701	—
Others	其他	6,003	2,470
		<b>36,409</b>	27,576

### 19 應計開支及其他應付款項

	2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
	3,534	1,642
	7,564	11,140
	4,607	2,917
	—	7,783
	—	1,624
	14,701	—
	6,003	2,470
	<b>36,409</b>	27,576

All of the accrued expenses and other payables are expected to be settled within one year or are repayable on demand.

所有應計開支及其他應付款項預計於一年內結算或按要求償還。

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### 20 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods to IFRS 16:

### 20 租賃負債

本集團租賃負債於本報告期末及過往報告期間末以及於過渡至國際財務報告準則第16號日期的剩餘合約到期日如下：

		At 31 December 2019 於2019年12月31日	
		Present value of the minimum lease payments 最低租賃付款 現值 RMB'000 人民幣千元	Total minimum lease payments 最低租賃付款 總值 RMB'000 人民幣千元
Within 1 year	1年內	1,007	1,035
After 1 year but within 2 years	1年後但於2年內	989	1,098
After 2 years but within 5 years	2年後但於5年內	994	1,162
		<b>1,983</b>	2,260
		<b>2,990</b>	3,295
Less: total future interest expenses	減：未來利息開支總額		(305)
Present value of lease liabilities	租賃負債現值		<b>2,990</b>

Note: The Group has initially applied IFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS 17. See Note 2(c).

附註：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號並調整於2019年1月1日的期初結餘，以確認與租賃（其先前根據國際會計準則第17號分類為經營租賃）有關的使用權資產。見附註2(c)。

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### 21 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Movements of current taxation in the consolidated statement of financial position are set out below:

### 21 於綜合財務狀況表的所得稅

(a) 於綜合財務狀況表的即期稅項變動載列如下：

		<b>2019</b>	2018
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
At the beginning of the year	於年初	<b>2,318</b>	1,406
Provision for the year (Note 7(a))	年內撥備(附註7(a))	<b>8,217</b>	6,804
Income tax paid	已付所得稅	<b>(6,940)</b>	(5,892)
At the end of the year	於年末	<b>3,595</b>	2,318

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### 21 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

#### (b) Deferred tax assets/(liabilities) recognised:

The components of deferred tax assets and liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

		Assets 資產				Liabilities 負債		
		Government grants and subsequent amortisation	Credit loss allowance	Accruals	Impact of IFRS 16 國際財務報告準則第16號的影響	Sub-total	Withholding tax for retained profits to be distributed	Net
		政府補助及其後攤銷	信貸虧損備抵	應計費用		小計	將分派的保留溢利之預扣稅	淨額
		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	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	677	117	—	—	794	(2,000)	(1,206)
(Charged)/credited to the consolidated statement of profit or loss (Note 7(a))	(自綜合損益表扣除)/計入綜合損益表(附註7(a))	(34)	(2)	—	—	(36)	2,000	1,964
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	643	115	—	—	758	—	758
(Charged)/credited to the consolidated statement of profit or loss (Note 7(a))	(自綜合損益表扣除)/計入綜合損益表(附註7(a))	(101)	636	456	131	1,122	—	1,122
At 31 December 2019	於2019年12月31日	542	751	456	131	1,880	—	1,880

#### (c) Deferred tax liabilities not recognised

Except for deferred tax liabilities recognised in Note 21(b), taxable temporary differences relating to the undistributed profits of Xian Tianrui amounted to RMB108,151,000 at 31 December 2019 (2018: RMB52,429,000), where deferred tax liabilities in respect of the PRC Withholding Tax that would be payable on the distributions of these profits, have not been recognised as the Company controls the dividend policy of Xian Tianrui and it has been determined that it is probable that such profits will not be distributed in the foreseeable future.

### 21 於綜合財務狀況表的所得稅(續)

#### (b) 遞延稅項資產/(負債)確認如下:

本年度在合併財務狀況表內確認的遞延稅項資產及負債組成部分及變動如下:

#### (c) 尚未確認的遞延稅項負債

除附註21(b)中確認的遞延稅項負債外，於2019年12月31日與西安天瑞的未分派溢利有關的應課稅暫時性差額為人民幣108,151,000元(2018年:人民幣52,429,000元)，其中須就該等溢利分派繳付中國預扣稅有關的遞延稅項負債尚未確認，原因是本公司控制西安天瑞的股息政策且已確定該等溢利於可見未來很可能不會分派。

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### 22 DEFERRED INCOME

### 22 遞延收入

		<b>2019</b>	2018
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
At the beginning of the year	於年初	<b>2,572</b>	2,797
Credited to the consolidated statement of profit or loss	計入綜合損益表	<b>(225)</b>	(225)
At the end of the year	於年末	<b>2,347</b>	2,572

Deferred income represents government grants received in connection with the construction of the Group's property, plant and equipment. The grants are being amortised over the useful lives of the related assets. Amortisation of deferred income is included in "other income/ (loss)" in the consolidated statement of profit or loss.

