



克莉絲汀國際控股有限公司
CHRISTINE INTERNATIONAL HOLDINGS LIMITED

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

股份代號 Stock Code: 1210



ANNUAL
REPORT
2019
年 報

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公司資料

CORPORATE INFORMATION

董事會

執行董事

朱永寧先生
林銘田先生
詹益昇先生
江若嫻女士
曾建利先生

非執行董事

卓啟明先生
洪敦清先生
石偉光先生

獨立非執行董事

徐純彬先生 (主席)
蘇莞文女士
江淮先生
陳明華女士

審核委員會

蘇莞文女士
徐純彬先生

薪酬委員會

蘇莞文女士
朱永寧先生

提名委員會

朱永寧先生 (主席)

戰略及投資委員會

朱永寧先生 (主席)
林銘田先生
詹益昇先生

BOARD OF DIRECTORS

Executive Directors

Mr. Yong Ning Zhu
Mr. Ming-Tien Lin
Mr. I-Sheng Chan
Ms. Jo-Hsien Chiang
Mr. Chien-Li Tseng

Non-executive Directors

Mr. Chi-Ming Chou
Mr. Dun-Ching Hung
Mr. Weiguang Shi

Independent non-executive Directors

Mr. Chun Bin Xu (*Chairman*)
Ms. Wanwen Su
Mr. Huai Jiang
Ms. Ming Hua Chen

AUDIT COMMITTEE

Ms. Wanwen Su
Mr. Chun Bin Xu

REMUNERATION COMMITTEE

Ms. Wanwen Su
Mr. Yong Ning Zhu

NOMINATION COMMITTEE

Mr. Yong Ning Zhu (*Chairman*)

STRATEGY AND INVESTMENT COMMITTEE

Mr. Yong Ning Zhu (*Chairman*)
Mr. Ming-Tien Lin
Mr. I-Sheng Chan

公司資料

CORPORATE INFORMATION

企業管治委員會

楊艷女士 (主席)
廖維綸先生
卞傳紅女士
王慧玲女士 (於二零二零年三月二日離任)

公司秘書

文潤華先生

授權代表

徐純彬先生
文潤華先生

註冊辦事處

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

總辦事處及主要營業地點

中華人民共和國
上海
普陀區
金沙江路33號
郵編：200062

香港主要營業地點

香港
九龍紅磡
德豐街22號
海濱廣場二座
9樓912室

CORPORATE GOVERNANCE COMMITTEE

Ms. Yan Yang (*Chairlady*)
Mr. Weilun Liao
Ms. Chuanhong Bian
Ms. Huiling Wang (resigned on 2 March 2020)

COMPANY SECRETARY

Mr. Man Yun Wah

AUTHORISED REPRESENTATIVES

Mr. Chun Bin Xu
Mr. Man Yun Wah

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 33 Jinshajiang Road
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Shanghai 200062
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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 912, 9/F
Two Harbourfront
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Hung Hom, Kowloon
Hong Kong

公司資料

CORPORATE INFORMATION

主要股份過戶登記處

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman
KY1-1110
Cayman Islands

香港股份過戶登記分處

寶德隆證券登記有限公司
香港
北角
電氣道148號21樓
2103B室

核數師

羅申美會計師事務所
執業會計師
香港銅鑼灣
恩平道二十八號
利園二期二十九樓

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman
KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B
21/F, 148 Electric Road
North Point
Hong Kong

AUDITORS

RSM Hong Kong
Certified Public Accountants
29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay, Hong Kong

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

財務回顧

收入

本集團截至二零一九年及二零一八年十二月三十一日止年度收入及毛利按產品類型分析如下：

		截至十二月三十一日止年度			
		二零一九年		二零一八年	
		2019		2018	
		收入	毛利	收入	毛利
		Revenue	Gross Profit	Revenue	Gross Profit
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
麵包及蛋糕	Bread and cakes	407,651	144,605	475,354	166,839
月餅	Moon cakes	31,559	23,559	58,058	47,359
糕點	Pastries	72,210	44,421	80,309	45,977
其他	Other	40,521	30,741	50,296	35,725
		551,941	243,326	664,017	295,900

二零一九年本集團收入約為人民幣551,941,000元，較二零一八年收入約人民幣664,017,000元減少約16.88%，主要原因有：（一）考慮營運成本，二零一九年加速關閉績效不佳的租約到期門店的策略，共關閉舊門店117家，期間雖也開設新店7家，門店總數仍從二零一八年底的586家繼續減少至二零一九年底的476家，淨減少了110家門店，銷售點的減少及新開店運營時間尚短影響了收入。（二）營銷模式傳統，品牌效益下降，加諸實體門店陳舊、其他銷售渠道未能有效開展等因素，集團全年整體同店銷售增長率為負10.07%。（三）季節性產品如月餅，市場需求不如過往，且替代產品多元，業績逐年遞減。面對銷售推展的多面向滯礙，年度整體營業收入持續衰退。

FINANCIAL REVIEW

Revenue

An analysis of the Group's revenue and gross profit by product types for the years ended 31 December 2019 and 2018 is set out as follows:

		截至十二月三十一日止年度			
		二零一九年		二零一八年	
		2019		2018	
		收入	毛利	收入	毛利
		Revenue	Gross Profit	Revenue	Gross Profit
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
Bread and cakes	麵包及蛋糕	407,651	144,605	475,354	166,839
Moon cakes	月餅	31,559	23,559	58,058	47,359
Pastries	糕點	72,210	44,421	80,309	45,977
Other	其他	40,521	30,741	50,296	35,725
		551,941	243,326	664,017	295,900

In 2019, the Group's revenue was approximately RMB551,941,000, representing a decrease of approximately 16.88% as compared with approximately RMB664,017,000 for 2018. The decrease in the revenue was mainly due to: (I) the closure of 117 stores during 2019 under the strategy of accelerating the closure of poorly-performing stores whose lease term has expired in the light of the operating costs. Despite the opening of 7 new stores in 2019, the total number of stores fell by 110 from 586 as at the end of 2018 to 476 as at the end of 2019. As a result, our revenue was negatively affected by the decrease in the number of retail outlets and the short operation period of the new stores. (II) the Group's overall same-store sales growth rate for the year being -10.07% resulting from factors such as the old-fashioned marketing model, the decline in brand efficiency, the obsolescence of physical stores and the failure in developing other sales channels effectively. (III) degression with each passing year in the performance of seasonal products such as moon cakes, as a result of less desired market demands as compared to the past and the existence of diversified alternative products. In the face of multiple stagnant sales promotions, the overall operating income for the year continued to decline.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

以地區別分析，上海地區歷來為公司主要營業額來源，隨本集團其他營業地區關店數量急增，上海地區二零一九年佔集團營業收入佔比約66.29%，較二零一八年度的58.21%比重增加約8.01%。上海地區烘焙品牌競爭激烈全國之冠，實體店型受業績受網路店商侵蝕，門市收入不振，加之成本居高不下，經營處於雙重壓力，生存尤為不易，本期除例行性簡易裝修，或對部分門店調整營內裝及設備外，未有新增門店，而關閉門店43家，佔全年度關店數量的36.75%，上海截至二零一九年十二月三十一日止年度收入較二零一八年十二月三十一日止年度減少約人民幣20,645,000元，下降約5.34%；江蘇省主要因蘇州地區撤出多家店面，浙江省則因嘉興及寧波地區大幅關店，二省分收入分別較截至二零一八年十二月三十一日止年度減少約人民幣67,690,000元及人民幣23,741,000元，減幅分別為36.08%及26.42%。

按產品分類看，二零一九年主要產品麵包及蛋糕類營業額較二零一八年減少約人民幣67,703,000元，減少14.24%，糕點類銷售較二零一八年減少約人民幣8,099,000元，減幅約10.08%。麵包、蛋糕與糕點同屬日常例行性消費品，地緣便利性及客流量對銷售結果至為攸關，受年度門店數減少所影響，銷售減量減額；其他品類包含胚芽乳、果凍等產品，為提高銷量，二零一九年下半年部分商品推展低價促銷，同時新創鋪銷方案尚在導入階段，出貨量尚無顯著增量，故較二零一八年銷售額減少約人民幣約9,775,000元，減幅約19.43%。月餅類營業額較2018年減少約人民幣26,499,000元，受傳統節慶需求漸減，且替代商品多元影響，減幅為各品類之最，約45.64%。

In terms of geographical location, Shanghai has always been the main source of the Group's turnover. Due to the sharp increase in the number of closed stores in other operating regions of the Group, Shanghai contributed approximately 66.29% to the Group's revenue in 2019, representing an increase of approximately 8.01% as compared with 58.21% in 2018. Shanghai ranked first nationwide with regard to fierce competition of bakery brands. Given the encroachment of online stores on the performance of physical stores, the revenue of retail outlets was at low ebb. Coupled with the high cost, the business was under dual pressure and was especially difficult to survive. As such, the current period, except for the routine simple renovation or the adjustment of interior fittings and equipment for some retail outlets, no new retail outlets was opened, and 43 retail outlets were closed, accounting for 36.75% of the number of stores closed throughout the year. For the year ended 31 December 2019, revenue from Shanghai decreased by approximately RMB20,645,000, or approximately 5.34% as compared with that for the year ended 31 December 2018; the revenue from Jiangsu Province and Zhejiang Province decreased by approximately RMB67,690,000 and RMB23,741,000, representing a decrease of 36.08% and 26.42%, respectively, as compared to the year ended 31 December 2018, mainly due to the exit of quite a few retail outlets in Suzhou area in Jiangsu Province and the large-margin closure of stores in Jiaxing and Ningbo areas in Zhejiang Province.

In terms of product categories, in 2019, sales revenue from major products of bread and cakes decreased by approximately RMB67,703,000, or 14.24%, as compared with that for 2018, and sales revenue from pastries decreased by approximately RMB8,099,000, or 10.08% as compared with that for 2018. As bread, cakes and pastries are daily necessities, their geographical convenience and number of patrons are of critical significance to sales results. Both sales volume and revenue of such products decreased as affected by the decrease in the number of retail outlets during the year; in terms of other categories include products such as wheat albumin and jelly, in order to increase sales volume, in the second half of 2019, some products were promoted at low price. At the same time, as the advance distribution plan was still in the introduction stage, no significant increase in the shipment volume was recorded. As a result, the sales revenue decreased by approximately RMB9,775,000 or approximately 19.43% as compared to that of 2018. The turnover of moon cakes decreased by approximately RMB26,499,000 as compared to 2018, representing a decrease of approximately 45.64%, which was the most significant decrease among all categories, as affected by the decreasing demand during traditional festivals and the diversification of alternative products.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

以支付工具分析，本集團的銷售額源於門店之現金（及銀行卡及第三方支付平台）的銷售、禮券（及預付卡）的兌換，由於銷貨衰減，二零一九年度兩者均較前一年度低。二零一九年現金（及銀行卡及第三方支付平台）渠道銷售額約人民幣284,692,000元，佔總銷售額的51.58%，低於二零一八年的人民幣356,021,000元約20.04%；二零一九年禮券（及預付卡）卡券兌換的銷售額百分比比較二零一八年上升，兌換產品銷售額約人民幣267,249,000元，佔總銷售額48.42%，低於二零一八年的人民幣307,996,000元約13.23%。

毛利

本集團截至二零一九年十二月三十一日止年度毛利約為人民幣243,326,000元，較截至二零一八年十二月三十一日止年度人民幣295,900,000元減少約17.77%，二零一九年因銷貨量降低，固定成本攤銷不易，惟購料減少，並適時減少人力，致年度毛利率約為44.09%，較截至二零一八年十二月三十一日止年度的44.56%微降。

In terms of payment methods, the Group's sales revenue in retail outlets was settled either in cash (and bank cards, third party payment platform) or through redemption of coupons (and prepaid cards), both of which decreased in 2019 as compared with 2018 due to the decline in sales volume. In 2019, sales revenue settled by cash (and bank cards, third party payment platform) amounted to approximately RMB284,692,000, accounting for 51.58% of the total sales revenue, which was lower than the percentage of sales revenue through RMB356,021,000 in 2018 by approximately 20.04%. There is a slight increase in the proportion of sales revenue through redemption of coupons (and prepaid cards) in 2019 as compared with that in 2018, and the sales revenue through redemption of products amounted to approximately RMB267,249,000, accounting for 48.42% of the total sales revenue, which was lower than the RMB307,996,000 in 2018 by approximately 13.23%.

Gross profit

The Group's gross profit was approximately RMB243,326,000 for the year ended 31 December 2019, representing a decrease of approximately 17.77% as compared with RMB295,900,000 for the year ended 31 December 2018. Due to the decrease in purchase of materials and timely downsizing of manpower in view of the decrease in sales volume and difficulties in amortisation of fixed cost, the gross profit margin for the year 2019 was approximately 44.09%, which slightly decreased as compared with 44.56% for the year ended 31 December 2018.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

其他收入、收益／（虧損）

本集團截至二零一九年十二月三十一日止年度其他收入、收益／（虧損）約為人民幣4,953,000元，較截至二零一八年十二月三十一日止年度其他虧損約人民幣48,673,000元，增加約人民幣53,626,000元，主要是因(i)二零一九年度取消過往對政府購置土地計畫，收回土地訂金本金利息，認列孳息約人民幣6,685,000元、(ii)二零一九年對物業、廠房及設備提列減值虧損撥備較二零一八年減少約人民幣49,791,000元、(iii)二零一八年對本公司無形資產提列減值撥備約人民幣8,932,000元，本期則未再提列、(iv)本期始依香港財務報告準則16號，將租賃門店認列資產後，評估各門店運應現狀，對使用權資產提列減值虧損撥備約人民幣4,076,000元，及(v)政府扶持款較二零一八年減少約人民幣3,392,000元。

Other income, gains/(losses)

Other income, gains/(losses) of the Group for the year ended 31 December 2019 amounted to approximately RMB4,953,000, representing an increase of approximately RMB53,626,000 as compared with other losses of approximately RMB48,673,000 for the year ended 31 December 2018, which was mainly due to (i) the recognition of fruits of approximately RMB6,685,000 from the recovery of the interests on the principal of the land deposit as a result of the cancellation of the previous land acquisition plan from the government in 2019, (ii) the provision for impairment losses on property, plant and equipment decreased by approximately RMB49,791,000 in 2019 as compared to 2018, (iii) the provision for impairment of intangible assets of the Company of approximately RMB8,932,000 in 2018, which was not made in the current period, (iv) the provision for impairment losses on right-of-use assets of approximately RMB4,076,000 upon assessment over the operating conditions of the retail outlets after recognising the leased stores as assets in accordance with the requirements of the HKFRS 16 during the current period, and (v) the decrease in government supporting fund of approximately RMB3,392,000 as compared to 2018.

金融資產減值虧損撥備淨額

截至二零一九年十二月三十一日止年度，本集團就購買非流動資產的按金及應收一名關連公司（上海一品軒食品有限公司）款項分別計提約人民幣11,741,000元及人民幣22,920,000元的減值虧損撥備。

Allowance of impairment losses on financial assets, net

For the year ended 31 December 2019, the Group made an allowance of impairment losses of approximately RMB11,741,000 on deposits for purchase of non-current assets and approximately RMB22,920,000 on amount due from a related company, Shanghai Yi Pin Xuan Foodstuff Co., Ltd.

銷售及分銷開支

受關閉部份門店影響，截至二零一九年十二月三十一日止年度銷售及分銷開支約為人民幣341,994,000元，較截至二零一八年十二月三十一日止年度約人民幣401,938,000元，減少約人民幣59,944,000元，其中關店及首次採納香港財務報告準則第16號降低租金開銷約人民幣97,383,000元，減員促使年度薪資費用下降約人民幣15,683,000元，而水電費、包裝費開支也隨之下降約人民幣4,595,000元及人民幣2,050,000元，另外由於按香港財務報告準則第16號所提列之租賃資產折舊，折舊較上期未適用時增加約人民幣62,068,000元。

Selling and distribution expenses

As a result of the closure of certain stores, selling and distribution expenses decreased by approximately RMB59,944,000 from approximately RMB401,938,000 for the year ended 31 December 2018 to approximately RMB341,994,000 for the year ended 31 December 2019. In particular, the rental expenses reduced by approximately RMB97,383,000 due to closure of retail outlets and the initial adoption of HKFRS 16, the annual salary expenses decreased by approximately RMB15,683,000 due to staff downsizing, and the utilities and packaging expenses also lowered accordingly by approximately RMB4,595,000 and RMB2,050,000, respectively. In addition, the depreciation increased by approximately RMB62,068,000 due to the provision for depreciation of the leased assets in accordance with the requirements under HKFRS 16 as compared to the previous period when HKFRS 16 was not applicable.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

行政開支

截至二零一九年十二月三十一日止年度行政開支約為人民幣74,308,000元，較截至二零一八年十二月三十一日止年度約人民幣77,167,000元，減少約人民幣2,859,000元。主要因本期管理部門縮小編制，薪資費用減少約人民幣4,437,000元；二零一八年預付土地租賃款項攤銷費約人民幣2,146,000元，而於採納香港財務報告準則第16號後，預付土地租賃款項攤銷重新分類為使用權資產折舊。根據商務部對單用途預付卡管理辦法的規定，二零一九年本公司為客戶預付款餘額投保履約責任險，保險費用增加約人民幣2,231,000元。

融資成本

截至二零一九年十二月三十一日止年度融資成本約人民幣20,792,000元，其組成按香港財務報告準則第16號所認列之租賃負債估算衍生的利息費用約人民幣20,301,000元，及銀行貸款利息約人民幣491,000元。

所得稅(開支)／抵免

2019年所得稅費用約為人民幣821,000元，較2018年約人民幣2,243,000元的所得稅抵免增加約人民幣3,064,000元，主要係2018年按會計原則對遞延所得稅負債轉回，致所得稅為負數。

本公司擁有人應佔年內虧損及全面虧損總額

由於上述原因，截至二零一九年十二月三十一日止年度發生淨虧損約為人民幣224,297,000元，截至二零一八年十二月三十一日止年度淨虧損約人民幣232,175,000元，淨虧損減少約人民幣7,878,000元。二零一九年的淨利潤率則由二零一八年的-34.97%下降至-40.64%。

Administrative expenses

Administrative expenses decreased by approximately RMB2,859,000 from approximately RMB77,167,000 for the year ended 31 December 2018 to approximately RMB74,308,000 for the year ended 31 December 2019. The decrease was mainly due to the reduction of approximately RMB4,437,000 in the salary expenses as a result of the scale-down of administrative department during the current period; and the amortisation of prepaid land lease payments of approximately RMB2,146,000 made in 2018, while the amortisation of prepaid land lease payments was reclassified to depreciation of right-of-use assets upon the initial adoption of HKFRS 16; in accordance with the regulation of Administrative Measures for Single-Purpose Commercial Prepaid Cards issued by the Ministry of Commerce, the Company purchased performance guarantee insurance for the balance of advance payment of customers in 2019, resulting in an increase of insurance premium of approximately RMB2,231,000.

Finance costs

Finance costs for the year ended 31 December 2019 amounted to approximately RMB20,792,000, comprised of derivative interest expenses of approximately RMB20,301,000 charged upon leased liabilities as recognised in accordance with HKFRS 16 and bank loan interests of approximately RMB491,000.

Income tax (expense)/credit

In 2019, income tax expenses amounted to approximately RMB821,000, representing an increase of approximately RMB3,064,000 as compared to income tax credit amounting to approximately RMB2,243,000 in 2018, which was mainly due to the reversal of deferred income tax liabilities according to the accounting principles in 2018, resulting in negative income tax.

Loss and total comprehensive loss for the year attributable to owners of the Company

Net losses decreased by approximately RMB7,878,000 from approximately RMB232,175,000 for the year ended 31 December 2018 to approximately RMB224,297,000 for the year ended 31 December 2019 due to the reasons stated above. Net profit margin decreased from -34.97% in 2018 to -40.64% in 2019.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

財務狀況分析

存貨週轉天數

下表載列二零一九年及二零一八年度存貨週轉天數：

存貨週轉天數 (附註)	Inventory turnover days (Note)	32	29
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附註：存貨週轉天數乃按存貨期初及期末結餘之算術平均值除以有關年份之銷貨成本，再乘以365天計算得出。

本集團存貨包括原材料及產成品，二零一九年底存貨金額高於二零一八年底，是由於銷量較低，因此存貨週轉天數有所增加。

貿易應收款項週轉天數

下表載列二零一九及二零一八年度貿易應收款項週轉天數：

貿易應收款項週轉天數 (附註)	Trade receivables turnover days (Note)	9	9
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附註：貿易應收款項週轉天數乃按貿易應收款項期初及期末結餘之算術平均值除以有關年份之銷售收入，再乘以365天計算得出。

貿易應收款項主要是因主營業務收入產生應收而未收回的款項，其週轉天數二零一九年與二零一八年維持不變。

ANALYSIS OF FINANCIAL POSITION

Inventory Turnover Days

The following table sets forth the inventory turnover days in 2019 and 2018:

截至十二月三十一日止年度	
For the year ended 31 December	
二零一九年	二零一八年
2019	2018

Note: Inventory turnover days are calculated based on the arithmetic mean of the opening and closing balance of inventories divided by cost of sales for the relevant year and multiplied by 365 days.

The Group's inventories consist of raw materials and finished goods. There was an increase in the inventory turnover days due to lower sales in line with the amount of inventories at the end of 2019 was higher than that at the end of 2018.

Trade Receivables Turnover Days

The following table sets forth the trade receivables turnover days in 2019 and 2018:

截至十二月三十一日止年度	
For the year ended 31 December	
二零一九年	二零一八年
2019	2018

Note: Trade receivables turnover days are calculated based on the arithmetic mean of the opening and closing balance of trade receivables divided by the sales revenue for the relevant year and multiplied by 365 days.

Trade receivables mainly represent the outstanding receivables arising from revenue generated from principal businesses, with turnover days remain the same for both 2019 and 2018.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

貿易應收款項之帳齡

下表載列所示日期本集團貿易應收款項之帳齡分析：

帳齡	Age	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
0至30天	0 to 30 days	13,383	10,934
31至60天	31 to 60 days	94	662
61至90天	61 to 90 days	165	263
91至180天	91 to 180 days	–	1,707
超過180天	Over 180 days	14	1,034
		13,656	14,600

本集團銷貨主要是以現金或客戶兌換券卡。在本集團獨立門店中消費，並無放帳情形，但在設置於百貨公司或賣場的店中店，提供場地的出租方通常代收本集團銷貨款項，於30至60天後支付本集團。

已抵押銀行存款

已抵押銀行存款為根據中國商務部於二零一二年九月二十一日頒佈的法規《單用途商業預付卡管理辦法（試行）》的規定存放在銀行的保證金。於年內評估後，本集團依法選擇另一方案，購買商業財產保險代替相關保證金。因此，本集團於截至二零一九年十二月三十一日止年度提取相關保證金賬戶的結餘，即按截至二零一八年十二月三十一日止年度已售預付卡券餘額提撥而存放在銀行的相關保證金金額。

Age of Trade Receivables

The following table sets forth an aging analysis of the trade receivables of the Group as at the dates indicated:

於十二月三十一日 As at 31 December	
二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000

The Group's sales were mainly settled either in cash or through redemption of coupons by customers. There was no credit payment for transactions which took place in the Group's self-operated retail stores. However, for those retail stores located in department stores or supermarkets, lessors who provide those sites usually collect the sales revenue on the Group's behalf and pay the same to the Group within 30 to 60 days thereafter.

Pledged bank deposits

The pledged bank deposits were the collateral deposited with banks pursuant to the regulation of Administrative Measures for Single-Purpose Prepaid Cards (for Trial Implementation) issued by the Ministry of Commerce of the PRC on 21 September 2012. Upon evaluation during the year, the Group chose another plan in accordance with laws, in which commercial property insurance was bought instead for the relevant collateral. Therefore, the Group withdrew the balance in the relevant collateral account for the year ended 31 December 2019, representing the relevant collateral deposited with banks according to the provision for the balance of the prepaid cards and coupons sold for the year ended 31 December 2018.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

貿易應付款項週轉天數

下表載列二零一九及二零一八年度貿易應付款項週轉天數：

貿易應付款項週轉天數（附註）

Trade payables turnover days (Note)

61

48

附註：貿易應付款項週轉天數乃按貿易應付款項期初及期末結餘之算術平均值除以有關年份之銷售成本，再乘以365天計算得出。

Trade Payables Turnover Days

The following table sets forth the trade payables turnover days in 2019 and 2018:

截至十二月三十一日止年度
For the year ended 31 December
二零一九年 二零一八年
2019 2018

Note: Trade payables turnover days are calculated based on the arithmetic mean of the opening and closing balance of the trade payables divided by the cost of sales for the relevant year and multiplied by 365 days.

貿易應付款項之帳齡

下表載列所示日期本集團貿易應付款項之賬齡分析：

帳齡

Age

0至45天

0 to 45 days

46,797

37,881

46至60天

46 to 60 days

6,460

2,380

61至90天

61 to 90 days

1,829

58

91至180天

91 to 180 days

456

635

超過180天

Over 180 days

1,993

4,845

57,535

45,799

本公司對供應商的貿易付款條件通常是30-60天。考慮現金流量管控，2019年度對部分供應商款項支付期限略有調整。

Age of Trade Payables

The following table sets forth an aging analysis of the trade payables of the Group as at the dates indicated:

於十二月三十一日
As at 31 December
二零一九年 二零一八年
2019 2018
人民幣千元 人民幣千元
RMB'000 RMB'000

The credit terms for trade payables due to suppliers of the Company generally range from 30 to 60 days. Slight adjustments were made to the payment terms of certain suppliers in 2019 in view of the cash flow control.

合約負債

合約負債主要係對客戶收取的預付卡券價款，由於二零一九年預付卡券售出金額較二零一八年少，致預付卡券餘額減少約人民幣37,220,000元。

Contract liabilities

Contract liabilities mainly include payments received from customers for prepaid cards and coupons. In 2019, the sales amount of prepaid cards and coupons reduced as compared with that in 2018, therefore causing a decrease in the balance of prepaid cards and coupons by approximately RMB37,220,000.



管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

未來重大投資及資本資產計劃

本集團於二零一九年十二月三十一日及本公告日期尚無其他重大投資或資本資產計劃。

財務及庫務政策

本集團在執行財務及庫務政策上採取審慎的財務管理策略，考慮現金部分逐年下降，為維持安全的流動資金狀況，與金融機構建立長期往來關係以爭取授信額度，並確保本集團資產完整性，以備融資擔保需求。

重大收購及出售

除本公告披露者外，截至二零一九年十二月三十一日止年度，本集團未有任何有關附屬公司、聯營公司及合營公司的重大收購或出售事項。

重大投資

截至二零一九年十二月三十一日止年度，董事會未有對外重大投資議案。

股息政策

本集團因應近年來錄得運營虧損，同時考慮產業競爭風險，管理層將以剩餘資金為其股息政策原則。儘先，本集團將旨在改善未來財務結構、充實運營資金及發展產業鏈，在建立健全財務體系並取得業務擴展機會後，如尚有閒餘資金，將衡量妥適的配股配息總額，建議股息發放比例，呈報董事會提出股息發放方案，經股東大會同意（如需要）後發放全體股東。

Future Plans for Material Investments and Capital Assets

The Group did not have other plans for material investments or capital assets as at 31 December 2019 and the date of this announcement.

FINANCIAL AND TREASURY POLICY

The Group has adopted a prudent financial management approach towards its financial and treasury policies. Considering the year-on-year decline in cash positions, in order to maintain sound liquidity, we have established long-term relationships with financial institutions to secure credit facilities and ensure the integrity of the Group's assets so as to meet financing guarantee requirements.

Material acquisitions and disposals

Save as disclosed in this announcement, the Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures for the year ended 31 December 2019.

Significant investment

The Board did not have any resolutions relating to significant external investment for the year ended 31 December 2019.

Dividend policy

As the Group recorded operating loss in recent years, and considering the competition risk of the industry, the management will take the principle of remaining funds as its dividend policy. Firstly, the Group with aim to improve the future financial structure, replenish working capital and develop industry chain. After the establishment of sound financial system and the achievement of business development opportunity, the management will determine the appropriate amount in aggregation for dividends distribution and propose the proportion of dividends distribution if idle capital exists, and submit the dividend distribution plan to the Board. The dividends will be distributed to all shareholders after the approval in general meeting, if required.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

流動性及財務資源

截至二零一九年十二月三十一日，銀行及現金餘額約人民幣74,931,000元，較截至二零一八年十二月三十一日人民幣182,132,000元，減少約人民幣107,201,000元。年度營業活動主要因收入下滑，相應開支雖同時下降，產生現金淨流出約人民幣53,086,000元；投資活動主要因廠區工程款產生現金淨流出約人民幣17,423,000元；融資活動則因租賃費用及銀行借款，產生現金淨流出約人民幣36,692,000元。

我們的銀行及現金餘額將用於資助我們的運營及資本支出。

截至二零一九年十二月三十一日流動比率為22.36%，較截至二零一八年十二月三十一日65.94%的流動比率轉差。

負債

資本負債率

截至二零一九年及二零一八年十二月三十一日，本集團資本負債率（按總負債除以總資產計）分別約為89.54%與62.53%，主要因截至二零一九年十二月三十一日止年度收入下降、銀行借款增加及預付卡券銷售收入降低，減少了銀行及現金餘額，致資產快速減少，提升了負債率。

銀行借款

截至二零一九年十二月三十一日，本集團尚有銀行借款約人民幣35,950,000元，利息為一般金融業借貸水準。

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, bank and cash balances amounted to approximately RMB74,931,000, representing a decrease of approximately RMB107,201,000 as compared with RMB182,132,000 as at 31 December 2018. The net cash outflow of approximately RMB53,086,000 from operating activities during the year was mainly due to a decline in revenue and the corresponding decrease in relevant expenditures; the net cash outflow of approximately RMB17,423,000 from investing activities was mainly due to the expenses for plant construction; net cash outflow of approximately RMB36,692,000 from financing activities was due to rental expenses and bank borrowings.

Our bank and cash balances will be used to fund our operations and capital expenditures.

The current ratio as at 31 December 2019 was 22.36%, which was lower than 65.94% as at 31 December 2018.

LIABILITIES

Gearing Ratio

As at 31 December 2019 and 2018, the Group's gearing ratio, calculated by dividing total liabilities by total assets, was approximately 89.54% and 62.53%, respectively. The decrease in revenue, increase in bank borrowings and decrease in sales revenue of prepaid cards and coupons during the year ended 31 December 2019 resulted in the decrease in bank and cash balances, accelerated decrease in assets and increase in the gearing ratio.

Bank Borrowings

As at 31 December 2019, the Group had bank borrowings of RMB35,950,000 at an interest rate adopted for general lending in the financial sector.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

銀行信用額度

截至二零一九年十二月三十一日，本集團取得銀行信用額度人民幣43,740,000元（二零一八年：人民幣260,000,000元），尚有餘額人民幣7,790,000元未動支。

債券

截至二零一九年十二月三十一日，本集團未發行任何債券。

或然負債

截至二零一九年十二月三十一日，本集團無重大或然負債。

支付承諾

於採納香港財務報告準則第16號後，有關本集團零售門店的租賃承擔確認為租賃負債。截至二零一八年十二月三十一日，本集團未來不可取消租約的最低合約金額約人民幣185,456,000元。截至二零一九年十二月三十一日，未編入經審核綜合財務報表之取得物業、廠房及設備等固定資產的資本支出合約金額約人民幣11,552,000元。

資產抵押

截至二零一九年十二月三十一日，本集團為銀行借款提供部分自有賬面價值約人民幣20,114,000元之商用物業做為貸款抵押品（二零一八年：無）。

資本架構

本集團截至二零一九年十二月三十一日止，銀行抵押貸款約人民幣35,950,000元，租賃負債約人民幣125,204,000元。權益總額為約人民幣74,459,000元，較上年減幅約為75.08%。於二零一九年十二月三十一日，本公司之資本架構包括1,010,188,000股每股面值0.00001港元之普通股（「股份」）。

Banking Facilities

As at 31 December 2019, the Group had banking facilities of RMB43,740,000 (2018: RMB260,000,000), of which, a balance of RMB7,790,000 was not utilised.

Debentures

As at 31 December 2019, the Group had not issued any debentures.

Contingent Liabilities

As at 31 December 2019, the Group had no material contingent liabilities.

Payment Commitments

Upon adoption of HKFRS 16, the lease commitment in relation to the Group's retail outlets is recognised as lease liabilities. As at 31 December 2018, the Group's future minimum lease payment under non-cancellable leases amounted to approximately RMB185,456,000. As at 31 December 2019, Capital expenditure in relation to the acquisition of fixed assets including property, plant and equipment not included in the audited consolidated financial statements amounted to approximately RMB11,552,000.

Pledged Assets

As at 31 December 2019, the Group provided certain self-owned commercial properties with a carrying amount of approximately RMB20,114,000 as collateral for bank borrowings. (2018: Nil)

Capital Structure

As at 31 December 2019, the Group had pledged bank loans of approximately RMB35,950,000 and lease liabilities of approximately RMB125,204,000. Total equity amounted to approximately RMB74,459,000, representing a decrease of approximately 75.08% as compared with that for the previous year. As at 31 December 2019, the capital structure of the Company comprised 1,010,188,000 ordinary shares of HK\$0.00001 each (the "Shares").

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

外匯及利率風險

本集團主要以人民幣進行業務交易，資金存放地利率浮動幅度不大，境外資金亦多以境外人民幣型態存放於境外銀行，管理層認為本集團營運所面臨之匯率及利率風險並不重大。因此，截至二零一九年十二月三十一日止，本集團並無採用任何金融工具避險。

Foreign Exchange and Interest Rate Exposure

As the Group conducts business transactions principally in Renminbi, interest rate fluctuation in places where capital was deposited was not high, and our offshore capital was mainly deposited in foreign banks as offshore Renminbi, the management considered the exchange rate and interest rate risk at the Group's operational level not significant. Accordingly, the Group had not used any financial instruments for hedging purposes as at 31 December 2019.

資本支出計劃

本集團於2019年度資本支出如下：

Capital Expenditures Plan

Capital expenditures of the Group in 2019 were as follows:

項目 Item		人民幣千元 RMB'000
銷售通路開展 Development of sales channels	購置、新添裝修及維護 Purchases, new fitting-out and repairs	5,626
	營運設備 Operation equipment	2,598
	小計 Subtotal	8,224
產能擴張 Production capacity expansion	廠房 Plant	16,664
	生產設備 Production equipment	1,314
	小計 Subtotal	17,978
後勤管理資本支出 Capital expenditure for back office administration	資訊科技軟件 IT software	–
資本支出總計 Total capital expenditures		26,202

銷售通路開展資本支出包括本集團於二零一九年7家新開店的工程，既有門店外觀、內裝及設備裝修或維護；產能擴張資本支出則主要是江寧廠區土建投入及廠生產設施。

Capital expenditures arising from sales network development included those for the project of 7 new stores of the Group opened in 2019, and for the exterior appearance, interior decoration and equipment installation or maintenance of existing stores; and the capital expenditure arising from production capacity expansion was mainly attributed to the investment in plant construction in the Jiangning area and acquisition of production facilities for the plant.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

人力資源

二零一九年因關閉部份門店，並推動減員措施，並遇缺不補。本集團員工歷來以零售門店銷售人員為主，縮減編制後，工廠及管理人員亦隨營運規模變化而減少，截至二零一九年十二月三十一日，本集團員工總人數為3,306人（截至二零一八年十二月三十一日：4,345人），人員結構仍大部份為零售門店銷售人員，員工成本總額約人民幣282,457,000元。

為因應近年來持續縮編減員，本集團人力資源以強化勞資關係與法律諮詢為工作重心，在減少人力的同時，兼顧和諧與合規，降低內部衝擊，在職員工則培訓一人多功，崗位可相互支援替代，使企業達到合理經營規模，保障員工合法權益，維繫勞資和諧。

從改善未來業績為考量，本集團策略上勢必嘗試與過往不同的線上銷售、烘焙代工等新形態業務，為期新業務的推展能有立竿見影效果，二零一九年間以物色高階相關業務人員為招聘目標，近期也將持續於同業間訪尋合適人選，為企業注入新血，振衰起敝。

本公司董事（「董事」）、高級管理層成員及其他僱員的薪酬政策乃根據彼等的經驗、所負責任及一般市場情況釐定，部分董事會成員亦暫為無償任職。員工除固定薪資，尚透過考核部門及個別考核獲得津貼及年終獎金。任何酌情花紅及其他獎勵金均與本集團表現及董事、高級管理層成員及其他僱員的個人表現掛鉤。

HUMAN RESOURCES

In 2019, as certain stores were closed, the Group promoted staff reduction measures and did not fill any vacancies. The Group's employees have mainly been sales staff in retail stores. After the downsizing, the number of plants and managers also decreased as a result of the change in the operating scale. As at 31 December 2019, the Group's total number of employees amounted to 3,306 (as at 31 December 2018: 4,345), with the majority still being sales staff in retail stores. Although the total staff costs was approximately RMB282,457,000.

Given the continuous efforts to downsize employees in recent years, the Group focused on strengthening labor relations and legal consultation in human resources. While reducing manpower, the Group also took into account of harmony and compliance so as to reduce internal impacts. In-service employees were trained for multiple functions, enabling them to replace and provide supports for each other even in different positions. Through such measures, the Group aimed to achieve a reasonable operating scale, protect the legitimate rights and interests of employees and maintain harmonious labor relations.

In order to improve future performance, the Group strategically needs to try new business forms such as online sales and OEM of bakery products that were different from those in the past. In anticipation of immediate effect from the promotion of new businesses, the Group targeted to recruit related high-level business personnel in 2019, and will continue to seek suitable candidates from its peers in near term, so as to inject new blood into the Group, remove its disadvantages, and bring vitality to the Group.

The remuneration policy for the directors of the Company (the "Directors"), senior management members and other employees is determined based on their experiences, responsibilities and general market conditions. Certain members of the Board hold their offices without remuneration. In addition to fixed salaries, the employees may be granted allowances and year-end bonuses subject to departmental and personal performance appraisal. Any discretionary bonus and other merit payments are linked to the performance of the Group and the individual performance of the Directors, senior management members and other employees.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

未來展望

市場展望

國內烘焙市場業態變化快速，除了產品口味、外觀趨於豐富，門店經營越來越重視體驗感，實體店雖仍是主流銷貨場所，但35歲以下消費族群佔市場70%以上的消費份額，客戶年輕化促使線上線下交易更加緊密結合，創造多元消費場景，迫使傳統烘焙業加速調適轉型，爭取生存，在2019年末爆發COVID-19疫情後線上消費更形顯著。

中國烘焙市場行業規模持續增長，2018年全國烘焙企業逾1,800家，創收3,600億元，年增長率9%，個別企業間則相互競爭激烈，利潤縮減，並面臨業態轉型的挑戰，現階段行業面臨如下趨勢：

- (一) 大都會以超大型體驗店+供應鏈平台+新零售一體的烘焙品牌，挑戰傳統烘焙門市店面。
- (二) 單體門店或連鎖品牌將致力服務單一社群，對特定社群提供最佳的产品服務。
- (三) 烘焙生產商將以智能自動化工廠為基礎，專注整合供應鏈平台，提供下游廠商品質管控嚴格、成本合理的優質成品及半成品。
- (四) 兼具美感外觀的低糖、低脂、低熱量健康烘焙產品將在市場不斷湧現。
- (五) 產品發展將著重差異化、個性化、地區化。

FUTURE PROSPECTS

Market Outlook

The domestic bakery market has experienced rapid changes. In addition to the enriching tastes and appearances of products, the retail stores have devoted more efforts on the customer experiences during their operations. Although physical stores are still the mainstream sales venues, the consumer groups under the age of 35 account for over 70% of the market share. Younger customer base has led to the closer integration of online and offline sales, created diversified consumption scenarios, and forced the traditional bakery industry to accelerate adjustment and transformation to survive. The online consumption has become more predominant after the outbreak of the COVID-19 pandemic in the end of 2019.

The market size of bakery industry continued to grow in the PRC. In 2018, there were more than 1,800 bakery companies in the PRC, generating RMB360 billion of revenue, and representing an annual growth rate of 9%. Due to the fierce competition among individual companies, they suffered from contracting profit and faced the challenges of business transformation. At present, the industry is facing the following trends:

- (i) The bakery brands integrating mega experience stores, supply chain platform and new retail in the metropolitan areas are challenging the traditional bakery stores and outlets.
- (ii) Individual stores or chain brands will strive to serve a single community and provide the best products and services to a specific community.
- (iii) Bakery manufacturers will focus on integrating supply chain platforms based on intelligent automated factories, providing quality finished and semi-finished products with strict quality control and reasonable cost for downstream manufacturers.
- (iv) Low-sugar, low-fat and low-calorie healthy bakery products with aesthetic appeal will continue to rise in the market.
- (v) Differentiation, personalisation and regionalisation will be the focuses in product development.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

本集團在以單店就近服務社區或機構、生產製造以及確保產品健康質量具備既有優勢，惟在創新業態、推動智能管理、產品與門店時尚美感，及產品差異化尤有不及，尚需重新整合資源繼續挑戰未來市場趨勢。

研發展望

面對產品日新月異的競爭市場，烘焙同業大多投入研發新品或仿製國外熱銷品，以提升終端客群消費意願。本集團為行業傳統品牌，以單品形塑新穎時尚的整體印象不易，為兼顧研發成本與效益，研發重點將以務實為本，配合原有的經營優勢，對現有工藝深度優化，做個層面應用：

- (一) 開發應景季節性產品：研製各節慶民俗慣例食品，強化地區特色，例如春節糕餅、母親節蛋糕、兒童節餅乾等，藉現有門市及網絡銷售渠道，仿中秋節慶推售月餅模式，配合應景促銷推動大量，與現代西式糕點鋪做成些微區隔。
- (二) 改善冷鏈產品運銷流程：自二零一七以來本集團推展部分門店內微烘烤現場製售，氣味與溫度滿足市場需求，現階段對冷凍麵團及冷凍半成品配運流程及現場處理進行調整，以進一步優化口感，提升消費體驗。

The Group has advantages in serving communities or institutions in close proximity to each single store, producing and manufacturing, and ensuring the health and quality of products. However, in terms of innovative business model, promotion of intelligent management, product and store aesthetics as well as product differentiation, the Group is still at a disadvantage and needs to re-integrate its resources to further rise to the challenges from the future market trend.

Research and Development Outlook

In the face of the ever-changing competitive market for products, most peers in the industry have focused on the research and development of new products or imitation of popular overseas products to enhance the consumption desire of end customers. As a traditional brand in the industry, the Group maintains its overall impression of innovative and fashionable individual products. In order to balance the research and development costs and economic benefits, the Group will follow the pragmatic principle for research and development. Based on the existing operating advantages, it will deeply optimise the existing process and apply accordingly at different levels:

- (i) Developing occasion-themed and seasonal products: The Group will research and develop various foods for festivals and folk customs, and strengthen regional features, such as cakes for Chinese New Year, cakes for Mother's Day, and biscuits for Children's Day, and, following the promotion and sale mode for mooncakes in the Mid-Autumn Festival, seek for large scale sales of products during the occasion-themed promotion through existing stores and online sales channels, making some differences from the modern Western-style pastries.
- (ii) Improving the delivery and sales process of cold chain products: Since 2017, the Group has promoted the on-site production and sales of products through micro baking in some stores, so as to cater for the market demand in odor and temperature. Currently, the distribution and delivery process and on-site treatment of frozen dough and semi-finished products are being adjusted to further optimise the taste and enhance the consumption experience.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

(三) 評估少量多批生產模式：量產能力歷來為本公司優勢之一，近幾年來隨銷售量衰減，產能閒置日趨嚴重，造成龐大固定成本攤銷困難。基於提振生產，改善成本，本集團評估代工業務可行性，首要考慮多產品多批量產製能力，對配置、製程、產品、配方、人力等垂直生產過程，皆需投入研究與確認，或能開展新系列營業收入來源。

(iii) Assessing the small-quantity and multi-batch production model: Mass production capacity has always been one of the Company's advantages. In recent years, with the decline in sales volume and the increasingly idle capacity, the Company has difficulties in amortisation of huge fixed cost. In order to boost production and improve costs, the Group is assessing the feasibility of OEM business, which will give priority to the production ability of multiple products and multiple batches, and require research and confirmation on the vertical production process such as allocation, manufacturing process, product, formula and manpower. Such model may develop a new series of revenue sources for the Group.

報告期後事項

由於二零二零年初爆發COVID-19疫情以及中國實施的政府措施，位於中國的多家零售門店已暫停營運。儘管若干零售門店已恢復營運，但仍未以正常產能營運。本集團管理層將密切關注COVID-19疫情的發展，並對其財務影響進行進一步評估。鑒於情況隨時會發生變化，於該等綜合財務報表獲授權刊發日期無法合理估計對本集團財務狀況及經營業績的影響。

EVENTS AFTER THE REPORTING PERIOD

Due to the outbreak of the COVID-19 in early 2020 as well as the governmental measures imposed in the PRC, various retail outlets in the PRC have temporarily suspended the operations. Even though certain retail outlets have resumed their operations, they are still not yet operating at their normal capacity. The management of the Group will pay close attention to the development of the COVID-19 outbreak and perform further assessment of its financial impact. Given the dynamic nature of these circumstances, the impact on the Group's financial positions and operating results could not be reasonably estimated as at the date these consolidated financial statements are authorised for issue.

