



稀鎂科技
REMT

稀鎂科技集團控股有限公司

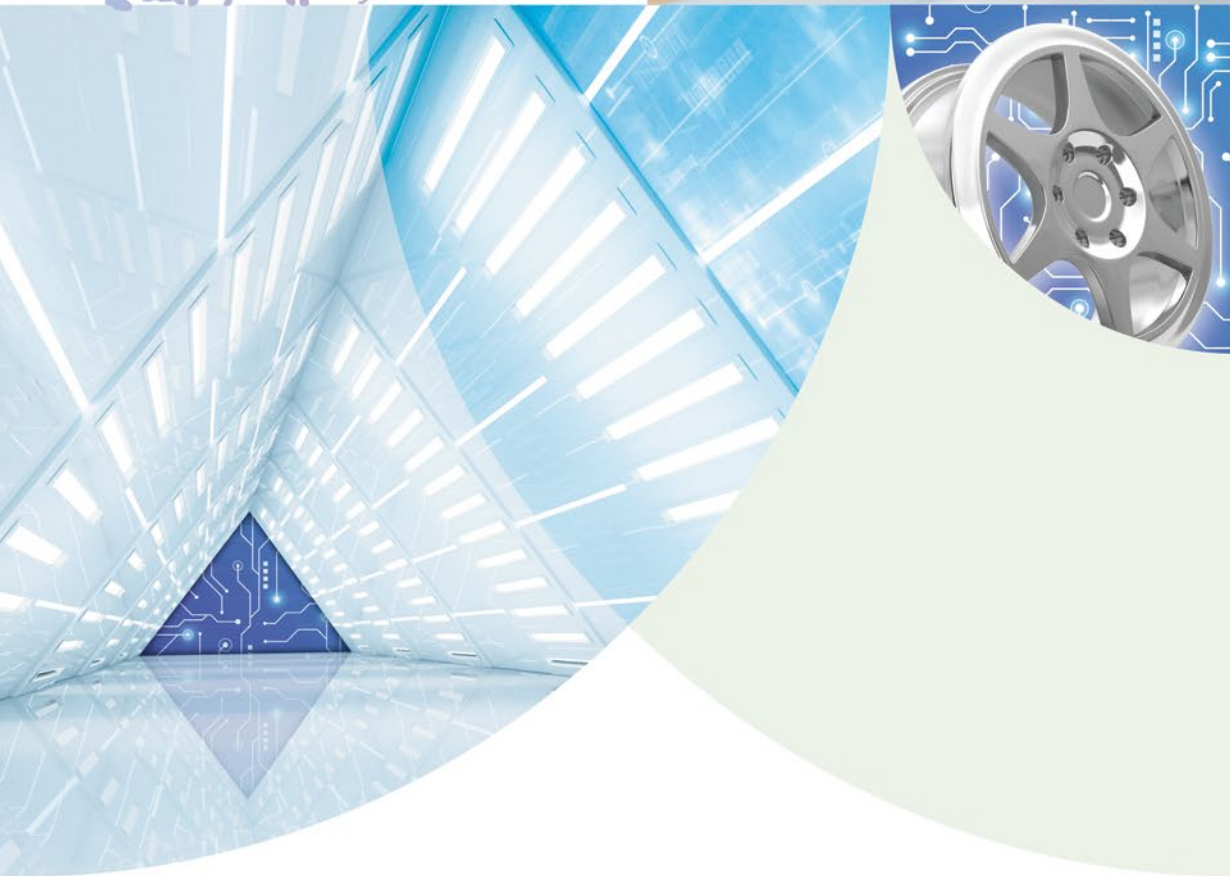
Rare Earth Magnesium Technology Group Holdings Limited

(於百慕達註冊成立之有限公司)

(Incorporated in Bermuda with limited liability)

(股份代號 Stock Code: 00601.HK)

讓我們
生活更“鎂”好
Making our **LIFE** better



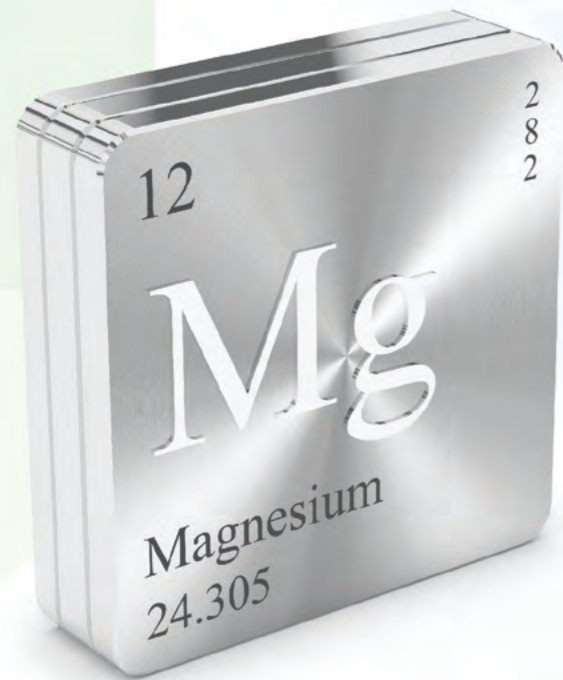
2020

週年報告

ANNUAL REPORT

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市場前景廣闊
PROMISING MARKET OUTLOOK



高新技術驅動 —
「擁有22項技術專利的
國家高新技術企業」
HIGH-TECH DRIVEN — A NATIONAL-LEVEL
HIGH AND ADVANCED TECHNOLOGY
ENTERPRISE WITH 22 TECHNICAL
PATENTS



稀土鎂合金新材料
領軍企業
THE LEADING ENTERPRISE IN RARE
EARTH MAGNESIUM ALLOYS NEW
MATERIALS



輕量化機遇
引領「鎂」好未來
LIGHTWEIGHT INNOVATION CREATES
OPPORTUNITIES FOR REMT TO BUILD A
BETTER FUTURE WITH YOU

董事

執行董事：

沈世捷(主席兼行政總裁)
池靜超

非執行董事：

孟健教授

獨立非執行董事：

鄭炳文
張省本
關毅傑

審核委員會

鄭炳文(主席)
張省本
關毅傑

薪酬委員會

鄭炳文(主席)
池靜超
張省本

提名委員會

沈世捷(主席)
鄭炳文
關毅傑

公司秘書

樊國民

核數師

國衛會計師事務所有限公司
香港執業會計師

主要往來銀行

中國農業銀行
交通銀行股份有限公司

DIRECTORS

Executive Directors:

Shum Sai Chit (*Chairman and Chief Executive Officer*)
Chi Jing Chao

Non-executive Director:

Professor Meng Jian

Independent Non-executive Directors:

Kwong Ping Man
Cheung Sound Poon
Kwan Ngai Kit

AUDIT COMMITTEE

Kwong Ping Man (*Chairman*)
Cheung Sound Poon
Kwan Ngai Kit

REMUNERATION COMMITTEE

Kwong Ping Man (*Chairman*)
Chi Jing Chao
Cheung Sound Poon

NOMINATION COMMITTEE

Shum Sai Chit (*Chairman*)
Kwong Ping Man
Kwan Ngai Kit

COMPANY SECRETARY

Fan Kwok Man, Raymond

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

PRINCIPAL BANKERS

Agricultural Bank of China
Bank of Communications Co., Ltd.

註冊辦事處

Clarendon House
Church Street
Hamilton HM11
Bermuda

主要辦事處

香港
九龍尖沙咀
廣東道9號
港威大廈第6座
11樓1105室

百慕達主要股份過戶登記處及轉讓登記處

Estera Management (Bermuda) Limited
Canon's Court, 22 Victoria Street
Hamilton HM 12
Bermuda

香港股份過戶登記分處及轉讓登記處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心54樓

網址

<http://www.remt.com.hk>

股票代號

00601

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Suite 1105, 11th Floor
Tower 6, The Gateway
9 Canton Road
Tsim Sha Tsui, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

Estera Management (Bermuda) Limited
Canon's Court, 22 Victoria Street
Hamilton HM 12
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

WEBSITE

<http://www.remt.com.hk>

STOCK CODE

00601

「 稀土鎂合金新材料產業領軍企業，
稀鎂科技與您共創鎂好未來。 」

“ REMT is the leading enterprise in rare earth magnesium alloys new materials,
we are determined to build a better future with you. ”

— 沈世捷
Shum Sai Chit

本人謹代表本公司董事會(「董事會」)欣然提呈稀鎂科技集團控股有限公司(「本公司」)及其附屬公司(統稱「稀鎂科技」或「本集團」或「集團」)截至二零二零年十二月三十一日止年度(「年內」)之業績以供各位股東省覽。

行業回顧

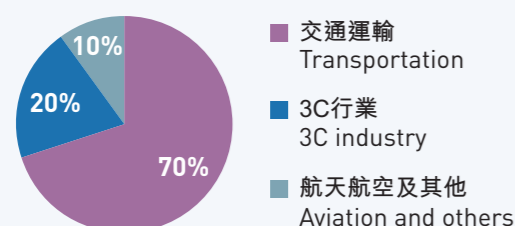
從二零二零年初中國新冠疫情爆發，隨後歐洲、美國、東南亞等世界各地疫情蔓延流行，各國防控封鎖措施一度使經濟大面積停擺、失業率飆升，全球疫情跌宕起伏，世界經濟陷入衰退。面對新冠肺炎疫情這場第二次世界大戰結束以來最嚴重的全球公共衛生突發事件，實體經濟產業鏈的供給端和需求端受到嚴峻挑戰，社會經濟活動受到嚴重衝擊，鎂行業也未能獨善其身，使得鎂企業負重前行。

中國既是金屬鎂第一生產大國，也是鎂產品第一出口大國，供應了全球80%以上的鎂產品。二零二零年中國金屬鎂產量約90.7萬噸，同比下跌6.4%，出口量約39.38萬噸，同比減少12.78%。因此，海外市場作為鎂產品非常重要的下游需求端，疫情導致的需求下降，使產業鏈的供給端備受壓力。本集團於年內實現營運收入約744.8百萬港元，稅後虧損約74.0百萬港元，整體毛利率錄得17.5%。

鎂 — 輕量化理想的金屬結構材料，未來可期

鎂作為「21世紀最具開發應用的綠色材料和戰略性新材料」，具有比強度、比剛度高，導熱導電減震性能好，加工成本較低且易於回收等特點，廣泛應用在汽車、軌道交通、3C電子產品、航空航天、醫療、建築等各個領域。

鎂合金的用途分佈 The Application of Magnesium Breakdown



數據來源：
中國產業訊息，前瞻產業研究院，國聯證券研究所
Data Source:
China Industry Information, Qianzhan Industry Research Institute, Guolian Securities Research Institute

On behalf of the Board of Directors (the “Board”), I am pleased to present the annual results of Rare Earth Magnesium Technology Group Holdings Limited (the “Company”) and its subsidiaries (collectively, the “REMT Group” or the “Group”) for the year ended 31 December 2020 (the “Year”).

INDUSTRY REVIEW

COVID-19 pandemic has spread across Europe, the United States, Southeast Asia, and other parts of the world, following the outbreak in China at the beginning of 2020. Various countries have taken prevention and control measures, which once caused a large-scale economic shutdown and soaring unemployment. The global pandemic situation has been fluctuating. As a result, the world economy fell into recession. Under COVID-19, the worst global public health emergency since the end of World War II, the supply and demand sides of the industrial chain of real economy have faced severe challenges, thus adversely affecting the social and economic activities. The magnesium industry was no exception, and the magnesium enterprises were operating in a very difficult environment.

China is not only the largest producer of magnesium, but also the largest exporter of magnesium products, supplying more than 80% of the world's requirement. In 2020, magnesium outputs in China were about 907,000 tons, down 6.4% year-on-year, and its export volume was about 393,800 tons, down 12.78% year-on-year. The overseas market, being the most important source of demand, has shrunk significantly due to the pandemic. Hence, the supply side of the industrial chain is under pressure. During the Year, the Group recorded an operating income of approximately HK\$744.8 million, an after-tax loss of approximately HK\$74.0 million, and an overall gross profit margin of 17.5%.

MAGNESIUM — AN IDEAL LIGHTWEIGHT METAL STRUCTURAL MATERIAL WITH A BRIGHT FUTURE

Magnesium alloys, as the “most developed and widely used lightweight eco-friendly strategic new materials of the 21st century”, are strong and stiff, with good thermal and electricity conductivity, good shock absorption, low processing cost, and easy to recycle. It is widely used in various fields such as automobiles, rail transportation, 3C electronic products, aerospace, medical equipment, architected products.