遞延收入指就興建本集團物業、廠房及設備的已收政府補助。補助於相關資產的可使用年期內攤銷。遞延收入攤銷於綜合損益表的「其他收入／(虧損)」中入賬。

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### 23 CAPITAL, RESERVES AND DIVIDENDS

#### (a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

Details of the changes of the Company's individual components of equity between the beginning and the end of the year are set out below:

### 23 資本、儲備及股息

#### (a) 權益部分的變動

本集團綜合權益各部分的年初與年末結餘的對賬載於綜合權益變動表內。

本公司各權益部分於年初至年末間的變動詳情載列如下：

		Share capital 股本 RMB'000 人民幣千元 (Note 23(b)) (附註23(b))	Share premium 股份溢價 RMB'000 人民幣千元 (Note 23(d)(i)) (附註23(d)(i))	Exchange reserve 匯兌儲備 RMB'000 人民幣千元 (Note 23(d)(iv)) (附註23(d)(iv))	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總權益 RMB'000 人民幣千元
<b>At 1 January 2018</b>	<b>於2018年1月1日</b>	—	—	—	—	—
<b>Changes in equity for the year ended 31 December 2018:</b>	<b>截至2018年12月31日止年度 權益變動：</b>					
Profit for the year	年內溢利	—	—	—	13,804	13,804
Other comprehensive income for the year	年內其他全面收入	—	—	2,816	—	2,816
<b>Total comprehensive income</b>	<b>年內全面總收入</b>	—	—	2,816	13,804	16,620
Issuance of shares	股份發行	—	64,648	—	—	64,648
Capitalisation issue	資本化發行	13,216	(13,216)	—	—	—
Dividends declared in respect of the previous year (Note 23(c))	上年度宣派的股息(附註23(c))	—	—	—	(13,804)	(13,804)
		<b>13,216</b>	<b>51,432</b>	<b>—</b>	<b>(13,804)</b>	<b>50,844</b>
<b>At 31 December 2018 and 1 January 2019</b>	<b>於2018年12月31日及2019年 1月1日</b>	<b>13,216</b>	<b>51,432</b>	<b>2,816</b>	<b>—</b>	<b>67,464</b>
<b>Changes in equity for the year ended 31 December 2019:</b>	<b>截至2019年12月31日止年度 權益變動：</b>					
Loss for the year	年內虧損	—	—	—	(3,069)	(3,069)
Other comprehensive income for the year	年內其他全面收入	—	—	3,339	—	3,339
<b>Total comprehensive income</b>	<b>年內全面總收入</b>	—	—	3,339	(3,069)	270
Issuance of shares by initial public offering (Note 23(b)(i))	透過首次公開發售發行股份 (附註23(b)(i))	4,306	87,152	—	—	91,458
Dividends approved and paid in respect of the previous year (Note 23(c))	上年度批准並支付的股息(附註23(c))	—	(10,220)	—	—	(10,220)
Interim dividends declared and paid (Note 23(c))	宣派並支付的中期股息(附註23(c))	—	(10,661)	—	—	(10,661)
		<b>4,306</b>	<b>66,271</b>	<b>—</b>	<b>—</b>	<b>70,577</b>
<b>Balance at 31 December 2019</b>	<b>於2019年12月31日</b>	<b>17,522</b>	<b>117,703</b>	<b>6,155</b>	<b>(3,069)</b>	<b>138,311</b>

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## 財務報表附註

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### 23 CAPITAL, RESERVES AND DIVIDENDS (Continued) 23 資本、儲備及股息(續)

#### (b) Share capital (b) 股本

		2019		2018	
		No. of shares 股份數量 '000 千股	HK\$'000 港幣千元	No. of shares 股份數量 '000 千股	HK\$'000 港幣千元
Authorised:	法定：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股	10,000,000	100,000	10,000,000	100,000