董事及高級管理層

DIRECTORS AND SENIOR MANAGEMENT

執行董事

朱永寧先生，51歲，執行董事。彼畢業於上海復旦大學國際金融專業，取得碩士學位，為高級經濟師。彼有超過25年金融業工作經驗，自一九九零年起，歷任江蘇省建行國際業務部主任科員、中國投資銀行江蘇省分行支行行長、南京光大銀行漢中路支行行長，及華夏證券創業投資有限公司投資顧問。自二零零六年至今，彼擔任國泰君安資產管理股份有限公司董事長。自二零一五年六月五日起，彼擔任江蘇南大蘇富特科技股份有限公司（於聯交所上市的公司，股份代號8045）執行董事，及以二零一五年七月起擔任該公司的董事長。自二零一八年十月起，彼擔任萬威國際有限公司（於聯交所上市公司，股份代號為167）執行董事。

林銘田先生，63歲，執行董事。於一九八九年，彼成立中衛科技股份有限公司，主要從事生產衛星天線，且至今仍為主席。於一九九三年，彼成立並投資中衛實業（南京）有限公司，主要從事生產有線電話及電報設備，且至今仍為主席。於一九九三年，彼合創南京市台商協會並擔任副主席直至二零一零年。此後，彼從協會退休但保留其作為創始人之稱銜。自二零零零年起，林先生開發南京銀杏湖山莊並投資南京銀杏湖農業觀光休閒有限公司，並擔任主席至今。

EXECUTIVE DIRECTORS

Mr. Yong Ning Zhu, aged 51, executive Director. He graduated from Fudan University of Shanghai with a master degree in international finance, and is a senior economist. He has over 25 years of working experience in the financial sector. Since 1990, he had served successively as a principal staff member of the international business department of China Construction Bank in Jiangsu province, president of a sub-branch of China Investment Bank under its Jiangsu branch, president of Hanzhong Road sub-branch of China Everbright Bank, Nanjing and investment advisor of Huaxia Securities Venture Capital Co., Ltd. (華夏證券創業投資有限公司). He has also served as the chairman of Guotai Junan Asset Management Co., Ltd. (國泰君安資產管理股份有限公司) from 2006 up to present. Since 5 June 2015, he has served as an executive director of Jiangsu NandaSoft Technology Company Limited (a company listed on the Stock Exchange, stock code: 8045), and has served as the chairman of such company since July 2015. Since October 2018, he has served as the executive director of IDT International Limited (a company listed on the Stock Exchange, stock code: 167).

Mr. Ming-Tien Lin, aged 63, executive Director. In 1989, he founded Jonsa Technologies Co. Ltd.* (中衛科技股份有限公司), primarily engaged in manufacturing satellite antennae, and remains as the chairman to date. In 1993, he founded and invested in Zhongwei Industry (Nanjing) Co., Ltd.* (中衛實業(南京)有限公司), primarily engaged in the manufacture of wire telephones and telegraph equipment, and remains as the chairman to date. In 1993, he co-founded the Nanjing Taiwan Business Association* (南京市台商協會) and served as the vice-chairman until 2010. Since then, he retired from the association but preserves his title as a founder. From 2000 onwards, Mr. Lin developed Nanjing Gingko Lake* (南京銀杏湖山莊) and invested in Nanjing Gingko Lake Agriculture and Tourism Company* (南京銀杏湖農業觀光休閒有限公司), of which he serves as the chairman to date.

* For identification purposes only

董事及高級管理層

DIRECTORS AND SENIOR MANAGEMENT

詹益昇先生，67歲，執行董事。彼自一九九五年十月起出任台灣傑瑞社會福利發展基金會董事。自二零零七年十月起，彼出任本公司間接全資附屬公司南京克莉絲汀食品有限公司總經理。自二零一一年十月起，彼出任台灣聯合營建發展基金會榮譽董事長。自一九八八年三月至一九九九年八月期間，彼擔任啟阜集團總裁。自一九九三年一月至一九九九年八月期間，彼擔任台灣啟阜建設工程股份有限公司董事長。此外，自一九九四年二月至二零一一年十月期間，彼擔任台灣聯合營建發展基金會董事長。

江若嫻女士，65歲，執行董事。彼畢業於台灣中興商工職校，彼擁有豐富的企業管理經驗。自一九八五年二月至二零零零年九月期間擔任百年食品有限公司總經理。自二零零四年一月至二零零七年十一月擔任南京克莉絲汀科技軟管實業有限公司副總經理。本公司主要股東羅田安先生與江女士為夫妻關係。


曾建利先生，63歲，執行董事。彼於一九七八年畢業於黎明技術學院，獲烘焙（巧克力製造）專科學位。曾先生於一九八三年成立中國台灣易成食品企業有限公司，一九九三成立上海億成食品有限公司，任職董事長，專業生產巧克力及其製品，主要用於西點麵包及甜點。

Mr. I-Sheng Chan, aged 67, executive Director. He has served as a director of Taiwan Jerry Social Welfare Development Foundation* (台灣傑瑞社會福利發展基金會) since October 1995. He has held the position of the managing director of Nanjing Christine Foodstuff Co., Ltd.* (南京克莉絲汀食品有限公司), an indirect wholly-owned subsidiary of the Company, since October 2007. Since October 2011, he has served as the honorary chairman of the Taiwan Union Construction Development Foundation. He served as the president of CHIEFI Group from March 1988 to August 1999. From January 1993 to August 1999, he served as the chairman of Taiwan CHIEFI Construction Engineering Co., Ltd.* (台灣啟阜建設工程股份有限公司). Besides, he served as the chairman of Taiwan Union Construction Development Foundation from February 1994 to October 2011.

Ms. Jo-Hsien Chiang, aged 65, executive Director. She graduated from Taiwan Chung Xing Commercial Vocational High School* (台灣中興商工職校). She is experienced in enterprise management. From February 1985 to September 2000, she served as the general manager of Hundred Years Food Limited* (百年食品有限公司). From January 2004 to November 2007, she served as the vice general manager of Nanjing Christine S&T Hose Co., Ltd.* (南京克莉絲汀科技軟管實業有限公司). Mr. Tien-An Lo, a substantial shareholder of the Company, and Ms. Chiang are husband and wife.

Mr. Chien-Li Tseng, aged 63, executive Director. He graduated from Lee-Ming Institute of Technology with a degree in bakery (production of chocolate) in 1978. Mr. Tseng established China Taiwan Yicheng Food Enterprise Ltd. (中國台灣易成食品企業有限公司) in 1983 and Shanghai Yicheng Food Company Ltd. (上海億成食品有限公司) in 1993, where he has been serving as the chairman of the board. Both companies specialize in the production of chocolate and its products mainly for western-style pastry, bread and dessert.

* For identification purposes only



董事及高級管理層

DIRECTORS AND SENIOR MANAGEMENT

非執行董事

卓啟明先生，68歲，非執行董事。卓先生於一九九三年加入本集團。卓先生於中國烘焙行業積逾24年經驗。卓先生現為本集團兩間成員公司，即上海克莉絲汀食品有限公司及上海吉元德食品有限公司之董事。自二零零八年起卓先生亦一直擔任本公司主要股東（定義見上市規則）Sino Century Universal Corporation的董事。卓先生自一九九六年起擔任阪屋食品股份有限公司（一間於台灣註冊成立並僅於台灣生產及銷售烘焙產品的公司）之董事，並自二零零三年至二零零六年擔任超比食品企業股份有限公司（一間從事烘焙業務的公司）之董事。此外，卓先生自二零一一年起擔任上海佳果包裝製品有限公司（一間主要在上海從事製造及銷售包裝材料的公司）董事，並自一九九七年起一直擔任三久行股份有限公司（一間主要在台灣從事製造及銷售包裝材料的公司）董事。卓先生自二零零七年於台南市糕餅商業同業公會擔任管理委員會成員。

NON-EXECUTIVE DIRECTOR

Mr. Chi-Ming Chou, aged 68, non-executive Director. Mr. Chou joined the Group in 1993. Mr. Chou has more than 24 years of experience in the bakery industry in the PRC. Mr. Chou is currently a director of two members of the Group, namely Shanghai Christine Foodstuff Co., Ltd. and Shanghai Ji Yuan De Foodstuff Co., Ltd.. Mr. Chou has served as a director of Sino Century Universal Corporation, a substantial shareholder (as defined under the Listing Rules) of the Company since 2008. Mr. Chou has served as a director of Ban Wu Food Co., Ltd., a company incorporated in Taiwan that produces and sells bakery products only in Taiwan, since 1996, and served as a director of Chao Bi Food Enterprise Co., Ltd., a company engaged in bakery business, from 2003 to 2006. In addition, since 2011, Mr. Chou has served as a director of Shanghai Jia Guo Packaging Co., Ltd., a company mainly engaged in manufacture and sale of packaging materials in Shanghai, and since 1997, he has served as a director of San Jiu Xing Co., Ltd., a company mainly engaged in manufacture and sale of packaging materials in Taiwan. Mr. Chou has served as a management committee member of the Tainan City Bakery Association since 2007.

董事及高級管理層


DIRECTORS AND SENIOR MANAGEMENT

洪敦清先生，73歲，非執行董事。彼先前於二零一一年十二月至二零一六年六月三日獲委任為執行董事，彼時負責制訂本集團行政管理方面的總體政策及指引。洪先生於烘焙及貿易行業積逾29年經驗。自二零零八年以來，洪先生一直擔任本公司前控股股東Sino Century Universal Corporation的董事（於二零一五年十月十九日，隨著當時Sino Century Universal Corporation按比例分配其所持有本公司股份予其當時之登記股東的重組完成後，Sino Century Universal Corporation不再為本公司之控股股東，但仍為本公司之主要股東（定義見上市規則）。自一九九三年以來，洪先生一直擔任上海廣燦食品有限公司董事會主席。自一九八七年以來，洪先生一直擔任台灣同燦貿易有限公司董事會主席。洪先生熟悉生食材料加工及買賣企業的管理及營運。

石偉光先生，55歲，非執行董事。彼於一九八六年七月畢業於同濟大學，獲得建築材料工程高分子材料專門化專業的工學學士學位。石先生擁有將近二十年之食品工業和資本市場投資經驗。彼自二零一六年七月起獲委任為北京厚生投資管理中心（有限合夥）之董事總經理，主管項目投資和管理。彼自二零零八年四月至二零一六年六月出任大眾食品控股有限公司關係維護總監及金鑼肉食集團戰略運營副總裁，主要負責該集團的戰略發展及資本市場有關的業務。自一九九二年七月至二零零八年四月，石先生擔任Macro Engineering & Technology Inc.之董事及中國首席代表，負責建立並監管多個國家的合資公司業務。

Mr. Dun-Ching Hung, aged 73, non-executive Director. Previously, he was appointed as an executive Director in December 2011 until 3 June 2016 and was responsible for formulation of overall policy and guidelines in respect of the Group's administration and management. Mr. Hung has over 29 years of experience in the bakery and trade industries. Since 2008, Mr. Hung has served as a director of Sino Century Universal Corporation, the former controlling shareholder of the Company (On 19 October 2015, immediately following the completion of the then restructuring, the shares of the Company held by Sino Century Universal Corporation were distributed to its then registered shareholders on a pro-rata basis, and Sino Century Universal Corporation has ceased to be the controlling shareholder but remains as a substantial shareholder of the Company (as defined under the Listing Rules). Since 1993, Mr. Hung has served as the chairman of the board of directors of Shanghai Guang Can Foodstuff Co., Ltd. Since 1987, Mr. Hung has served as the chairman of the board of directors of Taiwan Tong Can Trading Co., Ltd.. Mr. Hung is familiar with the management and operation of processing and trading of raw-food materials enterprises.

Mr. Weiguang Shi, aged 55, non-executive Director. He graduated from Tongji University in July 1986 with a bachelor's degree in engineering specializing in polymer specialization in construction materials engineering. Mr. Shi has approximately 20 years' experience in food industry and capital market. He has been appointed as the managing director of Beijing Hosen Investment Management Center (L.P.) since July 2016 and is responsible for overseeing and supervising project investments and managements. He was the director of investor relationship of People's Food Holdings Limited and vice president on strategy and operation of Jinluo Meat Products Group since April 2008 to June 2016, and his primary duties were strategic investment decisions and capital market related businesses of the group. Since July 1992 to April 2008, Mr. Shi is the director of Macro Engineering & Technology Inc. and its chief representative in China and was responsible for establishing and supervising several joint venture businesses.



董事及高級管理層

DIRECTORS AND SENIOR MANAGEMENT

獨立非執行董事

蘇莞文女士，45歲，獨立非執行董事。蘇女士現任台北醫學大學藥學院的臨床助理教授，並被聘為中華民國藥師公會全國聯合會—藥事照護委員會顧問。彼為美國麻州註冊藥劑師及台灣授證藥劑師。彼亦為美國不用藥醫師公會認證的授證總體健康諮商師。自二零零八年至二零零九年，蘇女士擔任台北醫學大學附設台北市立萬芳醫院卓越臨床試驗與研究中心研究員，並於二零零零年至二零零六年擔任Stop and Shop Pharmacy藥劑部經理。彼對營養及健康生活有著深刻的見解。蘇女士於一九九八年獲得美國東北大學藥學學士學位及於二零零四年獲得麻州藥學院藥學博士學位，並於二零零五年至二零零七年期間研習哥倫比亞大學附屬綜合營養學院的專業及高級健康諮商培訓課程。

江淮先生，31歲，獨立非執行董事。彼為國金證券高級經理，中國註冊會計師，本科學歷。江先生從事資本市場相關工作超過十年，在財務及金融方面有深厚的工作經驗。二零一一年至二零一六年，江先生曾擔任德勤華永會計師事務所擔任高級審計員，並自二零一六年一至今，江先生加入國金證券股份有限公司投行部擔任高級經理，從事IPO、再融資及重大資產重組相關工作。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wanwen Su, aged 45, independent non-executive Director. Ms. Su is currently a clinical assistant professor in School of Pharmacy, Taipei Medical University, and Advisor of pharmaceutical care committee, Taiwan Pharmacist Association. She is a registered pharmacist in Massachusetts, USA and a certified pharmacist in Taiwan as well. She is also a certified holistic health counselor certified by the American Association of Drugless Practitioners in USA. She served as a researcher of Clinical Research Center of Excellence for Clinical Trial and Research, Taipei Medical University Wan-Fang Hospital, from 2008 to 2009 and a pharmacy manager in Stop and Shop Pharmacy, from 2000 to 2006. She has a deep understanding of nutrition and healthy living. Ms. Su obtained her Bachelor of Science in pharmacy from Northeastern University in 1998 and her Doctor of Pharmacy degree from Massachusetts College of Pharmacy and Health Sciences in 2004 and took professional and advanced health counseling training programs in Institute for Integrative Nutrition affiliated with Columbia University from 2005 to 2007.

Mr. Huai Jiang, aged 31, independent non-executive Director. He is a senior manager of Sinolink Securities and a certified public accountant in the PRC, and has a bachelor degree. Mr. Jiang has over 10 years of experience in capital market related work and has extensive working experience in accounting and finance. From 2011 to 2016, Mr. Jiang worked as a senior auditor at Deloitte Touche Tohmatsu CPA Ltd (德勤華永會計師事務所). Since 2016 till the present, Mr. Jiang has been a senior manager of the investment banking department of Sinolink Securities Co., Ltd. (國金證券股份有限公司), engaging in work related to IPO, refinancing and material asset restructuring.

董事及高級管理層

DIRECTORS AND SENIOR MANAGEMENT

陳明華女士，55歲，獨立非執行董事，大專學歷。陳女士長期在酒店業從事管理工作，擁有深厚的酒店管理經驗。陳女士自一九八二年加入句容市商業局，歷任句容市五交化總公司財務經理，句容市糖煙酒總公司財務經理，句容市亞細亞商城財務總監，財務管理經驗豐富。陳女士於二零零四年加入曙光集團，在鎮江曙光置業先後擔任財務經理、副總經理。二零零八年一至今，陳女士加入句容曙光國際大酒店，歷任酒店副總經理、總經理、董事長。

徐純彬先生，56歲，獨立非執行董事及董事會主席。彼畢業於南京大學商學院，獲EMBA碩士學位。徐先生長期在金融機構的財務及投資部門工作，擁有豐富的財務管理及金融投資經驗。徐先生自一九八三年起加入中國工商銀行（「工商銀行」），自一九九四年起歷任工商銀行南京分理處財務主管及主任、城東支行副行長、下關支行行長、南京分行副行長及揚州分行行長。徐先生於二零一五年起曾出任上海銀行南京分行行長、江寧上銀村鎮銀行董事長及上海銀行總行現金中心總經理。

Ms. Ming Hua Chen, aged 55, independent non-executive Director. She has a junior college degree. Ms. Chen has long been engaging in the hotel business as management personnel and has abundant experience in hotel management. In 1982, Ms. Chen joined Jurong Commercial Bureau (句容市商業局) and successively served as the financial manager of each of Jurong Metals, Electrical Fittings and Chemical Engineering Corporation (句容市五交化總公司) and Jurong Sugar, Tobacco and Alcohol Corporation (句容市糖煙酒總公司), as well as the financial controller of Jurong Asia Mall (句容市亞細亞商城), having earned extensive experience in financial management therefrom. In 2004, Ms. Chen joined Shuguang Group (曙光集團), and successively served as the financial manager and deputy general manager of Zhenjiang Shuguang Property (鎮江曙光置業). Since 2008 till the present, Ms. Chen has been working at Jurong Shuguang International Hotel (句容曙光國際大酒店) as the deputy general manager, general manager and chairman of the hotel in succession.

Mr. Chun Bin Xu, aged 56, independent non-executive Director and the Chairman of the Board. He graduated from the Business School of Nanjing University with an EMBA degree. Mr. Xu has been working in the financial and investment departments of the financial institutions for a long term and has extensive experience in financial management and financial investments. Mr. Xu joined Industrial and Commercial Bank of China ("ICBC") in 1983, and he had been appointed as the financial director and an officer of Nanjing Sub-branch, vice president of Eastern Branch, president of Xiaguan Branch, vice president of Nanjing Branch and president of Yangzhou Branch of ICBC Since 1994. Mr. Xu had been the president of Nanjing Branch of Bank of Shanghai, the chairman of Jiangning District Shangyin Village Bank and the general manager of Cash-Center of the of Bank of Shanghai Head office since 2015.

董事及高級管理層

DIRECTORS AND SENIOR MANAGEMENT

高級管理層

廖維綸先生，52歲，獲委任為本公司財會副總裁。廖先生於二零一一年加入本集團。廖先生自一九九六年至一九九八年曾任安候建業會計師事務所審計部高級核數師。其後，廖先生自一九九八年至二零零四年擔任群益證券股份有限公司企業銀行業務部企業融資分部項目經理，並自二零零八年至二零零九年擔任榮成紙業股份有限公司主席特別助理。廖先生於一九九五年獲得輔仁大學會計學學士學位。此外，廖先生分別於一九九九年及二零零八年自台灣證券商業同業公會獲得高級證券商業業務員及自台灣證券投資信託暨顧問商業同業公會獲得投信投顧業務員資質。

蔣玉萍女士，49歲，獲委任為本公司銷售及管理副總裁。彼監管本公司在南京之整體營運，包括整體銷售管理、制定及實施公司規章以及委任高級管理層。蔣女士於工廠管理、零售門店管理及擴張方面擁有15年經驗。彼於二零零二年加入本集團。蔣女士負責本公司南京零售網絡的擴張，由一間零售門店發展至目前之80間零售門店。加入本集團前，蔣女士於一九九六年至二零零二年擔任江蘇信息賓館經理及副總經理。蔣女士於財務及人力資源管理方面擁有豐富經驗。蔣女士於二零零七年當選南京市白下區人民代表大會代表。蔣女士於一九九四年獲無錫輕工業學院食品工業科學學士學位。

黃麗萍女士，52歲，獲委任為本公司銷售及管理副總裁，主要負責浙江、無錫及蘇州的銷售及管理事宜。彼於二零零六年加入本集團。黃女士於市場推廣及採購方面擁有約16年經驗。加入本集團前，彼自二零零一年至二零零二年供職於上海康誠倉儲有限公司及自二零零四年至二零零五年供職於世琥倉儲(上海)有限公司。黃女士於一九八九年畢業於福州大學。

SENIOR MANAGEMENT

Mr. Weilun Liao, aged 52, was appointed as the Company's vice president of finance and accounting. Mr. Liao joined the Group in 2011. Mr. Liao served as a senior auditor of Audit Department of KPMG Taiwan from 1996 to 1998. Following that, Mr. Liao served as a project manager of the Corporate Finance Department, Corporate Banking Division of the Capital Securities Corporation from 1998 to 2004. From 2008 to 2009, he served as a special assistant to the chairman of Long Chen Paper Co., Ltd.. Mr. Liao obtained his Bachelor Degree in accounting in Fu Jen University in 1995. In addition, Mr. Liao obtained his qualifications as a Senior Securities Specialist from Taiwan Securities Association and a Securities Investment Trust and Consulting Professional from Securities Investment Trust & Consulting Association of Taiwan, in 1999 and 2008, respectively.

Ms. Yuping Jiang, aged 49, was appointed as the Company's vice president of sales and management. She oversees the Company's overall operations in Nanjing, including overall sales management, corporate rules formulation and enforcement, appointment of the senior management. Ms. Jiang has gained 15 years of experience in factory management, retail outlet management and expansion. She joined the Group in 2002. Ms. Jiang oversees the expansion of the Company's Nanjing retail network, from one retail outlet to the current 80 retail outlets. Before joining the Group, Ms. Jiang served as the manager and deputy general manager of Jiangsu Xinxi Hotel from 1996 to 2002. Ms. Jiang has extensive experience in finance and human resources management. In 2007, Ms. Jiang was elected as a deputy to the People's Congress of Baixia District, Nanjing. Ms. Jiang received her Bachelor Degree in food industry and science from Wuxi Institute of Light Industry in 1994.

Ms. Liping Huang, aged 52, was appointed as the Company's vice president of sales and management. She is mainly responsible for sales and management matters in Zhejiang, Wuxi and Suzhou. She joined the Group in 2006. Ms. Huang has approximately 16 years of experience in marketing and procurement. Before joining the Group, she worked in Shanghai Kangcheng Storage Co., Ltd. from 2001 to 2002 and in Shihu Storage (Shanghai) Co., Ltd. from 2004 to 2005. Ms. Huang graduated from Fuzhou University in 1989.

董事會報告

REPORT OF THE DIRECTORS

董事欣然提呈本公司之年報連同本集團於截至二零一九年十二月三十一日止年度的經審核綜合財務報表。

公司資料

本公司為於二零零八年三月十一日在開曼群島註冊成立的受豁免有限公司。於二零一二年二月二十三日（「上市日期」），透過按發售價每股1.60港元初步提呈250,000,000股股份，股份成功開始於聯交所買賣。其後，因行使本公司於上市日期就首次公開發售而授出的超額配股權，本公司額外發行10,188,000股股份。

主要業務

本公司的主要業務為投資控股。截至二零一九年十二月三十一日止年度，本集團主要業務的性質並無顯著變化。本集團於截至二零一九年十二月三十一日的主要附屬公司的詳情載於綜合財務報表附註24。

業務審視

有關本集團年內業務及事務的中肯審視載於本年報第5至20頁的「管理層討論及分析」章節內。管理層討論與分析以及本年報第200頁的財務摘要則刊載以財務關鍵表現指標分析本集團年內表現的情況。此外，綜合財務報表附註6還刊載了本集團的財務風險管理目標及政策。於本財政年度結束後，並無發生對本集團有影響的重大期後事項。此外，董事會的組成及董事會屬下所有委員會工作的概要，關於本集團環保政策、與持份者關係及對本集團有重大影響的相關法律及規例之遵守情況，均載於本年報第57至82頁的「企業管治報告」章節內。我們與董事及員工之間的重要關係可參閱本年報第17頁「人力資源」一段及本年報第21至27頁的「董事及高級管理層」一節。對公司業務相當可能的未來發展的揭示，載於本年報第18至20頁的「未來展望」。

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

CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 11 March 2008. On 23 February 2012 (the "Listing Date"), the Shares successfully commenced dealing on the Stock Exchange by initially offering 250,000,000 Shares at the offer price of HK\$1.60 per Share. The Company subsequently issued 10,188,000 additional Shares pursuant to the exercise of the over-allotment option granted by the Company in connection with the initial public offering on the Listing Date.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. There were no significant changes in the nature of the Group's principal activities during the year ended 31 December 2019. Details of the principal subsidiaries of the Group as at 31 December 2019 are set out in note 24 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the Group's business and affairs during the year is provided in the "Management Discussion and Analysis" section on pages 5 to 20 of this annual report. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Management Discussion and Analysis section as well as the Financial Summary on page 200 of this annual report. Besides, the financial risk management objectives and policies of the Group can be found in note 6 to the consolidated financial statements. No important event after the period affecting the Group has occurred since the end of the financial year. In addition, the composition of the Board and the summary of the work of all our Board committees, discussions on the Group's environmental policies and performance, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are all contained in the "Corporate Governance Report" section on pages 57 to 82 of this annual report. Our key relationship with our Directors and employees can be found under "Human Resources" paragraph on page 17 and "Directors and Senior Management" section on pages 21 to 27 of this annual report. The probable future business development of the Company is discussed in the paragraph headed "Future Prospects" on pages 18 to 20 of this annual report.

董事會報告

REPORT OF THE DIRECTORS

風險及不確定因素

截至二零一九年十二月三十一日止年度，由於來自競爭對手及其他業務的激烈競爭，我們繼續面臨烘焙行業的風險及不確定因素。有關詳情，請參閱本年報第18至19頁的「未來展望－市場展望」。我們繼續對錄得多次虧損、開支持續擴大或位址處劣的不符成本效益門店採取關閉政策。人力成本及原材料增加亦是本集團於營運中面臨的其他類型的持續風險及不確定因素。所有該等風險及不確定因素均導致我們的持續虧損及實施策略關閉虧損門店。為應對該等風險及不確定因素，我們爭取更有效地利用資源並探索新機遇。有關詳情，請參閱本年報第19至20頁的「未來展望－研發展望」。此外，食品安全仍是烘焙業最大行業風險，本集團仍一秉原則，捍衛食品安全。未來一年，除本年報所述業務計劃外，本集團在環保、社會責任及企業治理方面，也將恪守初心，從嚴律己利人，在以獲利為天職的目標下，期望也為自然環境、人群福利及社會正義而努力。

業績及股息

本集團於截至二零一九年十二月三十一日止年度的虧損及其於二零一九年十二月三十一日的財務狀況載於綜合財務報表第88至94頁。

董事會不建議就二零一九年度派發末期股息。

股息政策

本集團因應近年來錄得運營虧損，同時考慮產業競爭風險，管理層將以剩餘資金為其股息政策原則。首先，本集團將旨在改善未來財務結構、充實運營資金及發展產業鏈，在建立健全財務體系並取得業務擴展機會後，如尚有閒餘資金，將衡量妥適的配股配息總額，建議股息發放比例，呈報董事會提出股息發放方案，經股東大會同意後發放全體股東（如需要）。

RISKS AND UNCERTAINTIES

During the year ended 31 December 2019, we continued to face risks and uncertainties in the bakery industry due to intense competition from competitors and other businesses. For details, please refer to “Future Prospects – Market Outlook” on pages 18 to 19 of this annual report. We continued to adopt the policy of closing down cost-ineffective stores recording frequent losses, continual increases in expenses or at inferior locations. The increase in labour costs and raw materials are also other types of ongoing risks and uncertainties that our Group faces in our operations. All these risks and uncertainties have led to our continual loss and the implementation of our strategy of closing down of loss-making stores. To cope with such risks and uncertainties, we strive to utilise our resources more efficiently and explore new opportunities. For details, please refer to “Future Prospects – Research and Development Prospects” on pages 19 to 20 of this annual report. Moreover, food safety continues to be the greatest industry risk of the bakery industry. The Group adheres to its commitment to ensure food safety. In the coming year, apart from the business plans mentioned in this annual report, the Group will also adhere to its original commitment with regard to environmental, social responsibilities and corporate governance. Apart from our goal to make profits, we also wish to contribute to the environment, welfare of society and social justice.

RESULTS AND DIVIDENDS

The Group’s loss for the year ended 31 December 2019 and its financial position as at 31 December 2019 are set out in the consolidated financial statements on pages 88 to 94.

The Board does not recommend the payment of a final dividend for 2019.

DIVIDEND POLICY

As the Group recorded operating loss in recent years, and considering the competition risk of the industry, the management will take the principle of remaining funds as its dividend policy. Firstly, the Group with aim to improve the future financial structure, replenish working capital and develop industry chain. After the establishment of sound financial system and the achievement of business development opportunity, the management will determine the appropriate amount in aggregation for dividends distribution and propose the proportion of dividends distribution if idle capital exists, and submit the dividend distribution plan to the Board. The dividends will be distributed to all shareholders after the approval in general meeting, if required.

董事會報告

REPORT OF THE DIRECTORS

本公司首次公開發售所得款項的使用

本公司因於二零一二年二月二十三日(「上市日期」)在香港聯合交易所有限公司(「聯交所」)上市及於二零一二年三月十六日行使超額配股權發行新股而所得款項淨額為356,800,000港元，該款額擬或已按照本公司日期為二零一二年二月十日的招股章程(「招股章程」)「未來計劃及所得款項用途」一節所載的擬定用途使用。所得款項用途概述如下：

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The net proceeds from the Company's issue of new shares at the time of its listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 23 February 2012 (the "Listing Date") and pursuant to the exercise of the over-allotment option on 16 March 2012 amounted to HK\$356,800,000. Such net proceeds are intended to be or have been applied in accordance with the proposed applications as set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 10 February 2012 (the "Prospectus"). A summary of the use of proceeds are set out below:

招股章程中所述業務目標	Business objective as stated in the Prospectus	佔所得款項總淨額百分比	自上市日期至	自上市日期至	未動用所得款項淨額	所得款項淨額擬定用途	預期時間表	
			二零一二年十二月三十一日	二零一二年十二月三十一日				
			的所得款項淨額計劃用途 ⁽¹⁾	期間的所得款項淨額實際用途				
			Planned use of net proceeds from the Listing Date to 31 December 2019 ⁽¹⁾	Actual use of net proceeds during the period from the Listing Date to 31 December 2019	Net proceeds unused	Intended use of the net proceeds	Expected timeline	
		Percentage of total net proceeds	Date to 31 December 2019 ⁽¹⁾	Date to 31 December 2019	港元 HK\$	港元 HK\$	港元 HK\$	
開設新零售門店	Opening new retail outlets	41%	146,288,000	146,288,000	0	不適用 N/A	不適用 N/A	
產能擴張	Expanding production capacity	39%	139,152,000	142,662,000	(3,510,000)	不適用 N/A	不適用 N/A	
新增及改善信息技術系統及研發新產品	Addition and improvement of the information technology systems and the R&D of new products	10%	35,680,000	26,670,000	9,010,000	5,500,000	2021年底 The end of 2021	
一般營運資金	General working capital	10%	35,680,000	35,680,000	0	不適用 N/A	不適用 N/A	
總計	Total	100%	356,800,000	351,300,000	5,500,000	5,500,000	不適用 N/A	

附註：

1. 誠如招股章程所披露，估計上市所得款項淨額(經扣除本公司就此支付的包銷費用及開支後)約為415.8百萬港元。本公司獲得的實際所得款項淨額約為356.8百萬港元。本公司擬按招股章程所示，以與所使用的原定資金相同的比例將有關差額約59百萬港元調整至各項業務策略。

Note:

1. As disclosed in the Prospectus, the estimated net proceeds from the listing, after deduction of the underwriting fees and expenses paid by the Company in connection therewith, were approximately HK\$415.8 million. The actual net proceeds received by the Company were approximately HK\$356.8 million. The Company intends to adjust the difference of approximately HK\$59 million to each business strategies in the same proportion as the original funds applied as shown in the Prospectus.

董事會報告

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於二零一九年十二月三十一日未動用的所得款項淨額結餘約為5,500,000港元(二零一八年:8,098,000港元),未動用的所得款項淨額暫時作為短期存款存放於香港的持牌機構。

財務摘要

有關過往五個財政年度本集團的已公佈業績以及資產、負債及非控股權益的概要載於本年報第200頁。

物業、廠房及設備

於年內,本集團物業、廠房及設備的變動詳情,載於綜合財務報表附註19。

借款及抵押資產

本集團維持穩健之財務狀況。於二零一九年十二月三十一日,本集團已取得銀行借款人民幣35,950,000元(二零一八年:無),利率為5.43%,通過抵押本集團的物業、廠房及設備作為擔保。

股本

於年內,本公司的股本變動詳情載於綜合財務報表附註28。

優先購買權

本公司章程細則(「章程細則」)或開曼群島法例並無要求本公司向本公司現有股東按比例提呈新股的有關優先購買權的規定。

購買、贖回或出售本公司之上市證券

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

儲備

於年內,本集團儲備變動的詳情載於第91頁的綜合權益變動表。

As at 31 December 2019, the balance of unutilised net proceeds amounted to approximately HK\$5,500,000 (2018: HK\$8,098,000) and the unutilised net proceeds are temporarily placed as short term to deposit with licensed institutions in Hong Kong.

FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 200 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 19 to the consolidated financial statements.

BORROWINGS AND PLEDGED ASSETS

The Group retained a healthy financial position. As at 31 December 2019, the Group has obtained bank borrowings amounting to RMB35,950,000 (2018: Nil), which carries an interest rate at 5.34% and is secured by a charge over the Group's property, plant and equipment.

SHARE CAPITAL

Details of movements in the Company's Share capital during the year are set out in note 28 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 91.

董事會報告

REPORT OF THE DIRECTORS

可供分派儲備

本公司之可供分派儲備指股份溢價、儲備及溢利，於二零一九年十二月三十一日，合共為約人民幣234,413,000元。根據開曼群島法例第22章公司法（1961年法例第3冊，經綜合及修訂），本公司之股份溢價可供向股東支付分派或股息，惟須遵守本公司之組織章程大綱及章程細則之條文，且緊隨建議支付派發或股息日期後，本公司能夠支付其日常業務過程中到期之債務。根據章程細則，股息可從本公司已變現或未變現之溢利或董事釐定不再需要自溢利中撥出之任何儲備中宣派及派付。在普通決議案之批准之下，股息亦可從本公司之股份溢價賬中宣派及支付。

主要供應商及客戶

截至二零一九年十二月三十一日止年度，本集團最大供應商佔本集團總採購額的11.27%。本集團五大供應商佔本集團總採購額的29.59%。

截至二零一九年十二月三十一日止年度，概無單一客戶佔本集團銷售總額之10%以上。

除上文所披露者外，概無董事或任何彼等聯繫人士（定義見上市規則）或任何股東（其中，就本公司董事所知擁有超過5%本公司已發行股本者）於本集團五大供應商中擁有任何實益權益。

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution represent the share premium, reserves and profit which in aggregate amounted to approximately RMB234,413,000 as at 31 December 2019. Under the Companies Law, Cap 22 (Law 3 of 1961, consolidated and revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to Shareholders subject to the provisions of the Company's memorandum and the Articles and provided that immediately following the date on which distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Articles, dividends may be declared and paid out of the profits of the Company, realised or unrealised or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution, dividends may also be declared and paid out of the share premium account of the Company.

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2019, the Group's largest supplier accounted for 11.27% of the Group's total purchases. The Group's five largest suppliers accounted for 29.59% of the Group's total purchases.

During the year ended 31 December 2019, no single customer accounted for over 10% of the Group's total sales.

Saved as disclosed above, none of the Directors or any of their associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors of the Company, own more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers.

董事會報告

REPORT OF THE DIRECTORS

慈善捐贈

截至二零一九年十二月三十一日止年度，本集團並無作出慈善及其他捐款。

董事

截至二零一九年十二月三十一日止年度及截至本年報日期之董事如下：

執行董事：

朱永寧先生
林銘田先生
詹益昇先生
江若嫻女士
曾建利先生 (於二零一九年八月三十日獲委任)
徐志明先生 (於二零一九年八月二十日辭任)

非執行董事：

洪敦清先生
卓啟明先生
石偉光先生
林園先生 (於二零一九年三月二十八日辭任)

獨立非執行董事：

徐純彬先生 (於二零一九年八月三十日獲委任)
蘇莞文女士
江淮先生 (於二零二零年三月三十一日獲委任)
陳明華女士 (於二零二零年三月三十一日獲委任)
高海明先生 (於二零一九年三月二十七日辭任)
周晨先生 (於二零一九年三月二十九日獲委任
並於二零二零年三月十三日辭任)
周美林先生 (於二零一九年六月二十一日退任)
陳石先生 (於二零一九年八月二十日被罷免)

本公司已收到各獨立非執行董事根據上市規則第3.13條發出的年度獨立性確認。本公司認為所有獨立非執行董事均符合上市規則第3.13條所載的獨立性指引，且按照指引條款已屬獨立。

CHARITABLE DONATIONS

During the year ended 31 December 2019, the Group made no charitable and other donations.

DIRECTORS

The Directors during the year ended 31 December 2019 and up to the date of this annual report are as follows:

Executive Directors:

Mr. Yong Ning Zhu
Mr. Ming-Tien Lin
Mr. I-Sheng Chan
Ms. Jo-Hsien Chiang
Mr. Chien-Li Tseng (appointed on 30 August 2019)
Mr. Chi Ming Xu (resigned on 20 August 2019)

Non-executive Directors:

Mr. Dun-Ching Hung
Mr. Chi-Ming Chou
Mr. Weiguang Shi
Mr. Yuan Lin (resigned on 28 March 2019)

Independent non-executive Directors:

Mr. Chun Bin Xu (appointed on 30 August 2019)
Ms. Wanwen Su
Mr. Huai Jiang (appointed on 31 March 2020)
Ms. Ming Hua Chen (appointed on 31 March 2020)
Mr. Haiming Gao (resigned on 27 March 2019)
Mr. Chen Zhou (appointed on 29 March 2019 and
resigned on 13 March 2020)
Mr. Meilin Zhou (retired on 21 June 2019)
Mr. Shi Chen (removed on 20 August 2019)

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all the independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

董事會報告

REPORT OF THE DIRECTORS

董事及高級管理層履歷

董事及本集團高級管理層的履歷詳情載於本年報第21至27頁。

董事的服務合約

朱永寧先生已與本公司訂立服務合約，初始任期自二零一八年十一月一日起計為期三年，委任可於任何一方向另一方發出不少於一個月之通知予以終止，且在任何情況下，彼須根據章程細則於股東週年大會上輪席告退及膺選連任。

洪敦清先生及石偉光先生已各自與本公司訂立服務合約，初始任期自二零一七年十一月十七日起計為期三年，委任可於任何一方向另一方發出不少於一個月之通知予以終止，且在任何情況下，彼等須根據章程細則於股東週年大會上輪席告退及膺選連任。

詹益昇先生及江若嫻女士已各自與本公司訂立服務合約，固定任期自二零一七年十一月十六日起計為期三年，並須根據章程細則於股東週年大會上輪席告退及膺選連任。

林銘田先生已與本公司訂立服務合約，初始任期自二零一六年六月三日起計為期三年，委任可於任何一方向另一方發出不少於一個月之通知予以終止，且在任何情況下，彼須根據章程細則於股東週年大會上輪席告退及膺選連任。

曾建利先生已與本公司訂立服務合約，初始任期自二零一九年八月三十日起計為期三年，委任可於任何一方向另一方發出不少於一個月之通知予以終止，且彼須根據章程細則於股東週年大會上輪席告退及膺選連任。

BIOGRAPHIES OF DIRECTORS AND MEMBERS OF SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 21 to 27 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Mr. Yong Ning Zhu has entered into a service contract with the Company for an initial term of three years commencing from 1 November 2018 which can be terminated by either party serving on the other not less than one month's notice, and in any event is subject to retirement by rotation and re-election at the annual general meeting in accordance to the Articles.

Each of Mr. Dun-Ching Hung and Mr. Weiguang Shi has entered into a service contract with the Company for an initial term of three years commencing from 17 November 2017 which can be terminated by either party serving on the other not less than one month's notice, and in any event is subject to retirement by rotation and re-election at the annual general meeting in accordance to the Articles.

Each of Mr. I-Sheng Chan and Ms. Jo-Hsien Chiang has entered into a service contract with the Company for a fixed term of three years commencing from 16 November 2017, and is subject to retirement by rotation and re-election at the annual general meeting in accordance to the Articles.

Mr. Ming-Tien Lin has entered into a service contract with the Company for an initial term of three years commencing from 3 June 2016 which can be terminated by either party serving on the other not less than one month's notice, and in any event is subject to retirement by rotation and re-election at the annual general meeting in accordance to the Articles.

Mr. Chien-Li Tseng has entered into a service contract with the Company for an initial term of three years commencing from 30 August 2019 which can be terminated by either party serving on the other not less than one month's notice, and is subject to retirement by rotation and re-election at the annual general meeting in accordance to the Articles.

董事會報告

REPORT OF THE DIRECTORS

卓啟明先生已與本公司訂立服務合約，固定任期自二零一五年二月二十三日起計為期三年。初始年期將於屆滿後自動另續三年，惟任何一方於當時年期屆滿前至少一個月向另一方發出書面通知終止則除外。卓啟明先生已與本公司就其於二零一五年十二月二十三日起由執行董事調任為非執行董事之事宜訂立一份補充服務合約。除上述調任外，服務合約之所有重大條款維持不變。彼須根據章程細則於股東週年大會上輪席告退及膺選連任。

蘇莞文女士已與本公司訂立服務合約，固定任期自二零一五年二月二十三日起計為期三年，固定年期將於屆滿後自動另續三年，惟任何一方於當時年期屆滿前至少一個月向另一方發出書面通知終止則除外。彼須根據章程細則於股東週年大會上輪席告退及膺選連任。

徐純彬先生已與本公司訂立服務合約，固定任期自二零一九年八月三十日起計為期三年。固定年期將於屆滿後自動另續三年，惟任何一方於當時年期屆滿前至少一個月向另一方發出書面通知終止則除外。彼須根據章程細則於股東週年大會上輪席告退及膺選連任。

江淮先生及陳明華女士已分別與本公司訂立服務合約，固定任期自二零二零年三月三十一日起計為期三年。固定年期將於屆滿後自動另續三年，惟任何一方於當時年期屆滿前至少一個月向另一方發出書面通知終止則除外。彼等須根據章程細則於股東週年大會上輪席告退及膺選連任。

Mr. Chi-Ming Chou has entered into a service contract with the Company for a fixed term of three years starting from 23 February 2015. The initial term shall be automatically renewed for another term of three years upon expiry of the initial term unless terminated by either party by giving notice in writing to the other party at least one month prior to the expiry of the then term. A supplemental service contract has been entered into between Mr. Chi-Ming Chou and the Company with respect to the re-designation from an executive Director to a non-executive Director with effect from 23 December 2015. Except for the aforesaid re-designation, all material terms of the service contract remain unchanged. He is subject to retirement by rotation and re-election at the annual general meeting in accordance to the Articles.

Ms. Wanwen Su has entered into a service contract with the Company for a fixed term of three years starting from 23 February 2015. The fixed term shall be automatically renewed for another term of three years upon expiry of the then term unless terminated by either party by giving notice in writing to the other party at least one month prior to the expiry of the then term. She is subject to retirement by rotation and re-election at the annual general meetings in accordance with the Articles.

Mr. Chun Bin Xu has entered into a service contract with the Company for a fixed term of three years starting from 30 August 2019. The fixed term shall be automatically renewed for another term of three years upon expiry of the then term unless terminated by either party by giving notice in writing to the other party at least one month prior to the expiry of the then term. He is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles.

Each of Mr. Huai Jiang and Ms. Ming Hua Chen have entered into a service contract with the Company for a fixed term of three years starting from 31 March 2020. The fixed term shall be automatically renewed for another term of three years upon expiry of the then term unless terminated by either party by giving notice in writing to the other party at least one month prior to the expiry of the then term. They are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles.

董事會報告

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董事概無與本公司或其任何附屬公司訂立不支付賠償（法定賠償除外）不可於一年內終止的服務合約。

管理合約

於年內及截至二零一九年十二月三十一日，概無訂立或存在有關本集團全部或任何大部份業務的管理及行政的合約。

董事的合約權益

除本年報所披露者外，於年內及截至二零一九年十二月三十一日，本公司或其任何附屬公司概無訂立董事於其中直接或間接享有重大權益且與本集團業務有關連之重大合約。

董事於競爭業務的權益

除本年報所披露者外，截至二零一九年十二月三十一日止年度及截至本年報日期，概無董事或彼等各自的聯繫人從事與本集團業務構成或可能構成競爭的任何業務，或於有關業務中擁有任何權益。

董事的彌償保證

根據章程細則的規定，本公司每名董事均可從本公司的資產及溢利獲得彌償保證，該董事就其職務執行其職責時因作出、發生的任何作為或不作為而招致或蒙受的所有訴訟、費用、收費、損失、損害賠償及開支，可就此獲保證免受任何損害。

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year and as at 31 December 2019.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in this annual report, no contract of significance to the business of the Group which the Company or any of its subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during the year and as at 31 December 2019.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed herein, during the year ended 31 December 2019 and up to the date of this annual report, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

DIRECTORS' INDEMNITIES

Pursuant to the Articles, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which such Director shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of his duty in his office.