「鎂合金被譽為21世紀最具開發 應用的綠色材料和戰略性新材料。」

*“ Magnesium alloys have been known as the “most developed and widely used
lightweight eco-friendly strategic new materials of the 21st century”. ”*

鎂合金在汽車領域的應用數據顯示，二零一九年中國國內平均每輛車的鎂用量已上升至約5千克，而一些發達國家的單車鎂用量已高達40千克。中國國內的鎂在汽車領域應用與國外相比仍處於追趕階段，具有巨大的發展空間，有關研究報告預測未來5年鎂在全球汽車領域的複合增長率為23.7%。

中國政府於二零二零年十一月發布的「新能源汽車產業發展規劃(二零二一-二零三五)」中提及，到二零二五年新能源汽車新車銷售量達到汽車新車銷售總量的20%左右，預計中國新能源汽車銷量將超過500萬輛。新能源汽車每減少100千克重量，續航里程可提升6-11%，因此，新能源汽車對輕量化材料的需求更加迫切，有望拉動輕質新材料產業迅速成長。

二零二零年三月中國政府強調加快新型基礎設施建設進度，「新基建」包括5G基建、大數據中心、人工智能、工業互聯網、物聯網等新一代信息技術。所有這些都需要大量的功率器件，需要大量既有適當強度、散熱快，同時兼具高效電磁屏蔽性能的材料。鎂合金在「新基建」項目場景中以其優異性能將充分發揮作用。廣闊的應用前景，必將推動鎂合金新材料需求大幅增長。

深耕細作 開拓創新

本集團擁有22項高性能鎂合金生產工藝和制備方法的技術專利，採用行業先進的豎罐還原工藝創新技術，生產基地被認定為國家級「高新技術企業」。本集團擁有的技術優勢和創新能力將在鎂合金新材料的市場應用中發掘潛力。

未來我們還將深化技術創新、產品創新、營銷模式創新、以迎接後疫情時代對於輕質新材料日益增長的市場需求和滿足客戶對於不同品類產品的多元需求，創造「鎂」好未來。

致謝

本人謹代表本集團對各股東、董事會成員、客戶、銀行及合作夥伴和全體同仁一直以來對本集團的大力支持致以衷心的感謝，對集團全體員工的卓越工作表現致以誠摯的謝意。感謝大家長期以來對本公司的信賴與理解，我們會不忘初心、繼續前進，不辜負所有利益相關者對於我們的信任與支持。

沈世捷
主席

香港，二零二一年三月二十六日



According to the data of magnesium alloys' application in the automobiles field, in 2019, the average magnesium consumption per vehicle in China has risen to about 5kg, while the magnesium consumption per vehicle in some developed countries has reached 40kg. Compared with the developed countries, the application of magnesium in the automobiles industry in China is catching up and there is a huge space for development. Relevant research reports forecast that the compound growth rate of applying magnesium in the global automobiles industry in the next 5 years would be 23.7%.

In November 2020, the Chinese Government issued “the New Energy Automobile Industry Development Plan (2021-2035)”. It predicates that by 2025, the sales volume of new energy vehicles would reach about 20% of the total sales volume of new vehicles, and the sales volume of new energy vehicles in China would exceed 5 million. For every 100kg weight reduction of new energy vehicles, its endurance range can be improved by 6-11%. Therefore, the demand for lightweight materials by new energy vehicles is more urgent and is expected to drive the rapid growth of the industry.

In March 2020, the Chinese Government emphasized speeding up the construction of New Infrastructures, including 5G infrastructures, large data centers, artificial intelligence (AI), industrial internet, the Internet of Things, and other new-generation information technologies. All of these need a large amount of power devices and materials with good strength, fast heat dissipation, and efficient electromagnetic shielding. Magnesium alloys will excel in the New Infrastructures projects. The broad application spectrum will indeed promote a substantial increase of the demand for magnesium alloys as new materials.

CONTINUED EFFORTS AND PURSUED INNOVATION

The Group owns 22 technical patents of the production processes and preparation methods for high-performance magnesium alloys, and adopts the industry's advanced vertical retorts smelting technology. The Group's production base has been recognised as a national-level “High and Advanced Technology Enterprise”. The Group's technological advantages and innovative capabilities will be further explored in the application of magnesium alloy as new materials.

In the future, we will deepen our innovations in technology, product/production, and marketing model, to meet the growing demand for lightweight new materials and the diversified needs of customers for different product types in the post-pandemic era. We are to build a better future with you.

ACKNOWLEDGMENTS

On behalf of the Group, I wish to thank our shareholders, members of the Board, customers, bankers, and business partners for their invaluable support. I would also like to express my sincere thanks to all the staff for their dedication and hard work. I would like to thank all for the unfailing support and the total confidence in the Company. We will not forget our original aspiration. We will continue to move forward, and live up to the trust and support of all stakeholders.

Shum Sai Chit
Chairman

Hong Kong, 26 March 2021

業務回顧與分析

年內，本集團收入744,836,000港元(二零一九年：1,515,291,000港元)，減少50.8%；整體毛利率減少10.0%至17.5%；股東應佔虧損為74,011,000港元(二零一九年：溢利209,732,000港元)。

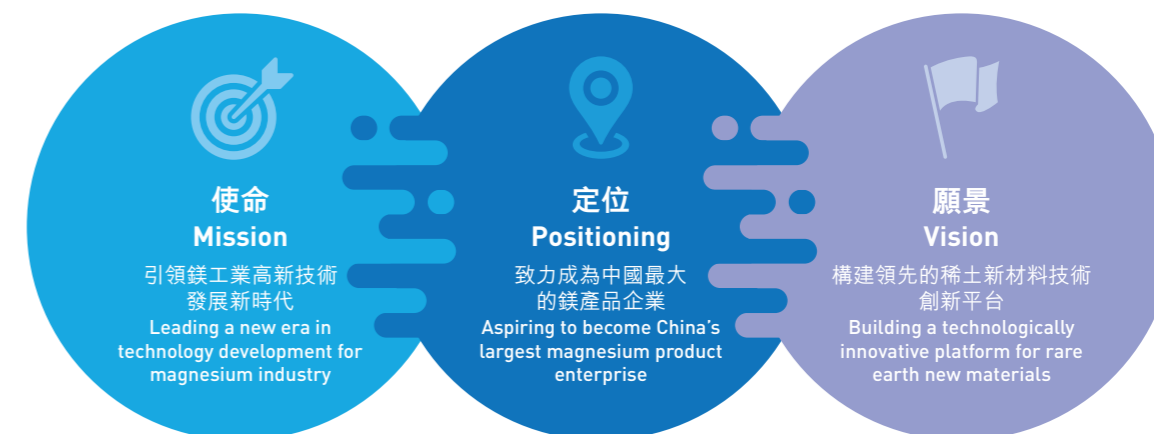
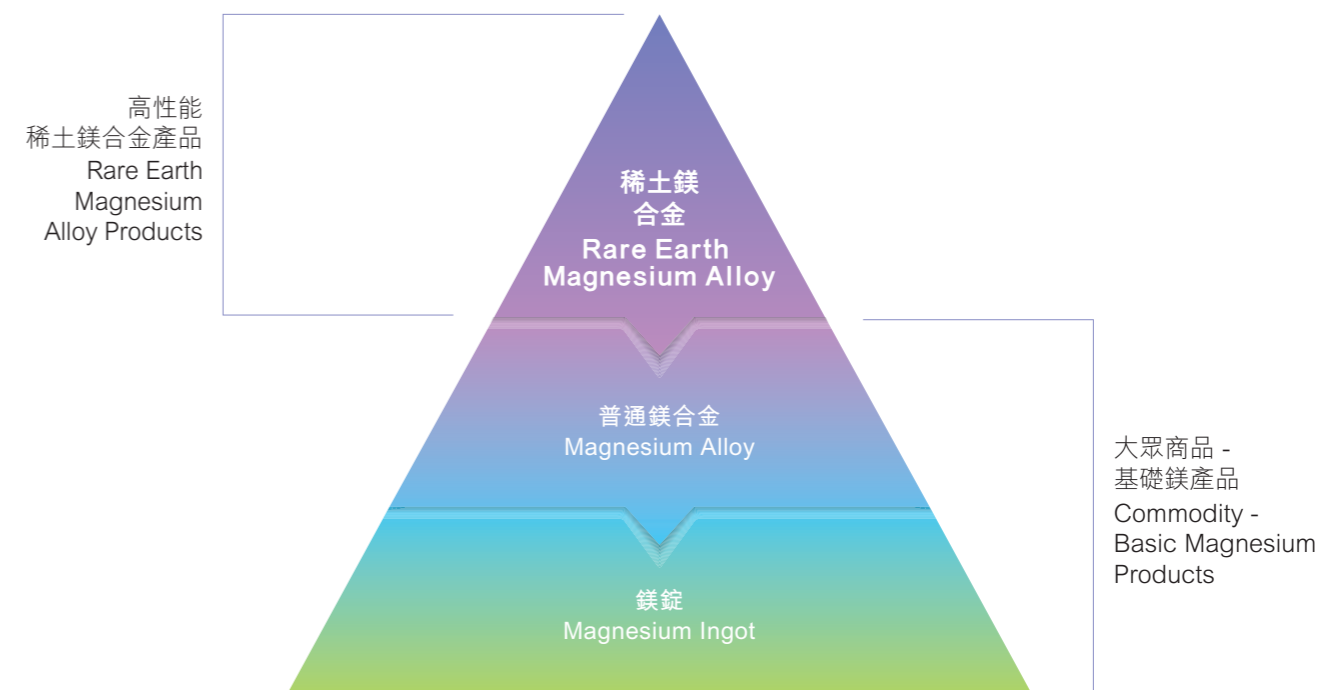
財務業務摘要

FINANCIAL AND BUSINESS SUMMARY

		二零二零年 2020 千港元 HK\$'000 (經審核) (Audited)	二零一九年 2019 千港元 HK\$'000 (經審核) (Audited)	二零一八年 2018 千港元 HK\$'000 (經審核) (Audited)
損益表 Statement of profit or loss				
收入	Revenue	744,836	1,515,291	1,537,781
毛利	Gross profit	130,171	416,206	409,483
毛利率	Gross profit margin	17.5%	27.5%	26.6%
息稅攤銷折舊前利潤	EBITDA	133,220	447,150	428,905
息稅攤銷折舊前利潤率	EBITDA margin	17.9%	29.5%	27.9%
股東應佔(虧損)/溢利	(Loss)/profit attributable to owners of the Company	(74,011)	209,732	217,691
純利率	Net profit margin	N/A	13.8%	14.2%
資產負債表 Balance sheet				
資產總額	Total asset	2,556,832	2,554,324	2,372,218
權益總額	Total equity	1,451,922	1,387,887	1,271,217
銀行現金(包括已抵押 銀行存款)	Cash at banks (including pledged bank deposits)	46,289	271,690	156,008
指標 Indicators				
借貸比率	Gearing ratio	34.1%	34.2%	30.6%
利息覆蓋比率	EBITDA/Interest	1.36	6.20	5.87
股本收益率	Return on equity	N/A	15.1%	17.1%

BUSINESS REVIEW AND ANALYSIS

During the Year, the revenue of the Group was HK\$744,836,000 (2019: HK\$1,515,291,000), representing a year-on-year decrease of 50.8%; the overall gross profit margin decreased 10.0% to 17.5%, the loss attributable to shareholders was HK\$74,011,000 (2019: profit of HK\$209,732,000).



主要運營數據分析

收入減少主要是由於全球新冠肺炎疫情蔓延流行，各國政府採取嚴格的疫情防控措施，實體企業一度停工停產，行業產業鏈的供給端和需求端備受壓力，市場需求減弱以及鎂價處於低位徘徊等原因，導致本集團產品的總銷量由二零一九年的60,559噸下降至年內的39,156噸，對本集團二零二零年業績造成嚴重影響。

年內之息稅攤銷折舊前利潤減少313,930,000港元或70.2%至133,220,000港元(二零一九年：447,150,000港元)。

其他營運費用分析

銷售及分銷支出

銷售及分銷支出約為8,506,000港元(二零一九年：15,615,000港元)，主要包括營銷費用及銷售人員工資，銷售及分銷支出和收入比率約1.1%(二零一九年：1.0%)。

行政支出

行政支出主要包括員工薪酬、折舊及攤銷、審核及專業費用、研究及開發等費用。年內之行政支出約為100,611,000港元(二零一九年：77,551,000港元)，同比增加約23,060,000港元或29.7%，行政支出增加主要由於本公司重組而已付／應付的額外專業費用約4.3百萬港元及由於本集團在年內生產能力相對較低而將固定生產成本(主要指未動用資產折舊)重新分類至行政支出約17.7百萬港元及撇銷應收款項約28百萬港元所致。

財務費用

財務費用約為97,857,000港元(二零一九年：72,064,000港元)，同比增加約25,793,000港元或35.8%。其中，約51,728,000港元(二零一九年：51,536,000港元)為於二零一七年十一月向控股股東Ming Xin Developments Limited發行的可換股債券之會計利息。誠如本公司於二零二零年十月三十日之公告所披露，可換股債券於二零二零年十一月三十日到期並按要求應付，重新分類為本集團其他借貸並附帶4厘年利率。

財務費用增加主要是由於本集團在年內的若干債務發生交叉違約後確認的違約利息以及於二零二零年就於二零一九年十二月向一名票據持有人發行之本金金額為100百萬港元之票據確認之財務費用之全年影響所致。

期末股息

董事會不建議向本公司股東派發截至二零二零年十二月三十一日止年度之末期股息(二零一九年：無)。

MAIN OPERATION DATA ANALYSIS

The decrease in revenue was mainly due to the spread of the global epidemic outbreak, in response to which governments of all countries carried out stringent prevention and control measures. It has once, led to the suspension of production of real enterprises; the pressure on the supply and demand sides of the industrial chain; the weak market demand; and the low magnesium price. As such, the total sales volume of products of the Group decreased to 39,156 tonnes during the Year from 60,559 tonnes for 2019, bringing about a significant impact on the results of the Group for 2020.

The EBITDA of the Year decreased by HK\$313,930,000 or 70.2% to HK\$133,220,000 (2019: HK\$447,150,000).

OTHER OPERATING EXPENSES ANALYSIS

Selling and Distribution Expenses

Selling and distribution expenses were approximately HK\$8,506,000 (2019: HK\$15,615,000), which mainly comprised of marketing expenses and sales staff wages. Selling and distribution expenses to revenue ratio was approximately 1.1% (2019: 1.0%).

Administrative Expenses

Administrative expenses mainly comprised of expenses such as staff remuneration, depreciation and amortisation, audit and professional fees and research and development. The administrative expenses for the Year was approximately HK\$100,611,000 (2019: HK\$77,551,000), representing a year-on-year increase of approximately HK\$23,060,000 or 29.7%. The increase in administrative expenses was mainly due to the additional professional fee paid/payable of approximately HK\$4.3 million for the restructuring of the Company, the reclassification of certain fixed production costs (mainly represented depreciation of underutilised assets) to administrative expenses of approximately HK\$17.7 million due to the relatively low production capacity of the Group during the Year, and the written-off of receivable of approximately HK\$28 million.