		2019		2018	
		No. of Shares 股份數量	RMB'000 人民幣千元	No. of Shares 股份數量	RMB'000 人民幣千元
Ordinary shares, issued and fully paid:	已發行及繳足的普通股：				
At 1 January	於1月1日	1,500,000,000	13,216	100	—
Issuance of shares by initial public offering (Note 23(b)(i))	透過首次公開發售發行股份 (附註23(b)(i))	500,000,000	4,306	—	—
Capitalisation issue	資本化發行	—	—	1,499,999,900	13,216
At 31 December	於12月31日	2,000,000,000	17,522	1,500,000,000	13,216

#### (i) Issuance of shares by initial public offering

On 15 January 2019, 500,000,000 ordinary shares of HK\$0.01 each were issued at a price of HK\$0.25 each upon the listing of the shares of the Company on the Main Board of the Stock Exchange. The proceeds of HK\$5,000,000 (equivalent to approximately RMB4,306,000), representing the par value, were credited to the Company's share capital. The remaining proceeds, net of share issuance expenses of RMB7,874,000, of approximately HK\$101,198,000 (equivalent to approximately RMB87,152,000) were credited to the share premium account.

#### (i) 透過首次公開發售發行股份

於2019年1月15日，本公司股份於聯交所主機板上市後按每股0.25港元之價格發行500,000,000股每股面值0.01港元的普通股。相當於股份面值的所得款項5,000,000港元(相等於約人民幣4,306,000元)計入本公司的股本賬戶。其餘經扣除股份發行開支人民幣7,874,000元的所得款項約101,198,000港元(相等於約人民幣87,152,000元)計入股份溢價賬戶。



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### 23 CAPITAL, RESERVES AND DIVIDENDS (Continued)

#### (c) Dividends

##### (i) Dividends payable to equity shareholders of the Company attributable to the year

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Interim dividend declared and paid after the interim period of HK\$0.6 cents per ordinary share (2018: HK\$Nil cents per ordinary share)	於中期期間後宣派及派付中期股息每股普通股0.6港仙(2018年：每股普通股零港仙)	10,661	—
Final dividend proposed after the end of the re-reporting period of HK\$0.006 per ordinary share (2018: HK\$0.6 cents per ordinary share)	於報告期後建議末期股息每股普通股0.6港仙(2018年：每股普通股0.6港仙)	10,825	10,220
		<b>21,486</b>	<b>10,220</b>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

於報告期末後建議的末期股息於報告期末尚未確認為負債。

##### (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid/payable during the year

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Final dividend in respect of the previous financial year, approved and paid/payable during the year	於年內批准並支付／應付的上一財政年度末期股息	10,220	13,804

##### (ii) 於年內批准並支付／應付的歸屬於上一財政年度之應付本公司權益股東的股息

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### 23 CAPITAL, RESERVES AND DIVIDENDS (Continued)

#### (d) Nature and purpose of reserves

##### (i) Share premium

The application of the share premium account is governed by the Companies Law (as revised) of the Cayman Islands as amended, consolidated or supplemented from time to time.

##### (ii) Other reserve

The other reserve at 1 January 2017 represented the paid-in capital of a PRC subsidiary of the Group, namely Xian Tianrui.

In 2017, Xian Tianrui reduced its paid-up in capital from RMB100,000,000 to RMB50,000,000. The reduction of capital was used to set-off the amounts due from the controlling shareholders.

Pursuant to the Reorganisation completed on 14 November 2017, the Company became the holding company of the companies now comprising the Group and accordingly, the paid-in capital of the PRC subsidiary of the Group was eliminated against the consideration of RMB67,500,000 when preparing the consolidated financial statements.

##### (iii) Statutory reserve

In accordance with the relevant PRC laws and regulations, the Group's subsidiary established in the PRC is required to transfer 10% of its net profit each year to the statutory reserve until the reserve reaches 50% of the registered capital. The transfer to this reserve must be made before distributions to equity holders. This reserve can be utilised in setting off accumulated losses or increase capital of the subsidiary and is non-distributable other than in liquidation.