董事會報告

REPORT OF THE DIRECTORS

任何董事毋須就其他人士的行為、待遇、疏忽或過失而負責，亦毋須為符合規定以致參與任何待遇或為本公司向其寄存或存入任何款項或財產作保用途的任何銀行或其他人士或為本公司賴以投放或投資任何款項的任何抵押不充份或不足或為該董事執行其職務時發生或與之有關的任何其他損失、不幸事故或損害而負責，惟彌償保證不適用於任何與該董事欺詐或不忠誠有關的事宜。

每名股東同意放棄其原可因任何董事在履行本公司職責時採取的任何行動或未能採取任何行動而針對該董事提起的任何申索或起訴權利（不論個別或根據或憑藉本公司的權利），惟該權利的放棄不適用於任何與該董事欺詐或不忠誠有關的任何事宜。

開曼群島法律並不限制章程細則規定之對高級人員及董事作出彌償保證範圍，惟不包括法院認為違反公眾政策之條文（例如，表示對觸犯法律之後果作出彌償保證）除外。

本公司已為本集團董事及高級管理人員安排適當的董事及高級管理人員責任保險。

稅項減免

本公司並不知悉任何股東因彼等的持股而可用的稅項減免。股東如對購買、持有、處置、買賣有關股份或行使有關股份任何權利的稅務影響有任何疑問，務請諮詢彼等的專業顧問。

None of the Directors shall be answerable for the acts, receipts, neglects or defaults of the other or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of his office, or in relation thereto; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director.

Each Shareholder agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director on account of any action taken by such Director, or the failure of such Director to take any action in the performance of his duties with or for the Company; provided that such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director.

Cayman Islands law does not limit the extent to which the Articles may provide for indemnification of officers and directors, except to the extent any such provision may be held by the court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

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

TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares. If the shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

董事會報告

REPORT OF THE DIRECTORS

董事資料變更

若干董事之任期均為從彼等各自之委任日期起計為期三年，上述年期屆滿後自動另續三年。

除上文所披露者外，本公司並不知悉有任何資料根據上市規則第13.51B(1)條須予披露。

薪酬政策

根據股東於每年股東週年大會上的授權，董事會擁有釐定董事薪酬的一般權力。薪酬委員會會審查執行董事的薪酬，並根據董事的資格、經驗、職責、責任及表現以及本集團的表現及業績釐定其酬金。對於獨立非執行董事，其薪酬由董事會根據薪酬委員會的建議以及參考（其中）董事素質、經驗、職責釐定。董事及五名最高薪人士的薪酬詳情載於綜合財務報表附註15及附註14。

截至二零一九年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金。

本集團於二零一九年十二月三十一日的員工總人數為3,306人，大部份為門店銷售人員，年度薪資總額約人民幣282,457,000元。員工除固定薪資，尚透過績效考核獲得津貼及年終獎金。本集團現階段推進縮減門店計劃及人事縮編，衍生出影響相關人員的轉崗、多技能培養、合法資遣等事項。培訓工作與調控人力成本是人力資源工作重點。

CHANGE IN DIRECTOR'S INFORMATION

The term of certain Directors commenced from the date of their respective appointment for a term of three years, the aforesaid term shall be automatically renewed for another term of three years upon expiry of the term.

Save as disclosed above, the Company is not aware of any information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REMUNERATION POLICY

The Board has the general power of determining the Directors' remuneration, subject to authorisation of the Shareholders at the annual general meeting each year. The remuneration of the executive Directors is subject to review by the Remuneration Committee, and their remuneration is determined with reference to the Directors' qualifications, experience, duties, responsibilities and performance and results of the Group. As for the independent non-executive Directors, remuneration is determined by the Board, upon recommendation from the Remuneration Committee, and which is determined with reference to, among others, the Directors' qualifications, experience, duties and responsibilities. Details of the emoluments of the Directors and the five highest paid individuals are set out in note 15 and note 14 to the consolidated financial statements.

No Director has waived or has agreed to waive any emolument during the year ended 31 December 2019.

The Group had a total of 3,306 employees as at 31 December 2019, with the majority being sales staff in stores. Total annual payroll amounted to approximately RMB282,457,000. In addition to fixed wages, our employees may be granted other allowances and a year-end bonus subject to performance appraisal. Currently, the Group carries out the store-closure plans and staff downsizing, that results to job rotation, multi-skills training and legal severance that affects relevant staff. Training and control of labour costs remain the key focuses of our human resources work.

董事會報告 REPORT OF THE DIRECTORS

董事及最高行政人員於股份、相關股份及債券的權益及淡倉

於二零一九年十二月三十一日，本公司董事或最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部規定須知會本公司及聯交所之權益及淡倉（包括彼等根據證券及期貨條例之該等條文被當作或視為擁有之權益或淡倉），或須記入本公司根據證券及期貨條例第352條須備置之登記冊之權益或淡倉，或根據上市規則附錄10所載之上市發行人董事進行證券交易之標準守則（「標準守則」）須知會本公司及聯交所之權益或淡倉如下：

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

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

董事／最高行政人員姓名	身份／權益性質	普通股數目	倉位	佔本公司 已發行股本百分比 Percentage of the Company's issued share capital
Name of Directors/ chief executive	Capacity/nature of interest	Number of ordinary Shares	Position	
朱永寧先生 ⁽¹⁾ Mr. Yong Ning Zhu ⁽¹⁾	受控制法團權益 Interest in a controlled corporation	119,790,227	好倉 Long	11.86%
洪敦清先生 ⁽²⁾ Mr. Dun-Ching Hung ⁽²⁾	受控制法團權益 Interest in a controlled corporation	68,571,303	好倉 Long	6.79%
江若嫻女士 ⁽³⁾ Ms. Jo-Hsien Chiang ⁽³⁾	配偶權益 Interest of spouse	184,212,244	好倉 Long	18.24%

董事會報告

REPORT OF THE DIRECTORS

附註：

- (1) 中國華能基礎建設投資有限公司由朱永寧先生全資擁有。根據證券及期貨條例第XV部，朱永寧先生被視為於中國華能基礎建設投資有限公司持有的股份中擁有權益。
- (2) 該等股份由非執行董事洪敦清先生透過Sparkling Light Corporation持有，Sparkling Light Corporation由洪敦清先生全資擁有。
- (3) 由於江若嫻女士為本公司主要股東羅田安先生的配偶，而羅田安先生透過Sino Century Universal Corporation持有本公司184,212,244股股份。根據證券及期貨條例第XV部，江女士被視為於羅田安先生持有的股份中擁有權益。

除上文所披露者外，於二零一九年十二月三十一日，概無本公司董事或最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部規定須知會本公司及聯交所之權益或淡倉（包括彼等根據證券及期貨條例之該等條文被當作或視為擁有之權益或淡倉），或須記入本公司根據證券及期貨條例第352條須備置之登記冊之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

Notes:

- (1) China Huaneng Foundation Construction Investment Limited is wholly owned by Yong Ning Zhu. Pursuant to Part XV of the SFO, Yong Ning Zhu is deemed to be interested in the Shares held by China Huaneng Foundation Construction Investment Limited.
- (2) These Shares are held by Mr. Dun-Ching Hung, who is a non-executive Director, through Sparkling Light Corporation, which is wholly-owned by Mr. Dun-Ching Hung.
- (3) Since Ms. Jo-Hsien Chiang is the spouse of Mr. Tien-An Lo, and 184,212,244 Shares of the Company are held by Mr. Tien-An Lo, who is a substantial shareholder of the Company, through Sino Century Universal Corporation, Ms. Chiang was deemed to be interested in the Shares in which Mr. Tien-An Lo was interested within the meaning of Part XV of the SFO.

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

董事會報告 REPORT OF THE DIRECTORS

股東的權益及淡倉

據本公司董事或最高行政人員所知，於二零一九年十二月三十一日，於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分部規定須向本公司披露之權益或淡倉，或須記入本公司根據證券及期貨條例第336條須備置之登記冊之權益或淡倉之股東（本公司董事或最高行政人員除外）如下：

主要股東於股份之好倉

股東名稱	身份／權益性質	普通股數目	倉位	佔本公司 已發行股本百分比 Percentage of the Company's issued share capital
Name of Shareholders	Capacity/nature of interest	Number of ordinary Shares	Position	
Sino Century Universal Corporation ⁽¹⁾	實益擁有人 Beneficial owner	184,212,244	好倉 Long	18.24%
Goyen Investments Ltd. ⁽¹⁾	受控制法團權益 Interest in a controlled corporation	184,212,244	好倉 Long	18.24%
羅田安先生 ⁽¹⁾ Lo Tien-An ⁽¹⁾	受控制法團權益 Interest in a controlled corporation	184,212,244	好倉 Long	18.24%
Sparking Light Corporation	實益擁有人 Beneficial owner	68,571,303	好倉 Long	6.79%
東華石油（長江）有限公司 ⁽²⁾ Oriental Petroleum (Yangtze) Limited ⁽²⁾	實益擁有人 Beneficial owner	100,780,798	好倉 Long	9.98%
馬森企業有限公司 ⁽²⁾ Matheson Enterprises Limited ⁽²⁾	受控制法團權益 Interest in a controlled corporation	100,780,798	好倉 Long	9.98%
周一峰 ⁽²⁾ Yifeng Zhou ⁽²⁾	受控制法團權益 Interest in a controlled corporation	100,780,798	好倉 Long	9.98%
王銘祥 ⁽²⁾ Mingxiang Wang ⁽²⁾	受控制法團權益 Interest in a controlled corporation	100,780,798	好倉 Long	9.98%
Christine Princess Co. (PTC) Ltd. (「Christine Princess」) ⁽⁴⁾	實益擁有人 Beneficial owner	75,000,000	好倉 Long	7.42%
Christine Princess Co. (PTC) Ltd. (“Christine Princess”) ⁽⁴⁾	受控制法團權益 Interest in a controlled corporation		好倉 Long	
中國華能基礎建設投資有限公司 China Huaneng Foundation Construction Investment Limited	實益擁有人 Beneficial owner	119,790,227	好倉 Long	11.86%
Add Fortune Ventures Limited ⁽³⁾	實益擁有人 Beneficial owner	121,500,000	好倉 Long	12.03%
Lucky Creation Group Limited ⁽³⁾	受控制法團權益 Interest in a controlled corporation	121,500,000	好倉 Long	12.03%
王昊 ⁽³⁾ Hao Wang ⁽³⁾	受控制法團權益 Interest in a controlled corporation	121,500,000	好倉 Long	12.03%

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at 31 December 2019, Shareholders (other than Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Positions of Substantial Shareholders in the Shares

董事會報告

REPORT OF THE DIRECTORS

附註：

- (1) Sino Century Universal Corporation 由羅田安先生透過 Goyen Investments Ltd. 全資擁有。根據證券及期貨條例，羅田安先生被視為於 Sino Century Universal Corporation 持有的所有股份中擁有權益。
- (2) 東華石油（長江）有限公司由馬森企業有限公司全資擁有。馬森企業有限公司由周一峰及王銘祥分別擁有35%及65%權益。根據證券及期貨條例，周一峰及王銘祥被視為於東華石油（長江）有限公司持有的所有股份中擁有權益。
- (3) Add Fortune Ventures Limited 由王昊透過 Lucky Creation Group Limited 全資擁有。根據證券及期貨條例，王昊被視為於 Add Fortune Ventures Limited 持有的所有股份中擁有權益。
- (4) Christine Princess Co. (PTC) Ltd. 為一家於英屬處女群島註冊成立的信託公司，其以信託形式為管理層僱員持有本公司股權。

除上文所披露者外，於二零一九年十二月三十一日，本公司概無獲任何人士（本公司董事或最高行政人員除外）知會，彼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分部規定須向本公司披露之權益或淡倉，或須記入本公司根據證券及期貨條例第336條須備置之登記冊之權益或淡倉。

Notes:

- (1) Sino Century Universal Corporation is wholly owned by Mr. Tien-An Lo through Goyen Investments Ltd. Mr. Tien-An Lo is deemed to be interested in all the Shares in which Sino Century Universal Corporation is interested in pursuant to the SFO.
- (2) Oriental Petroleum (Yangtze) Limited is wholly owned by Matheson Enterprises Limited. Matheson Enterprises Limited is owned by Yifeng Zhou as to 35% and Mingxiang Wang as to 65%. Yifeng Zhou and Mingxiang Wang are deemed to be interested in all the Shares in which Oriental Petroleum (Yangtze) Limited is interested in pursuant to the SFO.
- (3) Add Fortune Ventures Limited is wholly owned by Hao Wang through Lucky Creation Group Limited. Hao Wang is deemed to be interested in all the Shares in which Add Fortune Ventures Limited is interested in pursuant to the SFO.
- (4) Christine Princess Co. (PTC) Ltd. is a trust company incorporated in the British Virgin Islands, which holds its equity interest in the Company on trust for the benefit of management employees.

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

董事會報告

REPORT OF THE DIRECTORS

首次公開發售前股份獎勵及首次公開發售前購股權

於二零一一年十二月二十七日，一名股東Christine Princess採納股份獎勵計劃及購股權計劃（統稱「計劃」）。計劃涉及Christine Princess將所持本公司之現有股份轉讓予計劃之合資格參與者。本公司不會就計劃發行新股，亦不會就本公司新證券授出任何購股權，因此計劃不在上市規則第17章之規管範圍，且不受其規管。董事認為股份獎勵及購股權的授出於其授出日期及其後財務期間均對財務報表產生影響。有關之影響已於本年報之綜合財務報表附註37內披露。計劃的條款摘要載於本公司日期為二零一二年二月十日的招股章程附錄六「D. 其他信息」一節。根據計劃所獎授股份之禁售期自獎授當日起計為期三年，及股份獎勵計劃已於二零一五年屆滿。

截至二零一九年十二月三十一日，已根據股份獎勵計劃授出以下股份：

承授人姓名

Name of grantee

獲獎授股份數目
Number of
Shares awarded

於獲獎授後所持股權概約百分比
Approximate percentage of
shareholding held upon the award

朱秀萍⁽¹⁾

Xiuping Zhu ⁽¹⁾

4,125,000

0.41

余秋意⁽²⁾

Qiuyi Yu ⁽²⁾

1,125,000

0.11

蔣玉萍

Yuping Jiang

1,125,000

0.11

附註：

Notes:

(1) 朱秀萍女士已於二零一三年二月二十八日退休，並於同日卸任為本公司首席執行官。

(1) Ms. Xiuping Zhu retired on 28 February 2013 and ceased to be the chief executive officer of the Company on the same date.

(2) 余秋意女士已於二零一五年四月十六日離職。

(2) Ms. Qiuyi Yu resigned on 16 April 2015.

PRE-IPO SHARE AWARD AND PRE-IPO SHARE OPTIONS

On 27 December 2011, Christine Princess, being a Shareholder, adopted the Share Award Scheme and the Share Option Scheme (collectively named as the “Schemes”). The Schemes involve the transfer of existing Shares held by Christine Princess in the Company to eligible participants under the Schemes. No new Shares will be issued by the Company for the purposes of the Schemes, nor will there be any grant of options over new securities of the Company and accordingly, the Schemes do not fall within the ambit of, and are not subject to, the regulations under Chapter 17 of the Listing Rules. The Directors consider the grant of the Share Award and the Share Options has an impact on the financial statements since the date of grant and the subsequent financial periods. Such impact is disclosed in note 37 to the consolidated financial statements of this annual report. A summary of the terms of the Schemes has been set out in Appendix VI to the prospectus of the Company dated 10 February 2012 under the section headed “D. OTHER INFORMATION”. The Shares awarded under the Scheme are subject to a lock-up period of three years commencing from the date of award, and the Share Award Scheme was expired in year 2015.

As of 31 December 2019, the following Shares had been awarded under the Share Award Scheme:

董事會報告

REPORT OF THE DIRECTORS

截至二零一九年十二月三十一日，所有購股權計劃已經全部失效。

董事收購股份或債權證的權利

除了本年報另作披露者外，於截至二零一九年十二月三十一日止年度任何時候，概無授出任何權利予任何董事、彼等各自的配偶或未滿18歲的子女，以透過收購本公司股份或債權證而獲利，彼等亦無行使任何該等權利；本公司或其任何附屬公司亦無訂立任何安排，以令董事、彼等各自的配偶或未滿18歲的子女於任何其他法人團體獲得該等權利。

關連人士交易

本集團截至二零一九年十二月三十一日止年度之關連人士交易詳情載於本年報綜合財務報表附註42。

關於該等關連人士交易，除與上海美馨貿易有限公司就購買貨品及原料之關連人士交易被視為完全豁免持續關連交易（定義見上市規則第14A章），綜合財務報表附註42披露為關連人士交易的其他交易構成不獲豁免關連交易（定義見上市規則第14A章），而董事確認本公司已按照上市規則第14A章遵守披露規定。

As of 31 December 2019, all share option schemes had lapsed.

Directors' Rights to Acquire Shares or Debentures

Save as otherwise disclosed in this annual report, at no time during the year ended 31 December 2019 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group for the year ended 31 December 2019 are set out in note 42 of the consolidated financial statements contained herein.

In relation to those related party transactions, save as the related party transactions with Shanghai Meixin Trade Co., Ltd. regarding the purchase of goods and materials which are regarded as fully exempt continuing connected transactions as defined under Chapter 14A of the Listing Rules, the other transactions disclosed in note 42 of the consolidated financial statements as related party transactions constituted non-exempt continuing connected transactions as defined under Chapter 14A of the Listing Rules, and the Directors confirm that the Company had complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.



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綜合財務報表附註42(b)披露關於本公司董事之薪酬的關連人士交易已構成上市規則第14A章所界定的持續關連交易。然而，根據上市規則第14A章，這些交易可豁免報告、公告及獨立股東的批准規定。關於本公司主要管理人員（董事除外）報酬的關連人士交易並未落入上市規則14A章所界定的關連交易或持續關連交易。

持續關連交易

本集團已與不同人士進行了若干交易，根據上市規則，該等人士為本公司的關連人士。根據上市規則，該等交易被視為持續關連交易，並須根據上市規則的規定於本年報內披露。持續關連交易的詳情如下：

The related party transactions as disclosed in note 42(b) of the consolidated financial statements in respect of the remuneration of Directors of the Company constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. However, these transactions are exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The related party transactions in respect of the remuneration of key management personnel (other than Directors) of the Company did not fall under the definition of connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

The Group had entered into certain transactions with parties which are connected persons of the Company under the Listing Rules. These transactions are considered to be continuing connected transactions under the Listing Rules, which need to be disclosed herein in compliance with the requirements under the Listing Rules. Details of the continuing connected transactions are as follows:

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非豁免持續關連交易

- (1) 於二零一六年十一月八日，上海克莉絲汀食品有限公司（「上海克莉絲汀」）、上海雙紅麵包有限公司（「上海雙紅麵包」）、上海吉元德食品有限公司（「上海吉元德」）、上海克莉絲汀甜蜜藝術食品有限公司（「上海甜蜜藝術」）、南京克莉絲汀食品有限公司（「南京克莉絲汀」）、杭州克莉絲汀食品有限公司（「杭州克莉絲汀」）、寧波克莉絲汀食品有限公司（「寧波克莉絲汀」）及杭州丹比食品有限公司（「杭州丹比」）與吳江尚浦包裝製品有限公司（「吳江尚浦」）（該公司約31.36%實際股權由現任非執行董事卓啟明先生的聯繫人持有：即(a)卓啟明先生的外甥鄭鈺霖先生持有吳江尚浦3.95%股權；(b)卓啟明先生的外甥劉濃潔先生持有吳江尚浦3.00%股權；及(c)卓啟明先生三名子女擁有60%的公司Hao Sheng Group Holdings Limited持有吳江尚浦40.68%股權）訂立重訂吳江尚浦綜合供應協議（「重訂吳江尚浦綜合供應協議」），據此，吳江尚浦向本集團供應紙質包裝物料（主要用於包裝月餅、麵包、蛋糕及其他烘焙產品）。

有關價格乃按公平基準釐定，並與於中國境內所供應的類似產品現行市價可資比較。於釐定現行市價時，本集團將於下採購訂單前參考兩家或以上獨立供應商的價格。該等經協定價格及條款不高於及不遜於本集團於一般及日常業務過程中與獨立第三方訂立的價格及條款。為釐定現行市價，本集團與用於包裝月餅及烘焙產品的紙質包裝物料供應商保持定期聯絡，並將緊貼該等產品的最新價格。

Non-exempt Continuing Connected Transactions

- (1) On 8 November 2016, Shanghai Christine Foodstuff Co., Ltd.* (上海克莉絲汀食品有限公司) (“**Shanghai Christine**”), Shanghai Shuanghong Bakery Co., Ltd.* (上海雙紅麵包有限公司) (“**Shanghai Shuanghong Bakery**”), Shanghai Ji Yuan De Foodstuff Co., Ltd.* (上海吉元德食品有限公司) (“**Shanghai Ji Yuan De**”), Shanghai Christine Sweet Art Foodstuff Co., Ltd.* (上海克莉絲汀甜蜜藝術食品有限公司) (“**Shanghai Sweet Art**”), Nanjing Christine Foodstuff Co., Ltd.* (南京克莉絲汀食品有限公司) (“**Nanjing Christine**”), Hangzhou Christine Foodstuff Co., Ltd.* (杭州克莉絲汀食品有限公司) (“**Hangzhou Christine**”), Ningbo Christine Foodstuff Co., Ltd.* (寧波克莉絲汀食品有限公司) (“**Ningbo Christine**”) and Hangzhou Danbi Foodstuff Co., Ltd.* (杭州丹比食品有限公司) (“**Hangzhou Danbi**”) entered into a renewed Wujiang Shangpu master supply agreement (the “**Renewed Wujiang Shangpu Master Supply Agreement**”) with Wujiang Shangpu Packing Products Co., Ltd.* (吳江尚浦包裝製品有限公司) (“**Wujiang Shangpu**”), approximately 31.36% of the effective interest of which is collectively owned by the associates of Mr. Chi-Ming Chou, currently a non-executive Director, namely (a) 3.95% by Mr. Yulin Zheng, being the nephew of Mr. Chi-Ming Chou; (b) 3.00% by Mr. Nongjie Liu, being the nephew of Mr. Chi-Ming Chou; and (c) 40.68% by Hao Sheng Group Holdings Limited, a company owned by three children of Mr. Chi-Ming Chou as to 60%, pursuant to which Wujiang Shangpu supplied to the Group paper packaging materials which are mainly used for wrapping and packaging of moon cakes, bread, cakes and other bakery products.

The relevant pricing is determined on an arm's length basis and comparable to prevailing market rates of similar products supplied within the PRC. In determining the prevailing market rates, the Group will make reference to the prices from two or more independent suppliers before placing a purchase order. The prices and terms agreed are not higher and not less favourable to the Group than those available from independent third parties in the ordinary and usual course of business. The Group maintains regular contacts with the suppliers of paper packaging materials for the wrapping and packaging of moon cakes and bakery products, and will keep abreast of the latest prices of such products for the purpose of determining prevailing market rates.

* For identification purposes only

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由於重訂吳江尚浦綜合供應協議項下擬進行交易的最高適用百分比率超過0.1%但少於5%，故根據上市規則第14A章，有關交易須遵守申報、公告及年度審核的規定，惟獲豁免遵守獨立股東批准的規定。

重訂吳江尚浦綜合供應協議有效期為三年，由二零一七年一月一日起至二零一九年十二月三十一日屆滿。

於年內，本集團與吳江尚浦根據重訂吳江尚浦綜合供應協議擬進行之交易總金額為人民幣零元。其截至二零一九年十二月三十一日止年度之年度交易額上限為人民幣10,876,000元。

- (2) 於二零一六年十二月三十日，上海克莉絲汀及一品軒（一間由 Gourmet Holding Co., Ltd. 全資擁有的公司，而 Gourmet Holding Co., Ltd. 則由主要股東兼前首席執行官兼前執行董事兼本公司前主席羅田安先生的胞姐黃羅井英女士全資擁有）訂立新綜合加工協議（「**新一品軒綜合加工協議**」），據此，本集團將向一品軒提供所有原材料（包括麵粉、糖及油等），待一品軒按照新一品軒綜合加工協議載列的已訂明的品質標準為本集團加工成克莉絲汀品牌產品（主要為麵包及蛋糕，以及糕點等其他產品）。因此，一品軒將僅就該等克莉絲汀品牌產品提供加工服務。所提供的加工服務的定價已經訂約方按公平原則釐定。就一品軒所加工的各项克莉絲汀品牌產品而言，本集團將向一品軒支付加工費用，金額相當於該克莉絲汀品牌產品零售價的12%。



As the highest applicable percentage ratio of the transactions contemplated under the Renewed Wujiang Shangpu Master Supply Agreement exceeds 0.1% but is less than 5%, therefore such transaction is subject to the reporting, announcement and annual review requirements but is exempt from the requirements for approval by independent shareholders under Chapter 14A of the Listing Rules.

The Renewed Wujiang Shangpu Master Supply Agreement is for a term of 3 years from 1 January 2017 and will expire on 31 December 2019.

During the year, the Group's total transaction amount with Wujiang Shangpu contemplated under the Renewed Wujiang Shangpu Master Supply Agreement is RMBNil. The annual cap of transaction amount for the year ended 31 December 2019 is RMB10,876,000.

- (2) On 30 December 2016, Shanghai Christine entered into a new master processing agreement with Yi Pin Xuan, which is wholly-owned by Gourmet Holding Co., Ltd., which, in turn, is wholly-owned by Ms. Ching-Ying Huang Lo, being the sister of Mr. Tien-An Lo, a substantial shareholder and the former chief executive officer, and former executive Director and the former Chairman of the Company (the "**New Yi Pin Xuan Master Processing Agreement**"), pursuant to which the Group will provide all ingredients (including flour, sugar and oil, etc.) to Yi Pin Xuan for Yi Pin Xuan to process them into Christine-branded products (mainly bread and cakes, with others including pastries) for the Group in accordance with the prescribed quality standards as set out in the New Yi Pin Xuan Master Processing Agreement. Accordingly, Yi Pin Xuan will only provide processing services in respect of such Christine-branded products. The pricing for the processing services to be provided has been determined on an arm's length basis between the parties. For each Christine-branded product processed by Yi Pin Xuan, the Group will pay Yi Pin Xuan a processing fee which is 12% of the retail price of that Christine-branded product.

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該加工費用乃經參考(i)一品軒所須承擔各項克莉絲汀品牌產品的生產成本(包括勞工成本、加工設備成本以及相關開支),該成本估計為各項克莉絲汀品牌產品零售價的10%;及(ii)一品軒將收取的利潤率,比率為各項克莉絲汀品牌產品零售價的2%。該等加工費用無論如何不得高於其他獨立第三方服務供應商就相若性質及規模服務所收取的費用。於下達加工訂單前,本集團將參考兩家或以上獨立第三方服務供應商的報價。本集團與一品軒協定的加工費用及條款不得較本集團於日常及一般業務過程中自獨立第三方服務供應商所獲者更高且不遜於自獨立第三方服務供應商所獲者。本集團與糕點產品加工服務供應商維持定期聯絡,並將密切關注該等產品的最新加工費用,以確保新一品軒綜合加工協議項下擬進行的交易的定價屬公平合理。

新一品軒綜合加工協議有效期為三年,由二零一七年一月一日起至二零一九年十二月三十一日屆滿。

於年內,本集團與一品軒根據新一品軒綜合加工協議擬進行之交易總金額為人民幣7,305,000元。其截至二零一九年十二月三十一日止年度之年度交易額上限為人民幣20,000,000元。

年內本公司於釐定該等交易的價格及條款時已遵守上述持續關連交易各自協議所載的定價政策機制。內部審核部門亦已審核該等交易及相關內部控制程序,並向獨立非執行董事提供相關結果以協助彼等進行年度審核。

Such processing fee is determined with reference to (i) the production cost (including labour costs, costs of processing equipment and related expenses) of each Christine-branded product to be borne by Yi Pin Xuan, which is estimated to be 10% of the retail price of each Christine-branded product; and (ii) a profit margin to be charged by Yi Pin Xuan, which is 2% of the retail price of each Christine-branded product. Such processing fees shall not, in any event, be higher than the fees for services with comparable nature and scale charged by other independent third party service providers. Before placing processing orders, the Group will make reference to the quotations from two or more independent third party service providers. The processing fees and terms agreed between the Group and Yi Pin Xuan shall not be higher and not less favourable to the Group than those available from independent third party service providers in the ordinary and usual course of business. The Group maintains regular contact with processing service providers of pastries products, and will keep abreast of the latest processing fees of such products for the purpose of ensuring that the pricing of the transactions contemplated under the New Yi Pin Xuan Master Processing Agreement are fair and reasonable.

The New Yi Pin Xuan Master Processing Agreement is for a term of three years from 1 January 2017 and will expire on 31 December 2019.

During the year, the Group's total transaction amount with Yi Pin Xuan contemplated under the New Yi Pin Xuan Master Processing Agreement is RMB7,305,000. The annual cap for the year ended 31 December 2019 is RMB20,000,000.

The Company has followed the pricing policies and mechanisms set out in the respective agreements for the above continuing connected transactions when determining the prices and terms of those transactions during the year. The internal audit department has also reviewed these transactions and the related internal control procedures, and provided the relevant findings to the independent non-executive Directors to assist them in performing their annual review.

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獨立非執行董事及審核委員會（「**審核委員會**」）已審閱上述一至二項截至二零一九年十二月三十一日止年度之持續關連交易並已確認該等持續關連交易乃：

- (1) 於本集團之日常及一般業務過程中訂立；
- (2) 按一般商業條款或更優條款訂立；及
- (3) 依照有關交易各自之協議條款進行，而該等條款乃屬公平合理及符合本公司及股東之整體利益。

董事會已根據上市規則第14A.56條的要求委任核數師就以上持續關連交易履行某些程序。核數師按照香港會計師公會所頒佈的香港核證工作準則第3000號「歷史財務信息審計或審閱以外的鑒證服務」，以及參照由其發出的實務說明第740號「關於香港上市規則所述持續關聯交易的核數師函件」，確認有關持續關連交易：

- (1) 經由董事會批准；
- (2) 於所有重大方面乃按照本集團的定價政策（若交易涉及由本集團提供貨品或服務）而進行；
- (3) 於所有重大方面乃根據有關交易的協議條款進行；及
- (4) 並無超逾上限。

The independent non-executive Directors and the Audit Committee (the “**Audit Committee**”) have reviewed the above continuing connected transactions numbered 1 to 2 for the year ended 31 December 2019 and have confirmed that these continuing connected transactions are:

- (1) entered into in the ordinary and usual course of business of the Group;
- (2) entered into on normal commercial terms or better; and
- (3) in accordance with the terms of respective agreements governing the transactions that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In accordance with the requirement of Rule 14A.56 of the Listing Rules, the Board has engaged the auditors to perform certain procedures on the above continuing connected transactions. The auditors have reviewed the above transactions in accordance with Hong Kong standards on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions Under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants, and confirmed that the continuing connected transactions:

- (1) have received the approval of the Board;
- (2) are, in all material respects, in accordance with the pricing policies of the Group if the transactions involve provision of goods or services by the Group;
- (3) have been entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (4) have not exceeded the caps.

董事會報告

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企業管治守則

董事認為自二零一九年一月一日至二零一九年十二月三十一日，本公司已應用上市規則附錄14所載之企業管治守則及企業管治報告（「企業管治守則」）之原則及已遵守企業管治守則所載之適用守則條文，惟對企業管治守則如下守則條文有偏離除外。

企業管治守則守則條文第A.2.1條

根據企業管治守則的守則條文第A.2.1條，主席與首席執行官的角色應有區分，不應由一人同時兼任。然而，於二零一八年十一月一日，羅田安先生退任本公司首席執行官（「首席執行官」）。同日，朱永寧先生獲委任為執行董事及首席執行官，以及隨後於二零一八年十二月十七日獲委任為董事會主席。因此，於二零一九年五月五日朱永寧退任首席執行官而林煜先生獲委任首席執行官之前，本公司並無區分主席與首席執行官。隨後林煜先生於二零一九年七月二十九日辭任首席執行官，而本公司截至二零一九年十二月三十一日並無首席執行官。

本公司已考慮董事會權力制衡的事宜，並相信本公司的架構（包括董事會具備足夠獨立性、向管理層授予權力、由董事會及董事委員會進行監察）足以應對權力集中之潛在問題。所有董事為本公司帶來不同經驗及專業技能，彼等於董事會會議上提出之事項均能獲妥善講解及能收取足夠、完整及可靠之資料。此外，董事會之決定均透過大多數表決通過。董事會相信，此架構有利於對快速變化的業務環境作出更準確及迅速的回應，及更為有效管理及落實業務流程。

CORPORATE GOVERNANCE CODE

The Directors consider that the Company has applied the principles of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) set out in Appendix 14 to the Listing Rules and complied with the applicable code provisions during the period from 1 January 2019 to 31 December 2019 as set out in the CG Code, except for the deviation to the following code provisions of the CG Code.

Code Provision A.2.1 of the CG Code

Pursuant to code provision A.2.1 of the Corporate Governance Code, the responsibility between the chairman and the chief executive officer should be separate and should not be performed by the same individual. However, Mr. Tien-An Lo stepped down as the chief executive officer (the “CEO”) of the Company on 1 November 2018. On the same day, Mr. Yong Ning Zhu was appointed as the executive Director and CEO, and he was subsequently appointed as the chairman of the Board on 17 December 2018. Therefore, the Company did not have a separate chairman and CEO until Mr. Yong Ning Zhu stepped down as CEO and Mr. Yu Lin was appointed as CEO on 5 May 2019. Subsequently, Mr. Yu Lin resigned as CEO on 29 July 2019 and the Company did not have CEO until 31 December 2019.

The Company has considered the issue of balance of power of authority on the Board and believes the structure of the Company, including strong independent elements in the Board, delegation of authorities to the management, supervision by the Board and Board committees, is sufficient to address the potential issue on power concentration. All Directors, who bring different experience and expertise to the Company, are properly briefed on issues arising at Board meetings and that adequate, complete and reliable information is received by the Directors. Furthermore, decisions of the Board are made by way of majority votes. The Board believes that this structure is conducive to a more precise and prompt response to the fast changing business environment and a more efficient management and implementation of business process.



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董事會明白主席及首席執行官的角色應各自獨立，以確保權力和授權分佈均衡，不致於權力集中於一位人士。因此，本集團會積極物色擁有與本集團相關業務之豐富經驗的合適人選，盡快予以任職並管理本集團之日常運營。

企業管治守則守則條文第A.5.1條

根據企業管治守則守則條文第A.5.1條，提名委員會主席須由董事會主席或獨立非執行董事（「獨立非執行董事」）擔任，且大部分成員應為獨立非執行董事。於二零一九年一月一日至二零一九年三月二十八日期間，董事會未能符合企業管治守則守則條文第A.5.1條的要求。本公司於二零一九年二月十一日委任提名委員會（「提名委員會」）成員，隨後於二零一九年三月二十九日委任提名委員會成員及主席。當時的獨立非執行董事周美林先生及陳石先生獲委任為提名委員會成員，自二零一九年二月十一日起生效。於二零一九年三月二十九日，執行董事朱永寧先生獲委任為提名委員會成員，同時亦擔任提名委員會主席，自二零一九年三月二十九日起生效。於二零一九年二月十一日至二零一九年六月二十一日期間，提名委員會大部分成員均為獨立非執行董事。於二零一九年三月二十九日至二零一九年六月十二日期間，提名委員會主席由董事會主席擔任。因此，於二零一九年三月二十九日至二零一九年六月十二日期間，本公司符合企業管治守則守則條文第A.5.1條規定的要求。

根據二零一九年六月十二日的董事會主席變更，朱永寧先生退任董事會主席一職，非執行董事洪敦清先生獲委任為董事會主席，均自二零一九年六月十二日起生效。

The Board understands that the roles of chairman and CEO shall be independent from each other to ensure balanced distribution of power and authorization, without facing the situation that power is concentrated in one person. Therefore, the Group would proactively identify appropriate talent with rich experience in dealing with relevant businesses of the Group, and appoint him as soon as practicable to manage the daily operation of the Group.

Code Provision A.5.1 of the CG Code

Pursuant to code provision A.5.1 of the CG Code, the Nomination Committee is required to be chaired by the chairman of the board or an independent non-executive director (“INED”) and comprises a majority of INEDs. During the period from 1 January 2019 to 28 March 2019, the Board cannot meet the requirements of code provision A.5.1 of the CG Code. Following the appointment of members of the Nomination Committee of the Company (the “**Nomination Committee**”) on 11 February 2019 and the subsequent appointment of member and chairman of the Nomination Committee on 29 March 2019, Mr. Meilin Zhou and Mr. Shi Chen, the then INEDs, were appointed as members of the Nomination Committee with effect from 11 February 2019. On 29 March 2019, Mr. Yong Ning Zhu, an executive Director, has been appointed as a member of the Nomination Committee and he also serves as the chairman of the Nomination Committee with effect from 29 March 2019. During the period from 11 February 2019 to 21 June 2019, the Nomination Committee comprised a majority of INEDs. During the period from 29 March 2019 to 12 June 2019, the Nomination Committee was chaired by the chairman of the Board. As such, the Company was in compliance with the requirements prescribed under code provision A.5.1 of the CG Code during the period from 29 March 2019 to 12 June 2019.

Following the change of the chairman of the Board on 12 June 2019, Mr. Yong Ning Zhu has stepped down from his position as the chairman of the Board and Mr. Dun-Ching Hung, a non-executive Director, has been appointed as the chairman of the Board, both effective from 12 June 2019.

董事會報告

REPORT OF THE DIRECTORS

根據於二零一九年六月二十一日召開的本公司股東週年大會（「股東週年大會」）的投票結果，周美林先生退任獨立非執行董事，自股東週年大會結束後生效；根據於二零一九年八月二十日召開的本公司股東特別大會（「股東特別大會」）的投票結果，陳石先生被罷免董事職務，自股東特別大會結束後生效。

因此，自二零一九年六月十二日起，提名委員會主席並非由董事會主席或獨立非執行董事擔任，且自二零一九年六月二十一日起，提名委員會大多數成員並非由獨立非執行董事組成。

自二零一九年八月二十日起，因本公司未能找到合適的候選人來填補由周美林先生及陳石先生留下的空缺，故提名委員會目前僅有一名成員，即朱永寧先生（執行董事），其亦為提名委員會主席。自二零一九年六月十二日起及直至本報告日期，本公司不符合企業管治守則守則條文第A.5.1條所規定的要求。本公司將通過在適當時候委任合適的提名委員會成員及主席以尋求重新符合企業管治守則守則條文第A.5.1條。

企業管治守則守則條文第C.3.3條

根據企業管治守則的守則條文第C.3.3條，審核委員會主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議。

Following the poll results at the annual general meeting of the Company held on 21 June 2019 (the “AGM”) and the polls results at the extraordinary general meeting of the Company held on 20 August 2019 (the “EGM”), Mr. Meilin Zhou retired as an INED with effect from the conclusion of the AGM and Mr. Shi Chen was removed as a Director with effect from the conclusion of the EGM.

As a result, the Nomination Committee is not chaired by the chairman of the Board or an INED since 12 June 2019, and the Nomination Committee did not comprise a majority of INEDs since 21 June 2019.

Since the Company failed to identify suitable candidates to take up the vacancies left by Mr. Meilin Zhou and Mr. Shi Chen, the Nomination Committee currently only has one member, namely Mr. Yong Ning Zhu, an executive Director, who is also the chairman of Nomination Committee, since 20 August 2019. The Company was not in compliance with the requirements prescribed under code provision A.5.1 of the CG Code since 12 June 2019 and up to the date of this report. The Company will seek to re-comply with code provision A.5.1 of the CG Code by appointing suitable members and chairman of the Nomination Committee in due course.

Code Provision C.3.3 of the CG Code

Pursuant to code provision C.3.3 of the Corporate Governance Code, the Audit Committee is to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor.

董事會報告

REPORT OF THE DIRECTORS

茲提述本公司日期為二零一九年八月十四日及二零二零年二月二十八日的公告。於本公司前任核數師德勤•關黃陳方會計師行於二零一九年八月十四日辭任後，本公司委任羅申美會計師事務所為新任核數師，以填補臨時空缺。鑒於急需委聘核數師以完成本公司截至二零一九年十二月三十一日止年度之審核工作以及受區域及時間限制，審核委員會並無舉行會議以根據其職權範圍就委任外聘核數師向董事會提供建議。然而，審核委員會成員已透過甄選及評估候選會計師事務所履行其職責。其後，審核委員會成員向董事會推薦由羅申美會計師事務所擔任本公司核數師以供批准，並於董事會會議上就委任羅申美會計師事務所為核數師進行投票。

本公司於截至二零一九年十二月三十一日止年度及截至二零二零年十二月三十一日止年度就委任外聘核數師事宜偏離守則條文第C.3.3條的規定。為於日後遵守守則條文第C.3.3條規定，審核委員會日後應根據其職權範圍舉行會議，以就委任、重新委任及罷免外聘核數師向董事會提供建議。

未能遵守上市規則及職權範圍

根據上市規則第3.10A條，發行人所委任的獨立非執行董事必須佔董事會成員人數至少三分之一。此外，上市規則第3.21條規定審核委員會至少要有三名成員，其中又至少要有一名是如上市規則第3.10(2)條所規定具備適當專業資格，或具備適當的會計或相關的財務管理專長（「資格」）的獨立非執行董事，審核委員會的主席亦必須是獨立非執行董事。上市規則第3.25條亦規定薪酬委員會須由獨立非執行董事擔任主席，且大部分成員須為獨立非執行董事。

Reference is made to the announcements of the Company dated 14 August 2019 and 28 February 2020. Following the resignation of the former auditor of the Company, Deloitte Touche Tohmatsu on 14 August 2019, the Company appointed RSM Hong Kong as its new auditor to fill the causal vacancy. In view of the emergency of engaging auditor for the purpose of completing the audit of the Company for the year ended 31 December 2019 and the limitation of region and time, the Audit Committee meeting was not held for making recommendations to the Board on the appointment of external auditor according to its terms of reference. However, the members of the Audit Committee did discharge their responsibilities by selecting and assessing candidates. Subsequently, the members of the Audit Committee recommended RSM Hong Kong to the Board as the auditors of the Company for approval and voted at the Board meeting for the appointment of RSM Hong Kong as the auditors.

The Company deviated from the Code Provision C.3.3 during the year ended 31 December 2019 and the year ending 31 December 2020 on the matter of appointment of the external auditor. For the purpose of compliance with the Code Provision C.3.3 in the future, Audit Committee should hold its meeting(s) in the future according to its terms of reference for making recommendations to the Board on the appointment, reappointment and removal of the external auditor.

NON-COMPLIANCE WITH THE LISTING RULES AND TERMS OF REFERENCE

According to Rule 3.10A of the Listing Rules, an issuer must appoint INEDs representing at least one-third of the board. Further, Rule 3.21 of the Listing Rules stipulates that the audit committee must comprise a minimum of three members, at least one of whom is an INED with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules (the “Qualification”) and the audit committee must be chaired by an INED. Rule 3.25 of the Listing Rules also requires a remuneration committee be chaired by an INED and comprised a majority of INEDs.

董事會報告

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此外，本公司薪酬委員會（「**薪酬委員會**」）及提名委員會職權範圍各自規定該等委員會均應最少由三名成員組成。提名委員會職權範圍亦規定提名委員會大部分成員應為獨立非執行董事，且提名委員會主席應為獨立非執行董事或董事會主席。

根據本公司日期為二零二零年五月二十二日的公告所披露的董事會、本公司審核委員會（「**審核委員會**」）、薪酬委員會及提名委員會組成的最新變動，截至本報告日期，董事會由十二名董事組成，其中五名為執行董事，三名為非執行董事，四名為獨立非執行董事。審核委員會僅有兩名成員（即獨立非執行董事蘇莞文女士及徐純彬先生）；提名委員會僅有一名成員（即執行董事朱永寧先生，彼亦為提名委員會主席）；而薪酬委員會僅有兩名成員（即執行董事朱永寧先生及獨立非執行董事蘇莞文女士）。審核委員會主席職位及薪酬委員會主席職位亦分別出缺。有關董事會及各委員會組成的詳情，請參閱本公司於二零二零年五月二十二日公佈的「董事名單與其角色和職能」。

截至本報告日期，(i) 獨立非執行董事人數符合上市規則第3.10A條規定之最低人數；(ii) 審核委員會成員人數低於上市規則第3.21條規定之最低人數；(iii) 審核委員會及薪酬委員會各自之主席職位出缺，分別不符合上市規則第3.21及3.25條之規定；(iv) 審核委員會並不包括一名具備上市規則第3.21條規定資格之獨立非執行董事；及(v) 薪酬委員會並非由上市規則第3.25條規定之大多數獨立非執行董事組成。

In addition, the terms of reference of each of the remuneration committee of the Company (the “**Remuneration Committee**”) and Nomination Committee provides that such committees should consist of a minimum of three members. The terms of reference of the Nomination Committee also requires that the majority of the members of the Nomination Committee shall be INEDs, and the chairman of the Nomination Committee shall be an INED or the chairman of the Board.