Finance Costs

Finance cost was approximately HK\$97,857,000 (2019: HK\$72,064,000), representing a year-on-year increase of approximately HK\$25,793,000 or 35.8%, of which approximately HK\$51,728,000 (2019: HK\$51,536,000) was the accounting interest of the Convertible Bonds issued to the controlling shareholder, Ming Xin Developments Limited in November 2017. As disclosed in the announcement of the Company on 30 October 2020, the Convertible Bonds was expired on 30 November 2020 and became repayable on demand, reclassified as other borrowings of the Group and carried interest at a rate of 4% per annum.

The increase in finance costs was mainly due to default interests recognised subsequent to the cross default of certain debts of the Group during the Year, and the full year effect of the finance costs recognised in 2020 in respect of the note with an principal amount of HK\$100 million issued to a noteholder in December 2019.

Final Dividend

The Board did not recommend the payment of final dividend to the shareholders of the Company for the year ended 31 December 2020 (2019: Nil).

流動性及財務資源

本集團息稅攤銷折舊前利潤為133,220,000港元(二零一九年:447,150,000港元),同比減少70.2%,利息覆蓋率減少至1.36倍。本集團借貸比率/資產負債率為34.1%。年內期末銀行現金(包括抵押銀行存款)為46,289,000港元。

可能的債務重組及就重組用途委任共同臨時清盤人

世紀陽光集團控股有限公司(「世紀陽光」),為本公司的控股股東,通過其全資附屬公司Ming Xin Development Limited持有本公司約72.31%的股權。世紀陽光發行並於新加坡交易所上市的本金金額為101,750,000新加坡元之後償票據,在二零二零年七月三日期滿回贖, Ming Xin Development Limited為票據的其中一位擔保人。此項違約已構成本集團若干借款之違約事件,造成交叉違約。

於二零二零年七月三日(百慕達時間),本公司已向百慕達最高法院(「百慕達法院」)就重組用途委任共同臨時清盤人之申請,以「非強制」原則行事,即本公司董事會仍繼續管理本公司及維持集團日常運作,而共同臨時清盤人與公司管理層一起致力於監督、督導和監察集團整體進行全面及經協調的債務和負債重組,包括維持本公司在聯交所的上市。

共同臨時清盤人申請已於二零二零年七月六日(百慕達時間)於百慕達法院進行聆訊。百慕達法院頒佈一項命令,就重組用途委任安永企業財務服務有限公司之閻正為先生及蘇潔儀女士、安永有限公司之Roy Bailey先生以及EY Cayman Ltd.之Tammy Karina Fu女士(統稱為「共同臨時清盤人」)為本公司「非強制」共同臨時清盤人,並授予其共同及個別之權力。

於二零二零年八月七日,百慕達法院向香港高等法院(「高等法院」)發出請求書(「請求書」),要求在香港承認共同臨時清盤人的任命和權力,以(其中包括)制定並提出重組計劃,致使本公司能夠繼續持續經營。百慕達法院亦於當日接受其中一位共同臨時清盤人閻正為先生之辭任。而有關Roy Bailey先生、Tammy Karina Fu女士及蘇潔儀女士作為共同臨時清盤人的委任令則維持生效。共同臨時清盤人於二零二零年八月二十一日向高等法院提出申請,要求頒令認可共同臨時清盤人的任命,及獲得根據該請求書所給予的共同臨時清盤人權利。於二零二零年八月二十五日,高等法院已批准該申請。

於二零二一年二月二十五日,本公司收到由AI Global Investment SPC代表AI Investment Fund S.P.(「呈請人」)行事及為其利益於二零二一年二月二十二日向高等法院針對本公司提交之呈請(「呈請」),要求高等法院頒令本公司清盤。針對本公司提交之呈請乃由於本公司未能償付呈請人票據,未償付本金連同未支付利息及拖欠利息總額20,707,777.78美元,有關金額乃根據呈請人(作為認購人)與本公司(作為發行人)於二零一七年八月七日訂立之於二零二零年到期本金20,000,000美元之7%非後償及無抵押票據認購協議作出。呈請將於二零二一年六月二日於高等法院進行聆訊。本公司正在就上述事項尋求法律意見。

Liquidity and Financial Resources

The EBITDA of the Group was HK\$133,220,000 (2019: HK\$447,150,000), representing a year-on-year decrease of 70.2%. The interest coverage decreased to 1.36 times. The Group's borrowing rate/gearing ratio was 34.1%. At the end of the Year, cash in bank (including pledged bank deposits) was HK\$46,289,000.

Possible Debt Restructuring and the Appointment of Joint Provisional Liquidators for Restructuring Purposes

Century Sunshine Group Holdings Limited ("CS") is the controlling shareholder of the Company holding approximately 72.31% shareholding interest in the Company through its wholly-owned subsidiary Ming Xin Developments Limited. CS defaulted in its redemption of its subordinated notes listed on SGX in aggregate principal amount of SGD101,750,000 that matured on 3 July 2020. Amongst others, Ming Xin Developments Limited is a guarantor of the notes. The CS's default constitutes an event of default in respect of certain borrowings of the Group, causing the cross default.

On 3 July 2020 (Bermuda time), the Company has filed to the Supreme Court of Bermuda (the "Bermuda Court") a winding up petition ("Petition") together with the application for the appointment of the "light touch" joint provisional liquidators (the "JPLs") for restructuring purpose. The board of directors of the Company will retain management of the Company, while the JPLs will work alongside the Company's management to monitor, supervise, and oversee the implementation of a group-wide holistic and coordinated restructuring of its debts and liabilities including to maintain the listing of the Company on the Stock Exchange.

The JPLs Application was heard before the Bermuda Court on 16 July 2020 (Bermuda time). An order was granted by the Bermuda Court for the appointment of Mr. Yen Ching Wai David and Ms. So Kit Yee Anita of Ernst & Young Transactions Limited, Mr. Roy Bailey of Ernst & Young Ltd., and Ms. Tammy Karina Fu of EY Cayman Ltd., (collectively, the "JPLs") as the "light-touch" joint provisional liquidators of the Company for restructuring purposes, with the power to act jointly and severally.

On 7 August 2020, the Bermuda Court issued a letter of request ("LOR") to the High Court of Hong Kong (the "High Court") for the recognition of the appointment and powers of the JPLs in Hong Kong to, inter alia, develop and propose a restructuring plan to allow the Company to continue as a going concern. The Bermuda Court also accepted the resignation of one of the JPLs, Mr. Yen Ching Wai David on the same day. The JPLs appointment order remains in force in respect of Mr. Roy Bailey, Ms. Tammy Karina Fu and Ms. So Kit Yee Anita as JPLs. An application has been filed by the JPLs to the High Court on 21 August 2020 for the recognition of the appointment and powers of the JPLs pursuant to the LOR. On 25 August 2020, the High Court has approved the said application.

On 25 February 2021, the Company received a petition (the "Petition") filed by AI Global Investment SPC acting on behalf of and for the account of AI Investment Fund S.P. (the "Petitioner") on 22 February 2021 against the Company in the High Court for an order that the Company be wound up by the High Court. The Petition was filed against the Company for its failure to repay the Petitioner an outstanding principal of the notes together with the unpaid interest and default interest in an aggregate amount of US\$20,707,777.78, which was pursuant to a subscription agreement of 7% unsubordinated and unsecured notes due 2020 in a principal amount of US\$20,000,000 entered into between the Petitioner as subscriber and the Company as the issuer dated 7 August 2017. The Petition will be heard before the High Court on 2 June 2021. The Company is in the course of seeking legal advice in respect of the above matter.

於年內，共同臨時清盤人已與已登記債權的債權人舉行債權人會議，並組成債權人委員會，以便於諮詢及協助制定債務重組計劃。任何該等計劃的制定以及實施須受債權人會議上大多數債權人協定以及百慕達法院及高等法院授出的命令限制。本公司將繼續與債權人保持積極溝通，採取可行措施，凝聚債權人共識，致力推動重組方案落實。

認可令

根據百慕達一九八一年公司法第166(1)條規定，將導致清盤開始後就本公司財產(包括據法權產)作出之任何處置以及任何股份轉讓或本公司成員地位之任何變更均屬無效，惟百慕達法院另有命令則作別論。本公司已就轉讓股份之認可令尋求法律意見。

本公司謹此進一步作出更新，於獲得進一步法律意見後，本公司於香港申請認可令是明智的，以確保轉讓股份不被視為無效。本公司正在準備於香港申請認可令，並預期將很快提交予高等法院。本公司將另行刊發公告，以提供有關申請結果的最新進展。

展望

二零二零年來勢洶洶的新冠肺炎疫情全球流行肆虐，重創世界經濟，鎂行業也未能獨善其身，行業的供給端和需求端受到嚴峻挑戰。隨著新冠疫苗全球推廣，疫情拐點顯露曙光，全球經濟將逐步復蘇，鎂合金新材料在新經濟領域的廣泛應用也將迎來新一波行情。

二零二一年，本公司將對現有業務發展採取審慎態度，努力踐行產品創新、技術創新、營銷創新的經營理念；不斷開拓優質新客戶、維護忠實老客戶，拓寬市場網絡；以進一步增強集團的綜合競爭力和營收能力，迎接後疫情時代對於輕質新材料的市場需求，為創造「鎂」好生活而不懈努力！

During the Year, the JPLs have held the creditors' meeting with creditors who have registered their rights and have formed the creditors' committee for consultation purposes and to assist the JPLs regarding the formulation of the debt restructuring plan. Any determination and implementation of such plan shall be subject to the agreement of the majority of creditors at the meeting and the orders granted by the Bermuda Court and the High Court. The Company will continue to maintain active communication with creditors and adopt practicable measures to unite the consensus of creditors in order to promote the implementation of the restructuring plan.

Validation order

Pursuant to Section 166(1) of the Bermuda Companies Act 1981, any disposition of the property of the Company, including things in action, and any transfer of shares of the Company (the "Shares"), or alteration in the status of the members of the Company, made after the commencement of the winding-up, shall, unless the Bermuda Court otherwise orders, be void. The Company has sought legal advice regarding the application for a validation order in respect of the transfer of Shares.

The Company wishes to update that, upon obtaining legal advice, it is advisable for the Company to apply for the validation order in Hong Kong. The Company is in the course of preparing such application for the Validation Order in Hong Kong and is expected to file with the High Court shortly. Further announcement(s) will be made by the Company to provide update on the outcome of the application.

PROSPECT

In 2020, the raging COVID-19 outbreak has spread across the world, hitting the world economy seriously. The magnesium industry was no exception. The supply and demand sides of the industry have faced severe challenges. With the coronavirus vaccine being promoted globally, the turning point of the pandemic is emerging and the global economy is gradually recovering. Then the magnesium alloy new materials will stimulate the market again by broadly applying to the new economy.

In 2021, the Company will be cautious on existing business development and strive to innovate the product/production, technology, and marketing in practice. Besides, in order to further enhance the overall competitiveness and profitability of the Group, we will make consistent efforts to explore new-quality customers while retaining regular and loyal customers. And we will expand the market network so as to cater to the demand for new lightweight materials in the post-epidemic era. We are certain to devote our tireless efforts to build a better future for all.

補充資料

外匯及財資政策

本集團的大多數業務交易、資產及負債均以港元、美元或人民幣計值。本集團的慣常財資政策為管理重大的貨幣風險敞口並將有可能對本集團造成重大影響的貨幣風險降至最低。於年內，本集團並無進行任何利率或貨幣投機活動。

僱員關係

於二零二零年十二月三十一日，本集團聘有382名僱員(二零一九年：722名)。除薪酬外，本集團亦為僱員提供年假、醫療保險及公積金等其他附帶福利。

主要風險及不明朗因素

本集團的財務狀況、營運業績及業務前景可能受到與本集團業務直接或間接相關的許多風險及不明朗因素的影響。以下為本集團知悉的主要風險及不明朗因素。除下文所列者外，或會存在本集團並未知悉或目前可能不重要但日後可能變得重要的其他風險及不明朗因素。

市場風險

市場風險乃因市場需求、產品價格、匯率及利率等的變動，而使盈利能力受損或影響達成業務目標的能力的風險。本集團管理層對該等風險持續密切監控，以確保能及時有效採取適當措施以應對。

匯率風險

本集團主要在中國內地及香港經營業務，故此承受多種外匯風險，主要涉及人民幣、港元及美元。外匯風險源於未來商業交易、已確認資產及負債，以及外國經營的投資淨額。本集團管理層預期該等業務的外幣風險淨額並不大。因此，本集團現時並無對沖外匯風險。

本集團擬定期審視持有除港元以外之貨幣之流動資產及負債以評估外匯風險並於必要時考慮使用對沖工具。

利率風險

對於利息敏感型產品及投資，本集團以動態基準分析其利率風險，並考慮適當時透過各種手段以低成本方式管理該風險。

信貸風險

本集團一直以來十分重視我們客戶的信貸風險。本集團管理層已授權相關工作小組，負責釐定信貸限額，信貸審批及其他監控程序，以確保採取跟進措施收回逾期債務，而本集團可根據每一客戶先前的交易記錄和信貸往績，定期評估及追蹤所有客戶的賬戶。

SUPPLEMENTARY INFORMATION

FOREIGN CURRENCIES AND TREASURY POLICY

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollars, United States dollars or Renminbi. The usual treasury policy of the Group is to manage significant currency exposure and minimize currency risk whenever it may have material impact to the Group. During the Year, the Group did not engage in any interest rate or currencies speculations.