### 23 資本、儲備及股息(續)

#### (d) 儲備的性質及目的

##### (i) 股份溢價

股份溢價賬之應用受經不時修訂、綜合或補充的開曼群島公司法(經修訂)規管。

##### (ii) 其他儲備

於2017年1月1日的其他儲備指本集團一家中國附屬公司(即西安天瑞)的實繳股本。

於2017年，西安天瑞的實繳股本由人民幣100,000,000元減至人民幣50,000,000元。該股本的減少用於抵銷應收控股股東款項。

根據於2017年11月14日完成的重組，本公司成為本集團現時旗下各公司之控股公司，因此，本集團的中國附屬公司的實繳資本已在編製綜合財務報表時與應付代價人民幣67,500,000元撇銷。

##### (iii) 法定儲備

根據有關中國法律及法規，本集團於中國成立的附屬公司須每年向法定儲備轉撥其純利的10%，直至儲備達到註冊資本的50%。向該儲備轉撥須於向權益持有人分派前作出。該儲備可用於抵銷附屬公司的累計虧損或增資且除清盤外不可分派。

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### 23 CAPITAL, RESERVES AND DIVIDENDS (Continued)

#### (d) Nature and purpose of reserves (Continued)

##### (iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the companies comprising the Group into the Group's presentation currency. The reserve is dealt with in accordance with the accounting policies set out in Note 2(r).

#### (e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

### 23 資本、儲備及股息(續)

#### (d) 儲備的性質及目的(續)

##### (iv) 匯兌儲備

匯兌儲備包括將現時組成本集團之公司的財務報表換算成本集團呈報貨幣產生之所有外匯差額。該儲備根據附註2(r)所載之會計政策處理。

#### (e) 資本管理

本集團管理資本之主要目的是保障本集團能夠根據持續經營基準經營，從而持續為股東帶來回報，並惠及其他利益相關者以及維持最佳資本架構以降低資本成本。

本集團主動定期審閱及管理其資本架構，以便在較高股東回報情況下可能伴隨之較高借貸水準與穩健的資本狀況帶來的優勢及安全之間取得平衡，並依照經濟狀況的變化對資本架構作出調整。

本公司或其任何附屬公司概無受限於外界施加的資本規定。

本集團在日常業務過程中面臨信貸、流動資金、利率及貨幣風險。

本集團面臨的該等風險及本集團用於控制該等風險的財務風險管理政策及慣例載列如下。

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## 財務報表附註

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### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

#### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents and bills receivables is limited because the counterparties are banks and financial institutions with high credit standings, for which the Group considers to have low credit risk.

The Group does not provide any other guarantees which would expose the Group to credit risk.

#### **Trade receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2019, 42.9% (2018: 46.4%) of the total trade and bills receivables, was due from the Group's largest debtor, and 87.6% (2018: 86.2%) of the total trade and bills receivables was due from the Group's five largest debtors, respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

### 24 財務風險管理及金融工具公允價值

#### (a) 信貸風險

信貸風險指對手方不履約責任而導致本集團承受財務虧損的風險。本集團的信貸風險主要來自貿易及其他應收款項。本集團所承受的來自現金及現金等價物以及應收票據的信貸風險有限，原因是對手方為具有高信用等級的銀行及金融機構，就此而言，本集團認為信貸風險較低。

本集團不提供將使本集團面臨信貸風險的任何其他擔保。

#### **貿易應收款項**

本集團面臨的信貸風險主要受各客戶的個別情況所影響，而非客戶經營所在的行業，因此，重大集中信貸風險主要於本集團面臨個別客戶的重大風險時產生。於2019年12月31日，貿易應收款項及應收票據總額之42.9%（2018年：46.4%）及87.6%（2018年：86.2%）分別為應收本集團最大債務人及五大債務人之款項。

本集團對要求信貸超過一定金額的所有客戶會進行個別信貸評估。該等評估集中於客戶過往繳付到期款項之記錄及現時付款的能力，以及考慮到客戶的具體資料及與客戶營運所在地的經濟環境有關的資料。貿易應收款項於發票日期後30至90日內到期。本集團一般不收取客戶的抵押品。

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### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (a) Credit risk (Continued)

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables at 31 December 2019 and 2018:

#### Ageing analysis of trade receivables:

Less than 3 months
3 to 6 months
6 to 12 months
Over 1 year

#### 貿易應收款項賬齡分析：

3個月以內
3至6個月
6至12個月
1年以上

2019		
Expected loss rate	Gross carrying amount	Loss allowance
預期虧損率	總賬面值	虧損準備
%	RMB'000	RMB'000
	人民幣千元	人民幣千元
0.5%	113,505	(568)
3.00%	33,247	(997)
5.00%	17,176	(859)
100.00%	577	(577)
Total	164,505	(3,001)