Following the latest changes to the composition of each of the Board, the audit committee of the Company (the “**Audit Committee**”), the Remuneration Committee and the Nomination Committee as disclosed in the Company’s announcement dated 22 May 2020, as of the date of this report, the Board comprises twelve Directors, of which five are executive Directors, three are non-executive Directors and four are INEDs. The Audit Committee only has two members (namely, Ms. Wanwen Su and Mr. Chun Bin Xu, both are INEDs); the Nomination Committee only has one member (namely, Mr. Yong Ning Zhu, an executive Director, who is also the chairman of the Nomination Committee); and the Remuneration Committee only has two members (namely, Mr. Yong Ning Zhu, an executive Director, and Ms. Wanwen Su, an INED). The chairman of each of the Audit Committee and the Remuneration Committee is also vacated. For details of the composition of each of the Board and committees, please refer to the “List of Directors and Their Role and Function” published by the Company on 22 May 2020.

As of the date of this report, (i) the number of INEDs met the minimum number required under Rule 3.10A of the Listing Rules, (ii) the number of members of the Audit Committee fell below the minimum number required under Rule 3.21 of the Listing Rules, (iii) the absence of the chairman for each of the Audit Committee and the Remuneration Committee does not meet the requirements under Rules 3.21 and 3.25 of the Listing Rules, respectively, (iv) the Audit Committee did not include an INED with the Qualification as required under Rule 3.21 of the Listing Rules, and (v) the Remuneration Committee did not comprise a majority of INEDs as required under Rule 3.25 of the Listing Rules.



董事會報告

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此外，截至本報告日期，(i) 薪酬委員會及提名委員會各自的成員人數並非由各自職權範圍所規定的最少三名成員組成，及(ii) 提名委員會大部分成員並非獨立非執行董事，且提名委員會主席並非提名委員會職權範圍所規定的獨立非執行董事或董事會主席。

董事會現正積極物色合適人選以儘快填補空缺，以符合上市規則之相關規定。董事會亦將於適當考慮後分別為薪酬委員會及提名委員會委任足夠及合適的成員以符合其各自職權範圍所載相關規定。本公司將適時作出進一步公告。

審核委員會及財務報表審閱

本公司審核委員會已遵照上市規則第3.21條規定及企業管治守則C3段制定書面職權範圍。審核委員會的主要職責為協助董事會就財務報告程序、內部監控及風險管理制度的有效性提供獨立意見、監察審核過程以及履行董事會指定的其他職務與職責。

審核委員會與管理層已審閱本集團所採納之會計原則及慣例，並討論了審核、內部監控及財務申報事項，包括審閱本集團截至二零一九年十二月三十一日止年度之經審核綜合財務報表。截至二零一九年十二月三十一日止年度之綜合財務報表已經本公司外聘核數師羅申美會計師事務所審核。有關審核委員會的責任及職責的詳情，請參閱本年報第64頁至第65頁所載「企業管治報告－審核委員會」。

Furthermore, as of the date of this report, (i) the number of members of each of the Remuneration Committee and the Nomination Committee does not consist of a minimum of three members as required under the respective terms of reference, and (ii) the majority of the members of the Nomination Committee are not INEDs, and the chairman of the Nomination Committee is not an INED or the chairman of the Board as required under the terms of reference of the Nomination Committee.

The Board is endeavoring to identify suitable candidate(s) to fill the vacancies as soon as practicable in order to comply with the relevant requirements under the Listing Rules. The Board will also appoint sufficient number of and appropriate members for each of the Remuneration Committee and Nomination Committee after due consideration to comply with the relevant requirements set out in the respective terms of reference. The Company will make further announcement(s) as and when appropriate.

Audit Committee and Review of Financial Statements

The Audit Committee has adopted written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the CG Code. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed with the management accounting principles and practices adopted by the Group and discussed the auditing, internal controls and financial reporting matters, including review of the audited consolidated financial statements of the Group for the year ended 31 December 2019. The consolidated financial statements for the year ended 31 December 2019 have been audited by the Company's external auditors, RSM Hong Kong. For further details on the responsibilities and duties of the Audit Committee, please refer to "Corporate Governance Report – Audit Committee" on pages 64 to 65 of this annual report.

董事會報告

REPORT OF THE DIRECTORS

董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載之標準守則為董事進行證券交易之規定準則。經向全體董事（包括現任董事及於截至二零一九年十二月三十一日止年度內曾任董事之前任董事）作出具體查詢後，全體董事（包括現任董事及於截至二零一九年十二月三十一日止年度內曾任董事之前任董事）已確認於截至二零一九年十二月三十一日止年度，彼等已遵守標準守則載列之規定準則。

足夠公眾持股量

根據本公司可公開獲得的資料及就董事所知，於本年報日期，本公司全部已發行股本的至少25%乃由公眾人士持有。

核數師

於前任核數師德勤•關黃陳方會計師行辭任後，羅申美會計師事務所獲委任為本集團新任核數師。本公司將於二零二零年股東週年大會提呈一項續聘羅申美會計師事務所為本公司外聘核數師之決議案。

根據上市規則持續披露責任

本公司並無上市規則第13.20、13.21及13.22條項下的任何其他披露責任。

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the required standard for securities transactions by Directors. Specific enquiries have been made to all the Directors, including the existing Directors and the former Directors who had been Directors during the year ended 31 December 2019, and all the Directors, including the existing Directors and the former Directors who had been Directors during the year ended 31 December 2019, have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2019.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

RSM Hong Kong was newly appointed as the auditor of the Group after the resignation of the previous auditors, Deloitte Touche Tohmatsu. A resolution will be submitted at the 2020 annual general meeting to re-appoint RSM Hong Kong as the external auditors of the Company.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

代表董事會
徐純彬
主席

中國上海，二零二零年五月二十二日

On behalf of the Board
Chun Bin Xu
Chairman

Shanghai, the PRC, 22 May 2020



企業管治報告

CORPORATE GOVERNANCE REPORT

董事會根據上市規則及相關適用的法律法規，為了創造讓本公司能穩定可持續發展的環境以及提高股東的信心及保障股東利益，致力建立內部高效的企業管治常規及程序。

本公司及董事會已採納企業管治守則所載之守則條文。截至二零一九年十二月三十一日止年度，除下文披露者外，董事會認為本公司已全面遵守企業管治守則，惟守則條文第A.2.1條除外。

董事進行證券交易的標準守則

本公司已採納標準守則。本公司於向所有董事（包括現任董事及於截至二零一九年十二月三十一日止年度內曾任董事之前任董事）作出具體查詢後確認，所有董事（包括現任董事及於截至二零一九年十二月三十一日止年度內曾任董事之前任董事）確認，彼等於截至二零一九年十二月三十一日止整個年度一直遵守標準守則所載的規定標準。

With an aim of creating an environment for the solid sustainable growth of the Company and to enhance Shareholders' confidence and protect Shareholders' interests, the Board is committed to establishing an internally high efficiency of corporate governance practices and procedures in accordance with the Listing Rules and relevant applicable laws and regulations.

The Company and the Board have adopted the code provisions of the CG Code. During the year ended 31 December 2019, save as disclosed below, the Board believes that the Company has fully complied with the CG Code except for code provision A.2.1.

MODEL CODE ON SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code. Having made specific enquiries to all the Directors, including the existing Directors and the former Directors who had been Directors during the year ended 31 December 2019, the Company confirmed that all the Directors, including the existing Directors and the former Directors who had been Directors during the year ended 31 December 2019, have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2019.

企業管治報告

CORPORATE GOVERNANCE REPORT

董事會

董事會的組成

於本年報日期，董事會現時由十二名成員組成，包括五名執行董事、三名非執行董事及四名獨立非執行董事。

執行董事：

朱永寧先生
林銘田先生
詹益昇先生
江若嫻女士
曾建利先生 (於二零一九年八月三十日獲委任)
徐志明先生 (於二零一九年八月二十日辭任)

非執行董事：

洪敦清先生
卓啟明先生
石偉光先生
林園先生 (於二零一九年三月二十八日辭任)

獨立非執行董事：

徐純彬先生 (於二零一九年八月三十日獲委任)
蘇莞文女士
江淮先生 (於二零二零年三月三十一日獲委任)
陳明華女士 (於二零二零年三月三十一日獲委任)
高海明先生 (於二零一九年三月二十七日辭任)
周晨先生 (於二零一九年三月二十九日獲委任
並於二零二零年三月十三日辭任)
周美林先生 (於二零一九年六月二十一日退任)
陳石先生 (於二零一九年八月二十日被罷免)

董事及高級管理層的履歷詳情載於本年報第21至27頁。董事會結構平衡，董事會之組成確保集各董事專長技能及經驗，以滿足本集團之業務需求，達致獨立及均衡的判斷。各董事擁有相關專業及豐富企業及策略計劃經驗，均可為本集團業務之成功作出貢獻。

BOARD OF DIRECTORS

The Composition of the Board

As the date of this annual report, the Board comprises twelve members, including five executive Directors, three non-executive Directors and four independent non-executive Directors.

Executive Directors:

Mr. Yong Ning Zhu
Mr. Ming-Tien Lin
Mr. I-Sheng Chan
Ms. Jo-Hsien Chiang
Mr. Chien-Li Tseng (appointed on 30 August 2019)
Mr. Chi Ming Xu (resigned on 20 August 2019)

Non-executive Directors:

Mr. Dun-Ching Hung
Mr. Chi-Ming Chou
Mr. Weiguang Shi
Mr. Yuan Lin (resigned on 28 March 2019)

Independent non-executive Directors:

Mr. Chun Bin Xu (appointed on 30 August 2019)
Ms. Wanwen Su
Mr. Huai Jiang (appointed on 31 March 2020)
Ms. Ming Hua Chen (appointed on 31 March 2020)
Mr. Haiming Gao (resigned on 27 March 2019)
Mr. Chen Zhou (appointed on 29 March 2019 and
resigned on 13 March 2020)
Mr. Meilin Zhou (retired on 21 June 2019)
Mr. Shi Chen (removed on 20 August 2019)

The biographical details of the Directors and senior management are set out on pages 21 to 27 of this annual report. The composition of the Board is well balanced which ensures that the unique expertise and experience of each Director are pooled together to meet the business needs of the Group and for the purposes of making independent well-balanced judgments. Each Director has the relevant professional and extensive corporate and strategic planning experience, and thus will contribute well to the business success of the Group.

企業管治報告

CORPORATE GOVERNANCE REPORT

獨立非執行董事

茲提述本公司日期為二零一八年十一月一日、二零一八年十二月十一日、二零一九年三月二十九日、二零一九年六月二十一日及二零二零年三月三十一日的公告。本公司於自二零一八年十一月一日起至二零一九年三月二十八日及二零一九年六月二十一日起至二零二零年三月三十一日止期間未能符合上市規則第3.10A條，當中規定獨立非執行董事的人數必須佔董事會成員人數至少三分之一。

因本公司未能根據上市規則第3.11條自二零一八年十一月一日起計三個月內物色適當人選擔任獨立非執行董事，本公司自二零一九年二月一日起至二零一九年三月二十八日止期間已違反上市規則第3.11條。由於周晨先生於二零一九年三月二十九日獲委任，董事會由十二名成員構成，其中四名為獨立非執行董事，因此，自二零一九年三月二十九日起，本公司已重新遵守上市規則第3.10A條規定。然而，自二零一九年六月二十一日董事變動後，本公司直至二零二零年三月三十一日（即江淮先生及陳明華女士獲委任為獨立非執行董事之時）後方符合上市規則第3.10A條規定。因此，董事會自二零二零年三月三十一日起已重新遵守上市規則第3.10A條之規定。

獨立非執行董事所承擔之重要職能是確保及監察有關有效企業管治框架之基礎。獨立非執行董事可提供充分的制衡，以保障本集團及其股東之利益，其中包括檢討本年報上文所述的持續關連交易。其中一名獨立非執行董事於會計方面擁有專業資格。董事會確認，本公司已收到每名獨立非執行董事根據上市規則第3.13條發出之年度獨立確認書。據此，本公司認為所有該等董事均為獨立。

Independent Non-executive Directors

Reference is made to the announcements dated 1 November 2018, 11 December 2018, 29 March 2019, 21 June 2019 and 31 March 2020 of the Company. The Company had not been in compliance with Rule 3.10A of the Listing Rules throughout the periods from 1 November 2018 to 28 March 2019 and from 21 June 2019 to 31 March 2020, which stipulates that the number of independent non-executive directors shall represent at least one-third of the Board.

As the Company had failed to identify a suitable candidate to be the independent non-executive Director within three months since 1 November 2018 pursuant to Rule 3.11 of the Listing Rules, such failure has constituted a breach of Rule 3.11 of the Listing Rules throughout the period from 1 February 2019 to 28 March 2019. Following the appointment of Mr. Chen Zhou on 29 March 2019, the Board comprises twelve members, among which four of them are independent non-executive Directors. As a result, the Board has re-complied with the requirements under Rule 3.10A of the Listing Rules since 29 March 2019. However, following the changes in directors since 21 June 2019, the Company had not been in compliance with Rule 3.10A of the Listing Rules until 31 March 2020 when Mr. Huai Jiang and Ms. Ming Hua Chen were appointed as the independent non-executive Directors. As a result, the Board has re-complied with the requirements under Rule 3.10A of the Listing Rules since 31 March 2020.

The independent non-executive Directors serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. Their participations provide adequate checks and balances to safeguard the interests of the Group and its Shareholders, including the review of the continuing connected transactions described above in this annual report. One of the independent non-executive Directors has the professional qualification of accounting. The Board confirms that the Company has received from each of the independent non-executive Directors an annual confirmation letter of independence pursuant to Rule 3.13 of the Listing Rules. On this basis, the Company considers all such Directors to be independent.

企業管治報告

CORPORATE GOVERNANCE REPORT

非執行董事之任期

各非執行董事（包括獨立非執行董事）已與本公司簽訂有特定任期的服務協議，固定任期均為三年，須於獲委任後首屆股東週年大會上膺選連任。根據章程細則，三分之一的董事須至少每三年於股東週年大會輪席告退一次。退任董事合資格於其退任的股東週年大會上重選連任。

董事會的功能

董事會監督本公司業務及事務的管理。董事會的主要職責是確保本公司的持續運作，並確保其管理方式既符合股東之整體最佳利益，又顧及其他權益持有人的利益。董事會將日常營運、業務策略及日常管理的職權及責任轉授予首席執行官及高級管理層。

董事會授權

為協助董事會履行其職務及促進有效管理，董事會將其若干職能轉授予審核委員會、薪酬委員會、提名委員會、戰略及投資委員會、企業管治委員會及高級管理層。

管理功能

董事會與管理層之間的職責劃分乃由本公司章程大綱及細則釐定。日常決策事項之職權已由董事會轉授予管理層。

Term of Non-executive Directors

Each of the non-executive Directors (including independent non-executive Directors) has entered into service agreements with the Company for a specific term of three years and are required to offer themselves for re-election at the first annual general meeting following their appointment. Pursuant to the Articles, one-third of the Directors are subject to retirement by rotation at the annual general meeting at least once every three years. Retiring Directors are eligible for re-election at the annual general meeting at which he or she retires.

Functions of the Board

The Board supervises the management of the business and affairs of the Company. The primary duty of the Board is to ensure the ongoing operation of the Company and to ensure that it is managed in the best interests of the Shareholders as a whole while taking into account the interests of other stakeholders. The Board delegates the authority and responsibility of daily operations, business strategies and day-to-day management to the CEO and the senior management.

Delegation by the Board

To assist the Board in execution of its duties and facilitate effective management, certain functions of the Board have been delegated by the Board to the Audit Committee, Remuneration Committee, Nomination Committee, Strategy and Investment Committee, Corporate Governance Committee and the senior management.

Management Function

The division of responsibility between the Board and management is determined by the memorandum and Articles of the Company. The authority of making daily decisions has been delegated by the Board to the management.

企業管治報告

CORPORATE GOVERNANCE REPORT

主席及首席執行官

企業管治守則守則條文第A.2.1條規定，主席及首席執行官應由不同人士擔任，以確保職權及權力分佈平衡。

根據企業管治守則的守則條文第A.2.1條，主席與首席執行官的角色應有區分，不應由一人同時兼任。然而，於二零一八年十一月一日，羅田安先生退任首席執行官。同日，朱永寧先生獲委任為執行董事及首席執行官，以及隨後於二零一八年十二月十七日獲委任為董事會主席。因此，於二零一九年五月五日朱永寧退任首席執行官而林煜先生獲委任首席執行官之前，本公司並無區分主席與首席執行官。隨後林煜先生於二零一九年七月二十九日辭任首席執行官，而本公司截至二零一九年十二月三十一日並無首席執行官。

本公司已考慮董事會權力制衡的事宜，並相信本公司的架構（包括董事會具備足夠獨立性、向管理層授予權力、由董事會及董事委員會進行監察）足以應對權力集中之潛在問題。所有董事為本公司帶來不同經驗及專業技能，彼等於董事會議上提出之事項均能獲妥善講解及能收取足夠、完整及可靠之資料。此外，董事會之決定均透過大多數表決通過。董事會相信，此架構有利於對快速變化的業務環境作出更準確及迅速的回應，及更為有效管理及落實業務流程。

董事會明白主席及首席執行官的角色應各自獨立，以確保權力和授權分佈均衡，不致於權力集中於一位人士。因此，本集團會積極物色擁有與本集團相關業務之豐富經驗的合適人選，盡快予以任職並管理本集團之日常運營。

Chairman and CEO

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and CEO should be served by different individuals to achieve a balance of authority and power.

Pursuant to code provision A.2.1 of the CG Code, the responsibility between the chairman and the chief executive officer should be separate and should not be performed by the same individual. However, Mr. Tien-An Lo stepped down as the CEO on 1 November 2018. On the same day, Mr. Yong Ning Zhu was appointed as the executive Director and CEO, and he was subsequently appointed as the chairman of the Board on 17 December 2018. Therefore, the Company did not have a separate chairman and CEO until Mr. Yong Ning Zhu stepped down as CEO and Mr. Yu Lin was appointed as CEO on 5 May 2019. Subsequently, Mr. Yu Lin resigned as CEO on 29 July 2019 and the Company did not have CEO until 31 December 2019.

The Company has considered the issue of balance of power of authority on the Board and believes the structure of the Company, including strong independent elements in the Board, delegation of authorities to the management, supervision by the Board and Board committees, is sufficient to address the potential issue on power concentration. All Directors, who bring different experience and expertise to the Company, are properly briefed on issues arising at Board meetings and that adequate, complete and reliable information is received by the Directors. Furthermore, decisions of the Board are made by way of majority votes. The Board believes that this structure is conducive to a more precise and prompt response to the fast changing business environment and a more efficient management and implementation of business process.

The Board understands that the roles of chairman and CEO shall be independent from each other to ensure balanced distribution of power and authorization, without facing the situation that power is concentrated in one person. Therefore, the Group would proactively identify appropriate talent with rich experience in dealing with relevant businesses of the Group, and appoint him as soon as practicable to manage the daily operation of the Group.

企業管治報告

CORPORATE GOVERNANCE REPORT

董事之委任、重選和罷免

各董事、各執行董事、非執行董事及獨立非執行董事已與本公司簽訂有三年特定任期的服務協議，並須每三年於股東週年大會上輪值告退至少一次。根據章程細則規定，退任之董事可膺選連任。根據章程細則規定，任何經董事會委任之董事之任期僅至本公司下屆股東週年大會（不論屬填補董事會臨時空缺或於現有董事會增加成員）止，惟該等董事屆時可膺選連任。

股東可於董事任期屆滿前隨時於按照本公司章程細則召開及舉行的任何股東大會上罷免董事，而不論本公司章程細則有任何相反規定或本公司與有關董事訂有任何協議。

本公司董事及高級管理層持續培訓

於年內，各董事遵守企業管治守則守則條文第A.6.5條。本公司已安排公司秘書為2019年度全體董事（其中包括）提供有關企業管治及法律法規變動的閱讀材料供彼等參考及細閱。董事需向法務部提供接受培訓的記錄。

董事及高級管理人員的責任保險及彌償保證

本公司已安排適當責任保險以就董事及高級管理人員因公司活動產生的責任向彼等作出彌償保證。截至二零一九年十二月三十一日止年度，董事及高級管理人員並無遭索償。

董事會會議及董事會常規

董事會定期開會，會議每年四次，每次於召開之日提前14天通知各董事，以便全體董事皆有機會出席。會議議程在諮詢各董事後制定，董事皆有機會提出商討事項列入會議議程。

Appointment, Re-election and Removal of Directors

Each of the Directors, the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract with the Company for a specific term of three years and is subject to retirement by rotation at an annual general meeting at least once every three years. The retiring Director shall be eligible for re-election under the Articles. Under the Articles, any Director appointed by the Board, either to fill a casual vacancy in the Board or as an addition to the existing Board, shall hold office only until the next annual general meeting of the Company and shall be eligible for re-election.

Shareholders may, at any general meeting convened and held in accordance with the Company's Articles, remove a Director at any time before the expiration of his/her period of office notwithstanding anything to the contrary in the Company's Articles or in any agreement between the Company and such Director.

Continuous development of Directors and senior management of the Company

During the year, each of the Directors has complied with code provision A.6.5 of the CG Code. The Company has arranged the company secretary to provide reading materials for all the Directors in 2019 on, among others, corporate governance and changes to laws and regulations for their reference and study. Directors are requested to provide their training records to the Legal Department.

Directors' and Senior Officers' Liability Insurance and Indemnity

The Company has arranged for appropriate liability insurance to indemnify the Directors and senior officers for their liabilities arising out of corporate activities. For the year ended 31 December 2019, no claim has been made against the Directors and senior officers.

Board Meetings and Board Practices

The Board is scheduled to meet regularly and four times in one year. A notice of meeting shall be given to all Directors at least 14 days prior to the date of the meeting to enable all Directors to attend the meetings. The agenda of the meeting shall be determined after consulting each Director so that each Director is given the opportunity to include his/her proposals into the agenda.

企業管治報告

CORPORATE GOVERNANCE REPORT

各董事於截至二零一九年十二月三十一日止年度所舉行的董事會會議及股東大會的出席紀錄如下：

The attendance of each Director at all the Board meetings and general meetings during the year ended 31 December 2019 is as follows:

		出席／舉行 董事會會議次數 Number of Board meetings attended/held	出席／舉行 股東大會次數 Number of general meetings attended/held
朱永寧先生	Mr. Yong Ning Zhu	6/6	3/3
林銘田先生	Mr. Ming-Tien Lin	3/6	0/3
詹益昇先生	Mr. I-Sheng Chan	3/6	0/3
江若嫻女士	Ms. Jo-Hsien Chiang	6/6	2/3
曾建利先生 (於二零一九年 八月三十日獲委任)	Mr. Chien-Li Tseng (appointed on 30 August 2019)	2/6	0/3
徐志明先生 (於二零一九年 八月二十日辭任)	Mr. Chi Ming Xu (resigned on 20 August 2019)	4/6	3/3
卓啟明先生	Mr. Chi-Ming Chou	1/6	0/3
洪敦清先生	Mr. Dun-Ching Hung	4/6	1/3
石偉光先生	Mr. Weiguang Shi	3/6	0/3
林園先生 (於二零一九年 三月二十八日辭任)	Mr. Yuan Lin (resigned on 28 March 2019)	0/6	0/3
蘇莞文女士	Ms. Wanwen Su	3/6	0/3
徐純彬先生 (於二零一九年 八月三十日獲委任)	Mr. Chun Bin Xu (appointed on 30 August 2019)	2/6	0/3
江淮先生 (於二零二零年 三月三十一日獲委任)	Mr. Huai Jiang (appointed on 31 March 2020)	不適用 N/A	不適用 N/A
陳明華女士 (於二零二零年 三月三十一日獲委任)	Ms. Ming Hua Chen (appointed on 31 March 2020)	不適用 N/A	不適用 N/A
高海明先生 (於二零一九年 三月二十七日辭任)	Mr. Haiming Gao (resigned on 27 March 2019)	0/6	0/3
周美林先生 (於二零一九年 六月二十一日退任)	Mr. Meilin Zhou (retired on 21 June 2019)	1/6	0/3
陳石先生 (於二零一九年 八月二十日被罷免)	Mr. Shi Chen (removed on 20 August 2019)	1/6	0/3
周晨先生 (於二零一九年 三月二十九日獲委任 並於二零二零年三月十三日辭任)	Mr. Chen Zhou (appointed on 29 March 2019 and resigned on 13 March 2020)	4/6	2/3

除召開常規董事會會議外，主席亦於截至二零一九年十二月三十一日止年度在並無其他董事出席的情況下與獨立非執行董事舉行會議。

Apart from regular Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors during the year ended 31 December 2019.

未出席相關股東大會的董事已與其他董事跟進以了解及討論相關事宜。

The Directors who had not attended the relevant general meeting(s) have followed-up with the other Directors to understand and discuss the subject matters.

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CORPORATE GOVERNANCE REPORT

審核委員會

本公司已於二零一一年十二月二十七日成立審核委員會，並遵照上市規則第3.21條及企業管治守則第C3段制定書面職權範圍。審核委員會之主要職責為協助董事會就財務申報程序、內部監控及風險管理制度之有效性提供獨立意見、監察審核過程及履行董事會指定之其他職務與職責。

審核委員會已審閱本集團採納之會計原則及慣例，並討論了審核、內部監控及財務申報事項，包括審閱本集團截至二零一九年六月三十日止六個月之中期綜合財務報表及截至二零一九年十二月三十一日止年度之經審核綜合財務報表，其認為本公司已遵守所有相關會計準則及規定並已作出充分披露。

於年內，審核委員會曾召開兩次會議。各成員於審核委員會會議的個別出席情況如下：

Audit Committee

The Company established the Audit Committee on 27 December 2011 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the CG Code. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the interim consolidated financial statements for the six months ended 30 June 2019 and the audited consolidated financial statements of the Group for the year ended 31 December 2019 and considered that the Company had complied with all relevant accounting standards and requirements and made adequate disclosures.

During the year, the Audit Committee has held two meetings. The attendance of each member at the Audit Committee meetings is set out in the following table:

出席／舉行的
審核委員會
會議次數
**Number of Audit
Committee
meetings
attended/held**

徐純彬先生 (於二零一九年八月三十日獲委任)	Mr. Chun Bin Xu (<i>appointed on 30 August 2019</i>)	1/2
高海明先生 (於二零一九年三月二十七日辭任)	Mr. Haiming Gao (<i>resigned on 27 March 2019</i>)	0/2
蘇莞文女士	Ms. Wanwen Su	2/2
周美林先生 (於二零一九年六月二十一日退任)	Mr. Meilin Zhou (<i>retired on 21 June 2019</i>)	1/2
陳石先生 (於二零一九年八月二十日被罷免)	Mr. Shi Chen (<i>removed on 20 August 2019</i>)	1/2

未出席審核委員會會議的獨立非執行董事已與其他審核委員會成員跟進以了解及討論相關事宜。

The independent non-executive Director who had not attended the Audit Committee meetings have followed-up with the other Audit Committee members to understand and discuss the subject matters.

企業管治報告

CORPORATE GOVERNANCE REPORT

截至二零一九年十二月三十一日止年度，審核委員會已履行以下職責：

- (1) 與本公司管理層審閱截至二零一九年六月三十日止六個月的未經審核綜合財務報表、中期業績公告及中期報告以及本集團所採納之相關會計原則及慣例，並提出建議供董事會批准；
- (2) 審閱截至二零一九年十二月三十一日止年度進行的持續關連交易；
- (3) 審閱截至二零一九年十二月三十一日止年度的審核性質及範圍、本公司獨立核數師的申報責任及工作計劃；
- (4) 與本公司管理層檢討及討論本集團之財務報告制度、風險管理及內部監控系統，以確保本公司管理層已履行其職責以設立有效系統。有關檢討範圍涵蓋所有重大監控，包括財務、營運及合規監控，以及與本公司管理層進行討論，包括資源是否充足、員工資歷及經驗、培訓計劃以及本集團之會計及財務報告功能之預算等；及
- (5) 檢討是否已符合有關財務報告之會計準則、上市規則、法律及法例規定。

During the year ended 31 December 2019, the Audit Committee had performed the following duties:

- (1) reviewed with the management of the Company the unaudited consolidated financial statements, the interim results announcement and the interim report for the six months ended 30 June 2019 and the related accounting principles and practices adopted by the Group with recommendations to the Board for approval;
- (2) reviewed the continuing connected transactions carried out during the year ended 31 December 2019;
- (3) reviewed the nature and scope of the audit for the year ended 31 December 2019, the reporting obligations and the work plan of the independent auditor of the Company;
- (4) reviewed and discussed the financial reporting system, risk management and internal control systems of the Group with the management of the Company to ensure that the management of the Company has performed its duty to have effective systems. The review covered all material controls, including financial, operational and compliance controls, and the discussion with the management of the Company regarding adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function etc.; and
- (5) reviewed the compliance with accounting standards, Listing Rules, legal and statutory requirements in relation to financial reporting.

企業管治報告

CORPORATE GOVERNANCE REPORT

薪酬委員會

本公司已遵照上市規則第3.25條於二零一一年十二月二十七日成立薪酬委員會（「薪酬委員會」），並遵照企業管治守則第B1段制定書面職權範圍。薪酬委員會已採納上市規則附錄十四第B.1.2(c)段所述的第二個模式（即向董事會提交個別執行董事及高級管理層的薪酬待遇建議）。薪酬委員會之主要職責包括（但不限於）：(i) 就董事及高級管理人員之整體薪酬政策及架構並就設立正式透明之程序以制定此等薪酬政策向董事會提供推薦建議；(ii) 釐定董事及高級管理人員的具體薪酬待遇條款；(iii) 參考董事不時議決之公司目標審閱及批准與表現掛鈎之薪酬；及(iv) 就僱員福利安排進行評估並提出推薦建議。

於本報告日期，薪酬委員會由兩名成員組成，即朱永寧先生及蘇莞文女士，無主席。

於年內，薪酬委員會曾召開兩次會議，並進行以下主要工作：

- (1) 就非執行董事的薪酬向董事會提出推薦建議；
- (2) 檢討執行董事之酬金；及
- (3) 檢討董事及高級管理人員之整體薪酬政策及結構（包括任何與表現掛鈎之薪酬）。

Remuneration Committee

The Company established the Remuneration Committee (the “**Remuneration Committee**”) in compliance with Rule 3.25 of the Listing Rules on 27 December 2011 and adopted written terms of reference pursuant to paragraph B1 of the CG Code. The Remuneration Committee has adopted the second model described in paragraph B.1.2(c) under Appendix 14 to the Listing Rules (i.e. make recommendation to the Board on the remuneration packages of individual executive Director and senior management member). The primary duties of the Remuneration Committee include but without limitation: (i) making recommendations to the Board on the policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration package of the Directors and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals resolved by the Directors from time to time; and (iv) evaluating and making recommendations on employee benefit arrangements.

As at the date of this report, the Remuneration Committee consists of two members, namely Mr. Yong Ning Zhu and Ms. Wanwen Su, without chairman.

During the year, the Remuneration Committee has held two meetings and performed the following main tasks:

- (1) making recommendations to the Board on the remuneration of non-executive Directors;
- (2) reviewing the emoluments of the executive Directors; and
- (3) reviewing the remuneration policy and structure (including any performance-based remuneration) for all Directors and senior management.

企業管治報告

CORPORATE GOVERNANCE REPORT

各成員於薪酬委員會會議的個別出席情況如下：

The attendance of each member at the Remuneration Committee meetings is set out in the following table:

		出席／舉行的 薪酬委員會 會議次數 Number of Remuneration Committee meetings attended/held
蘇莞文女士	Ms. Wanwen Su	2/2
周美林先生 (於二零一九年六月二十一日退任)	Mr. Meilin Zhou (retired on 21 June 2019)	1/2
朱永寧先生 (於二零一九年三月二十九日獲委任)	Mr. Yong Ning Zhu (appointed on 29 March 2019)	2/2

未出席薪酬委員會的獨立非執行董事會隨訪其他薪酬委員會成員以了解及討論會議主題事項。

The independent non-executive Director who had not attended the Remuneration Committee meetings has followed-up with the other Remuneration Committee member to understand and discuss the subject matters.

高級管理層之薪酬

Remuneration of Senior Management

截至二零一九年十二月三十一日止年度，高級管理層成員（包括一名本公司董事）之薪酬範圍載列如下：

The remuneration of the members of the senior management, including a person who has been a Director of the Company, for the year ended 31 December 2019 is set out below:

薪酬範圍	Remuneration bands	人數 Number of individuals
港幣1,000,000 元及以下	HK\$1,000,000 and under	5
港幣1,000,001 元至港幣1,500,000 元	HK\$1,000,001 to HK\$1,500,000	0
港幣1,500,001 元至港幣2,000,000 元	HK\$1,500,001 to HK\$2,000,000	0
港幣2,000,001 元至港幣2,500,000 元	HK\$2,000,001 to HK\$2,500,000	0

有關董事酬金及五位最高薪酬僱員之更多詳情載於綜合財務報表附註15及附註14。

Further particulars regarding directors' remuneration and the five highest paid employees are set out in note 15 and note 14 to the consolidated financial statements.

提名委員會

Nomination Committee

本公司已於二零一一年十二月二十七日成立提名委員會（「提名委員會」），並遵照企業管治守則第A5段制定書面職權範圍。提名委員會之主要職責為檢討董事會組成以及就本公司董事之委任及罷免向董事會提供推薦建議。

The Company established a nomination committee (the "Nomination Committee") on 27 December 2011 with written terms of reference in compliance with paragraph A5 of the CG Code. The primary duties of the Nomination Committee are to review the Board composition and to make recommendations to the Board on the appointment and removal of Directors of the Company.

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於本報告日期，提名委員會由一名成員組成，即朱永寧先生，彼亦擔任提名委員會主席。

董事會多元化政策

本公司認可並信奉擁有多元化董事會的益處，並竭力確保董事會在技能、經驗和觀點多樣性方面取得與本公司的業務要求相適應的平衡。所有董事會的任命都將繼續在擇優的基礎上作出，同時適當考慮董事會成員多樣化的好處。人選的甄選將基於一系列多樣化的方面，包括但不限於性別、年齡、種族、文化及教育背景、民族、專業經驗、技能、知識及服務年限。最終將根據選定人選的優點及將能為董事會作出的貢獻作出決定。

董事會多元化政策的可計量目標

於檢討董事會組成時，提名委員會將考慮所有可計量目標，以實現董事會多元化（載於董事多元化政策）（「董事會多元化政策」），包括但不限於性別、年齡、文化及教育背景、專業資格、技術、知識以及行業與地區經驗。提名委員會將在必要時討論及議定達致董事會多元化的可計量目標，並推薦董事會採納。

提名政策

本公司肯定並認同董事會具備均衡技能、經驗及多元觀點所帶來的裨益。鑒於提名委員會在確保董事會平衡方面以及在董事選舉方面給予更多關注及透明度的重要性，本公司制定了提名政策。該政策旨在載列就董事選舉、委任及重新委任方面的方法指導提名委員會，確保董事會有適合本公司業務要求的均衡技能經驗、知識及多元觀點。

As at the date of this report, the Nomination Committee consists of one member, namely Mr. Yong Ning Zhu who is also the chairman of the Nomination Committee.

Board Diversity Policy

The Company recognises and embraces the benefits of having a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, race, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

Measurable Objectives of Board Diversity Policy

In reviewing the composition of the Board, the Nomination Committee would take into account all measurable objectives for achieving diversity on the Board set out in the board diversity policy (the "Board Diversity Policy"), including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

Nomination Policy

The Company recognizes and embraces the benefits of a Board with a balance of skills, experience and diversity of perspectives. Given the importance of the Nomination Committee's role in ensuring the balance within the Board and to give greater focus and transparency in relation to the election of Directors, the Company has established the Nomination Policy. This policy aims to set out the approach to guide the Nomination Committee in relation to the selection, appointment and re-appointment of the Directors, and to ensure the Board has a balance of skills experience, knowledge and diversity of perspectives appropriate to the requirements of the Company's business.

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提名政策的可計量目標

在物色及挑選董事人選時，提名委員會在向董事會推薦前將考慮人選品格、資格、經驗、獨立性及對公司策略構成必要補充的其他有關標準並達致董事會多元化。

在董事會作出委任之前，提名委員會將評估董事會之技能、知識及經驗，並根據評估結果就特定委任職位之職能及所需能力編製說明。提名委員會在物色合適人選時應（如適用及合適）：

- (1) 使用公開廣告或外聘顧問之服務幫助物色人選；
- (2) 考慮來自各類不同背景之人選；及
- (3) 以客觀標準擇優錄用，考慮履行職務所需時間。

根據提名委員會對截至二零一九年十二月三十一日止年度的審核，提名委員會認為，上述董事會多元化政策及提名政策的可計量目標已經圓滿實施，董事會對公司的公司治理和業務發展需求有足夠的多元化。董事詳情請見本年報「董事及高級管理層」一章。

於年內，提名委員會曾召開兩次會議，並進行以下工作：

- (1) 檢討董事會之架構、人數、組成及多元化（包括（但不限於）性別、年齡、文化及教育背景或專業經驗）及多元化政策達標的情況及其成效以及獨立非執行董事之獨立性；及
- (2) 考慮於股東週年大會上重選之退任董事之資歷。

Measurable Objectives of Nomination Policy

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity before making recommendation to the Board.

Before appointments are made by the Board, the Nomination Committee will evaluate the skills, knowledge and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nomination Committee will (where applicable and appropriate):

- (1) use public advertisement or the services of external consultants to facilitate the search;
- (2) consider candidates from a wide range of backgrounds; and
- (3) consider candidates on merit and against objective criteria, taking into account the amount of time required to be devoted to the position.

Based on the Nomination Committee's review for the year ended 31 December 2019, the Nomination Committee considers that the above measurable objectives of the Board Diversity Policy and Nomination Policy have been satisfactorily implemented and that there is sufficient diversity in the Board for the Company's corporate governance and business development needs. Details on the Directors are set out in the section headed "Directors and Senior Management" of this annual report.

During the year, the Nomination Committee has held two meetings and performed the following work:

- (1) reviewing the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, or professional experience) of the Board and achievement of objectives pursuant to the board diversity policy and effectiveness of the board diversity policy and the independence of the independent non-executive Directors; and
- (2) considering the qualifications of the retiring Directors standing for re-election at the annual general meeting.

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CORPORATE GOVERNANCE REPORT

各成員於提名委員會會議的個別出席情況如下：

The attendance of each member at the Nomination Committee meetings is set out in the following table:

		出席／舉行的 提名委員會 會議次數 Number of Nomination Committee meetings attended/held
高海明先生 (於二零一九年三月二十七日辭任)	Mr. Haiming Gao (resigned on 27 March 2019)	0/2
周美林先生 (於二零一九年六月二十一日退任)	Mr. Meilin Zhou (retired on 21 June 2019)	1/2
陳石先生 (於二零一九年八月二十日被罷免)	Mr. Shi Chen (removed on 20 August 2019)	1/2
朱永寧先生 (於二零一九年三月二十九日獲委任)	Mr. Yong Ning Zhu (appointed on 29 March 2019)	2/2

未出席提名委員會的董事會隨訪其他提名委員會成員以了解及討論會議主題事項。

The Directors who had not attended the Nomination Committee meetings have followed-up with the other Nomination Committee member to understand and discuss the subject matters.

企業管治委員會

本公司於二零一一年十二月二十七日成立企業管治委員會(「企業管治委員會」)，並遵照企業管治守則第D.3.1段制定書面職權範圍。企業管治委員會之主要職責為實施本公司之內部監控規則及就企業管治事宜提供意見及指導。企業管治委員會每月舉行會議，委員會成員須向公司秘書報告，而公司秘書則於董事會季度會議上向董事會報告。企業管治委員會目前由本公司採購部經理楊艷女士擔任主席，其他成員包括本公司副總裁廖維綸先生、本公司集團財務部總監卞傳紅女士。企業管治委員會不包括任何獨立非執行董事、非執行董事或執行董事。

CORPORATE GOVERNANCE COMMITTEE

The Company established a corporate governance committee (the "Corporate Governance Committee") on 27 December 2011 with written terms of reference in compliance with paragraph D.3.1 of the CG Code. The primary duty of the Corporate Governance Committee is to implement the Company's internal control rules and advise and provide guidance on matters relating to corporate governance. The Corporate Governance Committee holds meetings monthly and members of the Committee are required to report to the Company Secretary, who reports to the Board during the quarterly Board meetings. The Corporate Governance Committee is chaired by Ms. Yan Yang, the manager of the purchase department of the Company, and consists of Mr. Weilun Liao, the vice president of the Company, and Ms. Chuanhong Bian, the director of the group finance department of the Company. The Corporate Governance Committee does not comprise any independent non-executive Director, non-executive Director or executive Director.

企業管治報告

CORPORATE GOVERNANCE REPORT

企業管治委員會成員變更

本集團首席執行官之助理兼工會主席王慧玲女士於二零二零年三月二日離任企業管治委員會成員。於二零二零年三月二日開始，企業管治委員會由三名成員組成，即楊艷女士、廖維綸先生及卞傳紅女士。因企業管治委員會的職權範圍規定企業管治委員會應最少四名成員組成，於二零二零年三月二日開始，企業管治委員會之組成並未能符合企業管治委員會職權範圍的規定。

企業管治委員會負責執行企業管治職能。本公司採納企業管治守則守則條文第D.3.1條作為企業管治委員會履行其企業管治職能的責任。截至二零一九年十二月三十一日止年度，企業管治委員會已就企業管治職能履行以下責任：

- (1) 檢討本公司的企業管治政策及常規以及向董事作出推薦意見；
- (2) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (3) 檢討及監察本公司的政策及常規以符合法定及監管規定；
- (4) 檢討及監察僱員及董事所適用的行為守則及合規手冊；
- (5) 審閱本公司遵守上市規則附錄十四（企業管治守則及企業管治報告）的情況；
- (6) 按月檢討及監察由各部門主管實施之企業管治措施；及
- (7) 管理及監察本公司關連交易之狀況及按月監察持續關連交易的上限。

Change of Member of Corporate Governance Committee

Ms. Huiling Wang, the assistant to CEO and the chairlady of the trade union of the Group, resigned as a member of the Corporate Governance Committee on 2 March 2020. Commencing on 2 March 2020, the Corporate Governance Committee consists of three members, namely Ms. Yan Yang, Mr. Weilun Liao and Ms. Chuanhong Bian. As the terms of reference of the Corporate Governance Committee provides that the Corporate Governance Committee should consist of a minimum of four members, the composition of the Corporate Governance Committee has not been in compliance with the terms of reference of the Corporate Governance Committee since 2 March 2020.

The Corporate Governance Committee is responsible for performing the corporate governance duties. The Company adopted code provision D.3.1 of the CG Code as the duties of the Corporate Governance Committee in performing its corporate governance functions. During the year ended 31 December 2019, the Corporate Governance Committee has performed the following duties in respect of its corporate governance functions:

- (1) reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- (2) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (3) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (4) reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors;
- (5) reviewing the Company's compliance with Appendix 14 to the Listing Rules (Corporate Governance Code and Corporate Governance Report);
- (6) reviewing and monitoring the corporate governance measures conducted by respective departments on a monthly basis; and
- (7) supervising and monitoring the circumstances involving the connected transactions of the Company and monitoring the annual caps of the continuing connected transactions.

企業管治報告

CORPORATE GOVERNANCE REPORT

各成員於企業管治委員會會議的個別出席情況如下：

The attendance of each member at the Corporate Governance Committee meeting is set out in the following table:

		出席／舉行的 企業管治委員會 會議次數
		Number of Corporate Governance Committee meetings attended/held
廖維綸先生	Mr. Weilun Liao	12/12
楊艷女士	Ms. Yan Yang	12/12
卞傳紅女士	Ms. Chuanhong Bian	12/12
王慧玲女士 (於二零二零年三月二日離任)	Ms. Huiling Wang (resigned on 2 March 2020)	12/12

未出席企業管治委員會的成員會隨訪其他企業管治委員會成員以了解及討論會議主題事項。

The member who had not attended the Corporate Governance Committee meetings have followed-up with the other Corporate Governance Committee members to understand and discuss the subject matters.