EMPLOYEES RELATIONS

As at 31 December 2020, the Group has 382 employees (2019: 722 employees). In addition to remuneration, the Group also provides annual leave, medical insurance, provident fund and other fringe benefits for its staff.

KEY RISKS AND UNCERTAINTIES

Our Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The followings are the key risks and uncertainties identified by our Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material now but could turn out to be material in the future.

Market risks

Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the movement in market demand, product prices, foreign exchange rates, and interest rates. The management of our Group keeps continually monitoring these exposures closely to ensure appropriate measures are implemented on a timely and effective manner against such risks.

Exchange rate risk

The Group mainly operates in the Mainland China and Hong Kong and is exposed to foreign exchange risk arising from primarily with respect to Renminbi, Hong Kong Dollars and United States Dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's management does not expect the net foreign currency risk from these activities to be significant and hence, the Group does not presently hedge the foreign exchange risks.

The Group has planned to periodically reviews liquid assets and liabilities held in currencies other than Hong Kong Dollars to evaluate its foreign exchange risk exposure and consider the usage of hedging instruments when necessary.

Interest rate risk

For interest-sensitive products and investments, our Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through variety of means.

Credit risk

The Group has always been aware of the credit risk exposure of our customers. In order to minimise the credit risk, management of the Group has authorised a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The procedures required that all clients were regularly assessed so that the Group could keep track of their transaction records and credit history.

流動資金風險

截至二零二零年十二月三十一日止年度，本集團錄得虧損約74,011,000，港元，而截至該日，本集團之流動負債超過其流動資產約180,801,000港元。此外，於二零二零年十二月三十一日，本集團之流動及非流動借款分別約為796,938,000港元及75,381,000港元，而其現金及現金等價物僅約為36,104,000港元。誠如財務報表附註1所載，倘本集團不能籌措足夠資金滿足其金融債務，則會遭受流動性風險。

本公司董事已審慎考慮本集團之未來流動資金狀況。有關詳情載於財務報表附註3。

營運風險

營運風險指因內部程序、人員或制度不足或缺失，或因外部事件導致之損失風險。管理營運風險之責任基本上由集團及附屬公司的職能部門負責監控和落實。本集團之主要功能是對營運程序、權限及匯報框架作出指引。管理層將會定期評估主要之營運風險及業務發展所帶來的影響，制定相應措施，完善內控制度，以及時有效應對和規避風險。

投資風險

投資風險乃界定為因各項外在因素轉變導致任何某項投資相對其預期回報期延長或投資回報低於預期或投資項目發生虧損的可能性。本集團深明持續開拓業務類型和區域，對集團業務發展的重要性，並落實在年度重點工作任務中。項目投資的主要考慮因素為平衡各類投資之風險及回報，因而風險評估乃投資決策過程中的重要一環。本集團已設立適當的投資項目評估和盡職調查程序，並會於批准投資前進行詳細分析。本集團之投資項目進度會定期更新，並向董事局匯報。

人力供應及留聘人才之風險

人力資源管理風險主要指由於本集團業務發展迅速，對人才需求迫切，也面對行業對人才的激烈競爭以及人員的流動性，本集團可能面臨或存在着未能有效引進及挽留具備適當及所需技能、經驗及才能之主要人員及人才以配合業務發展的風險，這些主要人員及人才均是達致我們業務目標所需之因素。本集團將會定期對薪酬體系和激勵機制進行全面分析，優化薪酬結構以確保員工薪酬處於市場合理水平，並具有競爭力。同時，開拓招聘渠道，不斷充實高級管理層後備人才，並加強對員工的系統化培訓，提供員工升職機會及拓寬事業前途，弘揚良好的企業文化。

Liquidity risk

During year ended 31 December 2020, the Group recorded loss of approximately HK\$74,011,000, and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$180,801,000. Further, as at 31 December 2020, the Group's current and non-current borrowings amounted to approximately HK\$796,938,000 and HK\$75,381,000 while its cash and cash equivalents only amounted to approximately HK\$36,104,000. As disclosed in note 1 to the financial statements, the Group is exposed to liquidity risk if it is not able to raise sufficient fund to meet its financial obligations.

The directors of the Company have given careful consideration to the future liquidity of the Group, details of which are set out in note 3 to the financial statements.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with functional departments of the Group and its subsidiaries. Key function of the Group is to guide their standard operating procedures, limits of authority and reporting framework. Our management will assess key operational exposures and effect raised in business development regularly, implement relevant measures and improve the internal control so that risk can be responded and mitigated on a timely and effective manner.

Investment risk

Investment risk can be defined as the likelihood of extension of its return period relative to the expected return or occurrence of losses on any particular investment attributable to changes of external factors. The Group is well aware of the importance of exploring various business opportunities and territories on a continual basis, and implemented this as the key task of the year. Key concern of projects investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process. Proper investment assessment and due diligence procedures have been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of our Group would be submitted to the Board.

MANPOWER AND RETENTION RISK

Manpower risk means huge demand for talents because of the Group's rapid business development while at the same time facing severe competition over specialists from the industry and turnover of manpower. Our Group may face the risk of not being able to recruit and retain key personnel and talents with appropriate and required skills, experience and competence to cope with the expansion of business which would meet with our business objectives. Our Group will periodically conduct a thorough analysis over its remuneration system, as well as incentive mechanism and optimize the compensation structure so as to ensure remuneration packages can align reasonably with market standard and maintain its competitiveness. Meanwhile, recruitment channels are broadened and the talent pool of senior management are strengthened, so as to further enhance the promotion opportunities and career path of employees. Systematic staff training are also being further enhanced to increase the overall effectiveness of training and the dissemination of corporate cultures and values.

環境政策及表現

環境政策及表現主要指中國政府對環保法規政策的重視程度和愈加嚴格的規管要求，本集團之附屬公司及新併購企業由於建成投運已久，可能或將會存在與國家陸續出台的環境與責任要求有某種不足或差距的情況。本集團密切關注環保政策及外在因素的變動對集團業務發展所帶來的影響，本集團以對環境負責和履行社會責任，致力於改善及保持其經營場所所在地環境及社區之長期可持續性，盡力遵守有關環保之法律及法規，並採取有效措施達致資源有效利用、能源節約及廢物減少。本集團日常營運已採納綠色倡議及措施。該等倡議包括資源回收、節約能源措施及節約用水等行動。

遵守法律及規則

本集團的業務主要由本公司於中國內地的附屬公司進行，而本公司於香港聯交所上市。因此，本集團營運須遵守中國內地及香港的有關法律及法規。截至二零二零年十二月三十一日止年度及直至本報告日期，盡我們所知，本集團就中國內地及香港的有關法律及法規，沒有發現重大違反。

與員工及主要持份者之關係

於二零二零年十二月三十一日，本集團所僱用之員工數目約為382名。本集團根據員工之表現、工作經驗和現時市場情況訂定彼等之薪酬。員工福利包括年假、醫療保險及公積金等。本集團並無發生任何導致正常業務運作受影響之勞資糾紛或僱員關係之重大改變。董事認為本集團與僱員關係良好。

本集團明白與商業夥伴、股東、投資者及銀行保持良好關係，是我們達成長遠目標的要素。為了與我們的持份者維持密切的關係，本集團已制定相應的投資者關係計劃，並不定期為不同持份者舉辦合適的參與活動，包括股東週年／特別大會、現場考察、研討會和路演等等。故此，高級管理層會在適當情況下與我們的持份者進行良好溝通、適時交流想法及共享集團發展最新動向。期內，本集團與商業夥伴或銀行之間並沒有重大的糾紛。



ENVIRONMENTAL POLICIES AND PERFORMANCE

Environmental policies and performance mainly means that the PRC Government is paying increasing attention to environmental rules and policies and is imposing more stringent regulatory requirements. The Group's subsidiaries and newly acquired enterprises have been operating for a long while which might lag behind in certain environmental and duty requirements promulgated by the PRC Government. The Group monitors impact on business development closely raised from movements of environmental policy and external factors. Acting in an environmentally responsible manner and performing social responsibilities, the Group is committed to improving and maintaining the long term sustainability of the communities in which it operates. The Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. Green initiatives and measures have been adopted in daily operation of the Group. Such initiatives include recycling of resources, energy saving measures and water saving practices.



COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in Mainland China while the Company is listed on the Hong Kong Stock Exchange. The Group's operations accordingly shall comply with relevant laws and regulations in Mainland China and Hong Kong. During the year ended 31 December 2020 and up to the date of this report, to the best of our knowledge, the Group has no material non-compliance with the relevant laws and regulations in Mainland China and Hong Kong.

RELATIONSHIP WITH EMPLOYEES AND KEY STAKEHOLDERS

The number of employees of the Group was approximately 382 as at 31 December 2020. The remuneration of employees was determined by the Group with reference to their performance, work experience and current market conditions. Employee benefits include annual leave, medical insurance and provident fund scheme. There has been no labour dispute or significant change in the relationship with the employees that affect the normal operations of the Group. The Directors believe that the Group maintains admirable relations with its employees.

Our Group understands that it is important to maintain good relationship with business partners, shareholders, investors and banks to achieve its long-term goals. To keep up with our key stakeholders closely, the Group has formulated corresponding scheme about investor relationship, and also holds tailored activities from time to time, such as annual/extraordinary general meetings, on-site visits, seminars and road-shows. Accordingly, our senior management has kept good communication, promptly exchanged ideas and shared business latest update about development of the Group with our stakeholders when appropriate. During the year, there was no material dispute between our Group and its business partners or banks.

項目概覽

白雲石礦

本集團之白雲石礦，位於中國吉林省白山市。該礦場以露天開採方式操作，不涉及也不需要額外勘探工程，開發活動僅涉及露天開採時的簡易基建工程，並沒有涉及任何地下勘探以及結構工程。已開採之白雲石為本集團生產金屬鎂產品之原材料。礦場的位置鄰近本集團生產基地，原料的運輸成本亦相對很低。

本集團之白雲石礦乃按中國資源／儲量分類。截至二零二零年十二月三十一日的估計資源量和儲量，按已開採量逐年核減，得出剩餘資源量及儲量。本集團與以往披露估算假設相比並無重大變更。該資源量及儲量由本集團之內部地質專家審核。截至二零二零年十二月三十一日止年度，本集團並無出產白雲石。與二零一九年十二月三十一日相比，白雲石礦於年內的資源量及礦石儲量並無重大變動。

截至二零二零年十二月三十一日止年度，白雲石礦因開採活動產生之支出約為零港元，而勘探及開發活動之支出則為零港元。

PROJECT OVERVIEW

Dolomite Mine

The Group's dolomite mine is situated in Baishan City, Jilin Province, the PRC. The mine is operated by open-pit method, and therefore no additional exploration works are involved or required. Only simple infrastructure works for open-pit mining are involved in the development activities, and no underground exploration or structural works are involved. The dolomite mined is raw material for producing magnesium products of the Group. The transportation cost for raw material is relatively low due to the close proximity of the mine to the production base of the Group.

The dolomite mine of the Group was reported under the Chinese resource/reserve categories. As at 31 December 2020, the anticipated resource and reserve volumes were determined based on the yearly reduction of quantity mined to calculate the remaining resource and reserve volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes was reviewed by the Group's internal geological experts. For the year ended 31 December 2020, there was no dolomite output. As compared with the state as at 31 December 2019, there was no material change in the resource estimate and ore reserve of the dolomite mine.

The expenditure incurred in mining activities of dolomite for the year ended 31 December 2020 were approximately HK\$Nil while the expenditure incurred in exploration and development activities was HK\$Nil.

本公司認同良好的企業管治對於本集團長遠發展之重要性，並致力按本集團所需識別、制定、實施及加強企業管治常規。誠如下文所述，本公司已經成立相關委員會／小組委員會並採納若干內部政策，以改善內部監控及加強本集團業務運作之透明度，務求保障其持分者之利益。

企業管治常規

截至二零二零年十二月三十一日止年度，除已於「主席及行政總裁」部分披露及以下偏離情況外，本公司一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載的企業管治守則（「守則」）：

根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事亦須出席股東大會，並公正地了解股東意見。

- 非執行董事孟健教授及非執行董事譚偉豪博士太平紳士因須處理其他事務而未能出席於二零二零年六月三十日舉行的股東大會。

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所載有關董事進行證券交易之標準守則（「標準守則」），本集團有關本公司董事（「董事」）進行證券交易之行為守則條款並不遜於標準守則所規定之標準。經向全體董事作出具體查詢後，全體董事確認已於截至二零二零年十二月三十一日止年度遵守標準守則規定之標準。

The Company recognises the importance of good corporate governance to the long-term development of the Group and has devoted considerable efforts in identifying, formulating, implementing and enhancing corporate governance practices in accordance with the needs of the Group. As mentioned below, the Company has established the relevant committees/sub-committee and adopted certain internal policies to improve internal controls and enhance transparency of business operation of the Group with a view to protect the interests of its stakeholders.

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2020, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), save for the deviations as disclosed in "Chairman and Chief Executive Officer" section and as follows:

Under code provision A.6.7, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders.

- Professor Meng Jian (being a non-executive Director) and Dr. Tam Wai Ho JP (being a non-executive Director) were unable to attend the general meetings held on 30 June 2020 as he was obliged to be away for other matters.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct of the Group regarding securities transactions of the directors of the Company (the "Directors") on terms no less exactly than required standard set out in the Model Code. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2020.