### 24 財務風險管理及金融工具公允值(續)

#### (a) 信貸風險(續)

本集團按相等於可使用年期的預期信貸虧損之金額計量貿易應收款項及合約資產虧損準備，有關金額乃使用撥備矩陣計算得出。由於本集團歷史信貸虧損經驗並無顯示不同細分客戶群體發生損失的情況有顯著差異，因此在根據逾期資訊計算損失撥備時未進一步區分本集團不同的客戶群體。

下表提供有關本集團於2019年及2018年12月31日面臨的信貸風險及貿易應收款項的預期信貸虧損之資料：

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### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (a) Credit risk (Continued)

#### Ageing analysis of trade receivables:

	貿易應收款項賬齡分析：			
Less than 3 months	3個月以內	0.5%	75,997	(380)
3 to 6 months	3至6個月	3.00%	2,534	(76)
6 to 12 months	6至12個月	5.00%	20	(1)
Over 1 year	1年以上	100.00%	—	—
Total	總計		78,551	(457)

Expected loss rates are based on actual loss experience over the past recent years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movements in the loss allowance account in respect of trade receivables during the year are as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Balance at 1 January	於1月1日結餘	457	778
Impairment losses during the year (Note 6(c))	年內減值虧損(附註6(c))	2,544	(321)
Balance at 31 December	於12月31日結餘	3,001	457

### 24 財務風險管理及金融工具公允值(續)

#### (a) 信貸風險(續)

2018		
Expected loss rate	Gross carrying amount	Loss allowance
預期虧損率	總賬面值	虧損準備
%	RMB'000 人民幣千元	RMB'000 人民幣千元
0.5%	75,997	(380)
3.00%	2,534	(76)
5.00%	20	(1)
100.00%	—	—
	78,551	(457)

預期虧損率乃基於過去幾年的實際虧損經驗計算得出。該等利率經調整以反映收集歷史數據期間的經濟狀況、當前狀況與本集團對應收款項預期年期的經濟狀況的看法之間的差異。

年內有關貿易應收款項的虧損備抵賬的變動情況如下：

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### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest dates the Group can be required to pay:

### 24 財務風險管理及金融工具公允價值(續)

#### (b) 流動資金風險

本集團的政策是定期監察流動資金需求及遵守借貸契諾的情況，確保本集團維持充裕的現金儲備，以及從主要金融機構取得足夠的承諾融資額度，以滿足其短期及長期流動資金需求。

下表列示本集團的非衍生金融負債於報告期末的剩餘合約到期日狀況，乃根據已訂約未貼現現金流量(包括按訂約利率計算的利息付款，或倘以浮息計算，則按報告期末的當期利率計算)及本集團須支付款項的最早日期得出：

		2019				
		Contractual undiscounted cash outflow				
		訂約未貼現現金流出				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 year but less than 5 years	Total	Carrying amount	
	1年內或按要求	超過1年但少於2年	超過2年但少於5年	總計	賬面值	
	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	
Bank and other loans	銀行及其他貸款	75,972	4,660	—	80,632	78,086
Lease liabilities (Note)	租賃負債(附註)	1,035	1,098	1,162	3,295	2,990
Trade and bills payables measured at amortised cost	按攤銷成本計量的貿易應付款項及應付票據	168,406	—	—	168,406	168,406
Accrued expenses and other payables measured at amortised cost	按攤銷成本計量的應計開支及其他應付款項	36,409	—	—	36,409	36,409
		281,822	5,758	1,162	288,742	285,891



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## 財務報表附註

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### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (b) Liquidity risk (Continued)

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Lease liabilities include amounts recognised at the date of transition to IFRS 16 in respect of leases previously classified as operating leases under IAS 17 and amounts relating to new leases entered into during the year. Under this approach, the comparative information is not restated. See Note 2(c).