戰略及投資委員會

董事會已於二零一三年三月二十二日成立戰略及投資委員會(「戰略及投資委員會」)，並制定書面職權範圍。戰略及投資委員會之主要職責包括(但不限於)：(i)就有關潛在投資之工作、重大決定、研究結果及推薦意見或經戰略及投資委員會審閱、分析或評估之戰略投資向董事會報告；(ii)提醒董事會上市規則項下有關任何經審閱、分析或評估之潛在投資交易之披露規定；(iii)了解各項投資之背景；(iv)確保各項投資符合地方政策及規例；(v)於董事會授權之權限內透過審閱、分析、評估及批准投資機遇嚴格執行其權力；及(vi)如需要，適時向董事會報告。

STRATEGY AND INVESTMENT COMMITTEE

The Board has established a Strategy and Investment Committee (the "Strategy and Investment Committee") on 22 March 2013 with written terms of reference. The primary duties of the Strategy and Investment Committee include, without limitation: (i) reporting to the Board on its work, significant decisions, findings and recommendation in connection with the potential investment or strategic investment reviewed, analysed or evaluated; (ii) reminding the Board of the disclosure requirements under the Listing Rules in connection with any potential strategic investment reviewed, analysed or evaluated; (iii) getting informed of the backgrounds of the investments; (iv) ensuring the investments are in compliance with local policies and regulations; (v) executing its powers strictly within the authorities granted by the Board through reviewing, analysing, evaluating and approving investment opportunities; and (vi) timely reporting to the Board if necessary.

於本報告日期，戰略及投資委員會由三名成員組成，即朱永寧先生、林銘田先生及詹益昇先生。朱永寧先生為戰略及投資委員會主席。

As at the date of this report, the Strategy and Investment Committee consists of three members, namely Mr. Yong Ning Zhu, Mr. Ming-Tien Lin and Mr. I-Sheng Chan. Mr. Yong Ning Zhu is the chairman of the Strategy and Investment Committee.

於年內，本集團並無任何重大投資。因此，戰略及投資委員會於年內並無召開任何會議。

During the year, the Group had no material investments. Accordingly, the Strategy and Investment Committee has not held any meeting during the year.

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問責性及審核

董事對財務報表的責任

董事負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製財務報表，真實而公允地呈列本集團的事務狀況。

董事確認彼等編製本公司截至二零一九年十二月三十一日止年度財務報表的責任。本公司核數師就其對財務報表責任的聲明載於本年報的獨立核數師報告。並無任何可引致嚴重質疑本公司持續經營能力之事件或情況相關的重大不確定因素。

風險管理與內部監控

宗旨及目標

董事會為本集團的風險管理與內部監控系統有效運行提供合理保證。該系統旨在保證公司經營管理合法合規，保障公司資產安全及公司財務報告、相關信息真實完整。

監控框架

董事會

- 監督內部控制的建立健全和有效實施；
- 明確企業發展戰略及重要決策，並設立企業可接受的風險承受度；及
- 明確各專門委員會及管理層的職責權限，為董事會決策提供支持。

ACCOUNTABILITY AND AUDIT

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view of the state of affairs of the Group in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the disclosure requirements of the Hong Kong Companies Ordinance.

The Directors have acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31 December 2019. The statement of the Company's auditor as to its responsibility for the financial statements is set out in the Independent Auditor's Report of this annual report. There are no material uncertainties relating to events or circumstances which would significantly cast doubt over the Company's ability to operate as a going concern.

Risk Management and Internal Control

Objectives and Goals

The Board provides reasonable assurance for the effective operation of the Group's risk management and internal control system. The system aims to ensure the operation and management of the Company complies with laws and regulations and ensure the security of the Company's assets and the truthfulness and completeness of the Company's financial reports and relevant information.

Monitoring framework

Board of Directors

- Supervising the establishment of internal control and its sound and effective implementation;
- Clear enterprise development strategy and important decision-making, and establishing enterprise's acceptable risk tolerance level; and
- Clarifying the responsibilities and rights of various special committees and management, and providing support for the Board's decision-making.

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審核委員會

- 監督公司內部審查制度的制定及內部控制評價工作的實施；
- 審核公司的財務信息及其披露；及
- 充分掌握內部和外部審計師在內部控制檢查的工作範圍，必要時就重大問題與外部審計師進行溝通。

管理層

- 妥善設計、實施及監督風險管理及監控系統，並確保其得以有效執行；
- 對內部或外部審計師提出的有關內部監控事宜的調查結果作出及時回應及跟進；及
- 向董事會確保風險管理及監控系統的有效性。

內部審核部門

- 對內部監控的有效性進行監督檢查；及
- 對監督檢查中發現的內部控制缺陷，按照企業內部審計工作程序進行報告。

監控方法及方式

管理層已採取多種方式對內控環境實施監控：

- (1) 方法：管理層積極與相關員工溝通，審閱內控手冊及相關文件在設計層面的不足之處，採取有效措施進行改善。對風險管理及內部監控審閱的範圍及結果每年呈報審核委員會並經其審核。

Audit Committee

- Supervising the formulation of internal audit system of the Company and the implementation of work on internal control evaluation;
- Reviewing the Company's financial information and its disclosure; and
- Fully grasping the scope of work of internal and external auditors in the inspection of internal control and if necessary, communicating with external auditors about significant issues.

Management

- Properly designing, implementing and supervising risk management and monitoring systems and ensuring that they are effectively implemented;
- Responding promptly to and following up the findings of internal or external auditors' investigations on internal control matters; and
- Assuring the Board of effectiveness of risk management and monitoring system.

Internal Audit Department

- Supervising and inspecting the effectiveness of internal control; and
- Reporting in accordance with the internal audit work procedures of enterprise internal control deficiencies found in supervision and inspection.

Monitoring Methods

Management has adopted a variety of methods to monitor internal control environment:

- (1) Methods: The management actively communicates with relevant staff, reviews deficiencies of the design of internal control manual and related documents and makes improvements through effective measures. Reporting the scope of inspection of risk management and internal control and results to Audit Committee for assessment every year.

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- (2) 內控手冊及操作指引：制定內控手冊及相關制度以保障資產安全，以免未經授權使用或處置，確保遵守法律規定、維持適當會計記錄，以提供可靠財務資料供內部使用或對外披露。
- (3) 信息系統及技術：公司信息系統覆蓋業務層面、財務層面和管理層面，公司為員工嚴格設置操作權限，避免不相容職責未分離，所有人員的系統權限均已獲得授權許可。
- (4) 報告及差異分析：定期對分子公司進行財務分析和預算執行分析，及時了解各公司的經營情況。

風險管理

風險管理過程包括：風險識別、風險評估、風險處理及風險監控與檢討。公司管理層在審核委員會和內部審計部門的協助下負責風險管理及內部監控系統的設計、實施及檢查，並向董事會或審核委員會提交相關定期報告。

- (1) 風險識別：董事會和管理層確認影響公司目標實現的內部和外部風險因素。
- (2) 風險評估：董事會和管理層根據風險因素發生的可能性和影響，確定管理風險的方法。
- (3) 風險處理：董事會和管理層根據公司風險承受能力和風險偏好選擇風險管理策略。



- (2) Internal control manual and operational guidelines: Developing internal control manuals and related systems to ensure the safety of assets in order to avoid unauthorised use or disposal, ensuring compliance with legal requirements, maintaining appropriate accounting records to provide reliable financial information for internal use or external disclosure.
- (3) Information system and technology: The Company's information system covers business level, financial level and management level. The Company sets up stringent rights of operation for its staff to avoid non-separation of incompatible duties. The system rights of all staff have been authorised.
- (4) Reporting and differences analysis: Executing financial analysis and budget execution analysis on subsidiaries and developing a timely understanding of operation situation of each Company.

Risk Management

Risk management processes include: risk identification, risk assessment, risk processing and risk monitoring and review. The management of the Company is responsible for the design, implementation and inspection of risk management and internal control systems with the assistance of the Audit Committee and the internal audit department and submit the relevant periodic reports to the Board or the Audit Committee.

- (1) Risk identification: The Board and management identify internal and external risk factors that affect realization of the Company's objectives.
- (2) Risk assessment: The Board and management determine the method of managing risks based on the likelihood and impact of risk factors.
- (3) Risk processing: The Board and management select risk management strategies based on the Company's risk tolerance and risk preference.

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(4) 風險監控與檢討：公司內審部門每年6月對集團及附屬公司上半年的風險管理及內部控制運行情況進行檢查，針對檢查過程中發現的控制缺陷提出整改建議。每年底，內審部門再對各公司下半年的風險管理及內部控制運行情況進行檢查，同時對各公司上半年控制缺陷的整改情況進行跟蹤，確保各公司的缺陷已整改完畢，並向審核委員會匯報風險管理及內部控制的綜合意見，通過向業務單位分享風險知識以提升公司的風險管理水平。截至二零一九年十二月三十一日止年度，上述檢討已由內部審核部門執行。

(4) Risk monitoring and review: In June each year, the Company's internal audit department examines the risk management and internal control operation of the Group and its subsidiaries covering the first half of the year and puts forward the rectification suggestions for the control defects found in the inspection process. At the end of each year, the internal audit department will check the operation of the risk management and internal control of various companies covering the second half of the year, while tracking the rectification of control deficiencies of various companies covering the first half of the year to ensure that various companies' defects have been rectified. It also reports overall comments to the Audit Committee on risk management and internal control. The Company's risk management level is enhanced through sharing risk knowledge with different business units. The above reviews have been performed by the internal audit department during the year ended 31 December 2019.

內部監控

公司內審部門每半年對經營、財務及合規方面的內部控制進行檢查，向管理層報告審查結果，針對相關問題，內審部門提出改進建議以強化公司的內部控制。內部審核結果及整改計劃及時向審核委員會和董事會匯報。

Internal Control

The internal audit department of the Company semi-annually inspects the internal control of such aspects as operation, finance and compliance, reports the results of the review to the management, and makes suggestions for improvement in the internal control of the Company. The results of the internal audit and rectification plan shall be reported to the Audit Committee and the Board in a timely manner.

董事會獲悉，管理層已逐步實施充分內部監控系統及確保本公司的營運、財務及合規範疇有效運作。

The Board was informed that the management has gradually implemented a comprehensive internal monitoring system and ensured the effective operation of the Company's operating, financial and compliance aspects.

(1) 財務報告管理：

- 已建立適當的監控措施，確保全面、準確、及時記錄會計及管理資料；
- 每月向全體董事提供財務報表，以表明公司經營情況、財務狀況及前景評估；及

(1) Financial Reporting Management:

- Appropriate monitoring measures have been established to ensure a comprehensive, accurate and timely record of accounting and management information;
- Issuing financial statements to all Directors on a monthly basis to show the Company's operating conditions, financial status and outlook assessment; and

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— 外部核數師每年審核以保證綜合財務報表的編製符合公認會計準則、本公司會計政策及適用的法律法規。

(2) 內幕信息處理與披露：本集團按照公司責任政策和相關程序規定監管內幕信息的處理與披露，以確保適當批准披露相關信息前維持保密，並以有效率及一致的方式發佈相關信息。

董事會持續評估任何無法預料及重大事件可能對本公司股價或其成交量帶來之影響，並決定有關資料應否被視為內幕消息，及是否須根據上市規則第13.09及13.10條以及證券及期貨條例第XIVA部項下內幕消息條文在合理實際可行情況下盡快披露。執行董事亦根據董事會不時授權負責批准本公司擬刊發之若干公告及／或通函。

(3) 通過設置意見箱、舉報電話和舉報郵箱的方式，鼓勵員工就財務匯報、內部控制及其他事宜中可能出現的不當行為進行舉報，並由內部審計部門進行調查取證，並在情況屬實後向董事會報告。

(4) 內審部門每半年檢查公司對相關法律法規的遵守情況，確保公司的各項經營活動符合法律及法規。

— External auditors auditing consolidated financial statements every year to ensure consolidated financial statements are prepared in accordance with generally accepted accounting principles, the Company's accounting policies and applicable laws and regulations.

(2) Inside Information Processing and Disclosure: The Group regulates the handling and disclosure of inside information in accordance with the Company's responsibility policy and related procedures to ensure confidentiality prior to the appropriate disclosure of relevant information and to disseminate relevant information in an efficient and consistent manner.

The Board continuously assesses the likely impact of any unexpected and significant event that may impact the price of the Company's Shares or their trading volume, and decides whether the relevant information is considered as inside information and needs to be disclosed as soon as reasonably practicable pursuant to Rules 13.09 and 13.10 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. Executive Directors also have responsibility for approving certain announcements and/or circulars to be issued by the Company under powers delegated by the Board from time to time.

(3) Through measures such as the setting up of suggestion box, whistle-blowing telephone and whistle-blowing mailbox, we encourage employees to report any misconduct which may arise from financial reporting, internal control and other issues. Internal audit department will undertake investigation and collect relevant evidence, and will report to the Board if the issues are confirmed.

(4) Internal audit department semi-annually checks the compliance of the Company with relevant laws and regulations to ensure that the Company's business activities are in compliance with the laws and regulations.

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董事會承認，其負責風險管理及內部監控系統及審閱其效益。該系統乃就管理而非消除未能達成業務目標的風險而設，且僅可就重大錯誤陳述或損失作出合理而非絕對保證。於截至二零一九年十二月三十一日止年度，董事會及審核委員會已審閱本集團的風險管理與內部監控系統（透過（其中包括）審閱其程序及確認本公司在會計、內部審計、財務報告、風險管理及內部監控職能方面的資源、員工資歷及經驗是否足夠），以及內審部門的職責與工作，並未發現任何可能對本集團的該系統的有效性及充分性、內審職能的獨立性、客觀性及有效性產生不利影響的重大問題。董事會及審核委員會認為風險管理及內部監控系統對本集團運營屬有效且充分。

有關本公司所面對的主要風險之詳情，本年報第18至19頁的「未來展望－市場展望」及本年報第29頁的「風險及不確定因素」。

此外，獨立非執行董事每季度對本公司內部控制措施及有關法律法規的合規記錄進行了審查，並確認了本公司截至二零一九年十二月三十一日止年度的合規記錄。除本年報所披露者外，截至二零一九年十二月三十一日止年度，並無發現嚴重違反法律法規的情況。

The Board acknowledged that it is responsible for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. During the year ended 31 December 2019, the Board and the Audit Committee have reviewed the Group's risk management and internal control systems (through, among others, reviewing their processes as well as confirming the adequacy of the resources and staff qualifications and experiences of the Company's accounting, internal audit, financial reporting, risk management and internal control functions), as well as the responsibilities and work of the internal audit department, and have not found any major problem which may adversely affect the effectiveness and adequacy of the Group's system, the independence, objectivity and effectiveness of the internal audit function. The Board and the Audit Committee consider that the risk management and internal control systems effective and adequate for the Group's operation.

For details of the significant risks faced by the Company, please refer to "Future Prospects – Market Outlook" on pages 18 to 19 of this annual report and "Risks and Uncertainties" on page 29 of this annual report.

In addition, the independent non-executive Directors have reviewed the Company's compliance records on the internal control measures and the relevant laws and regulations quarterly, and confirmed the Company's compliance records for the year ended 31 December 2019. Save as disclosed in this annual report, during the year ended 31 December 2019, no material breach of the relevant laws and regulations was found.

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環境、社會及管治報告

有關本集團環境保護措施及表現、員工關係及其他環境、社會及管治相關風險的更多信息，請參閱本集團「二零一八年環境、社會及管治報告」，該報告將於二零一九年七月底前獨立上傳至本公司及聯交所網站。

核數師酬金

於年內，應付本公司核數師羅申美會計師事務所之酬金分析載列如下：

		就所提供服務 已付／應付之費用 Fees paid/ payable for services rendered 人民幣千元 RMB'000
核數服務：	Audit service:	
二零一九年度核數服務	Audit services for 2019	1,780
非核數服務	Non-audit service	-
總計	Total	1,780

公司秘書及本公司主要聯絡人

文潤華先生獲瑞信德企業諮詢(香港)有限公司提名擔任公司秘書，彼已遵守上市規則的規定，一直就公司秘書事宜與董事會直接聯絡。彼在本公司的主要聯絡人為本公司財會副總裁廖維綸先生。

遵照上市規則第3.29條，於截至二零一九年十二月三十一日止年度，文先生已接受不少於15個小時相關專業培訓以更新其技能及知識。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT

For more information on the Group’s environmental protection practices and performance, employee relations, and other ESG-related risks, please refer to the Group’s “ESG Report 2018”, which will be separately uploaded to the websites of the Company and the Stock Exchange by the end of July 2019.

AUDITORS’ REMUNERATION

An analysis of the remuneration payable to RSM Hong Kong, the Company’s auditors, during the year is set out as follows:

COMPANY SECRETARY AND PRIMARY CONTACT OF THE COMPANY

Mr. Man Yun Wah has been nominated by RHT Corporate Advisory (HK) Limited to act as the Company Secretary, who has complied with the requirements of the Listing Rules. He has been contacting with the Board directly in respect of company secretarial matters. His primary contact at the Company is Mr. Weilun Liao, the vice president of finance and accounting of the Company.

In compliance with Rule 3.29 of the Listing Rules, during the year ended 31 December 2019, Mr. Man has taken no less than 15 hours of relevant professional trainings to update his skills and knowledge.

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投資者關係及股東權利

本公司的股東週年大會將仍為與股東對話的主要論壇。本公司鼓勵股東參與過程及發問有關擬建議決議案及本集團經營的問題。本公司章程細則容許有權出席股東大會及於股東大會上投票的股東委任一名以上代理人代表該股東出席及投票，並規定該代理人毋須為本公司股東。

企業管治守則守則條文第E.1.3條規定發行人應於股東週年大會舉行前至少20個完整營業日及於所有其他股東大會舉行前至少10個完整營業日安排向股東發出通知。

本公司的外聘核數師獲邀出席本公司的股東週年大會並將協助董事回應股東有關進行審計及核數師報告編製及其內容的查詢。

於股東大會上提出的所有決議案將根據上市規則以投票表決方式進行表決，而投票結果將於各屆股東大會舉行後於本公司及聯交所網站刊登。

股東召開股東特別大會的程序

根據章程細則第58條，任何一名或多名於提交呈請當日持有不少於附帶本公司股東大會表決權的本公司繳足股本十分之一的股東，於任何時候均有權透過向董事會或本公司秘書發出書面呈請，要求董事會召開股東特別大會，以處理有關呈請中指明的任何事項；且該大會應於提交該呈請後兩個月內舉行。倘於提交呈請後21日內，董事會未能召開該大會，則遞呈要求人士可自行以相同方式召開大會，而本公司須向遞呈要求人士償付所有由遞呈要求人士因董事會未能召開大會而產生的合理開支。

INVESTOR RELATIONSHIP AND SHAREHOLDER RIGHTS

The Company's annual general meeting remains the principal forum for dialogue with Shareholders. Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed and the operations of the Group. The Company's Articles allows a Shareholder entitled to attend and vote to appoint more than one proxy to attend and vote on behalf of the Shareholder and also provides that a proxy need not be a Shareholder of the Company.

Code provision E.1.3 of the CG Code stipulates that the issuer should arrange for the notice to Shareholders to be sent in the case of the annual general meeting at least 20 clear business days before the meeting and in the case of all other general meetings at least 10 clear business days before the meeting.

The Company's external auditor is invited to attend the Company's annual general meeting and will assist the Directors in addressing queries from Shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

All resolutions put forward at Shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each Shareholder meeting.

Procedures for Shareholders to Convene an Extraordinary General Meeting

In accordance with Article 58 of the Articles, any 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 carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 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.

企業管治報告

CORPORATE GOVERNANCE REPORT

於股東大會上提呈議案的程序

開曼群島公司法(二零一二年修訂版)並無規定允許股東於股東大會上提呈新的決議案。然而，擬提呈決議案的股東可按章程細則第58條，要求召開股東特別大會並於會上提呈決議案。第58條的要求及程序載列於上文。

關於建議他人參選董事的事宜，可於本公司網站查閱有關程序。

環保政策

本公司矢志促進環境和社會的可持續發展。除了恪守國家相關法令，為達法定標準而進行相應投資之外，也參考發達國家的同業做法，為可持續經營及自我提升預作準備。

持份者關係

本公司深明在可持續發展的路上，員工、顧客及供應商是本公司可持續發里程的關鍵。本集團期待員工、顧客及供應商都是企業成長道路上的夥伴，既分享利益，也在企業品牌增長中共業。

Procedures for Putting Forward Proposals at General Meeting

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, Shareholders who wish to propose resolutions may follow Article 58 of the Articles for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures of Article 58 are set out above.

As regards proposing a person for election as a director, the procedures are available on the website of the Company.

Environmental Policy

The Company is committed to the sustainable development of the environment and the society. Apart from making corresponding investment that complies with relevant national laws and reaches statutory standards, we have also referred to the practices of industry players in developed countries and prepared for sustainable management and self-improvement.

Relationships with Stakeholders

The Company recognises that the employees, customers and suppliers of the Company are crucial to the sustainability journey of the Company. The Group expects employees, customers and suppliers to be the companions along the way to business growth who share benefits and experience in brand growth.

企業管治報告

CORPORATE GOVERNANCE REPORT

遵守相關法律及法規

除本年報披露者外，於年內，本集團並沒有出現其他嚴重違反或未有遵守適用法律及法規的情況。

截至二零一九年十二月三十一日止年度，本公司並無修改其章程細則。章程細則的最新版本可在本公司網站及聯交所網站查閱。股東亦可參考章程細則以取得有關其權利的詳情。

本公司的網站www.christine.com.cn載有本公司公開披露的財務資料、年報、新聞發佈、公佈、股東提名他人參選董事的程序及公司發展動態。

股東及投資者可向本公司寄發書面查詢或要求。聯絡詳情如下：

地址： 中華人民共和國上海市普陀區金沙江路33號

傳真： 86-21-6286-3333

電子郵件：info@christine.com.cn

本公司將盡快處理及詳細解答查詢。

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

Save as disclosed in this annual report, during the year, there was no other material breach of or non-compliance with the applicable laws and regulations by the Group.

During the year ended 31 December 2019, the Company has not made any changes to its Articles. The latest version of the Articles is available on the websites of the Company and the Stock Exchange. Shareholder may refer to the Articles for details of their rights.

The Company maintains a website at www.christine.com.cn which contains the Company's publicly disclosed financial information, annual reports, news releases, announcements, the procedures that Shareholders can use to propose a person for election as a Director and corporate developments.

Shareholders and investors may send written enquiries or requests to the Company as follows:

Address: No. 33, Jinshajiang Road, Putuo District, Shanghai, The People's Republic of China

Fax: 86-21-6286-3333

Email: info@christine.com.cn

Enquiries will be dealt with in a timely and informative manner.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT



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www.rsmhk.com

致克莉絲汀國際控股有限公司之股東：

(於開曼群島註冊成立之有限公司)

不發表意見

我們獲委聘審核克莉絲汀國際控股有限公司(「貴公司」)及其附屬公司(「貴集團」)列載於第88至199頁的綜合財務報表，當中包括於二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度之綜合損益及其他全面收入報表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等對 貴集團之綜合財務報表不發表意見。基於我們報告中「不發表意見之基準」一節所述事宜之重要性，我們未能獲取充足適當之審核憑證，以為該等綜合財務報表之審核意見提供基礎。在所有其他方面，吾等認為，綜合財務報表已按照香港公司條例之披露規定妥為編製。

TO THE SHAREHOLDERS OF CHRISTINE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Christine International Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 88 to 199, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

不發表意見之基準

1. 有關持續經營之重大不確定因素

我們提請注意綜合財務報表附註2，當中顯示 貴集團於截至二零一九年十二月三十一日止年度產生虧損淨額約人民幣224,297,000元，且於二零一九年十二月三十一日， 貴集團的流動負債淨額約為人民幣443,728,000元。其流動借款及租賃負債分別為約人民幣35,950,000元及約人民幣59,735,000元，而其現金及現金等價物僅為約人民幣74,931,000元。該等事項及狀況連同綜合財務報表附註2所載之其他事項顯示存在重大不確定因素，可能導致對 貴集團持續經營之能力產生重大疑慮。

貴公司董事已採取多項措施以改善 貴集團的流動資金及財務狀況，為其營運再融資及對其債務進行重組（載於綜合財務報表附註2）。

綜合財務報表乃按持續經營基準編製，其有效性取決於該等措施的結果，受重大不確定因素影響，包括(i)由於截至本報告日期尚未完成磋商， 貴集團能否於有需要時取得額外融資及延長現有借款的期限；(ii) 貴集團能否出售其位於南京的土地使用權及樓宇，由於建議出售須待與潛在買家簽立最終協議及股東批准後方告完成，而截至本報告日期，協議尚未完成而股東批准亦未取得；及(iii) 貴集團能否實施其控制成本的營運計劃並自營運產生足夠現金流量，最終結果取決於市場環境，而市場環境受附註43所述COVID-19爆發所產生的重大不確定因素影響。

BASIS FOR DISCLAIMER OF OPINION

1. Material Uncertainties Relating to Going Concern

We draw attention to note 2 to the consolidated financial statements which indicates that the Group incurred a net loss of approximately RMB224,297,000 during the year ended 31 December 2019, and as of 31 December 2019, the Group had net current liabilities of approximately RMB443,728,000. Its current borrowings and lease liabilities amounted to approximately RMB35,950,000 and approximately RMB59,735,000 respectively while its cash and cash equivalents amounted to approximately RMB74,931,000 only. These events and conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have undertaken a number of measures to improve the Group's liquidity and financial position, to refinance its operations and to restructure its debts which are set out in note 2 to the consolidated financial statements.

The consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the outcomes of these measures, which are subject to significant uncertainties, including (i) whether the Group is able to obtain additional financing and extension of the existing borrowings as and when required as negotiations have not been concluded as of the date of this report; (ii) whether the Group is able to dispose of its land use right and buildings located in Nanjing, as the completion of the proposed disposal is subject to the execution of a definitive agreement with the potential buyers and approval by the shareholders which have not been completed and obtained respectively as of the date of this report; and (iii) whether the Group is able to implement its operational plans for control of costs and to generate adequate cash flow from operations, the achievability of which depends on the market environment which is subject to the significant uncertainties arising from the COVID-19 outbreak as described in note 43.

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

因此，吾等不能取得充足適當的審核憑證，以使吾等信納於編製綜合財務報表時採用持續經營會計基準的適當性。倘 貴集團未能持續經營，則須作出調整，將 貴集團資產之賬面值撇減至其可收回金額，為可能產生之任何進一步負債作出撥備，並將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整之影響並無於綜合財務報表內反映。

2. 期初結餘及相關數據

貴集團截至二零一八年十二月三十一日止年度綜合財務報表已由其他核數師（「前任核數師」）審核，其於二零一九年三月二十九日對該等財務報表發表保留意見。前任核數師未能信納向一名關連方支付的加工預付款項人民幣22,029,000元及已付按金人民幣11,741,000元的可收回性，而就該等結餘作出的任何撥備將令 貴集團於二零一八年十二月三十一日的資產淨值減少及增加 貴集團截至二零一八年十二月三十一日止年度的虧損淨額。

該等款項已於截至二零一九年十二月三十一日止年度悉數撥備。吾等未能就於二零一八年十二月三十一日已付一名關連方的加工預付款項及按金的可收回性取得足夠適當的審核憑證。對該等期初結餘的減值虧損撥備作出任何可能必要的調整會對 貴集團於二零一八年十二月三十一日的資產淨值及其截至二零一九年十二月三十一日止年度的經營業績產生影響。

Accordingly, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. Opening balances and corresponding figures

The consolidated financial statements of the Group for the year ended 31 December 2018 were audited by other auditors (the "Predecessor Auditors"), who expressed a qualified opinion on those financial statements on 29 March 2019. The Predecessor Auditors were unable to satisfy themselves about the recoverability of processing prepayments of RMB22,029,000 and deposits paid of RMB11,741,000 to a related party and any provision in respect of these balances would reduce the net assets of the Group as at 31 December 2018 and increase the Group's net loss for the year ended 31 December 2018.

These amounts were fully provided for during the year ended 31 December 2019. We were unable to obtain sufficient appropriate audit evidence regarding the recoverability of processing prepayments and deposits paid to a related party as at 31 December 2018. Any adjustments to the allowance for impairment losses on these opening balances that might have been found necessary would have an effect on the Group's net assets as at 31 December 2018 and its results for the year ended 31 December 2019.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

董事及審核委員會就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則及香港公司條例之披露規定，編製真實而公平地反映情況的綜合財務報表，及落實董事確定的對編製綜合財務報表屬必要的內部監控，以使該等綜合財務報表不會存在由於欺詐或錯誤而導致的重大錯誤陳述。

於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，並披露與持續經營有關的事項（如適用），除非董事擬將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

審核委員會協助董事履行監督 貴集團財務報告過程的責任。

核數師就審核綜合財務報表承擔的責任

我們的責任乃按照香港會計師公會頒佈的香港審核準則就 貴集團綜合財務報表進行審核，並發表核數師報告。本報告僅向整體股東作出，而不作其他用途。吾等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。然而，由於本報告「不發表意見之基準」一節所述事項，吾等未能取得足夠適當之審核憑據，以為該等綜合財務報告之審核意見提供基準。

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liabilities to any other person for the contents of this report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.



獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

根據香港會計師公會頒佈的《專業會計師道德守則》（「守則」），我們獨立於 貴集團，並已履行守則中的其他專業道德責任。

此獨立核數師報告的審計項目合夥人為廖於勤。

羅申美會計師事務所

執業會計師

香港，二零二零年五月二十二日

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

The engagement partner on the audit resulting in this independent auditor's report is Liu Eugene.

RSM Hong Kong

Certified Public Accountants

Hong Kong, 22 May 2020

綜合損益及其他全面收入報表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

		附註 NOTES	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
收益	Revenue	7	551,941	664,017
銷售成本	Cost of sales		(308,615)	(368,117)
毛利	Gross profit		243,326	295,900
其他收入·收益／(虧損)	Other income, gains/(losses)	8	4,953	(48,673)
金融資產減值虧損撥備淨額	Allowance for impairment losses on financial assets, net	9	(34,661)	(2,540)
銷售及分銷開支	Selling and distribution expenses		(341,994)	(401,938)
行政開支	Administrative expenses		(74,308)	(77,167)
經營虧損	Loss from operations		(202,684)	(234,418)
融資成本	Finance costs	11	(20,792)	–
除稅前虧損	Loss before tax		(223,476)	(234,418)
所得稅(開支)／抵免	Income tax (expense)/credit	12	(821)	2,243
本公司擁有人應佔年內虧損及 全面收入總額	Loss and total comprehensive income for the year attributable to owners of the Company	13	(224,297)	(232,175)
每股虧損	Loss per share	18	(22.2)	(23.0)
基本及攤薄(仙)	Basic and diluted (cents)			

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一九年十二月三十一日 At 31 December 2019

		附註 NOTES	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
資產	ASSETS			
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	19	362,174	369,273
預付土地租賃款項	Prepaid land lease payments	20	–	71,226
使用權資產	Right-of-use assets	21	207,518	–
商譽	Goodwill	22	–	–
無形資產	Intangible assets	23	3,747	5,034
按金	Deposits		9,811	10,111
購買非流動資產的按金	Deposits for purchases of non-current assets		954	13,607
			584,204	469,251
流動資產	Current assets			
預付土地租賃款項	Prepaid land lease payments	20	–	2,147
存貨	Inventories	25	27,233	26,494
貿易及其他應收款項	Trade and other receivables	26	24,722	59,708
應收關連公司款項	Amounts due from related companies	42	890	22,720
已抵押銀行存款	Pledged bank deposits	27	–	34,970
銀行及現金結餘	Bank and cash balances	27	74,931	182,132
流動資產總額	Total current assets		127,776	328,171
資產總額	TOTAL ASSETS		711,980	797,422
權益及負債	EQUITY AND LIABILITIES			
股本	Share capital	28	8	8
儲備	Reserves	30	74,451	298,748
權益總額	Total equity		74,459	298,756

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一九年十二月三十一日 At 31 December 2019

		附註 NOTES	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
負債	LIABILITIES			
非流動負債	Non-current liabilities			
遞延收入	Deferred revenue	31	548	1,016
租賃負債	Lease liabilities	32	65,469	–
			66,017	1,016
流動負債	Current liabilities			
合約負債	Contract liabilities	34	348,535	385,755
銀行借款	Bank borrowings	35	35,950	–
租賃負債	Lease liabilities	32	59,735	–
貿易及其他應付款項	Trade and other payables	36	120,328	105,225
應付關連公司款項	Amounts due to related companies	42	429	318
應付股息	Dividend payable		4,708	4,708
即期稅項負債	Current tax liabilities		1,819	1,644
流動負債總額	Total current liabilities		571,504	497,650
權益及負債總額	TOTAL EQUITY AND LIABILITIES		711,980	797,422
流動負債淨額	NET CURRENT LIABILITIES		443,728	169,479

於二零二零年五月二十二日經董事會批准並由以下人士代表董事會簽署：

Approved by the Board of Directors on 22 May 2020 and are signed on its behalf by:

江若嫻
Chiang Jo Hsien
董事
Director

洪敦清
Hung Dun Ching
董事
Director

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

		本公司擁有人應佔						
		Attributable to owners of the Company						
		股本	股份溢價	特別儲備	其他儲備	法定盈餘儲備	累計虧損	權益總額
		Share capital	Share premium	Special reserve	Other reserve	Statutory surplus reserve	Accumulated losses	Total equity
		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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(附註30b(i)) (Note 30b(i))	(附註30b(ii)) (Note 30b(ii))	(附註30b(iii)) (Note 30b(iii))		
於二零一八年一月一日	At 1 January 2018	8	311,833	235,868	5,968	112,192	(134,938)	530,931
年內全面收入總額	Total comprehensive income for the year	-	-	-	-	-	(232,175)	(232,175)
已沒收購股權	Share options forfeited	-	-	-	(2,281)	-	2,281	-
年內權益變動	Changes in equity for the year	-	-	-	(2,281)	-	(229,894)	(232,175)
於二零一八年十二月三十一日	At 31 December 2018	8	311,833	235,868	3,687	112,192	(364,832)	298,756
於二零一九年一月一日	At 1 January 2019	8	311,833	235,868	3,687	112,192	(364,832)	298,756
本年全面收入總額	Total comprehensive income for the year	-	-	-	-	-	(224,297)	(224,297)
法定儲備撥款	Statutory reserve appropriation	-	-	-	-	131	(131)	-
年內權益變動	Changes in equity for the year	-	-	-	-	131	(224,428)	(224,297)
於二零一九年十二月三十一日	At 31 December 2019	8	311,833	235,868	3,687	112,323	(589,260)	74,459

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

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

	附註 NOTES	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
經營活動所得現金流量			
CASH FLOWS FROM OPERATING ACTIVITIES			
除稅前虧損		(223,476)	(234,418)
調整：			
融資成本	11	20,792	–
利息收入	8	(8,024)	(2,504)
按公允價值計入損益的 金融資產的公允價值 變動所得收益		–	(619)
物業、廠房及設備折舊	19	30,278	45,189
使用權資產折舊	21	79,755	–
解除租賃負債		(4,351)	–
無形資產攤銷	23	1,287	2,236
預付土地租賃款項攤銷		–	2,146
核銷物業、廠房及設備虧損	8	29	–
出售物業、廠房及設備虧損	8	13	534
金融資產減值虧損撥備淨額	9	34,661	2,540
物業、廠房及設備減值虧損	8	2,807	52,598
使用權資產減值虧損	8	4,076	–
無形資產減值虧損	8	–	8,932
解除資產有關之政府補助	8	(468)	(468)
核銷使用權資產	21	4,101	–

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

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

	附註 NOTES	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
營運資金變動前經營活動 現金流量	Operating cash flows before working capital changes	(58,520)	(123,834)
存貨(增加)/減少	(Increase)/decrease in inventories	(739)	5,512
貿易及其他應收款項減少	Decrease in trade and other receivables	13,146	4,909
應收關連公司款項 (增加)/減少	(Increase)/decrease in amounts due from related companies	(1,090)	361
按金(增加)/減少	(Increase)/decrease in deposits	(167)	1,162
已抵押銀行存款減少	Decrease in pledged bank deposits	34,970	17,941
貿易及其他應付款項增加	Increase in trade and other payables	17,370	575
合約負債減少	Decrease in contract liabilities	(37,220)	(40,030)
應付關連公司款項 增加/(減少)	Increase/(decrease) in amounts due to related companies	111	(2,220)
經營所用現金	Cash used in operations	(32,139)	(135,624)
已付所得稅	Income taxes paid	(646)	(312)
租賃負債利息	Interest on lease liabilities	(20,301)	-
經營活動所用的現金淨額	Net cash used in operating activities	(53,086)	(135,936)
投資活動產生的現金流量	CASH FLOWS FROM INVESTING ACTIVITIES		
已收利息	Interest received	7,693	2,504
出售按公允價值計入損益的 金融資產所得款項	Proceed from disposal of financial assets at FVTPL	-	80,619
購買按公允價值計入損益的 金融資產	Purchase of financial assets at FVTPL	-	(80,000)
出售物業、廠房及設備所得款項	Proceeds from disposal of property, plant and equipment	174	90
退還購買非流動資產的按金 所得款項	Proceeds from refund of deposits for purchase of non-current assets	912	5,000
購買物業、廠房及設備	Purchases of property, plant and equipment	(26,202)	(17,552)
購買無形資產	Purchases of intangible assets	-	(563)
購買土地使用權	Purchases of land use right	-	(60)
投資活動所用現金淨額	Net cash used in investing activities	(17,423)	(9,962)

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

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

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
	附註 NOTES		
融資活動所得現金流量	CASH FLOWS FROM FINANCING ACTIVITIES		
租賃付款本金部分	Principal elements of lease payments	(72,151)	-
已籌集銀行借款	Bank borrowings raised	79,690	-
償還銀行借款	Repayment of bank borrowings	(43,740)	-
已付利息	Interest paid	(491)	-
融資活動所用現金淨額	Net cash used in financing activities	(36,692)	-
現金及現金等價物減少淨額	NET DECREASE IN CASH AND CASH EQUIVALENTS	(107,201)	(145,898)
於一月一日的現金及現金等價物	CASH AND CASH EQUIVALENTS AT 1 JANUARY	182,132	328,030
於十二月三十一日的現金及現金等價物	CASH AND CASH EQUIVALENTS AT 31 DECEMBER	74,931	182,132
現金及現金等價物分析	ANALYSIS OF CASH AND CASH EQUIVALENTS		
銀行及現金結餘	Bank and cash balances	74,931	182,132
	27		

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. 一般資料

克莉絲汀國際控股有限公司(「本公司」, 連同其附屬公司統稱「本集團」)於開曼群島註冊成立為受獲豁免有限公司。其註冊辦事處地址為Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。其主要營業地點地址為中華人民共和國上海市普陀區金沙江路33號(郵編: 200062)。本公司股份於香港聯合交易所有限公司(「聯交所」)上市。

本公司乃一間投資控股公司。其附屬公司之主要業務載於綜合財務報表附註24。

2. 編製基準

該等綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則(「香港財務報告準則」)編製。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋。該等綜合財務報表亦已符合聯交所證券上市規則之適用披露條文及香港公司條例(第622章)之披露規定。本集團採納的主要會計政策披露如下。

香港會計師公會已頒佈若干新訂及經修訂之香港財務報告準則, 並於本集團之當前會計期間首次生效或可供提早採納。附註3提供首次應用該等與本集團有關的新訂及經修訂準則所引致當前及過往會計期間的任何會計政策變動的資料, 已反映於該等綜合財務報表。

1. GENERAL INFORMATION

Christine International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) was incorporated registered as an exempted company with limited liability in Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is No. 33 Jinshajiang Road, Putuo District, Shanghai 200062, The People’s Republic of China. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 24 to the consolidated financial statements.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

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

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

2. 編製基準 (續)

本集團於截至二零一九年十二月三十一日止年度產生虧損淨額約人民幣224,297,000元，而於二零一九年十二月三十一日，本集團的流動負債淨額約為人民幣443,728,000元。其流動借款及租賃負債分別為約人民幣35,950,000元及約人民幣59,735,000元，而其現金及現金等價物僅為約人民幣74,931,000元。該等狀況顯示存在重大不確定因素，可能導致對本集團持續經營能力產生重大疑慮。因此，其可能無法於日常業務過程中變現其資產及解除其負債。儘管如此，綜合財務報表仍按持續經營基準編製，此乃由於董事已認真考慮本集團當前和預期未來流動資金的影响，並信納：

- (a) 經考慮如下因素，本集團於今後十二個月可於需要時為其營運資金需求取得往來銀行之銀行融資：
 - (i) 就外部融資進行磋商，包括但不限於取得額外銀行融資。
 - (ii) 與銀行就重組現有銀行借款之還款計劃進行磋商，以將還款到期日延長一年及將現有銀行融資延長一年。

2. BASIS OF PREPARATION (Continued)

The Group incurred a net loss of approximately RMB224,297,000 during the year ended 31 December 2019, and as of 31 December 2019, the Group had net current liabilities of approximately RMB443,728,000. Its current borrowings and lease liabilities amounted to approximately RMB35,950,000 and approximately RMB59,735,000 respectively while its cash and cash equivalents amounted to approximately RMB74,931,000 only. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis as the directors have given careful consideration to the impact of the current and anticipated future liquidity of the Group and are satisfied that:

- (a) The banking facilities from the Group's bankers for its working capital requirements for the next twelve months will be available as and when required, having regard to the following:
 - (i) Negotiation for external financing, including but not limited to, obtain further bank facilities.
 - (ii) Negotiation with the banks for the restructure of repayment schedules of the existing bank borrowings so as to extend the repayment due date for one year and extend the existing bank facilities for one more year.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

2. 編製基準 (續)

- (b) 本集團將能夠完成出售位於南京的土地使用權及樓宇，尚需與潛在買家簽立最終協議及取得股東的必要批准；及
- (c) 本集團將能夠實施經營計劃以控制成本及產生足夠經營現金流量以履行其現時及未來責任。相關行動包括收回未償還應收款項、利用生產設備的產能及關閉虧損的零售門店。

董事已審閱管理層編製的本集團自二零一九年十二月三十一日起不少於十二個月期間的現金流量預測。經考慮上述計劃及措施，董事認為，本集團將擁有充足的營運資金為其營運提供資金及履行自綜合財務狀況表日期起未來十二個月內到期之財務責任。因此，綜合財務報表乃按持續經營基準編製。

然而，本公司管理層能否實現上述計劃及措施存在重大不確定因素。本集團持續經營的能力取決於能否通過達成以下計劃產生足夠融資及經營現金流量：

- (a) 就以下事項與銀行磋商成功：(i)取得額外銀行融資；及(ii)將可能於未來十二個月期間逾期的現有銀行借款的還款到期日延長一年及將現有銀行融資延長一年；

2. BASIS OF PREPARATION (Continued)

- (b) The Group will be able to complete the disposal of land use right and buildings in Nanjing, which requires executing a definitive agreement with the potential buyers and obtaining the necessary approvals from the shareholders; and
- (c) The Group will be able to implement operational plans to control costs and generate sufficient operating cash flows to meet its current and future obligations. Relevant actions include collection of outstanding receivables, utilisation of the capacity of the production plants, and closure of loss-making retail outlets.

The directors have reviewed the Group's cash flow projections prepared by the management that covered a period of not less than twelve months from 31 December 2019. Having taken into account the above-mentioned plans and measures, the directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of the consolidated statement of financial position. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

However, significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. The Group's ability to continue as a going concern depends on the generation of adequate financing and operating cash flows through the successful fulfillment of the following plans:

- (a) negotiating with the banks successfully for (i) obtaining additional bank facilities; and (ii) extending the repayment due date of the existing bank borrowings that might become overdue in next twelve-month period for one year and extend the existing bank facilities for one more year;

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

2. 編製基準 (續)

- (b) 及時與潛在買家簽立正式買賣協議並完成出售位於南京的土地使用權及樓宇。成功完成須待訂立最終協議，當中載列交易的詳情及完成條件，包括將予出售的資產及代價，以及為完成交易而取得股東的必要批准；
- (c) 及時實施經營計劃以控制成本及產生充足的經營現金流量，進而履行其現時及未來責任。相關行動包括收回未償還應收款項、利用生產設備的產能及關閉虧損的零售店。

倘本集團未能實現上述計劃及措施，其可能無法持續經營，並須作出調整以將資產的賬面值撇減至其可收回金額，就可能產生的任何進一步負債計提撥備，以及將非流動資產及負債分別分類為流動資產及負債。該等潛在調整之影響未有在該等綜合財務報表中反映。

2. BASIS OF PREPARATION (Continued)

- (b) timely executing a formal sale and purchase agreement with the potential buyers and completing the disposal of land use right and buildings located in Nanjing. The successful completion would entail entering into a definitive agreement that sets out the details and completion conditions of the transaction, including the assets to be disposed and the consideration and also obtaining the necessary approvals from the shareholders in order to complete the transaction;
- (c) timely implementing operational plans to control costs and generate sufficient operating cash flows to meet its current and future obligations. Relevant actions include collection of outstanding receivables, utilisation of the capacity of the production plants, and closure of loss-making retail outlets.