董事會

董事會現時由下列六名董事組成：

執行董事

沈世捷 (主席兼行政總裁)
池靜超

非執行董事

孟健教授

獨立非執行董事

鄭炳文
張省本
關毅傑

董事會職能

董事會負責制定本集團之整體策略及政策、檢討及監察本集團之財務表現，包括編製及審批財務報表及監管管理層之日常營運工作，考慮本集團在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及彼等所接受之培訓課程及預算是否充足。本集團之日常業務運作及行政事宜交由管理層處理。

董事會會議及常規

董事會定期舉行會議，董事會會議每年最少召開四次，大約每季一次。召開董事會定期會議之通告及議程均於會議前至少十四天發出予所有董事，以便所有董事均能騰空出席及加添議程項目。董事會定期會議之會議文件至少於會議舉行前三天發送予全體董事，以供彼等細閱。董事會會議記錄之初稿均於會後之合理時段內發送至全體董事審閱及提供意見，方始作實。會議記錄已充份及詳細地記載董事於會上所考慮之事項及達致之決定。

THE BOARD

Currently, the Board comprises the following six Directors:

Executive Directors

Shum Sai Chit (Chairman and Chief Executive Officer)
Chi Jing Chao

Non-executive Director

Professor Meng Jian

Independent Non-executive Directors

Kwong Ping Man
Cheung Sound Poon
Kwan Ngai Kit

Functions of the Board

The Board is responsible for formulating the overall strategies and policies of the Group, reviewing and monitoring its financial performance, including preparing and approving financial statements and overseeing operational matters of the management, considering the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function and their training programmes and budget. Daily business operations and administrative functions of the Group are delegated to the management.

Board meetings and practices

The Board meets regularly and board meetings are held at least four times a year at approximately quarterly intervals. Notices and agenda of regular board meetings are served to all Directors at least fourteen days before the meetings to ensure that all Directors are given the opportunity to attend and to include matters in the agenda. Discussion materials of regular board meetings are sent to all Directors for their study at least three days prior to the meetings. Draft minutes of board meetings are circulated to all Directors for review and comments within a reasonable time after the meetings prior to confirmation. Minutes are recorded in sufficient detail of the matters considered by the Board and decisions reached.

董事會(續)

董事會會議及常規(續)

於截至二零二零年十二月三十一日止之財政年度內，本公司共舉行過六次董事會會議，各董事於董事會會議、委員會會議及股東大會之個別之出席率如下：

		所出席／舉行之會議 Attended/held					
		董事會 會議	審核委員會 會議	提名委員會 會議	薪酬委員會 會議	執行管理 委員會	股東大會
		Board Meetings	Audit Committee Meetings	Nomination Committee Meetings	Remuneration Committee Meetings	Management Committee Meetings	Members General Meetings
執行董事	Executive Directors						
沈世捷	Shum Sai Chit	6/6	—	1/1	—	—	1/1
池靜超	Chi Jing Chao	6/6	—	1/1	—	—	0/1
非執行董事	Non-executive Directors						
孟健教授	Professor Meng Jian	6/6	—	—	—	—	0/1
譚偉豪 太平紳士*	Tam Wai Ho, Samson JP*	2/3	—	—	—	—	0/1
獨立非執行董事	Independent Non-executive Directors						
鄭炳文	Kwong Ping Man	6/6	4/4	1/1	1/1	—	1/1
張省本	Cheung Sound Poon	6/6	4/4	—	1/1	—	1/1
關毅傑	Kwan Ngai Kit	6/6	4/4	1/1	—	—	1/1

* 於二零二零年六月三十日退任

按上市規則第3.10(1)及(2)，以及3.10A條之規定，本公司已委任足夠數目之獨立非執行董事，而獨立非執行董事中亦至少有一名具備適當會計或有關財務管理專長。董事會已收到各獨立非執行董事根據上市規則第3.13條就其獨立性而個別作出之年度確認函。

董事會成員之間並無存在包括財務、業務、家屬或其他重大／相關的關係。

THE BOARD (continued)

Board meetings and practices (continued)

During the year ended 31 December 2020, six board meetings were held by the Company, and the individual attendance rate of each Director at meetings of the Board, its committees and General Meetings is as follows:

* retired on 30 June 2020

Pursuant to Rules 3.10(1) and (2), and 3.10A of the Listing Rules, sufficient number of Independent Non-executive Directors have been appointed and at least one of the remaining Independent Non-executive Directors has appropriate accounting or related financial management expertise. The Board has received annual confirmation of independence from each of its Independent Non-executive Directors as required under Rule 3.13 of the Listing Rules.

There is no financial, business, family or other material/relevant relationships among members of the Board.

董事會(續)

董事之持續專業發展

本公司不時向董事提供有關上市規則、公司條例及其他適用監管規定之最新變動情況。除鼓勵董事參與持續專業發展之課程，以更新及提升彼等之知識及技能外，本公司亦為董事安排與行業有關之內部研討會，以及向彼等提供有關董事責任之閱讀材料。所有董事已向本公司提供彼等於截至二零二零年十二月三十一日止年內已接受之培訓紀錄。

董事於截至二零二零年十二月三十一日止年內曾參與之培訓概述如下：

董事	Directors	持續專業發展培訓種類 Types of continuous professional development training	附註 Notes
執行董事	Executive Directors		
沈世捷	Shum Sai Chit		B
池靜超	Chi Jing Chao		B
非執行董事	Non-executive Director		
孟健教授	Professor Meng Jian		B
獨立非執行董事	Independent Non-executive Directors		
鄭炳文	Kwong Ping Man		A 及 B
			A and B
張省本	Cheung Sound Poon		A 及 B
			A and B
關毅傑	Kwan Ngai Kit		A 及 B
			A and B

附註：

- A: 出席講座或培訓課程
B: 閱讀報章、刊物及有關本公司業務或董事職責及責任、上市規則及其他適用監管規定最新發展等方面的最新資料

THE BOARD (continued)

Directors' Continuous Professional Development

The Company updates the Directors of the latest changes in the Listing Rules, Companies Ordinance and other applicable regulatory requirements from time to time. Apart from encouraging the Directors to participate in continuous professional development ("CPD") courses to refresh and enhance their knowledge and skills, the Company also arranged an industry-related in-house seminar for the Directors and provided them with reading materials relating to the directors' duties. All Directors have provided the Company with their records of training they received during the year ended 31 December 2020.

A summary of the trainings participated by the Directors during the year ended 31 December 2020 is as follows:

Notes:

- A: Attending seminar(s) or training session(s)
B: Reading newspaper, journals and updates relating to the Company's business or directors' duties and responsibilities, the latest development of the Listing Rules and other applicable regulatory requirements, etc.

董事會(續)

企業管治職能

董事會負責按其「企業管治職能之職權範圍」履行本公司下列企業管治職務：

- (a) 制定及檢討本公司的企業管治政策及常規，並提出合適建議；
- (b) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (d) 制定、檢討及監察適用於僱員及董事的操守準則；及
- (e) 檢討本公司遵守該守則的情況及在《企業管治報告》內的披露。

於回顧年內，董事會已履行以下企業管治職務：

- 審批載於本公司二零一九年週年報告內之企業管治報告的內容；
- 採納「董事會成員多元化政策」；及
- 檢討本集團之舉報政策，以確保員工就財務匯報及內部監控等方面可能發生之不正當行為提出關注之安排足夠。

THE BOARD (continued)

Corporate Governance Functions

The Board is responsible for performing the following corporate governance duties of the Company in accordance with the “Terms of Reference of Corporate Governance Function” adopted by it:

- (a) to develop and review the Company’s policies and practices on corporate governance and make appropriate recommendations;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct applicable to employees and Directors; and
- (e) to review the Company’s compliance with the Code and disclosure in the Corporate Governance Report.

During the year under review, the Board has performed the following corporate governance duties:

- Reviewed and approved the contents of the Corporate Governance Report included in the 2019 annual report of the Company;
- Adopted the “Board Diversity Policy”; and
- Reviewed the Whistle-blowing Policy of the Group to ensure the arrangements for employees to raise concerns about possible improprieties in financial reporting and internal control, etc. were adequate.

主席及行政總裁

緊接池碧芬女士於二零一九年退任行政總裁後，主席兼執行董事沈世捷先生獲委任為本公司之行政總裁。

沈世捷先生管理本公司多年並熟悉本集團營運的各個環節。董事會認為沈世捷先生可勝任行政總裁一職。

於沈先生被任命為行政總裁後，本公司並無區分主席及行政總裁，而沈先生同時擔任此兩項職務，因此與上市規則附錄十四所載之「企業管治守則」守則文第A.2.1條有所偏離。根據該守則條文，主席與行政總裁的角色應予區分，不應由一人同時兼任。沈先生自2015年起一直致力負責公司的整體管理工作，而現時之安排可以提高本公司的企業決策及執行效率，有助本公司於現階段更高效地發展。董事會將不時審閱現有架構，並於董事會認為適當時作出必要安排。

非執行董事

非執行董事及獨立非執行董事之委任均為有指定任期，並須根據本公司之公司細則（「公司細則」）輪值退任及重選。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Subsequent to the retirement of Ms. Chi Bi Fen as Chief Executive Officer in 2019, Mr. Shum Sai Chi, the chairman and an executive Director, has been appointed as the Chief Executive Officer of the Company.

Mr. Shum Sai Chit has numerous years of experience in the management of the Company and is familiar with all aspects of the Group’s operations and the Board considers that Mr. Shum Sai Chit is well qualified to take up the role of the Chief Executive Officer.

Following the appointment of Mr. Shum as Chief Executive Officer, the Company does not have a separate chairman and Chief Executive Officer and Mr. Shum holds both positions, in which there is deviation to code provision A.2.1 of Corporate Governance Code as set out in Appendix 14 of the Listing Rules, which provides (among other matters) that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Mr. Shum Sai Chit had been in charge of the overall management of the Company since 2015 and the Company considered that such arrangement would promote the efficient formulation and implementation of the Company’s strategies which would enable the Group to further develop its businesses effectively at this stage. The Board will review the current structure from time to time and shall make necessary arrangements when the Board considers appropriate.

NON-EXECUTIVE DIRECTORS

The terms of appointment of the Non-executive Directors and the Independent Non-executive Directors are fixed for a specific term, and shall be subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company (the “Bye-laws”).

董事會轄下之委員會

目前，本公司已成立四個委員會，分別為審核委員會、薪酬委員會、提名委員會及執行管理委員會。各委員會已獲董事會轉授特定權力以協助董事會履行其職務及監控本集團特定範疇之事務。各委員會之角色及職能概述如下：

審核委員會

審核委員會於一九九九年成立。本公司已根據該守則之守則條文第C.3.3條採納審核委員會之職權範圍。審核委員會由三名獨立非執行董事組成，即鄭炳文先生(審核委員會主席)、張省本先生及關毅傑先生。

審核委員會之主要職責為提供獨立及專業之財務匯報意見、評估本集團內部監控之成效(包括本公司在會計及財務匯報職能方面之資源、員工資歷及經驗，以及彼等所接受之培訓課程及預算是否足夠)及外部與內部審核是否充足。

審核委員會主席於每次會議後，均會向董事會匯報該委員會討論過之重要事項，以供董事會知悉及／或作考慮。

審核委員會於截至二零二零年十二月三十一日止之年度共舉行過四次會議，其於期內完成之主要工作概述如下：

- 審閱截至二零一九年十二月三十一日止年度之末期業績及截至二零二零年六月三十日止六個月之中期業績，以確保該等財務報表內所採納之會計準則及常規，以及所作出之披露均為恰當、準確及公平；
- 審閱內部監控程序及風險管理事宜；

BOARD COMMITTEES

Currently, the Company has set up four committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Management Committee respectively. Each committee is delegated with specific authorities by the Board in assisting the Board to discharge its duties and to administer particular aspects of the Group's activities. The roles and functions of each committee are summarized below:

Audit Committee

The Audit Committee was established in 1999. The Company has adopted Terms of Reference of the Audit Committee in compliance with code provision C.3.3 of the Code. The Audit Committee comprises three Independent Non-executive Directors, namely Mr. Kwong Ping Man (chairman of the Audit Committee), Mr. Cheung Sound Poon and Mr. Kwan Ngai Kit.

The principal responsibilities of the Audit Committee is to provide an independent and professional advice on financial reporting, to evaluate the effectiveness of internal control (including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget) and the sufficiency of external and internal audits of the Group.

After each Audit Committee meeting, the chairman of the Audit Committee will report to the Board of the significant issues discussed by the Committee for the Board's information and/or consideration.

The Audit Committee has held four meetings in the year ended 31 December 2020. The major tasks accomplished by it during the year are summarized below:

- Reviewed the final results for the period ended 31 December 2019 and the interim results for the six months ended 30 June 2020, and confirmed that the accounting principles and practices adopted as well as the disclosures made in such financial statements were appropriate, accurate and fair;
- Reviewed the internal control procedures and risk management matters;

董事會轄下之委員會(續)

審核委員會(續)

- 與核數師磋商截至二零二零年十二月三十一日止年度之審核範圍；及
- 檢討本公司在會計及財務匯報職能方面之資源、員工資歷及經驗，以及彼等所接受之培訓課程及預算是否足夠。

審核委員會已審閱本集團截至二零二零年十二月三十一日止年度之全年業績。

薪酬委員會

薪酬委員會於一九九六年成立。本公司已根據該守則之守則條文第B.1.2條採納薪酬委員會之職權範圍。薪酬委員會成員包括執行董事池靜超先生及兩名獨立非執行董事，即鄭炳文先生(薪酬委員會主席)及張省本先生。

薪酬委員會專責就本公司董事及高層管理人員之薪酬政策及架構向董事會提出建議。其每年最少舉行一次會議以檢討及釐定執行董事及高層管理人員之薪酬及福利，以及向董事會建議非執行董事之酬金。在釐定及批准本公司董事及高層管理人員之薪酬時，薪酬委員會將考慮各方面因素包括市場競爭力、個人表現及本公司與其業務單位之盈利能力等。

薪酬委員會於截至二零二零年十二月三十一日止年度內舉行過一次會議，以檢討本公司董事及高層管理人員之薪酬待遇等事宜。

BOARD COMMITTEES (continued)

Audit Committee (continued)

- Discussed with the auditors on the scope of audit for the year ended 31 December 2020; and
- Reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2020.