### 24 財務風險管理及金融工具公允值(續)

#### (b) 流動資金風險(續)

附註：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號並調整於2019年1月1日的期初結餘，以確認與租賃(其先前根據國際會計準則第17號分類為經營租賃)有關的使用權資產。租賃負債包括就先前根據國際會計準則第17號分類為經營租賃之租賃過渡至國際財務報告準則第16號當日確認之金額及有關年內所訂立新租賃的金額。根據此方法，比較資料不予重列。見附註2(c)。

		2018			
		Contractual undiscounted cash outflow 訂約未貼現現金流出			
		More than Within 1 year or on demand 1年內或 按要求 RMB'000 人民幣千元	1 year but less than 2 years 超過1年但 少於2年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Bank and other loans	銀行及其他貸款	39,121	15,949	55,070	52,808
Trade and bills payables measured at amortised cost	按攤銷成本計量的貿易應付款項及應付票據	136,867	—	136,867	136,867
Accrued expenses and other payables measured at amortised cost	按攤銷成本計量的應計開支及其他應付款項	27,576	—	27,576	27,576
		203,564	15,949	219,513	217,251

#### (c) Interest rate risk

The Group's interest rate risk arises primarily from interest bearing borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

#### (c) 利率風險

本集團的利率風險主要來自計息借貸。借貸乃按浮動利率及固定利率發放，令本集團分別承受現金流量利率風險及公允值利率風險。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
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### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (c) Interest rate risk (Continued)

The following table details the interest rate profile of the Group's total borrowings at the end of the reporting period:

		2019		2018	
		Effective interest rate 實際利率 %	Amounts 金額 RMB'000 人民幣千元	Effective interest rate 實際利率 %	Amounts 金額 RMB'000 人民幣千元
Fixed rate borrowings	固定利率借貸				
— Lease liabilities (Note)	— 租賃負債(附註)	8.10%	2,990	—	—
— Bank loans	— 銀行貸款	5%-7.8%	60,944	4.35%-8.1%	29,573
— Other loans	— 其他貸款	7.76%-9.27%	17,142	6.1%-7.6%	23,235
<b>Total borrowings</b>	<b>借貸總額</b>		<b>81,076</b>		<b>52,808</b>
Fixed rate borrowings as a percentage of total borrowings	固定利率借貸佔總借貸的百分比		100%		100%

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Under this approach, the comparative information is not restated. See Note 2(c).

### 24 財務風險管理及金融工具公允價值(續)

#### (c) 利率風險(續)

下表列載本集團於報告期末的總借貸利率組合詳情：

附註：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號並調整於2019年1月1日的期初結餘，以確認與租賃(其先前根據國際會計準則第17號分類為經營租賃)有關的使用權資產。根據此方法，比較資料不予重列。見附註2(c)。

#### (d) Currency risk

The Group is exposed to currency risk primarily through receivables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currency giving rise to this risk is primarily RMB. At the end of the reporting period, the related risk of the Group is not material.

#### (d) 貨幣風險

本集團所面對之貨幣風險主要來自以外幣(即與交易有關之業務之功能貨幣以外之貨幣)列值之貿易應收款項及現金結餘。引致此項風險之貨幣主要為人民幣。於報告期末，本集團的相關風險並不重大。

# Notes to the Financial Statements

## 財務報表附註

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(Expressed in RMB unless otherwise indicated) (除另有註明者外，均以人民幣列示)

### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (e) Fair value measurement

Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 December 2019 and 2018.

### 24 財務風險管理及金融工具公允值(續)

#### (e) 公允值計量

不按公允值列賬的金融工具公允值

本集團按成本或攤銷成本列賬的金融工具的賬面值與其於2019年及2018年12月31日的公允值並無重大差異。

### 25 COMMITMENTS

Capital commitments outstanding at 31 December 2019 not provided for in the consolidated financial statements were as follows:

### 25 承擔

於2019年12月31日在綜合財務報表尚未撥備的未償付資本承擔如下：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Commitments in respect of purchase of property, plant and equipment — Contracted for	有關購置物業、廠房及設備的承擔 — 已訂約	<b>39,108</b>	33,950

### 26 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the balances disclosed elsewhere in these consolidated financial statements, the Group entered into below related party transactions during the year.

### 26 重大關聯方交易

除本綜合財務報表其他部分所披露的結餘外，本集團於年內訂立以下關聯方交易。

#### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

#### (a) 主要管理人員薪酬

本集團主要管理人員薪酬包括已付本公司董事的款項(誠如附註8所披露)及已付若干最高薪酬僱員款項(誠如附註9所披露)如下：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	<b>1,246</b>	1,026
Post-employment benefits	退休後福利	<b>166</b>	172
		<b>1,412</b>	<b>1,198</b>

Total remuneration is included in "staff costs" (see Note 6(b)).