Should the Group fail to achieve the above-mentioned plans and measures, it may be unable to continue as a going concern, and adjustments would have to be made to write down the carrying value of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

3. 採納新訂及經修訂香港財務報告準則

(a) 應用新訂及經修訂香港財務報告準則

香港會計師公會已頒佈一項新的香港財務報告準則（香港財務報告準則第16號租賃）及若干香港財務報告準則之修訂，均於本集團之本會計期間首次生效。

除香港財務報告準則第16號外，其他修訂對本期間或過往期間本集團已編製或呈列之業績及財務狀況並無重大影響。本集團並未應用於本會計期間尚未生效的任何新訂準則或詮釋。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號取代香港會計準則第17號「租賃」及相關詮釋、香港（國際財務報告詮釋委員會）詮釋第4號「釐定安排是否包括租賃」、香港（準則詮釋委員會）詮釋第15號「經營租賃－優惠」及香港（準則詮釋委員會）詮釋第27號「評估涉及租賃法律形式交易的內容」。香港財務報告準則第16號就承租人引入單一會計模式，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個月或以下的租賃及低價值資產租賃除外。

香港財務報告準則第16號項下出租人會計處理方法大致與香港會計準則第17號相同。出租人將繼續按照與香港會計準則第17號類似的原則將租賃分類為經營租賃或融資租賃。因此，香港財務報告準則第16號對本集團作為出租人的租賃並無影響。出租人會計規定乃轉承自香港會計準則第17號，其大致上維持不變。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

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

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

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases, and the related interpretations, HK(IFRIC) 4 Determining whether an Arrangement contains a Lease, HK(SIC) 15 Operating Leases-Incentives and HK(SIC) 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. HKFRS 16 introduced 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 and leases of low-value assets.

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact on leases where the Group is the lessor. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

香港財務報告準則第16號亦引入其他定性及定量披露規定，以便財務報表使用者評估租賃對實體財務狀況、財務表現及現金流量的影響。

本集團自二零一九年一月一日起首次應用香港財務報告準則第16號。本集團選擇採用經修訂追溯方法，因而將有關首次應用的累計影響確認為對二零一九年一月一日期初結餘的調整。比較資料不予重列，並繼續根據香港會計準則第17號予以呈報。

有關過往會計政策變動的性質和影響及所採用的過渡性選擇的進一步詳情載列如下：

(a) 租賃的新定義

租賃定義變動主要與控制權的概念有關。香港財務報告準則第16號根據客戶是否在某一時段內控制已識別資產的用途（其可由指定使用量釐定）而界定租賃。當客戶有權指示已識別資產的用途以及從該用途中獲得絕大部分經濟利益時，即表示擁有控制權。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

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

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

(a) New definition of a lease

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

(a) 租賃的新定義 (續)

本集團僅就於二零一九年一月一日或之後訂立或變更的合約應用香港財務報告準則第16號有關租賃的新定義。就於二零一九年一月一日之前訂立的合約而言，本集團採用過渡性實際權宜方法，繼續沿用先前對現有安排是否屬租賃或包含租賃所作的評估。因此，先前根據香港會計準則第17號評估為租賃的合約繼續根據香港財務報告準則第16號入賬列為租賃，而先前評估為非租賃服務安排的合約則繼續入賬列為尚待履行的合約。

(b) 承租人會計處理方法及過渡性影響

香港財務報告準則第16號剔除先前香港會計準則第17號要求承租人將租賃分類為經營租賃或融資租賃的規定。取而代之，本集團作為承租人時須將所有租賃資本化，包括先前根據香港會計準則第17號分類為經營租賃的租賃，惟短期租賃及低價值資產租賃除外。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(a) New definition of a lease (Continued)

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

(b) Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt.

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3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

(b) 承租人會計處理方法及過渡性影響 (續)

就先前分類為經營租賃的租賃確認租賃負債時，本集團已應用於首次應用日期相關集團實體的增量借款利率。所採用的加權平均增量借款年利率為16.10%。相關集團實體採用的平均增量借款年利率介乎8.70%至18.80%。

為方便過渡至香港財務報告準則第16號，本集團於首次應用香港財務報告準則第16號當日應用以下確認豁免及可行權宜方法：

- (i) 選擇不對剩餘租期於首次應用香港財務報告準則第16號當日起計12個月內屆滿（即租期於二零一九年十二月三十一日或之前屆滿）的租賃應用香港財務報告準則第16號有關確認租賃負債及使用權資產的規定；
- (ii) 就類似經濟環境內相似類別相關資產並具類似剩餘租期的租賃組合應用單一貼現率；

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied the incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 16.10% per annum. The average incremental borrowing rates applied by the relevant group entities range from 8.70% to 18.80% per annum.

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

- (i) elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- (ii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in a similar economic environment;

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3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

(b) 承租人會計處理方法及過渡性影響 (續)

- (iii) 根據於首次應用日期的事實及情況於事後釐定本集團帶有續租選擇權的租賃的租期；
- (iv) 於首次應用日期計量使用權資產時撇除初始直接成本；及
- (v) 運用香港會計準則第37號作為減值檢討的替代方法，評估租賃是否屬虧損性。

為計量本集團確認使用權資產及相關租賃負債之租賃交易的遞延稅項，本集團會首先釐定稅項扣減是否歸因於使用權資產或租賃負債。

就稅項扣減歸因於租賃負債之租賃交易而言，本集團將香港會計準則第12號所得稅之規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，故與使用權資產及租賃負債相關之暫時差額不會於初步確認時於租期內確認。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

- (iii) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension options;
- (iv) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- (v) relied on the assessment of whether leases are onerous by applying HKAS 37 as an alternative to an impairment review.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

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3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

(b) 承租人會計處理方法及過渡性影響 (續)

下表載列於二零一八年十二月三十一日之經營租賃承擔(如附註41所披露)與於二零一九年一月一日已確認之租賃負債期初結餘的對賬:

		人民幣千元 RMB'000
於二零一八年十二月三十一日披露之經營租賃承擔	Operating lease commitments disclosed as at 31 December 2018	185,456
減: 豁免資本化之租賃相關承擔:	Less: commitments relating to lease exempt from capitalisation:	
- 剩餘租期於二零一九年十二月三十一日或之前屆滿的短期租賃及其他租賃	- short-term leases and other leases with remaining lease term ending on or before 31 December 2019	(25,688)
		159,768
減: 日後利息開支總額	Less: total future interest expenses	(28,963)
於二零一九年一月一日確認的租賃負債	Lease liabilities recognised as at 1 January 2019	130,805
其中:	Of which are:	
流動租賃負債	Current lease liabilities	56,830
非流動租賃負債	Non-current lease liabilities	73,975
		130,805

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

The following table reconciles the operating lease commitments as disclosed in note 41 as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

(b) 承租人會計處理方法及過渡性影響 (續)

先前分類為經營租賃的租賃相關使用權資產已按等同於就餘下租賃負債所確認的金額確認，並按於二零一八年十二月三十一日之綜合財務狀況表確認的租賃相關任何預付或應計租賃款項金額作出調整。

已付可退回按金根據香港財務報告準則第9號金融工具(「香港財務報告準則第9號」)入賬，初步按公允價值計量。於初步確認時對公允價值的調整被視為額外租賃付款並計入使用權資產成本。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

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

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

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3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

(b) 承租人會計處理方法及過渡性影響 (續)

下表概述採納香港財務報告準則第16號對本集團綜合財務狀況表產生的影響：

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

The following table summaries the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

採納香港財務報告準則第16號的影響 Effects of adoption of HKFRS 16

受採納 香港財務報告準則第16號 影響之綜合財務狀況表項目	Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16	附註 Note	於二零一八年 十二月三十一日 之賬面值 Carrying amount as at 31 December 2018	重新分類 Re- classification	租賃確認 Re-cognition of leases	於二零一九年 一月一日 之賬面值 Carrying amount as at 1 January 2019
			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
資產	Assets					
使用權資產	Right-of-use assets		–	73,373	148,903	222,276
預付土地租賃款項	Prepaid land lease payments	(i)	73,373	(73,373)	–	–
按金	Deposits	(ii)	10,111	–	(536)	9,575
貿易及其他應收款項	Trade and other receivables	(iii)	59,708	–	(19,829)	39,879
負債	Liabilities					
租賃負債	Lease liabilities		–	–	130,805	130,805
貿易及其他應付款項	Trade and other payables	(iv)	105,225	–	(2,267)	102,958

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3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

(b) 承租人會計處理方法及過渡性影響 (續)

附註：

- (i) 於二零一八年十二月三十一日，就於中華人民共和國(「中國」)租賃土地的前期預付款項分類為預付土地租賃款項。於應用香港財務報告準則第16號後，預付土地租賃款項的流動部分及非流動部分分別為人民幣2,147,000元及人民幣71,226,000元，已分類為使用權資產。
- (ii) 已付可退回按金乃根據香港財務報告準則第9號入賬，並初步按公允價值計量。於二零一九年一月一日的公允價值調整人民幣536,000元已計入使用權資產。
- (iii) 部分租賃的前期預付款項於二零一八年十二月三十一日分類為預付款項。於應用香港財務報告準則第16號後，預付款項人民幣19,829,000元重新分類至使用權資產。
- (iv) 實際租金撥備先前於二零一八年十二月三十一日根據香港會計準則第17號確認。根據香港財務報告準則第16號，於二零一九年一月一日的實際租金撥備人民幣2,267,000元已重新分類至使用權資產。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

Note:

- (i) Upfront payments for leasehold lands in the People's Republic of China (the "PRC") were classified as prepaid land lease payments as payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid land lease payments amounting to RMB2,147,000 and RMB71,226,000 respectively were classified to right-of-use assets.
- (ii) Refundable deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustment to fair value as at 1 January 2019 amounting to RMB536,000 was included in right-of-use assets.
- (iii) Upfront payments for some leases was classified as prepayments as at 31 December 2018. Upon application of HKFRS 16, prepayments amounting to RMB19,829,000 was reclassified to right-of-use assets.
- (iv) Provision of effective rent were previously recognised under HKAS 17 as at 31 December 2018. Under HKFRS 16, provision of effective rent as at 1 January 2019 amounting to RMB2,267,000 were reclassified to right-of-use assets.

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3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

(c) 對本集團財務業績及現金流量的影響

由於首次應用香港財務報告準則第16號，就先前根據香港會計準則第17號分類為經營租賃的租賃而言，於二零一九年十二月三十一日，本集團確認使用權資產人民幣207,518,000元，包括土地使用權人民幣71,226,000元及租賃物業人民幣136,292,000元。於二零一九年十二月三十一日，已確認租賃負債人民幣125,204,000元，相關使用權資產人民幣136,292,000元。

此外，就香港財務報告準則第16號項下的該等租賃而言，本集團已確認折舊、使用權資產減值虧損及融資成本，而非經營租賃費用。於截至二零一九年十二月三十一日止年度，本集團就該等租賃確認折舊人民幣79,755,000元、使用權資產減值虧損人民幣4,076,000元及融資成本人民幣20,301,000元。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(c) Impact of the financial results and cash flows of the Group

As a result of initially applying HKFRS 16, in relation to the leases that were previously classified as operating leases under HKAS 17 as at 31 December 2019, the Group recognised right-of-use assets amounting to RMB207,518,000, including RMB71,226,000 of land use rights and RMB136,292,000 of leased properties respectively. Lease liabilities of RMB125,204,000 were recognised with related right-of-use assets of RMB136,292,000 as at 31 December 2019.

Also in relation to those leases under HKFRS 16, the Group has recognised depreciation, impairment losses on right-of-use assets and finance costs, instead of operating lease charges. During the year ended 31 December 2019, the Group recognised RMB79,755,000 of depreciation, RMB4,076,000 of impairment losses on right-of-use assets and RMB20,301,000 of finance costs from these leases.

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3. 採納新訂及經修訂香港財務報告準則 (續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用於二零一九年一月一日開始之財政年度起已頒佈但尚未生效之新訂及經修訂香港財務報告準則。該等新訂及經修訂香港財務報告準則包括下列可能與本集團有關的各項。

香港財務報告準則第3號(修訂本)業務的定義

Amendments to HKFRS 3 Definition of a Business

香港會計準則第1號及香港會計準則第8號(修訂本)重大的定義

Amendments to HKAS 1 and HKAS 8 Definition of Material

香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)
利率基準改革

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 Interest Rate Benchmark Reform

本集團正評估該等修訂及新訂準則於首次應用期間預期帶來的影響。目前為止的結論是，採納該等修訂及新訂準則對綜合財務報表構成重大影響的可能性不大。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2019. These new and revised HKFRSs include the following which may be relevant to the Group.

在以下日期或之後
開始的會計期間生效
**Effective for
accounting periods
beginning on or after**

二零二零年一月一日

1 January 2020

二零二零年一月一日

1 January 2020

二零二零年一月一日

1 January 2020

The Group is in the process of making an assessment of what the impact of these amendments and new standards 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.

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4. 主要會計政策

除下述會計政策另行提及者外（如若干按公允價值計量之金融工具），該等綜合財務報表已按歷史成本慣例編製。

編製符合香港財務報告準則的財務報告需要採用若干重要會計估計。這亦需要管理層在應用本集團的會計政策過程中行使其判斷。涉及高度判斷或極為複雜的範疇，或對綜合財務報表屬重大的假設及估計的範疇，均於附註5披露。

編製該等綜合財務報表所應用之主要會計政策載列如下。

(a) 綜合

綜合財務報表包括本公司及其附屬公司直至十二月三十一日止之財務報表。附屬公司是指本集團對其擁有控制權的實體。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。當本集團的現有權力賦予其目前直接掌控有關業務（即顯著影響實體回報的業務）時，則本集團對該實體擁有權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有的潛在投票權。在持有人能實際行使潛在投票權的情況下，方會考慮其權利。

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value).

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. 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. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

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4. 主要會計政策 (續)

(a) 綜合 (續)

附屬公司在控制權轉移至本集團之日起綜合入賬，並在控制權終止之日起停止綜合入賬。

本集團內公司間之交易、結餘及未變現溢利予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。在必要時會對附屬公司之會計政策作出更改，以確保與本集團所採納之政策一致。

於本公司的財務狀況表內，於附屬公司的投資乃按成本減去減值虧損列賬。

(b) 業務合併及商譽

對於業務合併中收購附屬公司，本集團採用收購法列賬。於業務合併中轉讓代價按所獲資產於收購日期之公允價值、所發行股本工具及所產生負債以及任何或然代價計量。收購相關成本於相關成本產生及接受服務期間確認為開支。於收購時附屬公司之可識別資產及負債，均按其於收購日期之公允價值計量。

所轉讓的代價之總和超出本集團應佔附屬公司可識別資產及負債之公允淨值之差額列作商譽。本集團應佔可識別資產及負債之公允淨值超出所轉讓的代價總和之差額則於綜合損益內確認為本集團應佔之議價收購收益。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss.

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

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4. 主要會計政策 (續)

(b) 業務合併及商譽 (續)

於初始確認後，商譽一般按成本減累計減值虧損計量。就減值測試而言，業務合併所獲得的商譽會分配至預期將受益於合併協同效應的各現金產生單位（「現金產生單位」）或現金產生單位組別。每個或每組獲分配商譽的單位代表於本集團內為內部管理而監測商譽的最低級別。每年進行商譽減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。含有商譽之現金產生單位之賬面值與其可收回金額作比較，可收回金額為使用價值與公允價值減出售成本兩者之較高者。任何減值即時確認為開支，其後不會撥回。

(c) 外幣換算

(i) 功能及呈列貨幣

本集團各實體的財務報告所列項目均以該實體經營所在的主要經濟環境的貨幣（「功能貨幣」）計量。綜合財務報表乃以人民幣（「人民幣」，本公司之呈列及功能貨幣）呈列。董事認為選用人民幣作為呈列貨幣，能最好地滿足股東及投資者的需要。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill (Continued)

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (“CGUs”) or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Renminbi (“RMB”), which is the Company’s presentation and functional currency. The directors consider that choosing RMB as the presentation currency best suits the needs of the shareholders and investors.

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4. 主要會計政策 (續)

(c) 外幣換算 (續)

(ii) 各實體財務報告之交易及結餘

外幣交易於初始確認時使用交易日期之通行匯率換算為功能貨幣。以外幣為單位之貨幣性資產及負債按各報告期末之匯率換算。此換算政策產生之盈虧於損益內確認。

按公允價值計量及以外幣計值之非貨幣項目乃按釐定公允價值當日之匯率換算。

當非貨幣項目之盈虧於其他全面確認收入時，該盈虧之任何匯兌部份均於其他全面收入確認。當非貨幣項目之盈虧於損益確認時，該盈虧之任何匯兌部分均於損益確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Foreign currency translation (Continued)

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

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4. 主要會計政策 (續)

(c) 外幣換算 (續)

(iii) 綜合賬目換算

功能貨幣與本公司之呈列貨幣不同的所有本集團實體之經營業績及財務狀況均按以下方法換算為本公司之呈列貨幣：

- 每份呈列之財務狀況表內的資產及負債均以該財務狀況表結算日之收市匯率換算；
- 收支按報告期之平均匯率換算（除非此平均匯率不足以合理地概括反映交易日期適用匯率之累積影響，在此情況下，收支則按交易日期之匯率換算）；及
- 一切因此而產生之匯兌差額均在其其他全面收益內確認並在外幣換算儲備內累計。

於綜合賬目時，因換算組成外國實體投資淨額一部分的貨幣項目產生的滙兌差異，於其他全面收入內確認及於外幣換算儲備中累計。當出售一項海外業務，該等滙兌差額作為出售收益或虧損之一部份重新分類至全面收入。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

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4. 主要會計政策 (續)

(d) 物業、廠房及設備

物業、廠房及設備，包括持作生產或供應貨物或服務或者行政用途的樓宇（除下文所述在建物業外），於綜合財務狀況表按成本減其後累計折舊及其後累計減值虧損（如有）列示。

其後成本僅在本集團可能獲得與該項目有關的未來經濟利益及該項目的成本能可靠計量時，計入資產賬面值或確認為獨立資產（如適用）。所有其他維修及保養於其產生期間於損益內確認。

物業、廠房及設備折舊乃按足以在其估計可使用年期內核銷其成本減剩餘價值的折舊率以直線法計算。主要折舊年率如下：

租賃物業裝修	租期或3年 (以較短期間為準)
樓宇	2.25-4.5%
機械設備	9%
汽車	18%
裝置及辦公室設備	18%

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment

Property, plant and equipment, including buildings and held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold Improvements	Over the shorter of the lease term or 3 years
Buildings	2.25-4.5%
Machinery and equipment	9%
Motor vehicles	18%
Fixtures and office equipment	18%

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4. 主要會計政策 (續)

(d) 物業、廠房及設備 (續)

於各報告期末對剩餘價值、可使用年期及折舊方法進行檢討及作出調整 (如適用)。

在建工程指在建樓宇或有待安裝之廠房及設備，並以成本減去減值虧損列賬。折舊於相關資產可使用時開始計算。

出售物業、廠房及設備的收益或虧損乃銷售所得款項淨額及相關資產的賬面值之間的差額，並於損益內確認。

(e) 租賃

本集團於合約初始評估有關合約是否屬租賃或包含租賃。倘合約賦予權利於一段期間內控制特定資產的用途以換取代價，則該合約為租賃或包含租賃。當客戶有權指示可識別資產的用途以及從該用途中獲得絕大部分經濟利益時，即表示擁有控制權。

(i) 本集團作為承租人

自二零一九年一月一日起適用的政策

當合約包含租賃部分及非租賃部分，本集團選擇不區分非租賃部分並將各租賃部分及任何相關非租賃部分入賬列為所有租賃的單一租賃部分。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment (Continued)

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(e) Leases

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.

(i) The Group as a lessee

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.

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4. 主要會計政策 (續)

(e) 租賃 (續)

(i) 本集團作為承租人 (續)

自二零一九年一月一日起適用的政策 (續)

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租賃除外，本集團的低價值資產租賃主要為筆記本電腦及辦公室傢俱。當本集團就低價值資產訂立租約時，本集團會決定是否按個別租賃基準將租賃資本化。與該等未資本化租賃相關的租賃付款於租期內按系統基準確認為開支。

當租賃已資本化，租賃負債初步按租期應付租賃付款現值確認，並按租賃中所隱含的利率貼現，或倘該利率不能輕易釐定，則以相關增量借款利率貼現。於初始確認後，租賃負債按攤銷成本計量，而利息開支則採用實際利率法計量。租賃負債的計量並不包括不依賴指數或利率的可變租賃付款，因此可變租賃付款於其產生的會計期間在損益中扣除。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

(i) The Group as a lessee (Continued)

Policy applicable from 1 January 2019 (Continued)

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. 主要會計政策 (續)

(e) 租賃 (續)

(i) 本集團作為承租人 (續)

自二零一九年一月一日起適用的政策 (續)

於資本化租賃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任何所產生的初始直接成本。倘適用，使用權資產的成本亦包括拆卸及移除相關資產或還原相關資產或該資產所在地而產生的估計成本，按其現值貼現並扣減任何所收的租賃優惠。使用權資產隨後按成本減累計折舊及減值虧損列賬。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

(i) The Group as a lessee (Continued)

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.

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

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4. 主要會計政策 (續)

(e) 租賃 (續)

(i) 本集團作為承租人 (續)

自二零一九年一月一日起適用的政策 (續)

已付可退還按金根據香港財務報告準則第9號入賬，並初步按公允價值計量。於初始確認時對公允價值的調整被視為額外租賃付款並計入使用權資產成本。

倘指數或利率變化引致未來租賃付款出現變動，或本集團預期根據剩餘價值擔保應付的估計金額產生變化，或就本集團是否合理確定將行使購買、續租或終止選擇權的有關重新評估產生變化，則租賃負債將重新計量。倘以這種方式重新計量租賃負債，則應當對使用權資產的賬面值進行相應調整，而倘使用權資產的賬面值已調減至零，則應於損益列賬。

本集團於綜合財務狀況表單獨呈列並不符合投資物業定義的使用權資產及租賃負債。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

(i) The Group as a lessee (Continued)

Policy applicable from 1 January 2019
(Continued)

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

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 properties and lease liabilities separately in the consolidated statement of financial position.

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4. 主要會計政策 (續)

(e) 租賃 (續)

(i) 本集團作為承租人 (續)

於二零一九年一月一日前的政策

於比較期間，倘租賃將所有權的絕大部分風險及回報轉移至本集團，則本集團（作為承租人）將租賃分類為融資租賃。並無將擁有權的絕大部分風險及回報轉移至本集團的租賃分類為經營租賃，惟根據經營租賃持有並符合投資物業定義的物業則按個別物業基準分類為投資物業（倘分類）。

倘本集團以融資租賃獲得資產的使用權，便會將相當於租賃資產公允價值或該資產的最低租賃付款現值（以較低者為準）的金額確認為物業、廠房及設備，而扣除融資費用後的相應負債則記錄為融資租賃承擔。折舊是在相關的租期或資產的可用期間（如本集團很可能取得資產的所有權）內，以沖銷其成本或估值的比率計提。租賃付款內含的融資費用於租期內在損益扣除，使每個會計期間的融資費用佔承擔餘額的比率大致相同。或然租賃付款在其產生的會計期間於損益扣除。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

(i) The Group as a lessee (Continued)

Policy 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, except for the property held under operating leases that would otherwise meet the definition of an investment property was classified as investment property on a property-by-property basis and, if classified.

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. 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.

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4. 主要會計政策 (續)

(e) 租賃 (續)

(i) 本集團作為承租人 (續)

於二零一九年一月一日前的政策 (續)

如果本集團以經營租賃獲得資產的使用權，則根據租賃作出的付款會在租期所涵蓋的會計期間內，以等額計入損益；但如有其他基準能更清楚地反映租賃物所產生的收入模式則除外。所收到的租賃優惠於損益確認為租賃淨付款總額的一部分。或然租賃付款在其產生的會計期間於損益扣除。

(f) 無形資產

(i) 單獨收購的無形資產 – 軟件

軟件按成本減累積攤銷及減值虧損列賬。攤銷以直線法按其估計可使用年期以年率10%計算。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

(i) The Group as a lessee (Continued)

Policy 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.

(f) Intangible assets

(i) Intangible assets acquired separately – software

Software is stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives at an annual rate of 10%.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

4. 主要會計政策 (續)

(f) 無形資產 (續)

(ii) 業務合併中收購的無形資產－商標及銷售網絡

商標及銷售網絡按成本減累計攤銷及減值虧損列賬。攤銷以直線法按其估計可使用年期以年率5%計算。

(g) 存貨

存貨按成本及可變現淨值之較低者列賬。成本按加權平均基準計算。製成品之成本包括原材料、直接勞工及所有生產經常性開支之適當部分以及(如適用)分包費用。可變現淨值乃按日常業務過程中估計銷售價格減去估計完工成本及估計銷售所需費用計算。

(h) 合約負債

倘客戶於本集團確認相關收益之前支付代價，即確認合約負債。倘本集團有無條件權利在本集團確認相關收益前收取代價，則合約負債亦會獲確認。在此情況下，亦將確認相應的應收款項。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Intangible assets (Continued)

(ii) Intangible assets acquired in business combination – trademarks and sales network

Trademarks and sales network are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives at an annual rate of 5%.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. 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.

(h) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. 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.

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4. 主要會計政策 (續)

(i) 確認及終止確認金融工具

金融資產及金融負債於本集團成為工具合約條文之訂約方時，於綜合財務狀況表內確認。

金融資產及金融負債初始按照公允價值計量。於初始確認時，收購或發行金融資產及金融負債而直接應佔的交易成本（按公允價值計入損益的金融資產及金融負債除外）會按適用情況加入或扣減自該等金融資產或金融負債的公允價值。收購按公允價值計入損益之金融資產或金融負債直接應佔之交易成本即時於損益確認。

本集團僅於從資產收取現金流量之合約權利屆滿時，或當其將金融資產及該資產所有權之絕大部份風險及回報轉讓予另一實體時，方會終止確認金融資產。倘本集團既無轉讓亦無保留所有權之絕大部份風險及回報，並繼續控制已轉讓資產，則本集團確認其於資產的保留權益及其就可能須支付款項的相關負債。倘本集團保留已轉讓金融資產所有權之絕大部份風險及回報，則本集團繼續確認該金融資產，並同時確認已收所得款項之有抵押借款。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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4. 主要會計政策 (續)

(i) 確認及終止確認金融工具 (續)

本集團僅於本集團責任獲解除、註銷或屆滿時，方終止確認金融負債。終止確認的金融負債的賬面值與已付及應付代價（包括所轉讓之非現金資產或所承擔之負債）的差額乃於損益中確認。

(j) 金融資產

所有定期購入或出售的金融資產於交易當日確認及終止確認。定期購入或出售指按市場規則或慣例所設定之既定期間內規定交收資產而購入或出售金融資產。視乎金融資產的分類，所有已確認的金融資產其後須全數按攤銷成本或公允價值計量。

債務投資

本集團持有的債務投資分類為以下其中一個計量類別：

- 按攤銷成本，倘持有投資的目的為收取合約現金流量，即純粹為獲得本金及利息付款。投資所得利息收入乃使用實際利率法計算。
- 按公允價值計入損益，倘投資不符合按攤銷成本或按公允價值計入其他全面收益（可劃轉）計量的標準。投資之公允價值變動（包括利息）於損益確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Recognition and derecognition of financial instruments (Continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(j) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- FVTPL, if the investment does not meet the criteria for being measured at amortised cost or fair value through other comprehensive income (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

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4. 主要會計政策 (續)

(k) 貿易及其他應收款項

應收款項於本集團有無條件權利收取代價時予以確認。倘代價到期付款前僅需待期間推移，則收取代價之權利為無條件。如收益在本集團有無條件權利收取代價前已確認，則金額呈列為合約資產。

應收款項以實際利率法減信貸虧損撥備按攤銷成本列賬。

(l) 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、銀行及其他金融機構的活期存款以及購入後於三個月內到期可隨時轉換為已知金額現金的短期高流通性並且價值改變風險不大的投資。就綜合現金流量表而言，按要求償還並構成本集團現金管理不可或缺部份之銀行透支，亦列為現金及現金等價物。將對現金及現金等價物評估預期信貸虧損（「預期信貸虧損」）。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) 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.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(l) Cash and cash equivalents

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

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4. 主要會計政策 (續)

(m) 金融負債及股本工具

金融負債及股本工具乃根據所訂立合約安排之實質內容以及香港財務報告準則中金融負債及股本工具之定義予以分類。股本工具為證明本集團資產具有剩餘權益(經扣除其所有負債)之任何合約。下文載列就特定金融負債及股本工具採納之會計政策。

(n) 借款

銀行借款初步按公允價值(扣除所產生之交易成本)確認,其後使用實際利率法按攤銷成本計量。

除非本集團有無條件權利將負債的結算遞延至報告期後最少12個月,否則銀行借款分類為流動負債。

(o) 貿易及其他應付款項

貿易及其他應付款項初步按其公允價值確認,其後採用實際利率法按攤銷成本計量,除非貼現影響甚微,於此情況下,則以成本列賬。

(p) 股本工具

股本工具為證明實體資產具有剩餘權益(經扣除其所有負債)之任何合約。本公司發行之股本工具按已收所得款項扣除直接發行成本確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(n) Borrowings

Bank borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Bank borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(o) Trade and other payables

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

(p) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

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4. 主要會計政策 (續)

(q) 收益及其他收入

收益於產品或服務的控制權按本集團預期有權獲取的承諾代價金額(不包括代表第三方收取的金額)轉移至客戶時予以確認。收益為扣除增值稅、其他銷售稅及任何貿易折扣後的金額。

烘焙產品銷售收益於產品控制權轉移時(即產品交付予客戶時)確認。當產品運送到指定地點時交付即告完成。本集團在貨品交付時確認應收款,因為在此時點收回對價的權利是無條件的,本集團僅需等待客戶到期付款。

本集團向客戶發行及出售不可退款提貨券用於在固定未來期間內兌換本集團產品。考慮到可變代價估計之約束,客戶未必行使其所有權利,而該等未獲行使的權利按照客戶已行使權利所佔比例模式確認為收益。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Revenue and other income

Revenue is recognised when control over a product or service 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.

Revenue from the sales of bakery products is recognised when control of the products has transferred, being when the products are delivered to the customers. Delivery occurs when the products have been shipped to the specific location. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group issues and sells coupons to the customers which are non-refundable and are redeemed in exchange for products of the Group within a fixed future period. Customers may not always exercise all their rights and those unexercised rights are recognised as revenue in proportion to the pattern of rights excised by the customers, taking into account of constrain in the estimation of variable consideration.

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4. 主要會計政策 (續)

(q) 收益及其他收入 (續)

利息收入於產生時按實際利率法確認。就並無信貸減值而按攤銷成本計量的金融資產而言，資產賬面值總值應用實際利率。就信貸減值金融資產而言，實際利率應用於資產攤銷成本（即賬面值總值扣除虧損撥備）。

銀行利息收入按時間比例採用實際利息法確認。

(r) 僱員福利

(i) 僱員應享假期

僱員應享有之年假及長期服務假期在僱員應享有時確認。本集團為截至報告期末僱員已提供之服務而產生之年假及長期服務假期之估計負債作出撥備。

僱員之病假及產假直至僱員正式休假時方予確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Revenue and other income (Continued)

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.

Bank interest income is recognised on a time-proportion basis using the effective interest method.

(r) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

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4. 主要會計政策 (續)

(r) 僱員福利 (續)

本集團經營多項離職後計劃，包括界定供款退休金計劃。

(ii) 退休金責任

本集團為所有僱員提供定額供款退休金計劃。本集團及僱員向計劃作出之供款乃根據僱員基本薪金之百分比計算。於損益內扣除之退休福利計劃成本乃指本集團應付基金之供款。

(iii) 離職福利

離職福利乃於本集團不能再撤銷提供該等福利之日及本集團確認重組成本並涉及支付離職福利之日 (以較早者為準) 確認。

(s) 以股份為基礎的付款

本集團向若干董事及僱員發行以權益結算以股份為基礎的付款。

向董事及僱員作出以權益結算以股份為基礎的付款按股本工具於授出日期之公允價值計量 (不計入非市場化之歸屬條件的影響)。以權益結算以股份為基礎的付款授出當日釐定之公允價值，根據本集團所估計最終歸屬之股份 (並因應非市場化之歸屬條件的影響進行調整)，按歸屬期以直線法支銷。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Employee benefits (Continued)

The Group operates various post-employment schemes, including defined contribution pension plans.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

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

(s) Share-based payments

The Group issues equity-settled share-based payments to certain directors and employees.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

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4. 主要會計政策 (續)

(t) 借貸成本

直接涉及收購、建築或生產合資格資產(即必須經過一段頗長期間方能作擬定用途或出售的資產)之借貸成本會被資本化為該等資產之部分成本,直至該等資產大致上準備好作擬定用途或出售為止。就特定借款,因有待合資格資產的支出而臨時投資賺取的投資收入,應自合資格資本化的借貸成本中扣除。

以一般性借入資金用於獲取一項合資格資產為限,可撥充資本之借貸成本數額乃透過該項資產之支出所採用之資本化率而釐定。資本化率為適用於本集團於期內未償還借款的加權平均借貸成本,惟就取得合資格資產而借入的特定借款除外。自二零一九年一月一日起,任何於相關資產準備用於其擬定用途或出售后仍未償還的特定借款會計入一般借款組別,以計算一般借款的資本化比率。

所有借貸成本於產生期間於損益確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Effective 1 January 2019, any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

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

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4. 主要會計政策 (續)

(u) 政府補助

政府補助於出現合理保證本集團將會遵守附帶之條件及收取補助前，均不會確認。

與收入有關之政府補助乃作遞延處理，並在與其擬補償之相關成本相配之期間內於損益內確認。

作為已承擔開支或虧損的補償或向本集團提供即時財務援助而可收取（並無日後相關成本）的政府補助，乃於其成為可收取的期間於損益內確認。

(v) 稅項

所得稅是指即期稅項及遞延稅項之總額。

應付即期稅項按年內應課稅溢利計算。由於其他年度應課稅或可扣稅收入或開支的項目，以及從不課稅或扣稅的項目，故應課稅溢利與於損益確認的溢利有所不同。本集團按報告期末已頒佈或實質頒佈之稅率計算即期稅項負債。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

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

(v) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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4. 主要會計政策 (續)

(v) 稅項 (續)

遞延稅項為就綜合財務報表內資產及負債賬面值與計算應課稅溢利相應稅基之差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於可能出現應課稅溢利，以致可扣稅暫時差額、未動用稅項虧損或未動用稅項抵免可予動用時確認。倘暫時差額因商譽或初始確認一項不影響應課稅溢利或會計溢利交易之其他資產及負債（業務合併除外）而產生，則不會確認有關稅項資產及負債。

遞延稅項負債乃按於附屬公司的投資而產生之應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額之撥回及暫時差額可能不會於可見將來撥回則除外。

遞延稅項資產之賬面值會於各報告期末作檢討，並扣減至應課稅溢利不可能足以收回全部或部分資產為止。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Taxation (Continued)

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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4. 主要會計政策 (續)

(v) 稅項 (續)

遞延稅項乃根據於報告期末已實施或實質上已實施之稅率，按預期在負債償還或資產變現期間適用之稅率計算。遞延稅項於損益中確認，惟倘遞延稅項與於其他全面收益或直接於權益中確認之項目有關，則遞延稅項亦於其他全面收益或直接於權益中確認。

遞延稅項資產及負債之計量反映本集團預期於報告期末收回或償還其資產及負債賬面值方式之稅務影響。

為計量本集團於其確認使用權資產及相關租賃負債的租賃交易的遞延稅項，本集團會首先釐定稅務扣減項目是否歸屬於使用權資產或租賃負債。

就稅項扣減乃因租賃負債而產生的租賃交易而言，本集團就使用權資產及租賃負債單獨應用香港會計準則第12號的規定。由於應用初始確認豁免，故與使用權資產及租賃負債相關之暫時差額不會於初始確認時及於租期內確認。

當有合法執行權利許可將即期稅項資產與即期稅項負債抵銷，且與同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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4. 主要會計政策 (續)

(w) 非金融資產減值

本集團於各報告日期就減值跡象審閱非金融資產之賬面值，倘資產減值，將撇減其估計可收回金額以於綜合損益表內呈列為開支。可收回金額就個別資產釐定，惟倘資產並無產生大部分獨立於其他資產或資產組合之現金流入，則可收回金額就資產所屬之現金產生單位釐定。倘為此情況，則可收回金額按資產所屬現金產生單位釐定。可收回金額以個別資產或現金產生單位之使用價值及公允價值減出售成本兩者之較高者為準。

使用價值為資產／現金產生單位之估計未來現金流量現值。現值按反映貨幣時間價值及資產／現金產生單位(已計量減值)的特定風險稅前貼現率計算。

現金產生單位之減值虧損首先就該單位之商譽進行分配，然後按比例在現金產生單位其他資產間進行分配。隨後估計變動導致的可收回金額增加計入損益，直至撥回減值。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

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4. 主要會計政策 (續)

(x) 金融資產減值

本集團就貿易應收款項確認全期預期信貸虧損。此等金融資產的預期信貸虧損乃根據本集團過往信貸虧損經驗使用撥備矩陣進行估計，並根據債務人特定因素、一般經濟狀況及對當前及報告日期的條件預測方向的評估，包括貨幣的時間價值（倘適用）而作出調整。

對於所有其他金融工具，本集團在信貸風險自初始確認以來顯著上升時確認全期預期信貸虧損。另一方面，倘金融工具的信貸風險自初始確認後並無顯著增加，則本集團按相等於12個月預期信貸虧損的金額計量該金融工具的虧損撥備。

全期預期信貸虧損指於金融工具預期存續期內所有可能違約事件導致之預期信貸虧損。相對而言，12個月之預期信貸虧損指全期預期信貸虧損中預期於報告日期後12個月內金融工具可能發生之違約事件預期會導致之部份。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets

The Group always recognises lifetime ECL for trade receivables. The expected credit losses 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, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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

4. 主要會計政策 (續)

(x) 金融資產減值 (續)

信貸風險大幅增加

在評估自初始確認以來金融工具的信貸風險是否顯著增加時，本集團將金融工具於報告日期發生的違約風險與金融工具於初始確認日期發生的違約風險進行比較。進行此評估時，本集團會考慮合理且有理據的定量及定性資料，包括過往經驗及無需付出不必要的成本或努力而可獲得的前瞻性資料。所考慮的前瞻性資料包括獲取自經濟專家報告、金融分析師、政府機構、相關智庫及其他類似組織的本集團債務人經營所在行業的未來前景，以及與本集團核心業務相關的實際及預測經濟資料的各種外部來源。

在評估自初始確認後信貸風險是否顯著增加時會特別考慮以下資料：

- 金融工具的外部（如有）或內部信貸評級的實際或預期顯著惡化；
- 特定金融工具的外部市場信用風險指標顯著惡化；

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;

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4. 主要會計政策 (續)

(x) 金融資產減值 (續)

信貸風險大幅增加 (續)

- 預計將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；
- 同一債務人的其他金融工具的信貸風險大幅增加；
- 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期的重大不利變化。

不論上述評估結果如何，本集團均假設合約付款逾期超過30日後金融資產的信貸風險已自初始確認以來顯著上升，除非本集團有合理及可靠資料證明其他情況則當別論。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

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4. 主要會計政策 (續)

(x) 金融資產減值 (續)

信貸風險大幅增加 (續)

儘管如此，倘金融工具於報告日期被釐定為具有低信貸風險，則本集團假設金融工具的信貸風險自初始確認以來並無顯著增加。在以下情況下，金融工具會被判定為具有較低信貸風險：

- (i) 金融工具具有低違約風險；
- (ii) 借方近期承擔合約現金流量責任的能力極強；及
- (iii) 從長遠看，經濟及商業環境的不利變化可能但並非一定會削弱借方履行合約現金流量責任的能力。

本集團認為，若根據眾所周知的定義，資產的外部信貸評級為「投資級」，或若無外部信貸評級，資產的內部信貸評級為「履約」，則該金融資產具有較低信貸風險。履約指交易對手具有強勁財務狀況且並無逾期款項。

本集團定期監控用於識別信貸風險是否大幅增加之準則的有效性，並在適當情況下作出修訂，以確保該準則能在款項逾期前識別到其信貸風險已大幅增加。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default,
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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4. 主要會計政策 (續)

(x) 金融資產減值 (續)

違約的定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回：

- 交易對手違反財務契諾；或
- 內部產生或獲取自外部來源的資料表明，債務人不太可能向債權人（包括本集團）全額還款（不考慮本集團持有的任何抵押品）。

無論上述情況如何，一般而言，當金融資產逾期超過90天時，本集團均認為違約已發生，除非本集團有合理且可靠資料證明更長期間的違約標準更為恰當，則作別論。

發生信貸減值的金融資產

倘發生一項或多項事件對金融資產之未來現金流量之估計有不利影響時，則金融資產已發生信貸減值。金融資產信貸出現減值之憑據包括下列事項中之可觀察數據：

- 發行人或交易對手出現重大財務困難；

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is generally more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;

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4. 主要會計政策 (續)

(x) 金融資產減值 (續)

發生信貸減值的金融資產 (續)

- 違反合約 (如拖欠或逾期事件)；
- 交易對手的貸款人出於與交易對手財務困難相關的經濟或合約原因，而向交易對手授予貸款人原本不會考慮的優惠；
- 交易對手可能破產或進行其他財務重組；或
- 該金融資產的活躍市場因財務困難而消失。

核銷政策

倘有資料顯示債務人有嚴重財務困難且無實際可收回期望 (包括債務人已進行清算或已進入破產程序) 或 (倘為貿易應收款項) 賬款逾期超過兩年 (以較早發生者為準)，本集團會核銷金融資產。根據本集團收回程序並考慮法律建議 (如適用)，所核銷之金融資產可能仍受到執法活動之約束。所收回之任何款項於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets (Continued)

Credit-impaired financial assets (Continued)

- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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4. 主要會計政策 (續)

(x) 金融資產減值 (續)

計量及確認預期信貸虧損

預期信貸虧損的計量為違約概率、違約損失率(即違約發生時的損失程度)及違約風險的函數。評估違約概率及違約損失率的依據為過往數據，並按上述前瞻性資料調整。至於違約風險敞口，就金融資產而言，則於報告日期在資產的賬面值總值中反映。

金融資產的預期信貸虧損按根據合約應付本集團的所有合約現金流量與本集團預計收取的所有現金流量(按原定實際利率貼現)之間的差額估算。

倘本集團於上一個報告期間按相等於全期預期信貸虧損的金額計量金融工具的虧損撥備，惟於本報告日期釐定該全期預期信貸虧損的條件不再符合，則本集團於本報告日期按相等於12個月預期信貸虧損的金額計量虧損撥備，惟使用簡化法的資產除外。

本集團於損益中確認所有金融工具的減值收益或虧損，並透過虧損撥備賬項相應調整其賬面值。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets (Continued)

Measurement and recognition of ECL

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

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4. 主要會計政策 (續)

(y) 撥備及或然負債

當本集團因已發生的事件須承擔現有法定或推定責任，而履行責任有可能導致經濟利益流出，並可準確估計責任金額的情況下，須對該等期間或金額不確定之負債確認撥備。倘貨幣的時間價值重大，則撥備之金額乃按預期用於解除該責任之支出之現值列賬。

倘需要經濟利益流出的機會不大，或責任金額無法可靠估計，則責任乃披露為或然負債，除非經濟利益流出之可能性極低則另作別論。可能出現之責任，即是否存在將取決於日後是否會發生一宗或多宗事件，除非經濟利益流出之可能性極低，否則這些負債亦披露為或然負債。

(z) 報告期後事項

為本集團於報告期末之狀況提供額外資料之報告期後事項均屬於調整事項，並於綜合財務報表內反映。並非調整事項之重大報告期後事項則於綜合財務報表附註中披露。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present 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 expenditures 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 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 is remote.

(z) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

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5. 重要判斷及主要估計

應用會計政策之重大判斷

在應用會計政策的過程中，董事作出以下判斷，其對綜合財務報表內確認的金額具有最重大影響（涉及估計者除外，該等判斷在下文處理）。

(a) 持續經營基準

該等綜合財務報表乃按持續經營基準編製，其有效性取決於本集團透過成功實施綜合財務報表附註2所述措施取得足夠融資及產生經營現金流量的能力。

(b) 信貸風險大幅增加

誠如附註4(x)所述，預期信貸虧損就第1階段資產按等於12個月預期信貸虧損的撥備計量，就第2階段或第3階段資產按全期預期信貸虧損的撥備計量。資產在其信貸風險自初始確認後顯著增加時轉入第2階段。香港財務報告準則第9號並無界定構成信貸風險大幅增加的因子。於評估資產的信貸風險是否顯著增加時，本集團會考慮定性及定量的合理且有依據的前瞻性資料。

5. CRITICAL JUDGEMENT AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group's ability to obtain adequate financing and generate operating cash flows through the successful fulfillment of the measures described in note 2 to the consolidated financial statements.