Remuneration Committee

The Remuneration Committee was established in 1996. The Company has adopted Terms of Reference of the Remuneration Committee in compliance with code provision B.1.2 of the Code. The Remuneration Committee comprises an Executive Director, namely Mr. Chi Jing Chao and two Independent Non-executive Directors, namely Mr. Kwong Ping Man (chairman of the Remuneration Committee) and Mr. Cheung Sound Poon.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure in relation to remuneration of the Directors and senior management of the Company. It schedules to meet at least once a year to review and determine the remuneration packages of the Executive Directors and senior management and to make recommendation to the Board of the remuneration of Non-executive Director. In determining and approving the remuneration of Directors and senior management of the Company, the Remuneration Committee will take into consideration of various factors such as market competitiveness, individual performance and profitability of the Company and its business units.

The Remuneration Committee has held one meeting in the year ended 31 December 2020 to review the existing remuneration policies of the Directors and senior management of the Company, etc.

董事會轄下之委員會(續)

提名委員會

提名委員會於二零一二年成立，本公司已參考該守則之守則條文第A.5.2條採納提名委員會之職權範圍。提名委員會成員包括執行董事沈世捷先生(提名委員會主席)及兩名獨立非執行董事，即鄭炳文先生及關毅傑先生。

提名委員會負責檢討董事會之架構、人數及組成，物色具備合適資格可出任董事之人士並就董事之委任或續任向董事會作出建議，評估獨立非執行董事之獨立性，以及監察本公司董事會成員多元化政策之執行等事宜。

提名委員會於截至二零二零年十二月三十一日止之年度內舉行過一次會議，連同以書面決議方式，檢討及處理以下主要事項：

- 檢討各董事之資歷及經驗，以及彼等於本集團之角色及職能，以確保現時之董事會架構符合本集團的業務發展所需；及
- 檢討現行之董事會成員多元化之程度。

執行管理委員會

執行管理委員會於二零零五年成立，訂有書面職權範圍並獲董事會授權以日常管理委員會形式運作。目前，執行管理委員會由兩名執行董事組成，即沈世捷先生(執行管理委員會主席)及池靜超先生。

BOARD COMMITTEES (continued)

Nomination Committee

The Nomination Committee was established in 2012. The Company has adopted Terms of Reference of the Nomination Committee with reference to code provision A.5.2 of the Code. The Nomination Committee comprises an Executive Director, namely Mr. Shum Sai Chit (chairman of the Nomination Committee) and two Independent Non-executive Directors, namely Mr. Kwong Ping Man and Mr. Kwan Ngai Kit.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Directors and making recommendations to the Board on the appointment or reappointment of Directors, assessing the independence of the Independent Non-executive Directors and monitoring the implementation of the Board Diversity Policy of the Company.

The Nomination Committee has held one meeting in the year ended 31 December 2020, together with by means of written resolutions, to review and deal with the following major issues:

- Reviewed the qualifications and experiences of individual Directors as well as their roles and responsibilities in the Group to ensure the existing Board structure is fit for the business growth of the Group; and
- Reviewed the degree of diversity of the existing Board.

Executive management Committee

The Executive Management Committee was established in 2005 with written terms of reference to operate as a general management committee under the authority of the Board. Currently, the Executive Management Committee comprises two Executive Directors, namely Mr. Shum Sai Chit (chairman of the Executive Management Committee) and Mr. Chi Jing Chao.

董事會成員多元化政策概要

本公司已採納董事會成員多元化政策。本公司認同及相信董事會成員多元化所帶來的好處。所有董事會成員之委任均以能者居之及用人唯才為原則，並將考慮候選人之若干客觀標準如：性別、年齡、文化及教育背景、種族、專業資格、領域經驗、技能、知識及服務年資等。最終決定將按獲選者之長處及可為董事會帶來之貢獻作依歸。

核數師酬金

於截至二零二零年十二月三十一日止年度，本公司就審核服務及非審核服務而已支付／應支付予其外聘核數師之酬金總額如下：

服務類別	Types of services	千港元 HK\$'000
審核服務	Audit services	1,000
總計	Total	1,000

董事編製財務報表之責任

董事確認彼等有責任編製可真實及公平地反映本集團事務狀況及業績之財務報表。截至二零二零年十二月三十一日止年度，本集團錄得綜合淨虧損約74,011,000港元。

本公司核數師就其對財務報表之報告責任聲明載於本週年報告第53至第57頁之「獨立核數師報告」內。

BOARD DIVERSITY POLICY SUMMARY

The Company has adopted the Board Diversity Policy. The Company recognises and embraces the benefits of diversity of its Board members. All Board appointments will be based on meritocracy and competence, and the candidates will be considered against certain objective criteria such as gender, age, cultural and educational background, ethnicity, professional qualifications, areas of experience, skills, knowledge and length of services, etc. The ultimate decision will be based on merits and contributions that the selected candidates will bring to the Board.

AUDITORS' REMUNERATION

For the year ended 31 December 2020, the total remunerations paid/payable by the Company to its external auditors in respect of the audit services and non-audit services are as follows:

DIRECTORS' RESPONSIBILITIES FOR PREPARATION OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements which give a true and fair view of the state of the Group's affairs and results. The Group recorded a consolidated net loss of approximately HK\$74,011,000 for the year ended 31 December 2020.

The statement of the auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 53 to 57 of this annual report.

公司秘書

自二零一五年八月二十日起，樊國民先生獲委任為公司秘書。樊先生持有香港中文大學頒授之工商管理學士學位，並主修保險財務與精算學，彼亦為香港會計師公會會員，具備逾十年審計、會計、財務管理及企業融資經驗。

根據上市規則第3.29條，樊先生於截至二零二零年十二月三十一日止年度內已參與不少於15小時的相關專業培訓。

股東權利

股東召開股東特別大會

根據公司細則第58條，於提出開會要求當日持有有權在本公司股東大會投票之本公司實繳股本不少於10%之股東，有權隨時向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會以處理書面要求內指定之任何事務，而該等會議須於有關要求發出至本公司之註冊辦事處後兩個月內舉行。如董事會未能於接獲有關要求後二十一日內召開會議，發出要求者本身可按照百慕達一九八一年公司法（「公司法」）第74(3)條之規定召開會議。

COMPANY SECRETARY

Since 20 August 2015, Mr. Fan Kwok Man, Raymond has been appointed as the Company Secretary. Mr. Fan holds a Bachelor of Business Administration in Insurance, Financial and Actuarial Analysis from the Chinese University of Hong Kong and he is member of the Hong Kong Institute of Certified Public Accountants and has over 10 years of experience in auditing, accounting, financial management and corporate finance.

According to Rule 3.29 of the Listing Rules, Mr. Fan has taken no less than 15 hours of relevant professional training during the year ended 31 December 2020.

SHAREHOLDERS' RIGHTS

Convention of Special General meeting

Pursuant to Bye-law 58 of the Bye-laws, Shareholders holding at the date of deposit of the requisition not less than 10% 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 a special 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 to the Company's registered office. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Bermuda Companies Act 1981 (the "Companies Act").

股東權利(續)

於股東大會上提呈議案

根據公司法第79及80條之規定，登記股東有權於股東大會上提呈議案倘若彼等：

- (a) 於提出要求當日佔本公司總投票權不少於5%；或
- (b) 為不少於100位的登記股東。

有關股東須簽妥載有該動議的書面要求，連同不多於1,000字關於該動議所述事宜之陳述送交本公司註冊辦事處。本公司於接獲有效之書面要求後，將採取適當行動並作出所需安排，有關股東須根據公司法第79及80條支付進行該等行動及安排所產生之開支。

股東查詢

董事會歡迎股東就本集團之管理及企業管治提出意見、查詢及關注事項。股東可隨時透過電郵(info@remt.com.hk)、傳真[(852) 2802 2697]或郵遞方式發送彼等之書面查詢及／或關注事項至本公司之主要辦事處跟進。

有關股權查詢方面，股東可聯絡本公司之香港股份過戶登記分處及轉讓登記處卓佳秘書商務有限公司，地址為香港皇后大道東183號合和中心54樓。

憲章文件

本公司之組織章程大綱及公司細則已於二零一八年六月十三日在本公司及香港聯合交易所有限公司（「聯交所」）網頁更新，該憲章文件於年內並無其他更改。

SHAREHOLDERS' RIGHTS (continued)

Putting Forward Proposals at General meetings by Shareholders

Pursuant to Sections 79 and 80 of the Companies Act, registered Shareholders are entitled to put forward a proposal at a general meeting if they:

- (a) represent not less than 5% of the total voting rights of the Company at the date of the deposit of the requisition; or
- (b) are not less than 100 registered Shareholders.

The written requisition stating the resolution(s) should be duly signed by the registered Shareholder(s) concerned, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with must be deposited at the Company's registered office. The Company would take appropriate actions and make necessary arrangements. The Shareholder(s) concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Sections 79 and 80 of the Companies Act once valid documents are received.

Enquiries from Shareholders

The Board welcomes views, enquires and concerns in relation to the management and corporate governance of the Group from Shareholders. Shareholders may at any time send their enquires and/or concerns to the Board in writing by email (info@remt.com.hk), by fax [(852) 2802 2697] or by mail to the principal place of business of the Company for follow up.

For shareholding enquiries, Shareholders may contact the Hong Kong branch share registrar and transfer office of the Company, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

CONSTITUTIONAL DOCUMENT

The Memorandum of Association and Bye-laws of the Company was updated on the websites of the Company and The Stock Exchange of Hong Kong ("Stock Exchange") on 13 June 2018 and there is no other change in such constitutional document during the year.

風險管理及內部監控

董事會全權負責維持本集團之風險管理及內部監控。內部監控系統是為管理及減低未能履行經營目標之風險，並對重大錯誤陳述或損失提供合理保證。

董事會已就本集團之內部監控系統之有效性進行年度檢討，檢討範圍涵蓋風險管理功能、財務、營運及合規之監控、本公司在會計及財務匯報職能方面的資源、員工資歷及經驗，以及彼等所接受之培訓課程及預算是否充足等。董事會認為本集團之內部監控系統有效而足夠。

本公司已制訂內幕消息政策以就處理內幕消息提供指引。本公司定期提醒董事及僱員務須遵守本公司就內幕消息所採納的所有政策，包括就買賣本公司證券而遵守上市規則附錄10所載之標準守則。

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has overall responsibilities for risk management and internal control of the Group. The system of internal control is designed to manage and mitigate the risk of failure to achieve business objectives with reasonable assurance against material misstatement or loss.

The Board has conducted annual review of the effectiveness of the internal control system of the Group which covers the review of risk management functions, financial, operational and compliance controls, the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function and their training programmes and budget, etc.. The Board considered the internal control system of the Group effective and adequate.

The Company have formulated an inside information policy providing guideline on handling inside information. The Company regularly reminds the directors and employees about compliance with all policies adopted by the Company regarding inside information including the Model Code set out in Appendix 10 of the Listing Rules in relation to dealings in securities of the Company.

投資者關係

本集團致力加強與投資者之關係，增加本集團於投資界的透明度。

本公司透過以下方式向投資者發放有關本集團之最新發展動向及消息，以及促進本公司與股東之間的互相溝通：

- (a) 定期向股東寄發本公司之中期報告、週年報告及股東通函等企業通訊文件，並上載該等文件至本公司及聯交所網頁；
- (b) 透過本公司及聯交所網頁刊發公佈；
- (c) 在本公司網頁提供有關本公司企業及產品之資訊；
- (d) 舉辦股東大會以便股東與本公司管理層可直接交換意見；及
- (e) 鼓勵投資者透過本公司之網頁與本公司不時進行通訊。

在本公司於二零二零年六月三十日舉行之上屆股東週年大會上，所有關於採納財務報表、重選董事、續聘核數師及授予發行及購回股份之一般授權等決議案均獲得通過。本公司將訂於二零二一年六月三十日或本公司網站及聯交所後續刊發之進一步股東週年大會通告所訂明之任何其他日期舉行今屆股東週年大會。

INVESTOR RELATIONS

The Group is committed to enhance investor relationship by increasing its transparency to the investment community.

The following measures have been taken by the Company to keep investors informed of the latest developments and news of the Group and to facilitate a two-way communication between the Company and its Shareholders:

- (a) Mailing corporate communication documents such as interim reports, annual reports and circulars to the Shareholders periodically and uploading the same on the websites of the Company and the Stock Exchange;
- (b) Publishing announcements through the websites of the Company and the Stock Exchange;
- (c) Making available of the Company's corporate and products information on its website;
- (d) Organizing general meetings to facilitate direct exchange of views between the Shareholders and the management of the Company; and
- (e) Encouraging investors to communicate with the Company through the Company's website from time to time.

At the Company's last AGM held on 30 June 2020, all the resolutions relating to the adoption of financial statements, re-election of Directors, reappointment of auditors and grant of general mandates to issue and repurchase shares have been duly passed. The forthcoming AGM of the Company is scheduled to be held on 30 June 2021 or any other dates as specified in further notice of AGM meeting to be published on the websites of the Company and the Stock Exchange later.