薪酬總額於「員工成本」中入賬(附註6(b))。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
(Expressed in RMB unless otherwise indicated) (除另有註明者外，均以人民幣列示)

### 26 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

#### (b) Transactions with equity shareholders of the Company and their affiliates

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Loans repaid to a related party	向關聯方償還貸款	—	10,000
Interest expenses	利息開支	—	407
Net (decrease)/increase in amounts due to the controlling shareholders	應付控股股東款項減少／增加淨額	<b>(1,405)</b>	31,080
Payments for the acquisition of Xian Tianrui pursuant to the Reorganisation	重組項下收購西安天瑞的付款	—	61,239
Guarantees and/or pledge of assets provided at the end of the reporting period	於報告期末提供的擔保及／或資產抵押	—	36,285

### 26 重大關聯方交易 (續)

#### (b) 與本公司權益股東及其附屬公司的交易

#### (c) Applicability of the Listing Rules relating to connected transactions

None of the above related party transactions for the year ended 31 December 2019 falls under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

#### (c) 有關關連交易之上市規則之適用性

截至2019年12月31日止年度上述關聯方交易概無列入上市規則第14A章所界定關連交易或持續關連交易的定義當中。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
(Expressed in RMB unless otherwise indicated) (除另有註明者外，均以人民幣列示)

### 27 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION 27 公司層面之財務狀況表

		Note	2019	2018
		附註	RMB'000 人民幣千元	(Note) (附註) RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Investment in a subsidiary	於附屬公司之投資	12	67,456	67,456
<b>Current assets</b>	<b>流動資產</b>			
Amount due from a subsidiary	應收一間附屬公司之款項		67,700	—
Dividend receivable from a subsidiary	應收一間附屬公司之股息		—	1,624
Prepayments and other receivables	預付款項及其他應收款項		467	876
<b>Cash at bank and on hand</b>	<b>銀行及手頭現金</b>		<b>2,688</b>	<b>8</b>
			<b>70,855</b>	<b>2,508</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Dividend payable	應付股息		—	1,624
Amount due to the controlling shareholders	應付控股股東款項		—	876
			—	2,500
Net current assets	流動資產淨額		<b>70,855</b>	<b>8</b>
<b>NET ASSETS</b>	<b>資產淨額</b>		<b>138,311</b>	<b>67,464</b>
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>	23		
Share capital	股本		17,522	13,216
Reserves	儲備		120,789	54,248
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>138,311</b>	<b>67,464</b>

Note: The Company has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日採用經修訂追溯法首次應用國際財務報告準則第16號。根據此方法，比較資料未經重列。見附註2(c)。

Approved and authorised for issue by the board of directors on 27 March 2020.

董事會於2020年3月27日批准並授權刊發。

**Hou Jianli**  
侯建利  
Chairman  
主席

**Zhao Shijie**  
趙世傑  
Executive Director  
執行董事

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度  
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### 28 NON-ADJUSTING EVENTS AFTER THE END OF THE REPORTING PERIOD

#### (a) Proposed final dividend

On 27 March 2020, the directors of the Company proposed a final dividend of HK\$0.006 per ordinary share. Further details are disclosed in Note 23(c)(i).

#### (b) Impact from the Novel Coronavirus Pneumonia Outbreak (the “NCP Outbreak”)

The Novel Coronavirus Pneumonia Outbreak (the “NCP Outbreak”) since early 2020 has brought about additional uncertainties in the Group’s operating environment and may impact the Group’s operations and financial position.

The Group has been closely monitoring the impact from the NCP Outbreak on the Group and has commenced to put in place various contingency measures. The directors of the Group confirm that these contingency measures include but not limited to gradual resumption of production and delivery of goods to customers since the middle of February 2020 in accordance with the arrangement of government authorities while maintaining strict disease monitoring and control and safety production measures, negotiating with customers on delivery schedule, and continuously monitoring the operations of our customers. The Group will keep the contingency measures under review as the NCP Outbreak situation evolves.

As far as the Group’s business is concerned, the NCP Outbreak may cause decrease of sales volume of automotive interior and exterior decorative components and parts in the short-run, but the directors of the Group consider that the Group’s business will come back to normal situation along with the business resumption of the customers. In addition, the NCP Outbreak may also impact the repayment abilities of certain customers, which in turn may result in additional impairment losses on trade receivables in future periods. These possible impacts have not been reflected in these financial statements, and the actual impacts may differ from estimates adopted in these financial statements as the NCP Outbreak situation continues to evolve and when further information may become available.

### 29 COMPARATIVE FIGURES

The Group has initially applied IFRS 16 at 1 January 2019. Under the transition method chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in Note 2(c).