(b) Significant increase in credit risk

As explained in note 4(x), ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

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5. 重要判斷及主要估計 (續)

(c) 釐定租期

於開始日期釐定包含本集團可行使的續租權的租賃租期時，本集團會評估行使續租權之可能性，並考慮到所有能形成經濟誘因促使本集團行使續租權之相關事實及情況（包括有利條款、已作出之租賃物業裝修及該相關資產對本集團經營之重要性）。

一般而言，其他物業租賃的延長選擇權所涵蓋的期間並無計入租賃負債，因為本集團可在並無重大成本或業務中斷的情況下替換資產。詳情請參閱附註21。

倘發生重大事件或情況出現重大變動而該等事件或變動受本集團控制，則將重新評估租期。於本財政年度，概無重新評估租期。

估計不明朗因素之主要來源

下文詳述有關未來的主要假設及於報告期末的其他估計不明朗因素之主要來源，而該等假設及不明朗因素估計存在導致下一財政年度的資產及負債賬面須作重大調整的重大風險。

5. CRITICAL JUDGEMENT AND KEY ESTIMATES (Continued)

(c) Determining the lease term

In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation.

Generally, periods covered by an extension option in other properties leases have not been included in the lease liability because the Group could replace the assets without significant cost or business disruption. See note 21 for further information.

The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. During the current financial year, no lease term has been reassessed.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

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5. 重要判斷及主要估計 (續)

估計不明朗因素之主要來源 (續)

(a) 物業、廠房及設備以及使用權資產減值

物業、廠房及設備以及使用權資產按成本減累計攤銷及折舊以及任何減值列賬。於釐定資產是否減值時，本集團須作出判斷及估計，尤其是評估：(1) 是否發生可能影響資產價值的事件或任何指標；(2) 資產賬面值是否獲得可收回金額的支持，就使用價值而言，根據持續使用資產估計的未來現金流量淨現值；及(3) 估計可收回金額所用的適當主要假設，包括現金流量預測及適當貼現率。當無法估計個別資產（包括使用權資產）的可收回金額時，本集團會估計該資產所屬的現金產生單位的可收回金額。更改假設及估計，包括於現金流量預測內的貼現率或增長率，可重大影響減值測試所採用的淨現值。

於二零一九年十二月三十一日，物業、廠房及設備以及使用權資產的賬面值分別約為人民幣362,174,000元（二零一八年：人民幣369,273,000元）及人民幣207,518,000元（二零一八年：人民幣零元）。

5. CRITICAL JUDGEMENT AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(a) Impairment of property, plant and equipment, and right-of-use assets

Property, plant and equipment, and right-of-use assets are stated at costs less accumulated amortisation and depreciation, and any impairment. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

The carrying amount of property, plant and equipment and the right-of-use assets as at 31 December 2019 were approximately RMB362,174,000 (2018: RMB369,273,000) and RMB207,518,000 (2018: RMB Nil) respectively.

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5. 重要判斷及主要估計 (續)

估計不明朗因素之主要來源 (續)

(b) 商譽及無形資產減值

釐定商譽及無形資產是否減值時需估計獲分配商譽之現金產生單位之使用價值。使用價值計算要求本集團估計預期產生自現金產生單位之未來現金流量及合適之貼現率以計算現值。經扣除累計減值虧損人民幣20,147,000元後，商譽於報告期末的賬面值為人民幣零元。有關減值虧損計算之詳情載於綜合財務報表附註22。

於二零一九年十二月三十一日，無形資產的賬面值約為人民幣3,747,000元（二零一八年：人民幣5,034,000元）。有關減值虧損計算之詳情載於綜合財務報表附註23。

(c) 貿易應收款項減值

本集團管理層基於貿易應收款項的信貨風險估計貿易應收款項預期信貸虧損的減值虧損金額。基於預期信貸虧損模式的減值虧損金額乃根據合約中應付本集團之合約現金流量總額與本集團預計收取之現金流量總額（以初始確認時釐定之實際利率貼現）之差額計量。倘未來現金流量少於預期，或因事實及情況變動而需下調，則可能產生重大減值虧損。

5. CRITICAL JUDGEMENT AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(b) Impairment of goodwill and intangible assets

Determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at the end of the reporting period was RMB Nil after an accumulated impairment loss of RMB20,147,000. Details of the impairment loss calculation are provided in note 22 to the consolidated financial statements.

The carrying amount of intangible assets as at 31 December 2019 was approximately RMB3,747,000 (2018: RMB5,034,000). Details of the impairment loss calculation are provided in note 23 to the consolidated financial statements.

(c) Impairment of trade receivables

The management of the Group estimates the amount of impairment loss for ECL on trade receivables based on the credit risk of trade receivables. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

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5. 重要判斷及主要估計 (續)

估計不明朗因素之主要來源 (續)

(c) 貿易應收款項減值 (續)

於二零一九年十二月三十一日，貿易應收款項的賬面值為人民幣13,656,000元（扣除減值虧損撥備人民幣394,000元）（二零一八年：人民幣14,600,000元（扣除減值虧損撥備人民幣394,000元））。

(d) 滯銷存貨撥備

滯銷存貨撥備乃根據存貨賬齡及估計存貨可變現淨值而作出。評估撥備金額涉及判斷及估計。倘日後之實際結果有別於原來估計，則該等差額將於上述估計出現變動期間影響存貨及撥備開支／撥回之賬面值。截至二零一九年十二月三十一日止年度，概無就滯銷存貨作出撥備（二零一八年：人民幣零元）。

(e) 所得稅

本集團須於多個司法權區繳納所得稅。計提所得稅撥備時須作出重大估計。多項交易及計算最終稅額無法於日常業務過程中釐定。倘該等事宜之最終稅務影響與最初入賬金額有所不同，該等差額將影響稅務釐定期內之所得稅及遞延稅項撥備。截至二零一九年十二月三十一日止年度，約人民幣821,000元的所得稅根據估計溢利自損益扣除（二零一八年：人民幣2,243,000元計入損益）。

5. CRITICAL JUDGEMENT AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) Impairment of trade receivables (Continued)

As at 31 December 2019, the carrying amount of trade receivables was RMB13,656,000 (net of allowance for impairment losses of RMB394,000) (2018: RMB14,600,000 (net of allowance for impairment losses of RMB394,000)).

(d) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed. No allowance for slow-moving inventories was made for the year ended 31 December 2019 (2018: RMB Nil).

(e) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the year ended 31 December 2019, approximately RMB821,000 of income tax was charged to profit or loss based on the estimated profit (2018: RMB2,243,000 was credited to profit or loss).

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6. 財務風險管理

本集團之業務承受各種財務風險：外匯風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求儘量減低對本集團財務表現的潛在不利影響。

(a) 外匯風險

本集團之外匯風險極低，乃由於其業務交易、資產及負債主要以本集團功能貨幣人民幣計值。本集團目前並無就外幣交易、資產及負債制訂任何外幣對沖政策。本集團密切留意外幣風險，並將於有需要時考慮對沖重大外匯風險。對於本集團而言，外匯風險並不重大。

(b) 信貸風險

信貸風險指對手方無法履行金融工具或客戶合約項下的責任而引致金融損失的風險。本集團面臨來自其經營活動（主要為貿易及其他應收款項及應收關聯公司款項）及來自其融資活動（包括銀行及金融機構存款、外幣交易及其他金融工具）的信貸風險。由於現金及現金等價物的對手方為獲得國際信貸評級機構給予高信貸評級的銀行及金融機構，本集團認為其信貸風險低，故本集團因現金及現金等價物而承受的信貸風險有限。

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities, RMB. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise. The foreign currency risk is not significant to the Group.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables and amounts due from related companies) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

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6. 財務風險管理 (續)

(b) 信貸風險 (續)

貿易應收款項

本集團大部份銷售以現金進行或由客戶預付款項。本集團的貿易應收款項主要來自百貨店及現金消費卡發行商。

各業務單元在本集團既有關於客戶信貸風險管理的政策、程序及監控規限下，管理客戶信貸風險。本集團對所有要求超過一定信貸金額的客戶進行個別信貸評估。該等評估集中於客戶過往於賬項到期時的還款記錄及目前的還款能力，並考慮客戶的特定資料以及客戶營運所處經濟狀況。貿易應收款項自賬單日起計30至60天內到期。結餘已逾期三個月以上的債務人須清償所有未償還結餘方可再獲授任何信貸。一般而言，本集團不會要求客戶提供抵押品。

本集團按相等於全期預期信貸虧損之金額計量貿易應收款項虧損撥備，有關金額乃使用撥備矩陣計算得出。由於本集團過往的信貸虧損並未就不同客戶分部顯示重大不同虧損模式，基於逾期狀態的虧損撥備不會進一步於本集團不同客戶基礎之間進一步區分。

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade receivables

Most of the Group's sales are conducted in cash or prepaid by customers. The Group's trade receivables are primarily due from department stores and cash consumer card issuers.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. 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 30-60 days from the date of billing. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables 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.

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6. 財務風險管理 (續)

(b) 信貸風險 (續)

貿易應收款項 (續)

下表載列於二零一九年十二月三十一日有關本集團承受的信貸風險及貿易應收款項的預期信貸虧損：

		二零一九年 2019		
		預期虧損率	賬面值總值 Gross	虧損撥備
		Expected loss rate	carrying amount	Loss allowance
		%	人民幣千元	人民幣千元
		%	RMB'000	RMB'000
即期 (未逾期)	Current (not past due)	–	13,383	–
逾期0至30天	0 to 30 days past due	–	94	–
逾期31至60天	31 to 60 days past due	–	165	–
逾期61至90天	61 to 90 days past due	–	–	–
逾期91至180天	91 to 180 days past due	–	–	–
逾期超過180天	Over 180 days past due	96.57%	408	394
			14,050	394

		二零一八年 2018		
		預期虧損率	賬面值總值 Gross	虧損撥備
		Expected loss rate	carrying amount	Loss allowance
		%	人民幣千元	人民幣千元
		%	RMB'000	RMB'000
即期 (未逾期)	Current (not past due)	–	10,934	–
逾期0至30天	0 to 30 days past due	–	662	–
逾期31至60天	31 to 60 days past due	–	263	–
逾期61至90天	61 to 90 days past due	–	175	–
逾期91至180天	91 to 180 days past due	–	1,532	–
逾期超過180天	Over 180 days past due	27.57%	1,428	394
			14,994	394

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables, as at 31 December 2019:

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6. 財務風險管理 (續)

(b) 信貸風險 (續)

貿易應收款項 (續)

預期虧損率乃基於前一年的實際虧損經驗。該等比率會作出調整以反映已收集過往數據的期間的經濟狀況、當前狀況及本集團對應收款項預期期間經濟狀況的觀點之間的差異。

於二零一九年，綜合財務報表的虧損撥備並無重大變動。

按攤銷成本計量的金融資產

本集團所有按攤銷成本計量的金融資產均被視為具有低信貸風險，故此，期內確認之虧損撥備僅限於12個月預期虧損。管理層認為，本集團所有按攤銷成本計量的金融資產均為低信貸風險，原因為其違約率低及對手方具有強大能力於短期內履行其合約現金流量責任。

按攤銷成本計量的金融資產包括其他應收款項、應收關聯公司款項及購買非流動資產的按金。

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade receivables (Continued)

Expected loss rates are based on actual loss experience over the past 1 year. 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.

There were no significant movements in the loss allowance to the consolidated financial statements during 2019.

Financial assets at amortised cost

All of the Group's financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses. Management considers all of the Group's financial assets at amortised cost to be low credit risk as they have a low of default and the counterparties have a strong capacity to meet its contractual cash flow obligations in the near term.

Financial assets at amortised cost include other receivables, amounts due from related companies and deposits for purchase of non-current assets.

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6. 財務風險管理 (續)

(b) 信貸風險 (續)

按攤銷成本計量的金融資產 (續)

年內按攤銷成本計量的金融資產的虧損撥備變動如下：

		購買非流動 資產的按金 Deposits for purchase of non-current assets 人民幣千元 RMB'000	應收一家 關連公司款項 Amount due from a related company 人民幣千元 RMB'000	其他應收款項 Other receivables 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一八年一月一日	At 1 January 2018	-	-	-	-
年內確認的減值虧損	Impairment losses recognised for the year	-	-	2,540	2,540
於二零一八年 十二月三十一日	At 31 December 2018	-	-	2,540	2,540
年內確認的減值虧損	Impairment losses recognised for the year	11,741	22,920	-	34,661
於二零一九年 十二月三十一日	At 31 December 2019	11,741	22,920	2,540	37,201

本集團並無其他重大集中信貸風險 (二零一八年：無)，風險分散於大量對手方及客戶。

本集團訂有政策確保向具良好信貸記錄之客戶作出銷售。

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Financial assets at amortised cost (Continued)

Movement in the loss allowance for financial assets at amortised cost during the year is as follows:

		購買非流動 資產的按金 Deposits for purchase of non-current assets 人民幣千元 RMB'000	應收一家 關連公司款項 Amount due from a related company 人民幣千元 RMB'000	其他應收款項 Other receivables 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一八年一月一日	At 1 January 2018	-	-	-	-
年內確認的減值虧損	Impairment losses recognised for the year	-	-	2,540	2,540
於二零一八年 十二月三十一日	At 31 December 2018	-	-	2,540	2,540
年內確認的減值虧損	Impairment losses recognised for the year	11,741	22,920	-	34,661
於二零一九年 十二月三十一日	At 31 December 2019	11,741	22,920	2,540	37,201

The Group has no other significant concentration of credit risk (2018: Nil), with exposure spread over a large number of counterparties and customers.

It has policies in place to ensure that sales are made to customers with an appropriate credit history.

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6. 財務風險管理 (續)

(c) 流動資金風險

本集團的政策是定期監控現時及預期流動資金需求，以確保維持足夠現金儲備，滿足其短期及長期之流動資金需求。

本集團非衍生金融負債按合約未貼現現金流量的到期情況分析如下：

		按要求或 於1年內 On demand or within 1 year 人民幣千元 RMB'000	1至2年 Between 1 and 2 years 人民幣千元 RMB'000	2至5年 Between 2 and 5 years 人民幣千元 RMB'000	合約未貼現 現金流量總額 Total contractual undiscounted cash flow 人民幣千元 RMB'000	賬面值 Carrying amount 人民幣千元 RMB'000
於二零一九年 十二月三十一日	At 31 December 2019					
貿易及其他應付款項	Trade and other payables	114,460	-	-	114,460	114,460
應付關連公司款項	Amounts due to related companies	429	-	-	429	429
銀行借款	Bank borrowings	36,323	-	-	36,323	35,950
租賃負債	Lease liabilities	72,726	75,725	62	148,513	125,204
應付股息	Dividend payable	4,708	-	-	4,708	4,708
		228,646	75,725	62	304,433	280,751
於二零一八年 十二月三十一日	At 31 December 2018					
貿易及其他應付款項	Trade and other payables	91,389	-	-	91,389	91,389
應付關連公司款項	Amounts due to related companies	318	-	-	318	318
應付股息	Dividend payable	4,708	-	-	4,708	4,708
		96,415	-	-	96,415	96,415

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

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6. 財務風險管理 (續)

(d) 利率風險

本集團之現金流量利率風險主要與銀行存款及銀行借款有關。本集團之銀行存款按固定利率計息，因此承受公允價值利率風險。

本集團面對的利率風險來自其銀行借款。該等借貸按浮動利率計息，而浮動利率隨當時市場環境而變動。

於二零一九年十二月三十一日，倘利率下降100個基點，而所有其他變數維持不變，年內除稅後綜合虧損將減少約人民幣270,000元（二零一八年：增加人民幣262,000元），主要由於銀行借款利息開支減少及銀行存款利息收入減少所致。倘利率上升100個基點，而所有其他變數維持不變，年內除稅後綜合虧損將增加約人民幣270,000元（二零一八年：減少人民幣262,000元），主要由於銀行借款利息開支增加及銀行存款利息收入增加所致。

6. FINANCIAL RISK MANAGEMENT (Continued)

(d) Interest rate risk

The Group's cash flow interest rate risk primarily relates to bank deposits and bank borrowings. The Group's bank deposits bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to interest-rate risk arises from its bank borrowings. These borrowings bear interests at variable rates that vary with the then prevailing market condition.

At 31 December 2019, if interest rates had been 100 basis points lower with all other variables held constant, consolidated loss after tax for the year would have been approximately RMB270,000 lower (2018: RMB262,000 higher), arising mainly as a result of lower interest expense on bank borrowings and lower interest income on bank deposits. If interest rates had been 100 basis points higher, with all other variables held constant, consolidated loss after tax for the year would have been approximately RMB270,000 higher (2018: RMB262,000 lower), arising mainly as a result of higher interest expense on bank borrowings and higher interest income on bank deposits.

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6. 財務風險管理 (續)

(e) 於十二月三十一日之金融工具類別

	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
金融資產： 按攤銷成本計量的金融資產 (包括現金及現金等價物)	Financial assets: Financial assets at amortised costs (including cash and cash equivalents)	
	103,995	281,412
金融負債： 按攤銷成本計量的金融負債	Financial liabilities: Financial liabilities at amortised cost	
	280,751	96,415

(f) 公允價值

本集團計入綜合財務狀況表中的金融資產及金融負債的賬面值與其各自的公允價值相若。

7. 收益

年內按主要產品線劃分的客戶合約收益分拆如下：

	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
香港財務報告準則第15號 範圍內之客戶合約收益：	Revenue from contracts with customers within the scope of HKFRS 15:	
— 銷售烘焙產品	— Sales of bakery products	
	551,941	664,017
收益確認時間 於某一時間點移交的產品	Timing of revenue recognition Products transferred at a point in time	
	551,941	664,017

6. FINANCIAL RISK MANAGEMENT (Continued)

(e) Categories of financial instruments at 31 December

	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
金融資產： 按攤銷成本計量的金融資產 (包括現金及現金等價物)	Financial assets: Financial assets at amortised costs (including cash and cash equivalents)	
	103,995	281,412
金融負債： 按攤銷成本計量的金融負債	Financial liabilities: Financial liabilities at amortised cost	
	280,751	96,415

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. REVENUE

Disaggregation of revenue from contracts with customers by major products line for the year is as follow:

	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
香港財務報告準則第15號 範圍內之客戶合約收益：	Revenue from contracts with customers within the scope of HKFRS 15:	
— 銷售烘焙產品	— Sales of bakery products	
	551,941	664,017
收益確認時間 於某一時間點移交的產品	Timing of revenue recognition Products transferred at a point in time	
	551,941	664,017

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8. 其他收入、收益／（虧損）

8. OTHER INCOME, GAINS/(LOSSES)

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
銀行存款利息收入	Interest income on bank deposits	1,008	2,504
按金之估計利息收入	Imputed interest income on deposits	331	–
潛在土地收購已付按金之 利息收入	Interest income on deposits paid for a potential acquisition of a land	6,685	–
利息收入總額	Total interest income	8,024	2,504
政府補助（附註）	Government grants (Note)	3,185	6,577
解除資產相關政府補助	Release of asset-related government grants	468	468
按公允價值計入損益的金融資產 的公允價值收益	Fair value gains on financial assets at FVTPL	–	619
核銷物業、廠房及設備之虧損	Loss on written off of property, plant and equipment	(29)	–
出售物業、廠房及設備之虧損	Loss on disposal of property, plant and equipment	(13)	(534)
出售廢料及其他材料虧損	Loss on disposal of scrap and other materials	(271)	(335)
匯兌收益	Exchange gain	120	2,493
物業、廠房及設備減值虧損	Impairment losses on property, plant and equipment	(2,807)	(52,598)
使用權資產減值虧損	Impairment losses on right-of-use assets	(4,076)	–
無形資產減值虧損	Impairment losses on intangible assets	–	(8,932)
租金收入	Rental income	140	118
解除租賃負債	Release of lease liabilities	4,351	–
核銷使用權資產	Written off of the right-of-use assets	(4,101)	–
其他	Others	(38)	947
		4,953	(48,673)

附註：

從地方政府部門收到約人民幣3,185,000元（二零一八年：人民幣6,577,000元）的政府補助，用以鼓勵生產及提升技術，此項補助是無條件的。

Note:

Government grants of approximately RMB3,185,000 (2018: RMB6,577,000) were received from local government authorities for encouraging production and improving technology, of which the entitlement was unconditional.

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9. 金融資產減值虧損撥備淨額

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
已確認減值虧損：	Impairment losses recognised on:		
– 其他應收款項	– Other receivables	–	2,540
– 購買非流動資產的按金	– Deposits for purchase of non-current assets	11,741	–
– 應收一間關連公司款項	– Amount due from a related company	22,920	–
		34,661	2,540

10. 分部資料

本集團僅有一個可呈報經營分部。本公司主要營運決策者（「主要營運決策者」）、首席執行官會整體地審視本集團，且向主要營運決策者呈報的內部報告僅包括按產品種類之收益分析，而不包括任何其他資源分配及表現評估之酌情資料。因此，本集團並無呈列經營分部資料。

9. ALLOWANCE OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

10. SEGMENT INFORMATION

The Group has only one reportable operating segment. The chief operating decision maker (“CODM”) and the Chief Executive Officer of the Company reviews the Group as a whole and internal reports are reported to the CODM including only revenue analysis by product types and no other discretionary information is prepared for resource allocation and performance assessment. Therefore, no operating segment information is presented.

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
貨物類別	Types of goods		
麵包及蛋糕	Bread and cakes	407,651	475,354
月餅	Moon cakes	31,559	58,058
糕點	Pastries	72,210	80,309
其他	Others	40,521	50,296
		551,941	664,017

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10. 分部資料 (續)

地區資料

本集團所有收益、除稅前虧損、資產及負債均源自或位於中國，因而並無呈列地區資料。

來自主要客戶的收益

於截至二零一九年及二零一八年十二月三十一日止年度，並無單一客戶貢獻本集團總收益逾10%。

11. 融資成本

租賃負債利息開支	Interest expenses on lease liabilities	20,301	–
銀行借款利息開支	Interest expenses on bank borrowings	491	–
		20,792	–

12. 所得稅開支／(抵免)

已於損益確認的所得稅如下：

即期稅項	Current tax		
年內撥備－中國	Provision for the year – the PRC	607	36
過往年度撥備不足	Under-provision in prior years	214	161
		821	197
遞延稅項 (附註33)	Deferred tax (Note 33)	–	(2,440)
		821	(2,243)

10. SEGMENT INFORMATION (Continued)

Geographical information

All of the Group's revenue, loss before taxation, assets and liabilities were derived from or located in the PRC, and therefore no geographical information is presented.

Revenue from major customers

No single customer contributed over 10% of the total revenue of the Group for the years ended 31 December 2019 and 2018.

11. FINANCE COSTS

	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
租賃負債利息開支	20,301	–
銀行借款利息開支	491	–
	20,792	–

12. INCOME TAX EXPENSE/(CREDIT)

Income tax has been recognised in profit or loss as following:

	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
即期稅項		
年內撥備－中國	607	36
過往年度撥備不足	214	161
	821	197
遞延稅項 (附註33)	–	(2,440)
	821	(2,243)

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12. 所得稅開支／（抵免）（續）

由於本集團於截至二零一九年及二零一八年十二月三十一日止年度並無應課稅溢利，故無須就香港利得稅計提撥備。

中國企業所得稅乃按稅率25%（二零一八年：25%）計提撥備。

根據中國企業所得稅法，外資企業將二零零八年一月一日之後賺取的利潤用於派發股息，將對外國投資者徵收10%的預扣所得稅。

其他地區應課稅溢利之稅費已根據本集團經營所在國家之現行稅率及依據現行之法律、詮釋及慣例計算。

所得稅開支／（抵免）與除稅前虧損乘以各稅務司法權區適用所得稅稅率之乘積之對賬如下：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
除稅前虧損	Loss before tax	(223,476)	(234,418)
按各稅務司法權區適用稅率計算的稅項	Tax calculated at the rates applicable to respective tax jurisdictions	(55,052)	(58,479)
毋須課稅收入的稅務影響	Tax effect of income that is not taxable	(2,667)	(1,761)
不可扣稅開支的稅務影響	Tax effect of expenses that are not deductible	3,832	622
未確認暫時差額的稅務影響	Tax effect of temporary differences not recognised	7,826	12,054
未確認稅項虧損的稅務影響	Tax effect of tax losses not recognised	46,668	45,160
過往年度撥備不足	Under-provision in prior years	214	161
所得稅開支／（抵免）	Income tax expense/(credit)	821	(2,243)

12. INCOME TAX EXPENSE/(CREDIT) (Continued)

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the years ended 31 December 2019 and 2018.

PRC Enterprise Income Tax has been provided at a rate of 25% (2018: 25%).

Pursuant to the PRC law on Corporate Income Tax, 10% withholding income tax will be levied on foreign investors for dividend distribution from foreign invested enterprises' profit earned after 1 January 2008.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax expense/(credit) and the product of loss before tax multiplied by the income tax rate applicable to respective tax jurisdictions is as follows:

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13. 年內虧損

本集團之年內虧損乃經扣除／（計入）以下各項後呈列：

13. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/ (crediting) the following:

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
無形資產攤銷	Amortisation of intangible assets	1,287	2,236
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	–	2,146
使用權資產折舊	Depreciation of right-of-use assets	79,755	–
物業、廠房及設備折舊	Depreciation of property, plant and equipment	30,278	45,189
核銷物業、廠房及設備之虧損	Loss on written off of property, plant and equipment	29	–
出售物業、廠房及設備之虧損	Loss on disposal of property, plant and equipment	13	534
經營租賃費用	Operating lease charges		
– 租賃零售門店	– Rented retail outlets	28,334	131,322
員工成本（包括董事薪酬）	Staff costs (Included directors' remuneration)		
– 薪金、花紅及津貼	– Salaries, bonuses and allowances	253,226	278,948
– 退休福利計劃供款	– Retirement benefits scheme contributions	29,231	36,532
		282,457	315,480
核數師酬金	Auditor's remuneration	1,780	2,300
已售存貨成本	Cost of inventories sold	308,615	368,117
金融資產減值虧損撥備淨額	Allowance for impairment loss of financial assets, net	34,661	2,540
物業、廠房及設備減值虧損	Impairment losses on property, plant and equipment	2,807	52,598
使用權資產減值虧損	Impairment losses on right-of-use assets	4,076	–
無形資產減值虧損	Impairment losses on intangible assets	–	8,932

已售存貨成本由員工成本、折舊及經營租賃費用組成，約為人民幣95,017,000元（二零一八年：人民幣131,458,000元），已納入個別披露的款額中。

Cost of inventories sold includes staff costs, depreciation and operating lease charges of approximately RMB95,017,000 (2018: RMB131,458,000) which are included in the amounts disclosed separately.

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14. 僱員福利開支

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
僱員福利開支：	Employee benefits expense:		
薪金、花紅及津貼	Salaries, bonuses and allowances	253,226	278,948
退休福利計劃供款(附註16)	Retirement benefit scheme contributions (Note 16)	29,231	36,532
		282,457	315,480

五名最高薪酬人士

年內本集團的五名最高薪酬人士中包括一名(二零一八年：一名)董事，其酬金已反映於附註15所述的分析。其餘四名(二零一八年：四名)人士之酬金載列如下：

14. EMPLOYEE BENEFITS EXPENSE

Five highest paid individuals

The five highest paid individuals in the Group during the year included 1 (2018: 1) directors whose emoluments are reflected in the analysis presented in note 15. The emoluments of the remaining 4 (2018: 4) individuals are set out below:

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
薪金及津貼	Salaries and allowances	1,680	2,850
酌情花紅	Discretionary bonus	–	440
退休福利計劃供款	Retirement benefit scheme contributions	–	–
		1,680	3,290

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14. 僱員福利開支 (續)

五名最高薪酬人士 (續)

酬金介乎以下範圍：

		人數 Number of individuals	
		二零一九年 2019	二零一八年 2018
零港元至1,000,000港元 (相當於約人民幣零元至 人民幣880,200元)	HK\$Nil to HK\$1,000,000 (approximately equivalent RMBNil to RMB880,200)	4	3
1,000,001港元至1,500,000港元 (相當於約人民幣880,200元至 人民幣1,320,300元)	HK\$1,000,001 to HK\$1,500,000 (approximately equivalent RMB880,200 to RMB1,320,300)	-	-
1,500,001港元至2,000,000港元 (相當於約人民幣1,320,300元至 人民幣1,760,400元)	HK\$1,500,001 to HK\$2,000,000 (approximately equivalent RMB1,320,300 to RMB1,760,400)	-	1
		4	4

14. EMPLOYEE BENEFITS EXPENSE (Continued)

Five highest paid individuals (Continued)

The emoluments fell within the following band:

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15. 董事福利及利益

(a) 董事及首席執行官酬金

截至二零一九年十二月三十一日止年度，各董事及首席執行官的薪酬載列如下：

		就任何人士作為董事（不論為本公司或其附屬企業） 所提供服務已付或應收的酬金					
		Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking					
		袍金	薪金及津貼	酌情花紅	僱主退休 福利計劃供款	以股份 為基礎之付款	總計
		Fees	Salaries and allowances	Discretionary bonus	Employer's contribution to a retirement benefit scheme	Share-based payments	Total
		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
執行董事	Executive Directors						
朱永寧（附註a）	Mr. Zhu Yong Ning (Note a)	-	-	-	-	-	-
林銘田先生	Mr. Lin Ming Tien	-	-	-	-	-	-
詹益昇先生	Mr. Chan I Sheng	-	285	-	-	-	285
江若嫻女士	Ms. Chiang Jo Hsien	-	-	-	-	-	-
曾建利先生（附註b）	Mr. Tseng Chien Li (Note b)	-	-	-	-	-	-
徐志明先生（附註e）	Mr. Xu Chi Ming (Note e)	-	-	-	-	-	-
非執行董事	Non-executive Directors						
洪敦清先生（附註c）	Mr. Hung Dun Ching (Note c)	-	-	-	-	-	-
卓啟明先生	Mr. Chou Chi Ming	-	-	-	-	-	-
林園先生（附註g）	Mr. Lin Yuan (Note g)	-	-	-	-	-	-
石偉光先生	Mr. Shi Weiguang	-	-	-	-	-	-
獨立非執行董事	Independent Non-executive Directors						
高海明先生（附註h）	Mr. Gao Haiming (Note h)	36	-	-	-	-	36
蘇莞文女士	Ms. Su Wanwen	71	-	-	-	-	71
周晨先生（附註d）	Mr. Zhou Chen (Note d)	-	-	-	-	-	-
徐純彬先生（附註d）	Mr. Xu Chun Bin (Note d)	-	-	-	-	-	-
周美林先生（附註i）	Mr. Zhou Meilin (Note i)	-	-	-	-	-	-
陳石先生（附註i）	Mr. Chen Shi (Note i)	-	-	-	-	-	-
		107	285	-	-	-	392

15. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive officer's emoluments

For the year ended 31 December 2019, the remuneration of every director and chief executive officer is set out below:

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15. 董事福利及利益 (續)

(a) 董事及首席執行官酬金 (續)

截至二零一八年十二月三十一日止年度，各董事及首席執行官的薪酬載列如下：

		就任何人士作為董事（不論為本公司或其附屬企業） 所提供服務已付或應收的酬金 Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking					
	袍金	薪金及津貼	酌情花紅	僱主退休 福利計劃供款	以股份 為基礎之付款	總計	
	Fees	Salaries and allowances	Discretionary bonus	Employer's contribution to a retirement benefit scheme	Share-based payments	Total	
	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	
首席執行官	Chief executive officer						
羅田安先生 (附註j)	Mr. Lo Tien An (Note j)	-	1,200	400	-	-	1,600
執行董事	Executive Directors						
朱永寧先生 (附註a)	Mr. Zhu Yong Ning (Note a)	-	-	-	-	-	-
林銘田先生	Mr. Lin Ming Tien	-	43	-	-	-	43
詹益昇先生	Mr. Chan I Sheng	-	285	-	-	-	285
江若嫻女士	Ms. Chiang Jo Hsien	-	-	-	-	-	-
徐志明先生 (附註e)	Mr. Xu Chi Ming (Note e)	-	-	-	-	-	-
林煜先生 (附註f)	Mr. Lin Yu (Note f)	-	-	-	-	-	-
盧文強先生 (附註f)	Mr. Lu Wen Chian (Note f)	-	373	30	-	-	403
非執行董事	Non-executive Directors						
卓啟明先生	Mr. Chou Chi Ming	43	-	-	-	-	43
洪敦清先生 (附註c)	Mr. Hung Dun Ching (Note c)	-	-	-	-	-	-
林園先生 (附註g)	Mr. Lin Yuan (Note g)	-	-	-	-	-	-
石偉光先生	Mr. Shi Weiguang	-	-	-	-	-	-
獨立非執行董事	Independent Non-executive Directors						
高海明先生 (附註h)	Mr. Gao Haiming (Note h)	143	-	-	-	-	143
蘇莞文女士	Ms. Su Wanwen	143	-	-	-	-	143
周美林先生 (附註i)	Mr. Zhou Meilin (Note i)	-	-	-	-	-	-
朱念琳先生 (附註h)	Mr. Zhu Nianlin (Note h)	133	-	-	-	-	133
陳石先生 (附註i)	Mr. Chen Shi (Note i)	-	-	-	-	-	-
		462	1,901	430	-	-	2,793

15. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' and chief executive officer's emoluments (Continued)

For the year ended 31 December 2018, the remuneration of every director and chief executive officer is set out below:

		就任何人士作為董事（不論為本公司或其附屬企業） 所提供服務已付或應收的酬金 Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking					
	袍金	薪金及津貼	酌情花紅	僱主退休 福利計劃供款	以股份 為基礎之付款	總計	
	Fees	Salaries and allowances	Discretionary bonus	Employer's contribution to a retirement benefit scheme	Share-based payments	Total	
	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	
首席執行官	Chief executive officer						
羅田安先生 (附註j)	Mr. Lo Tien An (Note j)	-	1,200	400	-	-	1,600
執行董事	Executive Directors						
朱永寧先生 (附註a)	Mr. Zhu Yong Ning (Note a)	-	-	-	-	-	-
林銘田先生	Mr. Lin Ming Tien	-	43	-	-	-	43
詹益昇先生	Mr. Chan I Sheng	-	285	-	-	-	285
江若嫻女士	Ms. Chiang Jo Hsien	-	-	-	-	-	-
徐志明先生 (附註e)	Mr. Xu Chi Ming (Note e)	-	-	-	-	-	-
林煜先生 (附註f)	Mr. Lin Yu (Note f)	-	-	-	-	-	-
盧文強先生 (附註f)	Mr. Lu Wen Chian (Note f)	-	373	30	-	-	403
非執行董事	Non-executive Directors						
卓啟明先生	Mr. Chou Chi Ming	43	-	-	-	-	43
洪敦清先生 (附註c)	Mr. Hung Dun Ching (Note c)	-	-	-	-	-	-
林園先生 (附註g)	Mr. Lin Yuan (Note g)	-	-	-	-	-	-
石偉光先生	Mr. Shi Weiguang	-	-	-	-	-	-
獨立非執行董事	Independent Non-executive Directors						
高海明先生 (附註h)	Mr. Gao Haiming (Note h)	143	-	-	-	-	143
蘇莞文女士	Ms. Su Wanwen	143	-	-	-	-	143
周美林先生 (附註i)	Mr. Zhou Meilin (Note i)	-	-	-	-	-	-
朱念琳先生 (附註h)	Mr. Zhu Nianlin (Note h)	133	-	-	-	-	133
陳石先生 (附註i)	Mr. Chen Shi (Note i)	-	-	-	-	-	-
		462	1,901	430	-	-	2,793

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15. 董事福利及利益 (續)

(a) 董事及首席執行官酬金 (續)

附註：

- (a) 朱永寧先生於二零一八年十一月一日獲委任為執行董事兼首席執行官，並於二零一八年十二月十七日獲委任為董事會主席。朱永寧先生分別於二零一九年五月五日及二零一九年六月十二日退任首席執行官及董事會主席職務。
- (b) 曾建利先生於二零一九年八月三十日獲委任為執行董事。
- (c) 洪敦清先生於二零一八年十二月十七日獲委任為非執行董事，於二零一九年六月十二日獲委任為董事會主席。
- (d) 周晨先生及徐純彬先生分別於二零一九年三月二十九日及二零一九年八月三十日獲委任為獨立非執行董事。周晨先生於二零二零年三月十三日辭任獨立非執行董事。
- (e) 徐志明先生於二零一八年十二月十八日獲委任為執行董事，於二零一九年八月二十日辭任執行董事。
- (f) 盧文強先生及林煜先生分別於二零一八年十月二十九日及二零一八年十二月十七日辭任執行董事。
- (g) 林園先生於二零一八年十二月十七日獲委任為非執行董事，於二零一九年三月二十八日辭任非執行董事。
- (h) 朱念琳先生及高海明先生分別於二零一八年十二月十一日及二零一九年三月二十七日辭任獨立非執行董事。

15. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' and chief executive officer's emoluments (Continued)

Notes:

- (a) Mr. Zhu Yong Ning was appointed as an executive director and a chief executive officer on 1 November 2018 and appointed as a chairman of the board on 17 December 2018. Mr. Zhu Yong Ning was step down from his position as a chief executive officer and chairman of the board on 5 May 2019 and 12 June 2019 respectively.
- (b) Mr. Tseng Chien Li was appointed as an executive director on 30 August 2019.
- (c) Mr. Hung Dun Ching was appointed as a non-executive director and a chairman of the board on 17 December 2018 and 12 June 2019 respectively.
- (d) Mr. Zhou Chen and Mr. Xu Chun Bin were appointed as an independent non-executive director on 29 March 2019 and 30 August 2019, respectively. Mr. Zhou Chen resigned as an independent non-executive director on 13 March 2020.
- (e) Mr. Xu Chi Ming was appointed as an executive director on 18 December 2018 and resigned as an executive director on 20 August 2019.
- (f) Mr. Lu Wen Chian and Mr. Lin Yu were resigned as an executive director on 29 October 2018 and 17 December 2018, respectively.
- (g) Mr. Lin Yuan was appointed as a non-executive director on 17 December 2018 and resigned as a non-executive director on 28 March 2019.
- (h) Mr. Zhu Nianlin and Mr. Gao Haiming were resigned as an independent non-executive director on 11 December 2018 and 27 March 2019, respectively.

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15. 董事福利及利益 (續)

(a) 董事及首席執行官酬金 (續)

附註：(續)

(i) 周美林先生及陳石先生於二零一八年十二月十八日獲委任為獨立非執行董事，其後分別於二零一九年六月二十一日及二零一九年八月二十日辭任獨立非執行董事。

(j) 羅田安先生於二零一八年十一月一日退任首席執行官一職。

於截至二零一九年及二零一八年十二月三十一日止年度，概無董事放棄或同意放棄本集團支付的酬金，亦無已付或應付任何董事作為加入本集團的獎勵或離職補償。

(b) 董事於交易、安排或合約的重大利益

除綜合財務報表附註42所披露之關連人士交易外，本公司或其任何附屬公司概無訂立與本集團業務有關而本公司董事及董事之關連方於其中直接或間接擁有重大利益，且於年末或年內任何時間仍存續之重大交易、安排及合約。

15. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' and chief executive officer's emoluments (Continued)

Notes: (Continued)

(i) Mr. Zhou Meilin and Mr. Chen Shi were appointed as an independent non-executive director on 18 December 2018, and resigned as an independent non-executive director on 21 June 2019 and 20 August 2019, respectively.

(j) Mr. Lo Tien An was step down from his position as chief executive officer on 1 November 2018.

None of the directors waived or agreed to waive any emoluments paid by the Group and no incentive payment for joining the Group or compensation for loss of office was paid or payable to any director during the years ended 31 December 2019 and 2018.

(b) Directors' material interests in transactions, arrangements or contracts

Except the related party transactions disclosed in note 42 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which the directors of the Company and the directors' connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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16. 退休福利計劃

本集團根據《香港強制性公積金計劃條例》為香港所有合資格僱員設有強制性公積金計劃（「強積金計劃」）。本集團向強積金計劃作出之供款按僱員薪金及工資之5%計算，每名僱員每月供款上限為1,500港元。向強積金計劃作出供款後，供款即盡歸僱員所有。

本集團於中國成立之附屬公司的僱員為地方市政府管理的中央退休金計劃成員。該等附屬公司須按僱員基本薪金及工資之若干百分比向中央退休金計劃供款，作為退休福利基金。地方市政府承諾承擔該等附屬公司所有現有及未來退休僱員的退休福利責任。該等附屬公司就中央退休金計劃的唯一責任是根據計劃作出所需供款。

17. 股息

本公司董事不建議就截至二零一九年十二月三十一日止年度派付任何末期股息（二零一八年：無）。

16. RETIREMENT BENEFIT SCHEMES

The Group operates a mandatory provident fund scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group’s contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,500 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees’ basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

17. DIVIDENDS

The directors of the Company did not recommend payment of any final dividend for the year ended 31 December 2019 (2018: Nil).

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18. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃按下列數據計算：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
虧損	Loss		
用於計算每股基本及攤薄虧損之年內虧損	Loss for the year for the purpose of calculating basic and diluted loss per share	(224,297)	(232,175)
		二零一九年 2019 千股 '000	二零一八年 2018 千股 '000
股份數目	Number of shares		
用於計算每股基本及攤薄虧損之普通股加權平均數	Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	1,010,188	1,010,188

用於計算每股基本虧損與每股攤薄虧損的普通股加權平均數相同。

截至二零一九年及二零一八年十二月三十一日止年度，由於本公司尚未行使購股權的行使價高於股份的平均市價，故計算每股攤薄虧損時並無假設該等購股權獲行使。

18. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following:

	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000	
虧損	Loss		
用於計算每股基本及攤薄虧損之年內虧損	Loss for the year for the purpose of calculating basic and diluted loss per share	(224,297)	(232,175)
	二零一九年 2019 千股 '000	二零一八年 2018 千股 '000	
股份數目	Number of shares		
用於計算每股基本及攤薄虧損之普通股加權平均數	Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	1,010,188	1,010,188

The weighted average numbers of ordinary shares used as denominators in calculating the basic and diluted loss per share are the same.

The computation of the diluted loss per share did not assume the exercise of the Company's outstanding share option as the exercise price of those share options was higher than the average market price for shares for the years ended 31 December 2019 and 2018.

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19. 物業、廠房及設備

19. PROPERTY, PLANT AND EQUIPMENT

		租賃物業裝修 Leasehold improvements 人民幣千元 RMB'000	樓宇 Buildings 人民幣千元 RMB'000	廠房及設備 Machinery and equipment 人民幣千元 RMB'000	汽車 Motor vehicles 人民幣千元 RMB'000	裝置及 辦公室設備 Fixtures and office equipment 人民幣千元 RMB'000	在建工程 Construction in progress 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
成本	Cost							
於二零一八年一月一日	At 1 January 2018	217,863	500,921	431,758	17,446	142,188	111,823	1,421,999
添置	Additions	7,175	329	1,269	119	2,031	3,912	14,835
轉讓	Transfer	2,456	-	808	-	-	(3,264)	-
出售	Disposals	-	-	(848)	(626)	(2,440)	-	(3,914)
於二零一八年 十二月三十一日及 二零一九年一月一日	At 31 December 2018 and 1 January 2019	227,494	501,250	432,987	16,939	141,779	112,471	1,432,920
添置	Additions	5,626	-	1,314	380	2,218	16,664	26,202
核銷	Written off	-	-	(2,655)	(4,248)	(13,222)	-	(20,125)
出售	Disposals	-	-	-	-	(1,632)	-	(1,632)
於二零一九年 十二月三十一日	At 31 December 2019	233,120	501,250	431,646	13,071	129,143	129,135	1,437,365
累計折舊	Accumulated depreciation							
於二零一八年一月一日	At 1 January 2018	213,143	233,771	380,798	14,332	127,106	-	969,150
年內支出	Charge for the year	2,681	29,729	10,537	912	1,330	-	45,189
出售	Disposals	-	-	(572)	(564)	(2,154)	-	(3,290)
減值虧損	Impairment losses	11,045	-	27,924	1,359	12,270	-	52,598
於二零一八年 十二月三十一日及 二零一九年一月一日	At 31 December 2018 and 1 January 2019	226,869	263,500	418,687	16,039	138,552	-	1,063,647
年內支出	Charge for the year	2,163	18,515	8,711	211	678	-	30,278
核銷	Written off	-	-	(2,721)	(3,994)	(13,381)	-	(20,096)
出售	Disposals	-	-	-	-	(1,445)	-	(1,445)
減值虧損	Impairment losses	2,807	-	-	-	-	-	2,807
於二零一九年 十二月三十一日	At 31 December 2019	231,839	282,015	424,677	12,256	124,404	-	1,075,191
賬面值	Carrying amount							
於二零一九年 十二月三十一日	At 31 December 2019	1,281	219,235	6,969	815	4,739	129,135	362,174
於二零一八年 十二月三十一日	At 31 December 2018	625	237,750	14,300	900	3,227	112,471	369,273

於二零一九年十二月三十一日，人民幣20,114,000元（二零一八年：人民幣零元）的物業、廠房及設備已抵押作為本集團銀行借款的擔保（附註35）。

At 31 December 2019, RMB20,114,000 of the property, plant and equipment (2018: RMB Nil) pledged as security for the Group's bank borrowings (Note 35).