執行董事

沈世捷先生，六十三歲，本集團主席兼行政總裁。沈先生曾為可新有限公司董事總經理。可新有限公司主要從事紡織品製造和貿易業務。沈先生於一九八四年加入福建省紡織品進出口公司，出任經理，負責紡織品的進出口業務。沈先生畢業於消費品價格及統計專業。沈先生現時亦為世紀陽光集團控股有限公司(股份代號：509)之執行董事。

池靜超先生，三十八歲，於二零一九年六月二十七日獲委任為本公司執行董事。於獲委任前，彼為世紀陽光集團控股有限公司(股份代號：509)的企業事務總監，負責整體企業事務。池先生擁有逾10年企業事務工作經驗。池先生畢業於財務與行政管理專業。池先生於二零零四年八月加入世紀陽光集團控股有限公司。池先生為本公司控股股東池文富先生的侄子。彼現時為世紀陽光集團控股有限公司執行董事。

非執行董事

孟健教授，六十四歲，現任中國科學院長春應用化學研究所稀土資源利用國家重點實驗室教授；中國稀土學會固體科學與新材料專業委員會副主任；中國稀土學會及中國有色金屬學會理事。孟教授為中國稀土行業協會及中國鎂協專家。孟教授長期從事稀土鎂合金新材料開發研究，對中國稀土鎂合金的開發與應用有突出的貢獻。孟教授於吉林大學半導體專業畢業，持有中國科學院化學部碩士學位，並於日本豐橋技術科學大學深造，獲工程博士學位。孟教授現時亦為世紀陽光集團控股有限公司(股份代號：509)之稀土鎂合金專案顧問。

EXECUTIVE DIRECTORS

Mr. SHUM Sai Chit, age 63, Chairman and Chief Executive Officer of the Group. Prior to joining the Group, Mr. Shum was the Managing Director of Go Modern Limited which was principally engaged in manufacturing of textile products and trading activities. In 1984, Mr. Shum joined Fujian Textiles Import and Export Corporation as a Manager to oversee importing and exporting of textile products. Mr. Shum is a graduate of Consumer Product Pricing and Statistics. Mr. Shum is currently an executive director of Century Sunshine Group Holdings Limited (stock code: 509).

Mr. CHI Jing Chao, aged 38, was appointed as an executive director of the Company on 27 June 2019. Prior to his appointment, he was the chief corporate affairs officer of Century Sunshine Group Holdings Limited (stock code: 509). He was responsible for the overall corporate activities. Mr. Chi has more than 10 years of experience in corporate affairs. Mr. Chi is a graduate of Financial and Administrative Management. Mr. Chi has joined Century Sunshine Group Holdings Limited since August 2004. Mr. Chi is the nephew of Mr. Chi Wen Fu, the substantial shareholders of the Company. He is currently an executive director of Century Sunshine Group Holdings Limited.

NON-EXECUTIVE DIRECTOR

Professor MENG Jian, age 64, is a professor of State Key Laboratory for Rare Earth Resource Utilisation, Changchun Institute of Applied Chemistry of Chinese Academy of Science. He is a deputy officer of Professional Committee of Solid Science and New Materials of Chinese Society of Rare Earth. He is also a director of Chinese Society of Rare Earth and Nonferrous Metals Society of China. He is an expert of the Association of China Rare Earth Industry and China Magnesium Association. Professor Meng has been engaging in research and development of rare earth magnesium alloys and new materials. He has contributed to the development and application of rare earth magnesium alloys in China. Professor Meng majored in semiconducting from Jilin University, and holds a master's degree from the chemistry department of Chinese Academy of Science. He holds a degree of doctor of Engineering from Toyohashi University of Technology, Japan. Professor Meng is currently a consultant of Century Sunshine Group Holdings Limited (stock code: 509) for rare earth magnesium alloys projects.

獨立非執行董事

鄭炳文先生，五十六歲，現為澳栢企業服務有限公司之董事。該公司從事企業諮詢服務。鄭先生於多間公司擔任財務總監接近7年。鄭先生於會計、財務及行政方面有逾15年經驗。鄭先生亦取得香港理工大學頒授之專業會計學碩士學位。鄭先生為澳洲執業會計師公會會員及香港會計師公會資深會員，亦為香港公司秘書公會會士。鄭先生現時為唐宮(中國)控股有限公司(股份代號：1181)、龍皇集團控股有限公司(股份代號：8493)及御佳控股有限公司(股份代號：3789)之獨立非執行董事。

張省本先生，六十歲，現任郭崔會計師行高級核數經理。張先生曾任Gary W.K. Yam & Co. (CPA)之高級核數師。張先生擁有逾35年會計及核數經驗。張先生現時為世紀陽光集團控股有限公司(股份代號：509)之獨立非執行董事兼審核委員會成員。

關毅傑先生，四十一歲，現為現代牙科集團有限公司(股份代號：3600)的財務總監及公司秘書。關先生於審計方面積逾10年經驗。彼曾為安永會計師事務所審計部門的高級經理。彼為香港會計師公會會員及特許公認會計師公會資深會員。關先生持有香港中文大學的工商管理碩士學位及香港理工大學會計學學士學位。關先生直至二零二零年十二月三十日前擔任樂遊科技控股有限公司(股份代號：1089)之獨立非執行董事。關先生現時為亞洲實業集團(控股)有限公司(股份代號：1737)及禮建德集團控股有限公司(股份代號：8455)。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. KWONG Ping Man, age 56, is a director of O'Park Corporate Services Limited which provides corporate advisory services. Mr. Kwong had served as the chief financial officer of various companies for almost seven years. Mr. Kwong has over 15 years of experience in accounting, finance and administration. He obtained a master's degree in Professional Accounting from the Hong Kong Polytechnic University. He is a member of the Australian Society of Certified Practising Accountants, fellow member of the Hong Kong Institute of Certified Public Accountants, and associate member of the Hong Kong Institute of Company Secretaries. Mr. Kwong is currently an independent non-executive director of Tang Palace (China) Holdings Limited (Stock Code: 1181), Dragon King Group Holdings Limited (Stock Code: 8493) and Royal Deluxe Holdings Limited (Stock Code: 3789).

Mr. CHEUNG Sound Poon, age 60, is currently a senior audit manager at Chui & Kwok (CPA). He was an audit senior at Gary W. K. Yam & Co. (CPA). Mr. Cheung has over 35 years of experience in accounting and auditing. He is currently an independent non-executive director of audit committee of Century Sunshine Group Holdings Limited (stock code: 509).

Mr. KWAN Ngai Kit, aged 41, is currently the chief financial officer and the company secretary of Modern Dental Group Limited (Stock Code: 3600). Mr. Kwan has over 10 years' experience in auditing. He was a senior manager in assurance department of Ernst & Young. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Kwan holds a MBA degree from The Chinese University of Hong Kong and a Bachelor's degree in Accountancy from The Hong Kong Polytechnic University. Mr. Kwan was an independent non-executive director of Leyou Technologies Holdings Limited (Stock Code: 1089) until 31 December 2020. Mr. Kwan is currently an independent non-executive director of A & S Group (Holdings) Limited (Stock Code: 1737) and Lai Group Holding Company Limited (Stock Code: 8455).

高級管理人員

魯天元先生，五十六歲，專責本集團企業事務管理，魯先生畢業於漢語言文學專業，經濟師。彼於企業事務管理方面擁有逾15年相關經驗，加入本集團前，曾於某鐵合金大型企業工作逾25年。於二零一五年加入本集團。

朱新龍先生，四十四歲，負責本集團鎂產品生產經營和產品研發。朱先生在金屬鎂行業具有超過20年實踐經驗，擅長於金屬鎂和鎂合金生產工藝和組織管理，長期服務於金屬鎂和鎂合金的中國企業。於二零一九年加入本集團。

SENIOR MANAGEMENT

Mr. LU Tianyuan, age 56, is responsible for the corporate affairs management of the Group. Mr. Lu is a graduate of Chinese Language and Literature and is an economist. He has over 15 years of relevant experience in corporate affairs management. Prior to joining the Group, he has worked in a large alloy enterprise for over 25 years. He joined the Group in 2015.

Mr. ZHU Xinlong, age 44, is responsible for production, operation, and research and development of the products. Mr. Zhu has more than 20 years of experience in magnesium industry, specializing in the production process and organization management of magnesium and magnesium alloys. He has long served in magnesium and magnesium alloys enterprises in China. He joined the Group in 2019.

董事會呈報截至二零二零年十二月三十一日止年度之報告及經審核財務報表。

主要業務及業務回顧

本公司為投資控股公司，其主要附屬公司之業務載列於財務報表附註1。

根據香港公司條例附表5規定，就該等業務之進一步討論及分析(包括本集團面對之主要風險及不確定性之描述及本集團業務可能之未來發展跡象)載於本年報第10頁至第25頁之「管理層討論及分析」。該討論構成本「董事會報告」之一部分。

環境政策及表現

本集團確認環境保護對本集團之長期發展至關重要。為將對環境影響降至最低，本集團將持續不時審閱及改進管理常規之實效。「環境、社會及管治報告」將於二零二一年七月或之前發佈。詳情請參閱本公司網站。

業績及分配

本集團截至二零二零年十二月三十一日止年度之虧損，及本集團於該日之財務狀況載列於第58頁至第162頁之財務報表。

本公司於回顧年度內並無派發中期股息。董事會不建議向股東派發截至二零二零年十二月三十一日止年度之末期股息。本集團於二零二零年十二月三十一日止之保留溢利約為696,288,000港元。

The Board presents their report and the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding company. The activities of its principal subsidiaries is set out in note 1 to the financial statements, respectively.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis set out on pages 10 to 25 of this annual report. This discussion forms part of this directors' report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises environmental protection is of vital importance to the long-term development of the Group. In order to minimise the environmental impact, the Group will continue to review and improve the effectiveness of its management practices from time to time. "Environmental, Social and Governance Report" will be published on or before July 2021. For details, please refer to the Company's website.

RESULTS AND APPROPRIATIONS

The Group's loss for the year ended 31 December 2020 and the Group's financial position at that date are set out in the financial statements on pages 58 to 162.

No interim dividend was paid by the Company during the year under review. No payment of final dividend to Shareholders is recommended for the year ended 31 December 2020. The retained earnings of the Group as at 31 December 2020 was approximately HK\$696,288,000.

主要客戶及供應商

截至二零二零年十二月三十一日止年度：

- (i) 本集團之最大客戶及前五大客戶分別佔本集團總收入之13.2%及38.5%。
- (ii) 本集團之最大供應商及前五大供應商分別佔本集團總採購額之13.5%及54.2% (並不包括資本性質之採購項目)。

據董事會所了解，本公司之董事、其聯繫人士及任何擁有本公司股本超過5%之股東並無持有前五大客戶及前五大供應商之任何權益。

財務資料摘要

摘錄自經審核之財務報表，有關過去五個財政年度公佈之業績及資產、負債、及非控制性權益的摘要載列於第163至164頁。該摘要並不構成經審核財務報表的一部分。

股本

除財務報表附註29附所披露者外，本公司股本於年內概無變動。

可供分派儲備

於二零二零年十二月三十一日，本公司可供分派儲備(根據百慕達一九八一年公司法(經修訂)(「公司法」)計算)為1,003,291,000港元。根據公司法，本公司的實繳盈餘亦可分派予股東。如會導致本公司無法償還到期負債或其資產的可變現價值因此低於其負債，則不會以實繳盈餘派付股息或作出分派。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2020:

- (i) The Group's largest customer and the five largest customers accounted for 13.2% and 38.5% respectively of the Group's total revenue.
- (ii) The Group's largest supplier and the five largest suppliers accounted for 13.5% and 54.2% respectively of the Group's total purchases (not including purchases of items which are of capital in nature).

According to the understanding of the Board, none of the Directors, their associates or any Shareholders who owned more than 5% of the Company's share capital had any interest in the five largest customers or the five largest suppliers.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities, and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements and restated as appropriate, is set out on page 163 to 164. This summary does not form part of the audited financial statements.

SHARE CAPITAL

Except as disclosed in the note 29 to the financial statements, there were no movements in the Company's share capital during the year.

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended) ("Companies Act") amounted to HK\$1,003,291,000. Under the Companies Act, the Company's contributed surplus is also available for distribution to the Shareholders. No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

董事及董事服務合約

於本年內及截至本報告日期止，本公司之董事如下：

執行董事：

沈世捷(主席兼行政總裁)
池靜超

非執行董事：

孟健教授
譚偉豪太平紳士*

獨立非執行董事：

鄭炳文
張省本
關毅傑

* 於二零二零年六月三十日退任

根據公司細則第87條，孟健教授及鄭炳文先生將於股東週年大會上退任，惟彼均符合資格並願意膺選連任。

獲建議於股東週年大會上膺選連任之董事概無與本集團訂立本集團不可於一年內毋須賠償(法定賠償除外)而終止之服務合約。

獨立非執行董事之獨立性

本公司已經收到其獨立非執行董事，即鄭炳文先生、張省本先生及關毅傑先生根據上市規則第3.13條就確認彼等之獨立性而個別發出的年度確認函。

因此，本公司認為各獨立非執行董事均為獨立人士。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were as follows:

Executive Directors:

Shum Sai Chit (Chairman and Chief Executive Officer)
Chi Jing Chao

Non-executive Directors:

Professor Meng Jian
Tam Wai Ho, Samson JP*

Independent Non-executive Directors:

Kwong Ping Man
Cheung Sound Poon
Kwan Ngai Kit

* retired on 30 June 2020

Pursuant to Bye-law 87 of the Bye-laws, Professor Meng Jian and Mr. Kwong Ping Man will retire by rotation and, being eligible, offer himself for re-election at the AGM.

None of the Directors being proposed for re-election at the AGM has a service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its Independent Non-executive Directors, namely Mr. Kwong Ping Man, Mr. Cheung Sound Poon and Mr. Kwan Ngai Kit, an annual confirmation confirming their independence pursuant to Rule 3.13 of the Listing Rules.

Accordingly, the Company considers all the Independent Non-executive Directors are independent.