### 28 報告期後非調整事項

#### (a) 建議末期股息

於2020年3月27日，本公司董事建議末期股息為每股普通股0.6港仙。進一步詳情於附註23(c)(i)披露。

#### (b) 新型冠狀病毒肺炎疫情(「NCP 疫情」)爆發之影響

自2020年初爆發新型冠狀病毒肺炎疫情(「NCP 疫情」)以來，本集團之經營環境已充斥額外不確定因素，亦可能影響本集團之業務及財務狀況。

本集團一直密切關注NCP疫情對本集團之影響，並已採取一系列應對措施。本集團董事確認，該等應對措施包括但不限於：自2020年2月中旬開始按照政府有關部門的安排逐步恢復生產並向客戶交付貨物，同時保持嚴格的疾病監控和安全生產措施，並按交貨時間表與客戶進行談判，並持續監控客戶的運作。本集團將根據NCP疫情的發展不斷審查其應對措施。

就本集團業務而言，NCP疫情可能會在短期內導致汽車內外飾零部件的銷量下降，但本集團董事認為隨著客戶業務的恢復，本集團業務亦將恢復正常。此外，NCP疫情也可能會影響本集團若干客戶的償還能力，進而可能導致未來期間應收賬款產生額外的減值虧損。這些可能的影響沒有於該等財務報表中反映，並且隨著NCP疫情情況的不斷發展以及可能獲得更多資訊時，實際影響可能與該等財務報表中採用的估計有所不同。

### 29 比較數字

本集團於2019年1月1日首次應用國際財務報告準則第16號。根據所選擇的過渡方法，比較資料未經重列。有關會計政策變動的進一步詳情於附註2(c)披露。

# Notes to the Financial Statements

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### 30 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

The directors of the Company consider the immediate holding company of the Company at 31 December 2019 to be H&C Group Holding Limited, which is incorporated in the BVI, and the ultimate controlling party of the Company at 31 December 2019 to be Mr Hou Jianli and Ms Chen Bierui. H&C Group Holding Limited does not produce financial statements available for public use.

### 31 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and a new standard, IFRS 17, Insurance contracts, which are not yet effective for the year ended 31 December 2019 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

Amendments to References to the Conceptual Framework in IFRS standards  
國際財務報告準則中對概念框架的提述之修訂

Amendments to IFRS 9, IAS 39 and IFRS 7, *Interest Rate Benchmark Reform*  
國際財務報告準則第9號，國際財務報告準則第39號及國際會計準則第7號  
之修訂，利率基準改革

Amendments to IFRS 3, *Definition of a business*  
國際會計準則第3號之修訂，業務的定義

Amendments to IAS 1 and IAS 8, *Definition of material*  
國際會計準則第1號及國際會計準則第8號之修訂，重大的定義

IFRS 17, *Insurance contracts*  
國際財務報告準則第17號，保險合約

Amendments to IAS 1, *Classification of Liabilities as Current or Non-current*  
國際財務報告準則第1號之修訂，將負債分類為流動或非流動

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

### 30 直接及最終控股方

本公司董事認為，於2019年12月31日本公司的直接控制方為於英屬處女群島註冊成立的H&C Group Holding Limited。於2019年12月31日本公司最終控制方為侯建利先生及陳別銳女士。H&C Group Holding Limited並無編製財務報表供公眾使用。

### 31 截至2019年12月31日止年度已頒佈但尚未生效的修訂本、新準則及詮釋的可能影響

截至本財務報表刊發日期，國際會計準則理事會已頒佈多項修訂本、一項新訂國際會計準則，國際財務報告準則第17號，保險合約（截至2019年12月31日止年度尚未生效，且尚未在該財務報表中採納）。其包括下列可能與本集團相關者。

#### Effective for accounting periods beginning on or after 於下列日期或之後開始的 會計期間生效

1 January 2020  
2020年1月1日

1 January 2020  
2020年1月1日

1 January 2020  
2020年1月1日

1 January 2020  
2020年1月1日

1 January 2021  
2020年1月1日

1 January 2022  
2020年1月1日

本集團正在評估該等修訂本於首次應用期間所產生之影響。迄今為止本集團並未發現其可能對綜合財務報表構成重大影響。





**CHINA TIANRUI AUTOMOTIVE INTERIORS CO., LTD**  
中國天瑞汽車內飾件有限公司