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19. 物業、廠房及設備 (續)

年內，由於本集團財務表現欠佳，本集團管理層對本集團烘焙業務現金產生單位之生產廠房及其他相關資產之可收回金額進行檢討。現金產生單位之可收回金額使用貼現現金流量法根據其使用價值釐定。所用稅前貼現率為13.8% (二零一八年：13.9%)。根據檢討結果，分別就物業、廠房及設備以及無形資產確認減值虧損人民幣2,807,000元 (二零一八年：人民幣52,598,000元) 及人民幣零元 (二零一八年：人民幣8,932,000元) (附註23)。本集團編製之現金流量預測乃按最近由董事批准之未來五年財務預算以及餘下期間採用3%之增長率計算。該增長率不超過相關市場的平均長期增長率。

20. 預付土地租賃款項

本集團於預付土地租賃款項的權益指位於中國境內土地的預付土地租賃款項，賬面淨值分析如下：

19. PROPERTY, PLANT AND EQUIPMENT (Continued)

During the year, as a result of the poor financial performance of the Group, the management of the Group carried out a review of the recoverable amounts of manufacturing plant and other related assets of the Group's bakery CGU. The recoverable amounts of the CGU have been determined on the basis of their value in use using discounted cash flow method. The pre-tax discount rate used was 13.8% (2018: 13.9%). The review led to the recognition of impairment losses of RMB2,807,000 (2018: RMB52,598,000) on property, plant and equipment and RMBNil (2018: RMB8,932,000) on intangible assets (Note 23) respectively. The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 3%. This rate does not exceed the average long-term growth rate for the relevant markets.

20. PREPAID LAND LEASE PAYMENTS

The Group's interests in prepaid land lease payments represent prepaid land lease payments located in the PRC and their net book value are analysed as follows:

		人民幣千元 RMB'000
於二零一八年一月一日	At 1 January 2018	75,459
添置	Additions	60
攤銷	Amortisation	(2,146)
於二零一八年十二月三十一日及 二零一九年一月一日	At 31 December 2018 and 1 January 2019	73,373
因採納香港財務報告準則 第16號而重新分類 (附註3)	Reclassification due to adoption of HKFRS 16 (Note 3)	(73,373)
於二零一九年一月一日之經重列結餘	Restated balance at 1 January 2019	-

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20. 預付土地租賃款項 (續)

		二零一八年 2018 人民幣千元 RMB'000
流動部分	Current portion	2,147
非流動部分	Non-current portion	71,226
		73,373

截至二零一八年十二月三十一日止年度，預付土地租賃款項於38至50年的權利期限內攤銷。

20. PREPAID LAND LEASE PAYMENTS (Continued)

The prepaid land lease payments are amortised over the period of rights of 38 to 50 years for the year ended 31 December 2018.

21. 使用權資產

		租賃土地 Leasehold lands 人民幣千元 RMB'000	租賃物業 Leased properties 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一九年一月一日 (附註3)	At 1 January 2019 (Note 3)	73,373	148,903	222,276
添置	Additions	–	73,174	73,174
折舊	Depreciation	(2,147)	(77,608)	(79,755)
核銷	Written off	–	(4,101)	(4,101)
減值虧損	Impairment losses	–	(4,076)	(4,076)
於二零一九年十二月三十一日	At 31 December 2019	71,226	136,292	207,518

於二零一九年十二月三十一日，確認租賃負債人民幣125,204,000元，相關使用權資產為人民幣136,292,000元。除出租人所持租賃資產的抵押權益外，租賃協議並無施加任何契諾。租賃資產不得用作借款的抵押品。

Lease liabilities of RMB125,204,000 are recognised with related right-of-use assets of RMB136,292,000 as at 31 December 2019. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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21. 使用權資產 (續)

21. RIGHT-OF-USE ASSETS (Continued)

二零一九年
2019
人民幣千元
RMB'000

使用權資產的折舊費用	Depreciation expenses on right-of-use assets	79,755
使用權資產減值虧損	Impairment losses on right-of-use assets	4,076
租賃負債之利息開支 (計入融資成本)	Interest expense on lease liabilities (included in finance cost)	20,301
與短期租賃有關的開支 (計入銷售成本、 銷售及分銷開支以及行政開支)	Expenses relating to short-term lease (included in cost of sales, selling and distribution expenses, and administrative expenses)	28,334

租賃現金流出總額詳情載於附註38 (b)。

Details of total cash outflow for leases is set out in note 38(b).

於這兩個年度，本集團為其經營租賃多間零售門店。租賃合約按介乎1至10年的固定年期訂立。租期按個別基準協商且包含多種不同條款及條件。於釐定租期及評估不可撤銷的期限時，本集團採用合約之定義並釐定合約可強制執行的期間。

For both years, the Group leases various retail outlets for its operations. Lease contracts are entered into for fixed term ranged from 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

此外，本集團擁有多幢工業樓宇，主要用作生產廠房及辦公樓。本集團乃該等物業權益（包括相關租賃土地）的登記擁有人。本集團已預先支付一筆過款項，以購入該等物業權益。該等自有物業的租賃土地部分僅在付款能夠可靠分配的情況下單獨呈列。

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

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22. 商譽

22. GOODWILL

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
成本	Cost		
於一月一日及十二月三十一日	At 1 January and 31 December	20,147	20,147
累計減值	Accumulated impairment		
於一月一日及十二月三十一日	At 1 January and 31 December	(20,147)	(20,147)
賬面值	Carrying amount		
於十二月三十一日	At 31 December	-	-

業務合併中產生之商譽乃於收購時分配至預期可受惠於業務合併之現金產生單位。商譽之賬面值分配如下：

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
生產及銷售烘焙產品 — 杭州丹比食品有限公司 (「杭州丹比」)	Production and sales of bakery products — Hangzhou Danbi Foodstuff Co., Ltd (“Hangzhou Danbi”)	-	-

該金額指收購杭州丹比100% 權益產生的商譽。由於商譽已全數減值，因此於二零一九年十二月三十一日，商譽的賬面值為零（二零一八年：零）。

The amount represents the goodwill arose from the acquisition of 100% interest in Hangzhou Danbi. The goodwill was fully impaired, thus the carrying amount of the goodwill was RMB Nil as at 31 December 2019 (2018: Nil).

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23. 無形資產

23. INTANGIBLE ASSETS

		軟件	商標	銷售網絡	總計
		Software	Trademark	Sales network	Total
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
成本	Cost				
於二零一八年一月一日	At 1 January 2018	13,045	10,635	5,860	29,540
添置	Additions	563	–	–	563
於二零一八年十二月三十一日、二零一九年一月一日及二零一九年十二月三十一日	At 31 December 2018, 1 January 2019 and 31 December 2019	13,608	10,635	5,860	30,103
累計攤銷及減值虧損	Accumulated amortisation and impairment losses				
於二零一八年一月一日	At 1 January 2018	7,163	4,345	2,393	13,901
年內攤銷	Amortisation for the year	1,411	532	293	2,236
減值虧損	Impairment loss	–	5,758	3,174	8,932
於二零一八年十二月三十一日及二零一九年一月一日	At 31 December 2018 and 1 January 2019	8,574	10,635	5,860	25,069
年內攤銷	Amortisation for the year	1,287	–	–	1,287
於二零一九年十二月三十一日	At 31 December 2019	9,861	10,635	5,860	26,356
賬面值	Carrying amount				
於二零一九年十二月三十一日	At 31 December 2019	3,747	–	–	3,747
於二零一八年十二月三十一日	At 31 December 2018	5,034	–	–	5,034

軟件的平均剩餘攤銷期為5年。於二零一八年十二月三十一日的減值評估詳情載於附註19。

The average remaining amortisation period of the software is 5 years. Details of impairment assessment as at 31 December 2018 are set out in note 19.

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24. 於附屬公司之投資

於二零一九年十二月三十一日，本公司主要附屬公司之詳情如下：

名稱 Name	註冊成立/ 註冊及營運地點 Place of Incorporation/ registration and operation	已發行股本詳情 Particular of issued share capital	所有權權益/ 投票權/ 利潤分享百分比 Percentage of ownership interest/ voting power/ profit sharing		主要業務 Principal activities
			直接 Direct	間接 Indirect	
Christine International Holdings (BVI) Co., Ltd.	英屬處女群島 ([英屬處女群島]) British Virgin Islands ("BVI")	普通股 1美元 Ordinary shares US\$1	100%	-	投資控股 Investment holding
泰昇國際集團有限公司 Deluxe International Holdings Limited	香港 Hong Kong	普通股 1,001港元 Ordinary shares HK\$1,001	-	100%	投資控股 Investment holding
金達國際貿易有限公司 Jinda International Trade Co., Ltd.	香港 Hong Kong	普通股 100,000港元 Ordinary shares HK\$100,000	-	100%	投資控股 Investment holding
上海克莉絲汀食品有限公司 ([上海克莉絲汀]) Shanghai Christine Foodstuff Co., Ltd. ("Shanghai Christine")	中國 The PRC	普通股 12,970,000美元 Ordinary shares US\$12,970,000	-	100%	生產及銷售烘焙產品 Production and sales of bakery products
上海吉元德食品有限公司 ([上海吉元德]) Shanghai Ji Yuan De Foodstuff Co., Ltd. ("Shanghai Ji Yuan De")	中國 The PRC	普通股 人民幣107,271,216元 Ordinary shares RMB107,271,216	-	100%	生產及銷售烘焙產品 Production and sales of bakery products
上海甜蜜藝術食品有限公司 Shanghai Sweet Art Foodstuff Co., Ltd.	中國 The PRC	普通股 人民幣5,000,000元 Ordinary shares RMB5,000,000	-	100%	生產及銷售烘焙產品 Production and sales of bakery products
南京克莉絲汀食品有限公司 ([南京克莉絲汀]) Nanjing Christine Foodstuff Co., Ltd. ("Nanjing Christine")	中國 The PRC	普通股 54,800,000美元 Ordinary shares US\$54,800,000	-	100%	生產及銷售烘焙產品 Production and sales of bakery products

24. INVESTMENTS IN SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2019 are as follows:

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24. 於附屬公司之投資 (續)

24. INVESTMENTS IN SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 註冊及營運地點 Place of Incorporation/ registration and operation	已發行股本詳情 Particular of issued share capital	所有權權益/ 投票權/ 利潤分享百分比 Percentage of ownership interest/ voting power/ profit sharing		主要業務 Principal activities
			直接 Direct	間接 Indirect	
上海雙紅麵包有限公司 (「上海雙紅麵包」) Shanghai Shuanghong Bakery Co., Ltd. (“Shanghai Shuanghong”)	中國 The PRC	普通股 人民幣30,000,000元 Ordinary shares RMB30,000,000	-	100%	生產及銷售烘焙產品 Production and sales of bakery products
杭州丹比食品有限公司 Hangzhou Danbi Foodstuff Co., Ltd.	中國 The PRC	普通股 1,406,000美元 Ordinary shares US\$1,406,000	-	100%	生產及銷售烘焙產品 Production and sales of bakery products
杭州克莉絲汀食品有限公司 Hangzhou Christine Foodstuff Co., Ltd.	中國 The PRC	普通股 20,000,000美元 Ordinary shares US\$20,000,000	-	100%	生產及銷售烘焙產品 Production and sales of bakery products
寧波克莉絲汀食品有限公司 Ningbo Christine Foodstuff Co., Ltd.	中國 The PRC	普通股 人民幣25,000,000元 Ordinary shares RMB25,000,000	-	100%	生產及銷售烘焙產品 Production and sales of bakery products

上表只列出對本集團業績、資產或負債有重要影響的附屬公司詳情。

於二零一九年十二月三十一日，本集團於中國的附屬公司以人民幣計值的銀行及現金結餘為人民幣58,762,000元（二零一八年：人民幣128,947,000元）。人民幣兌換為外幣須遵守中國《外匯管理條例》及《結匯、售匯及付匯管理條例》的規定。

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

As at 31 December 2019, the bank and cash balances of the Group's subsidiaries in the PRC denominated in RMB amounted to RMB58,762,000 (2018: RMB RMB128,947,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

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25. 存貨

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
原材料	Raw materials	18,507	17,695
製成品	Finished goods	8,726	8,799
		27,233	26,494

25. INVENTORIES

26. 貿易及其他應收款項

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
貿易應收款項	Trade receivables	14,050	14,994
減值虧損撥備	Allowance for impairment losses	(394)	(394)
		13,656	14,600
其他應收款項	Other receivables	6,293	5,812
零售門店之預付租賃款項	Prepaid lease payments for retail outlets	2,306	39,369
預付款項	Prepayments	5,007	2,467
其他應收款項減值虧損撥備	Allowance for impairment losses of other receivables	(2,540)	(2,540)
		11,066	45,108
貿易及其他應收款項總額	Total trade and other receivables	24,722	59,708

26. TRADE AND OTHER RECEIVABLES

本集團一般給予百貨商店及超市的平均信貸期介乎30至60天，現金消費卡發行商的平均信貸期則為30天。每名客戶均有最高信貸限額。新客戶通常須支付預付款。本集團致力於嚴格管控未償還的應收款項。董事定期檢討逾期結餘。

The Group generally allows an average credit period ranged from 30 to 60 days for department stores and supermarkets, and 30 days for cash consumer card issuers. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

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26. 貿易及其他應收款項 (續)

按發票日期呈列之貿易應收款項(扣除撥備)之賬齡分析如下:

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
0至30天	0 to 30 days	13,383	10,934
31至60天	31 to 60 days	94	662
61至90天	61 to 90 days	165	263
91至180天	91 to 180 days	-	1,707
超過180天	Over 180 days	14	1,034
		13,656	14,600

於二零一九年十二月三十一日,已就估計不可收回貿易應收款項作出總額約人民幣394,000元(二零一八年:人民幣394,000元)的撥備。

減值虧損撥備之對賬:

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
於一月一日根據 香港財務報告準則第9號	At 1 January under HKFRS 9	394	394
年內撥備	Allowance for the year	-	-
於十二月三十一日	At 31 December	394	394

本集團貿易應收款項之賬面值以人民幣計值。

26. TRADE AND OTHER RECEIVABLES (Continued)

The aging analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000	
As at 31 December 2019, an aggregate allowance was made for estimated irrecoverable trade receivables of approximately RMB394,000 (2018: RMB394,000).			
Reconciliation of allowance for impairment loss:			
於一月一日根據 香港財務報告準則第9號	At 1 January under HKFRS 9	394	394
年內撥備	Allowance for the year	-	-
於十二月三十一日	At 31 December	394	394

As at 31 December 2019, an aggregate allowance was made for estimated irrecoverable trade receivables of approximately RMB394,000 (2018: RMB394,000).

Reconciliation of allowance for impairment loss:

	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
The carrying amounts of the Group's trade receivables are denominated in RMB.		

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27. 已抵押銀行存款以及銀行及現金結餘

已抵押銀行存款為根據中國商務部於二零一二年九月二十一日頒佈的法規《單用途商業預付卡管理辦法（試行）》的規定存放在銀行的保證金。於年內評估後，本集團依法選擇另一方案，購買商業財產保險代替相關保證金。因此，本集團於截至二零一九年十二月三十一日止年度提取相關保證金賬戶的結餘，即按截至二零一八年十二月三十一日止年度已售預付卡券餘額提撥而存放在銀行的相關保證金金額。

於二零一九年十二月三十一日，本集團以人民幣計值之銀行及現金結存約為人民幣58,762,000元（二零一八年：人民幣128,947,000元）。人民幣兌換為外幣須遵守中國《外匯管理條例》及《結匯、售匯及付匯管理條例》的規定。

27. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

The pledged bank deposits were the collateral deposited with banks pursuant to the regulation of Administrative Measures for Single-Purpose Prepaid Cards (for Trial Implementation) according to the regulation issued by the Ministry of Commerce of the PRC on 21 September 2012. Upon evaluation during the year, the Group chose another plan in accordance with laws, in which commercial property insurance was bought instead for the relevant collateral. Therefore, the Group withdrew the balance in the relevant collateral account for the year ended 31 December 2019, which the amount representing the relevant collateral deposited with banks according to the provision for the balance of the prepaid cards and coupons sold for the year ended 31 December 2018.

As at 31 December 2019, the bank and cash balances of the Group denominated in RMB amounted to approximately RMB58,762,000(2018: RMB128,947,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

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28. 股本

		二零一九年 2019		二零一八年 2018	
		股份數目 千股 Number of shares '000	人民幣千元 RMB'000	股份數目 千股 Number of shares '000	人民幣千元 RMB'000
法定： 每股面值0.00001港元的 普通股 於十二月三十一日	Authorised: Ordinary shares of HK\$0.00001 each At 31 December	10,000,000	100	10,000,000	100
已發行及繳足： 每股面值0.00001港元的 普通股 於十二月三十一日	Issued and fully paid: Ordinary shares of HK\$0.00001 each At 31 December	1,010,188	8	1,010,188	8

本集團管理資本的目標是保障本集團持續經營的能力，同時通過優化債務和權益平衡實現股東回報的最大化。

本集團按風險比例釐定資本金額。本集團因應經濟狀況變動及相關資產之風險特點，管理資本結構並作出調整。為維持或調整資本結構，本集團或會調整股息分派、發行新股、回購股份、募集新債、贖回現有債務或出售資產以減少債務。

本集團根據負債權益比率監察資本。負債權益比率按淨債務除以權益總額計算得出。淨債務包括銀行借款、租賃負債及應付關連公司款項，當中扣除現金及現金等價物。權益總額包括權益的所有組成部分（即股本和其他儲備）。

28. SHARE CAPITAL

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt divided by total equity. Net debt comprises bank borrowings, lease liabilities and amounts due to related companies, net of cash and cash equivalents. Total equity comprises all components of equity (i.e. share capital and other reserves).

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28. 股本 (續)

於二零一九年十二月三十一日及二零一八年十二月三十一日的負債權益比率如下：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
總債務	Total debt	161,583	318
減：現金及現金等價物	Less: cash and cash equivalents	(74,931)	(182,132)
淨債務／(淨現金)	Net debt/(net cash)	86,652	(181,814)
權益總額	Total equity	74,459	298,756
負債權益比率	Debt-to-equity ratio	116%	不適用 N/A

於採納香港財務報告準則第16號後，負債權益比率由零上升至116%。於二零一九年一月一日確認使用權資產及租賃負債後，淨債務及總資產均有所增加。詳情請參閱附註3。

債務權益比率於二零一九年上升主要由於現金及現金等價物減少及銀行借款增加。

外部施加於本集團的資本要求為：(i) 公眾持股量至少須為股份的25%，以維持於聯交所的上市地位；及(ii) 遵守計息借款附帶的財務契諾。

本集團每月接獲股份過戶登記處發出列示非公眾持股量的重大股份權益的報告，該報告顯示本集團於整個年度內一直符合25%的限額。於二零一九年十二月三十一日，公眾持股量為43.66%（二零一八年：55.52%）。

倘違反財務契諾，銀行可即時催還借款。截至二零一九年及二零一八年十二月三十一日止年度，本集團並無違反任何計息借款之財務契諾。

28. SHARE CAPITAL (Continued)

The debt-to-equity ratios at 31 December 2019 and at 31 December 2018 were as follows:

	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
總債務	161,583	318
減：現金及現金等價物	(74,931)	(182,132)
淨債務／(淨現金)	86,652	(181,814)
權益總額	74,459	298,756
負債權益比率	116%	不適用 N/A

The debt-to-equity ratio increased from Nil% to 116% following the adoption of HKFRS 16. Both net debt and gross assets increased following the recognition of right-of-use assets and lease liabilities on 1 January 2019. See note 3 for further information.

The increase in the debt-to-equity ratio during 2019 resulted primarily from decrease of cash and cash equivalents and increase of bank borrowings.

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the interest-bearing borrowings.

The Group receives a report from the share registrars monthly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year. As at 31 December 2019, 43.66% (2018: 55.52%) of the shares were in public hands.

Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowing for the years ended 31 December 2019 and 2018.

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29. 本公司財務狀況表及儲備變動

(a) 本公司財務狀況表

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
非流動資產	Non-current assets		
於附屬公司之權益	Interests in subsidiaries	224,754	189,651
流動資產	Current assets		
其他應收款項	Other receivables	151	–
應收一家關連公司款項	Amount due from a related company	250	213
銀行及現金結餘	Bank and cash balances	14,615	51,408
		15,016	51,621
流動負債	Current liabilities		
其他應付款項	Other payables	5,349	4,708
流動資產淨值	Net current assets	9,667	46,913
資產淨值	NET ASSETS	234,421	236,564
資本及儲備	Capital and reserves		
股本	Share capital	8	8
儲備	Reserves	234,413	236,556
權益總額	TOTAL EQUITY	234,421	236,564

29. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

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29. 本公司財務狀況表及儲備變動 (續)

(b) 本公司儲備變動

		儲備 Reserves 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一八年一月一日	At 1 January 2018	236,087	236,087
年內全面收入總額	Total comprehensive income for the year	469	469
於二零一八年十二月三十一日 及二零一九年一月一日	At 31 December 2018 and 1 January 2019	236,556	236,556
年內全面收入總額	Total comprehensive income for the year	(2,143)	(2,143)
於二零一九年十二月三十一日	At 31 December 2019	234,413	234,413

30. 儲備

(a) 本集團

本集團之儲備金額及其變動詳情載於綜合損益及其他全面收入報表及綜合權益變動表。

(b) 儲備之性質及用途

(i) 特別儲備

特別儲備指因上海克莉絲汀於二零零八年自非控股權益收購上海吉元德餘下8%權益以及上海克莉絲汀、上海雙紅麵包及南京克莉絲汀之實繳股本及儲備而產生，並在籌備本公司股份於聯交所上市而進行之集團重組完成後確認為特別儲備之儲備。

29. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

30. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Special reserve

The special reserve represents the reserve arising from Shanghai Christine acquired the remaining 8% interest in Shanghai Ji Yuan De from non-controlling interest in 2008 and the paid in capital and reserve of Shanghai Christine, Shanghai Shuanghong and Nanjing Christine recognised as special reserve upon completion of group reorganisation in preparation for the listing of the Company's shares on the Stock Exchange.

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30. 儲備 (續)

(b) 儲備之性質及用途 (續)

(ii) 其他儲備

其他儲備指於歸屬期按直線法確認為開支的尚未行使購股權及僱員股份獎勵的公允價值。

(iii) 法定盈餘儲備

根據中國的相關企業法律及法規，於中國註冊之實體的部分利潤已轉撥至有限定用途之法定盈餘儲備。當儲備結餘達該實體資本之50%時，可選擇是否作出任何進一步劃撥。法定盈餘儲備可用於彌補過往年度之虧損（如有），並可用於以資本化發行方式轉增股本。然而，於中國附屬公司將法定盈餘儲備轉增股本時，未轉增股本之儲備餘額不得低於相關中國附屬公司註冊資本之25%。

30. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(ii) Other reserve

Other reserve represents fair values of outstanding share options and employee share awards recognised as expense over their vesting periods on a straight-line basis.

(iii) Statutory surplus reserve

Pursuant to the relevant laws and regulations for business enterprises in the PRC, a portion of the profits of the entities which are registered in the PRC has been transferred to the statutory reserve which is restricted as to use. When the balance of such reserve reaches 50% of the capital of that entity, any further appropriation is optional. The statutory surplus reserve can be used to make up for prior year losses, if any, and can be applied in conversion into capital by means of a capitalisation issue. However, when converting the statutory surplus reserve of the PRC subsidiaries into capital, the remaining balance of such reserve must not be less than 25% of the registered capital of the relevant PRC subsidiaries.

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31. 遞延收入

非流動負債：
政府補助

Non-current liabilities:
Government grant

遞延收入乃源自本集團一間全資附屬公司於二零一零年四月獲授的政府補助約人民幣6,245,000元以補償其因廠房拆遷而蒙受之開支及損失。該筆補助中約人民幣1,342,000元已於拆遷後在截至二零一一年十二月三十一日止年度之損益中確認。餘額人民幣4,903,000元已遞延，並將於相關資產可使用年期內在損益中確認。約人民幣468,000元已於截至二零一九年十二月三十一日止年度計入損益（二零一八年：人民幣468,000元）。

31. DEFERRED REVENUE

二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
548	1,016

The deferred revenue arises in respect of the government grant of approximately RMB6,245,000 in April 2010 granted to a wholly-owned subsidiary of the Group in order to compensate for the expenditures and losses arising from the dismantlement and relocation of the plant. Approximately RMB1,342,000 of the subsidy was recognised in profit or loss during the year ended 31 December 2011 upon dismantlement and relocation. The remaining RMB4,903,000 has been deferred and would be recognised in profit or loss over the useful lives of the relevant assets. Approximately RMB468,000 (2018: RMB468,000) has been released to profit or loss during the year ended 31 December 2019.

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32. 租賃負債

		最低租賃付款		最低租賃付款現值	
		Minimum lease payments		Present value of minimum lease payments	
		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
一年內	Within one year	72,726	-	59,735	-
第二年至第五年 (包括首尾兩年)	In the second to fifth years, inclusive	75,725	-	65,408	-
五年後	After five years	62	-	61	-
		148,513	-	125,204	-
減：未來融資費用	Less: Future finance charges	(23,309)	-	不適用 N/A	不適用 N/A
租賃承擔現值	Present value of lease obligations	125,204	-	125,204	-
減：12個月內到期償付的款項 (於流動負債項下列示)	Less: Amount due for settlement within 12 months (shown under current liabilities)			(59,735)	-
12個月後到期償付的款項	Amount due for settlement after 12 months			65,469	-

最低租賃付款以人民幣計值。

本集團採用經修訂追溯法首次應用香港財務報告準則第16號，並調整於二零一九年一月一日的期初結餘，以確認與先前根據香港會計準則第17號分類為經營租賃之租賃有關的租賃負債。該等負債已與有關先前分類為融資租賃之租賃的結轉結餘加總。於二零一八年十二月三十一日的比較資料並無重列，且僅與先前分類為融資租賃之租賃相關。有關過渡至香港財務報告準則第16號之影響的進一步詳情載於附註3。

Minimum lease payments are denominated in RMB.

The Group has initially applied HKFRS 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 HKAS 17. These liabilities have been aggregated with the brought forward balances relating to leases previously classified as finance leases. Comparative information as at 31 December 2018 has not been restated and relates solely to leases previously classified as finance leases. Further details on the impact of the transition to HKFRS 16 are set out in note 3.

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33. 遞延稅項

本集團確認之遞延稅項負債如下。

		加速稅項折舊 Accelerated tax depreciation 人民幣千元 RMB'000
於二零一八年一月一日	At 1 January 2018	2,440
計入年度損益 (附註12)	Credit to profit or loss for the year (Note 12)	(2,440)
於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	At 31 December 2018, 1 January 2019 and at 31 December 2019	—

於報告期末，本集團擁有可用於抵銷未來溢利的未動用稅項虧損約人民幣672,886,000元（二零一八年：人民幣617,453,000元）。由於未來溢利流之不可預測性，故並無確認遞延稅項資產。截至二零一九年十二月三十一日止年度，未確認稅項虧損包括虧損約人民幣186,672,000元、人民幣181,384,000元、人民幣104,962,000元、人民幣99,776,000元及人民幣94,254,000元，將分別於二零二四年、二零二三年、二零二二年、二零二一年及二零二零年屆滿。其他稅項虧損可無限期結轉。

33. DEFERRED TAX

The following are the deferred tax liabilities recognised by the Group.

At the end of the reporting period the Group has unused tax losses of approximately RMB672,886,000 (2018: RMB617,453,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. For the year ended 31 December 2019, included in unrecognised tax losses are losses of approximately RMB186,672,000, RMB181,384,000, RMB104,962,000, RMB99,776,000 and RMB94,254,000 that will expire in 2024, 2023, 2022, 2021 and 2020 respectively. Other tax losses may be carried forward indefinitely.

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34. 合約負債

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
於履行責任前發出賬單	Billings in advance of performance obligation		
– 提貨券及預付卡	– Coupon and pre-paid cards	345,287	381,534
– 銷售烘焙產品	– Sales of bakery products	3,248	4,221
		348,535	385,755

當本集團通常於貨品交付予客戶前收取全數按金時，確認與提貨券及預付卡相關的合約負債。與銷售烘焙產品有關的合約負債為向客戶移交本集團已收取代價的貨品的責任。有關收益預期將於貨品交付予客戶後數日內確認。

合約負債之變動：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
於一月一日的結餘	Balance at 1 January	385,755	425,785
因年內確認收益而導致合約 負債減少計入的期初合約負債	Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the period	(152,191)	(162,149)
收取提貨券及預付卡之 預付款以及銷售產品 導致合約負債增加	Increase in contract liabilities as a result of receipt in advance of coupon and pre-paid cards and sales of products	114,971	122,119
於十二月三十一日的結餘	Balance at 31 December	348,535	385,755

預期於超過一年後確認為收入的已收履約預付款項金額為人民幣174,817,000元。

34. CONTRACT LIABILITIES

Contract liabilities relating to coupon and pre-paid cards are recognised when the Group typically receives a full payment of deposit before the goods are delivered to customers. Contract liabilities relating to sales of bakery products are the obligations to transfer goods to customers for which the Group has received consideration. The respective revenue is expected to be recognised within a few days when the goods are delivered to customers.

Movements in contract liabilities:

The amount of billings in advance of performance received that is expected to be recognised as income after more than one year is RMB174,817,000.

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35. 銀行借款

銀行借款 – 有抵押 – 一年內	Bank borrowing – secured – Within one year
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本集團借款之賬面值以人民幣計值。

於十二月三十一日之平均利率如下：

銀行借款 – 有抵押	Bank borrowing – secured
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銀行借款約人民幣35,950,000元（二零一八年：無）按浮動利率計息，令本集團面臨現金流量利率風險。

銀行借款約人民幣35,950,000元（二零一八年：無）以本集團物業、廠房及設備的押記作抵押（附註19）。

35. BANK BORROWINGS

二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
35,950	–

The carrying amounts of the Group's borrowings are denominated in RMB.

The average interest rates at 31 December were as follows:

二零一九年 2019	二零一八年 2018
5.34%	不適用 N/A

Bank borrowing of approximately RMB35,950,000 (2018: Nil) is arranged at floating rates and exposed the Group to cash flow interest rate risk.

Bank borrowing of approximately RMB35,950,000 (2018: Nil) is secured by a charge over the Group's property, plant and equipment (Note 19).

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36. 貿易及其他應付款項

36. TRADE AND OTHER PAYABLES

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
貿易應付款項	Trade payables	57,535	45,799
應計費用	Accruals	11,619	12,095
應付工資及福利	Payroll and welfare payables	15,489	14,737
其他稅項負債	Other tax payables	5,868	13,836
購買物業、廠房及設備之 應付款項	Payables for acquisition of property, plant and equipment	15,486	5,342
其他應付款項	Other payables	14,331	13,416
貿易及其他應付款項總額	Total trade and other payables	120,328	105,225

供應商一般給予本集團30至60天信貸期。按發票日期呈列的貿易應付款項之賬齡分析如下：

The Group normally is allowed a credit term of 30 to 60 days by its suppliers. The aging analysis of trade payables based on the date of invoice date, is as follows:

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
0至45天	0 to 45 days	46,797	37,881
46至60天	46 to 60 days	6,460	2,380
61至90天	61 to 90 days	1,829	58
91至180天	91 to 180 days	456	635
超過180天	Over 180 days	1,993	4,845
		57,535	45,799

本集團貿易應付款項的賬面值以人民幣計值。

The carrying amounts of the Group's trade payables are denominated in RMB.

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37. 以股份為基礎之付款

以權益結算之購股權計劃

本公司實行購股權計劃（「該計劃」），旨在激勵及獎勵對本集團營運成功作出貢獻的合資格參與者。合資格參與者包括本公司及本公司附屬公司的全職及兼職僱員、行政人員、高級職員、董事、業務顧問、代理、法律及財務顧問。該計劃於二零一一年十二月二十七日生 效，並受限於自授出有關購股權日期起計五年之歸屬期，於該期間內，授予承授人之購股權將分別於授出日期起計第二、第三、第四及第五週年各歸屬25%，並可於有關週年日期起計一年內行使。

根據該計劃現時可授出之尚未行使購股權之最高數目於行使後將相等於本公司於任何時候已發行股份之10%。

向持有本公司5%以上股權之主要股東授出購股權，須事先獲股東於股東大會上批准。

授出購股權之要約可於要約日期起計十四日內獲接納，惟承授人須支付總計1港元之名義代價。所授出購股權的行使期須由董事釐定，並由某歸屬期後開始及於不遲於購股權要約日期起計10年的日期或該計劃到期日（如較早發生）結束。

購股權之行使價可按首次公開發售股份價格之50%（即0.8港元）釐定。

購股權並不賦予持有人收取股息或於股東大會投票之權利。

37. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants include the full-time and part-time employees, executives, officers, directors, business consultants, agents, legal and financial advisers of the Company and the Company’s subsidiaries. The Scheme became effective on 27 December 2011 and, are subject to a vesting period of five years commencing from the date of grant of such options during which 25% of the options granted to a grantee will vest on each of the second, third, fourth and fifth anniversary of the date of grant and be exercisable within one year from such anniversary.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time.

Share options granted to a substantial shareholder with more than 5% of shareholding of the Company, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 14 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by 50% of the share price of the initial public offering, i.e. HK\$0.8.

Share options do not confer rights on the holder to dividends or to vote at shareholders’ meetings.

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37. 以股份為基礎之付款 (續)

以權益結算之購股權計劃 (續)

購股權之特定類別詳情如下：

購股權類別	授出日期	歸屬期	行使期	行使價	購股權數目
Option type	Date of grant	Vesting period	Exercise period	Exercise price 港元 HK\$	Number of share options
二零一二年D類 2012D	二零一二年一月十八日 18 January 2012	二零一七年一月十八日 18 January 2017	二零一八年一月十八日 18 January 2018	0.80	4,250,800

倘購股權自授出日期起五年期間後仍未行使，則購股權即告到期。倘僱員離開本集團，則購股權將被沒收。

年內購股權之變動詳情如下：

		二零一九年 2019		二零一八年 2018	
		購股權數目 Number of share options	加權平均行使價 Weighted average exercise price 港元 HK\$	購股權數目 Number of share options	加權平均行使價 Weighted average exercise price 港元 HK\$
於年初尚未行使	Outstanding at the beginning of the year	—	—	1,966,632	0.8
年內沒收	Forfeited during the year	—	—	(1,966,632)	0.8
於年末尚未行使	Outstanding at the end of the year	—	—	—	—
於年末可行使	Exercisable at the end of the year	—	—	—	—

37. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Details of the specific categories of options are as follows:

If the options remain unexercised after a period of 5 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group.

Details of the movement of share options during the year are as follows:

綜合財務報表附註

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38. 綜合現金流量表附註

(a) 融資活動產生的負債之對賬

下表詳列本集團融資活動所產生負債之變動，包括現金及非現金變動。融資活動產生之負債乃指其現金流量或未來現金流量於本集團綜合現金流量表中分類為融資活動產生之現金流量之負債。

		首次應用 香港財務 報告準則 於二零一九年 一月一日 第16號的影響 (附註3) Impact on initial application		Restated balance as at 1 January 2019		非現金變動 Non-cash changes				於二零一九年 十二月 三十一日	
		As at 1 January 2019	on HKFRS 16 (Note 3)	1 January 2019	Cash flows	Interest expenses	Additions of lease liabilities	Release of lease liabilities	As at 31 December 2019		
		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 RMB'000	人民幣千元 RMB'000		
銀行借款(附註35)	Bank borrowings (Note 35)	-	-	-	35,459	491	-	-	35,950		
租賃負債(附註32)	Lease liabilities (Note 32)	-	130,805	130,805	(92,452)	20,301	70,901	(4,351)	125,204		
		-	130,805	130,805	(56,993)	20,792	70,901	(4,351)	161,154		

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

綜合財務報表附註

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38. 綜合現金流量表附註 (續)

(b) 用於租賃之現金流出總額

現金流量表中用於租賃之金額包括以下各項：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
於經營現金流量內	Within operating cash flows	48,635	131,322
於融資現金流量內	Within financing cash flows	72,151	–
		120,786	131,322

該等金額與以下項目有關：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
已付租金	Lease rental paid	28,334	131,322
租賃付款本金部分	Principal elements of lease payments	72,151	–
租賃付款利息	Interest of lease payments	20,301	–
		120,786	131,322

39. 或然負債

於二零一九年十二月三十一日，本集團並無任何重大或然負債（二零一八年：無）。

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Total cash outflow for leases

Amounts included in the cash flow statements for leases comprise the following:

	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
於經營現金流量內	48,635	131,322
於融資現金流量內	72,151	–
	120,786	131,322

These amounts relate to the following:

	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
已付租金	28,334	131,322
租賃付款本金部分	72,151	–
租賃付款利息	20,301	–
	120,786	131,322

39. CONTINGENT LIABILITIES

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

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40. 資本承擔

於報告期末已授權但尚未訂約的資本承擔如下：

	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
物業、廠房及設備	11,552	15,210

41. 經營租賃安排

本集團作為承租人

於二零一八年十二月三十一日，根據不可撤銷經營租約應付之未來最低租賃付款總額如下：

		二零一八年 2018 人民幣千元 RMB'000
一年內	Within one year	60,459
第二年至第五年（包括首尾兩年）	In the second to fifth years inclusive	123,665
五年後	After five years	1,332
		185,456

經營租賃付款指本集團就其若干辦公室物業及零售門店應付的租賃付款。經磋商，租約的平均租期為1至10年，租期內之租金固定，且不包括或然租金。

本集團定期就辦公室物業及零售門店訂立短期租約。於二零一九年十二月三十一日，短期租約組合與附註21披露的短期租賃組合的短期租賃開支。

截至二零一九年十二月三十一日止年度，本集團就中國零售門店訂立短期租約。於二零一九年十二月三十一日，未償還之租賃承擔約為人民幣12,941,000元。

40. CAPITAL COMMITMENTS

Capital commitments authorised for at the end of the reporting period but not yet contracted are as follows:

41. OPERATING LEASE ARRANGEMENTS

The Group as lessee

At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	二零一八年 2018 人民幣千元 RMB'000
Operating lease payments represent rentals payable by the Group for certain of its offices premises and retail outlets. Leases are negotiated for an average term of 1 to 10 years and rentals are fixed over the lease terms and do not include contingent rentals.	

The Group regularly entered into short-term leases for office premises and retail outlets. As at 31 December 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 21.

During the year ended 31 December 2019, the Group entered into short-term leases for retail outlets in the PRC. As at 31 December 2019, the outstanding lease commitments relating to approximately RMB12,941,000.

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42. 關連人士交易

- (a) 除綜合財務報表其他地方所披露之該等關連人士交易及結餘外，
- (i) 年內，本集團與其關連人士曾進行以下交易：

42. RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements.
- (i) The Group had the following transactions with its related parties during the year:

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
	附註 Note		
向關連公司採購的 貨品及原材料	Goods and raw materials purchased from related companies		
— 上海美馨貿易有限公司 (「美馨」)	— Shanghai Meixin Trade Co., Ltd. (“Meixin”)	(a) 580	785
— 吳江尚浦包裝製品 有限公司 (「吳江尚浦」)	— Wujiang Shangpu Packaging Products Co., Ltd. (“Wujiang Shangpu”)	(b) —	2,031
— 上海鴻達包裝飾品 有限公司 (「上海鴻達」)	— Shanghai HongDa Decorations and Packaging Company (“Shanghai HonDa”)	(c) —	2,105
支予一間關連公司的 加工費	Processing fee paid to a related company		
— 上海一品軒食品 有限公司 (「一品軒」)	— Shanghai Yi Pin Xuan Foodstuff Co., Ltd. (“Yi Pin Xuan”)	(d) 7,305	10,408
向一間關連公司發行及 出售禮券	Coupons issued and sold to a related company		
— 句容南大創新創業 示範園有限公司 (「句容南大」)	— Jurong Nanda Innovation and Entrepreneurship Park Co., Ltd. (“Jurong Nanda”)	(e) 162	—

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42. 關連人士交易 (續)

(a) (續)

(ii) 本集團於年內與其關連人士有以下結餘：

		附註	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
		Note		
應收關連公司款項：	Amounts due from related companies:		890	22,720
— 一品軒	— Yi Pin Xuan	(d)	22,920	22,029
— 句容南大	— Jurong Nanda	(e)	640	478
— Christine Princess Co., (PTC) Ltd.	— Christine Princess Co., (PTC) Ltd.	(f)	250	213
減值虧損撥備	Allowance for impairment losses	9	(22,920)	—
應付關連公司的貿易應付款項：	Trade payables due to related companies:		429	318
— 美馨	— Meixin	(a)	382	241
— 吳江尚浦	— Wujiang Shangpu	(b)	47	77

附註：

- (a) 董事洪敦清先生對關連公司擁有控制權。
- (b) 董事卓啟明先生及其家族對該關連公司擁有控制權。
- (c) 董事許鴻森先生及其家族對該關連公司擁有控制權。上海鴻達自二零一八年六月二日起不再為本集團的關連公司。
- (d) 該關連公司由董事江若嫻女士之配偶羅田安先生之近親黃羅井英女士控制。
- (e) 董事朱永寧先生對該關連公司擁有控制權。
- (f) 該關連公司為一家信託公司，以信託形式為管理層僱員持有本公司股權。

Notes:

- (a) A director, Mr. Hung Dun Ching, has control over the related company.
- (b) A director, Mr. Chou Chi Ming and his family have control over the related company.
- (c) A director, Mr. Hsu Hung Sen and his family have control over the related company. Shanghai HonDa was created to be a related company of the Group since 2 June 2018.
- (d) The related company was controlled by Ms. Huang Lo Ching-Ying, who is a close member of the family of Mr. Lo Tien-An, spouse of a director, Ms. Chiang Jo Hsien.
- (e) A director, Mr. Zhu Yong Ning, has control over the related company.
- (f) The related company was a trust company holding equity interest in the Company on trust for the benefit of management employees.

42. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

(ii) The Group had the following balances with its related parties during the year:

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42. 關連人士交易 (續)

(b) 董事及其他主要管理層成員於年內之薪酬如下：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
短期福利	Short-term benefits	2,218	4,483
以權益結算及以股份為基礎之 付款	Equity-settled share-based payments	-	-
退休福利計劃供款	Retirement benefits scheme contributions	97	-
		2,315	4,483

43. 報告期後事項

由於二零二零年初爆發COVID-19疫情以及中國實施的政府措施，位於中國的多家零售門店已暫停營運。儘管若干零售門店已恢復營運，但仍未以正常產能營運。本集團管理層將密切關注COVID-19疫情的發展，並對其財務影響進行進一步評估。鑒於情況隨時會發生變化，於該等綜合財務報表獲授權刊發日期無法合理估計對本集團財務狀況及經營業績的影響。

COVID-19爆發為財政年度結束後的非調整事件，並無導致對截至二零一九年十二月三十一日止年度的綜合財務報表作出任何調整。

42. RELATED PARTY TRANSACTIONS (Continued)

(b) The remuneration of directors and other members of key management during the year was as follows:

43. EVENTS AFTER THE REPORTING PERIOD

Due to the outbreak of the COVID-19 in early 2020 as well as the governmental measures imposed in the PRC, various retail outlets in the PRC have temporarily suspended the operations. Even though certain retail outlets have resumed their operations, they are still not yet operating at their normal capacity. The management of the Group will pay close attention to the development of the COVID-19 outbreak and perform further assessment of its financial impact. Given the dynamic nature of these circumstances, the impact on the Group's financial positions and operating results could not be reasonably estimated as at the date these consolidated financial statements are authorised for issue.

The COVID-19 outbreak is a non-adjusting event after the financial year end and does not result in any adjustments to the consolidated financial statements for the year ended 31 December 2019.

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44. 比較數字

本集團於二零一九年一月一日透過採用經修訂追溯法首次應用香港財務報告準則第16號。根據此種方法，比較資料不予重列。有關會計政策變動的進一步詳情於附註3披露。

綜合損益及其他全面收入報表以及綜合財務狀況表內之呈列方式已由按性質分類更改為按功能分類，此乃由於董事認為新呈列方式對綜合財務報表更為合適。

44. COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 3.

The presentation in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position have been changed from the classification by nature to classification by functions as the directors consider the new presentation is more appropriate to the consolidation financial statements.

財務概要 FINANCIAL SUMMARY

		截至十二月三十一日止年度 Year ended 31 December				
		二零一五年 2015 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
業績	Results					
收益	Revenue	1,061,750	925,705	805,046	664,017	551,941
除稅前虧損	Loss before taxation	(146,051)	(118,799)	(125,446)	(234,418)	(223,476)
所得稅抵免/(開支)	Income tax credit/(expense)	(2,300)	(2,411)	(3,208)	2,243	(821)
年內虧損及全面開支總額	Loss and total comprehensive expense for the year	(148,351)	(121,210)	(128,654)	(232,175)	(224,297)
以下人士應佔：	Attributable to:					
本公司擁有人	Owners of the Company	(148,351)	(121,210)	(128,654)	(232,175)	(224,297)

		截至十二月三十一日止年度 Year ended 31 December				
		二零一五年 2015 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
資產及負債	Assets and liabilities					
資產總額	Total assets	1,435,797	1,310,145	1,077,477	797,422	711,980
負債總額	Total liabilities	655,351	650,573	546,546	498,666	637,521
		780,446	659,572	530,931	298,756	74,459
本公司擁有人應佔權益	Equity attributable to owners of the Company	780,446	659,572	530,931	298,756	74,459