董事擁有之證券權益

於二零二零年十二月三十一日，根據本公司按證券及期貨條例第352條而存置之登記冊所記載，或根據上市規則附錄10所載之標準守則向本公司及聯交所申報，各董事及彼等之聯繫人士於本公司及其聯繫公司(定義見證券及期貨條例(「證券及期貨條例」)第XV部)擁有之股份及相關股份之權益如下：

於本公司股份、相關股份及債券之權益

DIRECTORS' INTERESTS IN SECURITIES

At 31 December 2020, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules, were as follows:

Interests in the Shares, underlying shares and debenture of the Company

董事	擁有權益或視為擁有權益之普通股數目 Number of ordinary shares interested or deemed to be interested					總額	佔本公司已發行之股本之權益 概約百分比 Approximate percentage of interests in the issued share capital of the Company
	個人權益	家族權益	持有購股權數目	公司權益	公司權益		
Director	Personal interests	Family interests	Number of options held	Corporate interests	Corporate interests	Total	
好倉 Long position							
沈世捷 Shum Sai Chit	—	—	30,000,000	—	—	—	0.46%
池靜超 Chi Jing Chao	—	—	3,000,000	—	—	—	0.05%
孟健 Meng Jian	—	—	5,000,000	—	—	—	0.08%
鄭炳文 Kwong Ping Man	—	—	5,000,000	—	—	—	0.08%
張省本 Cheung Sound Poon	—	—	5,000,000	—	—	—	0.08%
關毅傑 Kwan Ngai Kit	—	4,000,000 (附註1) (Note 1)	5,000,000	—	—	—	0.14%
淡倉 Short position							
無 Nil							

董事擁有之證券權益(續)

於本公司股份、相關股份及債券之權益(續)

附註：

- 4,000,000股本公司股份乃根據所持購股權可向關毅傑先生之配偶呂文清女士發行之相關股份數目。

於相聯法團股份之權益(好倉)

DIRECTORS' INTERESTS IN SECURITIES (continued)

Interests in the Shares, underlying shares and debenture of the Company (continued)

Notes:

- 4,000,000 shares in the Company are the number of the underlying shares which may be issued to Ms. Lee Man Ching, the spouse of Mr. Kwan Ngai Kit, under the options

Interests in the shares of associated corporations (long position)

董事姓名	相聯法團名稱	擁有權益或視為擁有權益之普通股數目(好倉) Number of ordinary shares interested or deemed to be interested (long position)				總額	佔相聯法團已發行之股本之百分比 % of issued share capital of associated corporation
		個人權益	家族權益	所持購股權數目	總額		
Names of Directors	Name of associated corporation	Personal interests	Family interests	Number of options held	Total		
沈世捷 Shum Sai Chit	世紀陽光集團控股有限公司 (「世紀陽光」) Century Sunshine Group Holdings Limited (「Century Sunshine」)	14,666,305	—	20,000,000	34,666,305	0.76%	
池靜超 Chi Jing Chao	世紀陽光 Century Sunshine	—	1,633,998	8,000,000	9,633,988	0.21%	
張省本 Cheung Sound Poon	世紀陽光 Century Sunshine	—	—	5,000,000	5,000,000	0.11%	
關毅傑 Kwan Ngai Kit	世紀陽光 Century Sunshine	—	—	4,000,000 (附註1) (note 1)	4,000,000	0.09%	

董事擁有之證券權益(續)

於相聯法團股份之權益(好倉)(續)

附註:

- (1) 4,000,000股世紀陽光股份乃可向關毅傑先生之配偶呂文清女士發行之相關股份數目。

除上文所披露者外，於二零二零年十二月三十一日，各董事或彼等之聯繫人士概無在本公司或其任何聯繫公司(定義見證券及期貨條例)之股份及相關股份中擁有任何權益或淡倉。

購股權計劃

為吸引及挽留最優秀僱員以支持本集團之業務發展，並向獲選之合資格參與者提供額外激勵或獎勵，本公司於二零一七年十二月四日採納購股權計劃(「該計劃」)。合資格參與者主要包括為本集團作出貢獻之本集團及任何主要股東之僱員或董事及本集團顧問或諮詢人士、分銷商、承包商、供應商、服務供應商、代理、客戶及業務夥伴。除非另行註銷或修訂，該計劃之有效期為自其成立日期起計10年。該計劃之剩餘年期約為7年(於二零二七年十二月四日屆滿)。

DIRECTORS' INTERESTS IN SECURITIES (continued)

Interests in the shares of associated corporations (long position) (continued)

Notes:

- (1) 4,000,000 shares in Century Sunshine are the number of underlying shares which may be issued to Ms. Lee Man Ching, the spouse of Mr. Kwan Ngai Kit, under the options held.

Save as disclosed above, at 31 December 2020, none of the Directors or their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations as defined in the SFO.

SHARE OPTION SCHEME

In order to attract and retain the best quality employees for the development of the Group's businesses and to provide additional incentives or rewards to selected qualifying participants, the Company adopted a share option scheme on 4 December 2017 (the "Scheme"). The qualifying participants mainly include employees and directors of the Group and any substantial shareholders, and the consultants or adviser, distributors, contractors, suppliers, service providers, agent, customer and business partner of the Group who have contribution to the Group. The Scheme, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The remaining life of the Scheme is approximately 7 years (expiry on 4 December 2027).

購股權計劃(續)

於二零二零年十二月三十一日，該計劃項下可認購總數356,400,000股股份之購股權(「購股權」)尚未行使。

SHARE OPTION SCHEME (Continued)

As at 31 December 2020, options to subscribe for a total of 356,400,000 Shares were outstanding under the Scheme (the "Options").

	於二零二零年	年內授出 之購股權	年內行使 之購股權	年內註銷 之購股權	年內失效 之購股權	於二零二零年	行使價 (附註)
	一月一日 持有					十二月三十一日 持有	
	Held at 1 January 2020	Options granted during the year	Options exercised during the year	Options cancelled during the year	Options lapsed during the year	Held at 31 December 2020	Exercise price (note) 港元 HK\$
(A) 僱員							
Employees	163,400,000	—	—	—	—	163,400,000	0.4
	40,000,000	—	—	—	(40,000,000)	—	0.5
	150,000,000	—	(10,000,000)	—	—	140,000,000	0.3
(B) 董事							
Directors							
沈世捷	30,000,000	—	—	—	—	30,000,000	0.4
Shum Sai Chit							
池靜超	3,000,000	—	—	—	—	3,000,000	0.4
Chi Jing Chao							
孟健	5,000,000	—	—	—	—	5,000,000	0.4
Meng Jian							
譚偉豪太平紳士*	5,000,000	—	—	—	(5,000,000)	—	0.4
Tam Wai Ho, Samson JP*							
鄭炳文	5,000,000	—	—	—	—	5,000,000	0.4
Kwong Ping Man							
張省本	5,000,000	—	—	—	—	5,000,000	0.4
Cheung Sound Poon							
關毅傑	5,000,000	—	—	—	—	5,000,000	0.4
Kwan Ngai Kit							
	221,400,000	—	—	—	(5,000,000)	216,400,000	0.4
	40,000,000	—	—	—	(40,000,000)	—	0.5
	150,000,000	—	(10,000,000)	—	—	140,000,000	0.3
	411,400,000	—	(10,000,000)	—	(45,000,000)	356,400,000	—

* 於二零二零年六月三十日退任

* retired on 30 June 2020

董事及高級管理層之履歷詳情

本公司董事及本集團高級管理層之履歷詳情載於年報第40至第42頁。

董事購入股份或債券之權利

除已於「董事擁有之證券權益」披露外，本公司或其任何控股公司、附屬公司及同系附屬公司於本期內任何時間概無作出任何安排，致令董事可藉購入本公司或其他法人團體之股份或債券而獲益。

董事酬金

董事之酬金乃由股東於股東大會批准。其他酬金由本公司參照董事的職責、責任及表現，以及本集團的業績由董事會釐定。

獲准許之彌償條文

就董事之責任之獲准許之彌償條文(根據公司條例定義)於截至二零二零年十二月三十一日止年度內生效。

董事於交易、安排或合約之權益

於期內，概無董事或董事之有關連實體於任何本集團有關業務之重要交易、安排或合約(其中本公司之任何控股公司、附屬公司或同系附屬公司為簽約方)直接或間接地擁有重大利益。

購買、出售或贖回本公司之上市證券

截至二零二零年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 40 to 42 of the annual report.

DEBENTURES

Save as disclosed in "Directors' interests in securities", at no time during the year was the Company, or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

PERMITTED INDEMNITY PROVISION

During the year ended 31 December 2020, a permitted indemnity provision as defined in the Hong Kong Companies Ordinance was in force for an indemnity against liability incurred by the Directors.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Directors nor a connected entity of Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which any of the Company's holding companies, subsidiaries or fellow subsidiaries was a party during the year.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2020.

主要股東

除上文披露有關若干董事之權益外，於二零二零年十二月三十一日，根據本公司按證券及期貨條例第336條而存置之主要股東名冊所記載，下列股東曾知會本公司擁有本公司已發行股本中的權益和淡倉：

SUBSTANTIAL SHAREHOLDERS

At 31 December 2020, the register of substantial shareholders kept by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors, the following Shareholder had notified the Company of relevant interests and short positions in the issued share capital of the Company:

股東名稱 Name of Shareholder	所持普通股 股份數目 Number of ordinary shares held	佔已發行 股本之百分比 % of issued share capital
Ming Xin Developments Limited (附註1及5) (note 1 and 5)	4,761,117,434 (L) 200,000,000 (S)	72.31 3.04
New Bright Group Limited (附註2及5) (note 2 and 5)	4,761,117,434 (L) 200,000,000 (S)	72.31 3.04
世紀陽光集團控股有限公司(附註3及5) Century Sunshine Group Holdings Limited (note 3 and 5)	4,761,117,434 (L) 200,000,000 (S)	72.31 3.04
池文富(附註4及5) Chi Wen Fu (note 4 and 5)	4,761,117,434 (L) 200,000,000 (S)	72.31 3.04

附註：

- 4,761,117,434股由Ming Xin Developments Limited 實益擁有。
- Ming Xin Developments Limited為New Bright Group Limited之全資附屬公司。故此，就證券及期貨條例而言，New Bright Group Limited被視為擁有Ming Xin Developments Limited擁有權益之全部股份之權益。
- New Bright Group Limited為世紀陽光之全資附屬公司。故此，就證券及期貨條例而言，世紀陽光被視為擁有Ming Xin Developments Limited擁有權益之全部股份之權益。
- 池文富先生在世紀陽光(Ming Xin Developments Limited之最終控股公司)股東大會上控制三分之一或以上表決權。故此，就證券及期貨條例而言，池文富先生被視為擁有Ming Xin Developments Limited擁有權益之全部股份之權益。
- 於二零一九年十二月十三日，世紀陽光集團控股有限公司及Ming Xin Developments Limited(作為授予人)及Mega Prime Development Limited(作為期權承授人)訂立認購期權協議，據此，該授予人同意向該期權承授人授出收購200,000,000股股份之權利及期權。

Note:

- 4,761,117,434 shares are beneficially owned by Ming Xin Developments Limited.
- Ming Xin Developments Limited is a wholly-owned subsidiary of New Bright Group Limited. As such, New Bright Group Limited is deemed to be interested in all the shares in which Ming Xin Developments is interested by virtue of the SFO.
- New Bright Group Limited is a wholly-owned subsidiary of Century Sunshine. As such, Century Sunshine is deemed to be interested in all the shares in which Ming Xin Developments is interested by virtue of the SFO.
- Mr. Chi Wen Fu controls more than one-third or more of the voting power at general meetings of Century Sunshine (the ultimate holding company of Ming Xin Developments Limited). As such, Mr. Chi Wen Fu is deemed to be interested in all the shares in which Ming Xin Developments Limited is interested by virtue of the SFO.
- On 13 December 2019, Century Sunshine Group Holdings Limited and Ming Xin Developments Limited as grantors and Mega Prime Development Limited as optionee entered into the Call Option Agreement, pursuant to which the said grantors agreed to grant to the said optionee the right and option to acquire 200,000,000 Shares.

主要股東(續)

除上文所披露者外，於二零二零年十二月三十一日，本公司概無接獲任何人士知會於本公司股份或相關股份中擁有根據證券及期貨條例須向本公司披露之權益或淡倉。

優先購買權

公司細則或百慕達法例並無任何優先購買權之條文，規定本公司須按比例向現有股東發售新股。

關連交易

本期間及去年度並沒有任何關連交易，惟於財務報表附註36所披露者除外。

足夠公眾持股量

根據本公司以公開途徑取得的資料及據董事所知，於本報告付印前之最後實際可行日期，本公司一直維持上市規則所訂明的公眾持股量。

核數師

本公司於過去三年內並無更換其他核數師。國衛會計師事務所有限公司即將任滿告退，本公司將於其應屆股東週年大會上提呈一項決議案，續聘國衛會計師事務所有限公司為本公司之核數師。

承董事會命

沈世捷先生
主席

香港

二零二一年三月二十六日

SUBSTANTIAL SHAREHOLDERS (Continued)

Save as disclosed above, as at 31 December 2020, the Company had not been notified by any persons 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 SFO.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

CONNECTED TRANSACTION

Other than those disclosed in Note 36 to the financial statements, there was no connected transaction during the year and in prior period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules, as at the latest practical date prior to the printing of this report.

AUDITORS

There has been no other change in the auditors of the Company during the past three years. HLB Hodgson Impey Cheng Limited will retire and the Company will propose a resolution at its forthcoming AGM to reappoint HLB Hodgson Impey Cheng Limited as auditors of the Company.

By order of the Board

Mr. Shum Sai Chit
Chairman

Hong Kong

26 March 2021



國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

致

稀鎂科技集團控股有限公司股東
(臨時清盤中)

(於開曼群島註冊成立的有限公司)

不發表意見

我們已審核列載於稀鎂科技集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)第58頁至第162頁截至二零二零年十二月三十一日之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益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表之附註，包括主要會計政策概要。

我們對 貴集團之綜合財務報表不發表意見。由於我們報告中不發表意見之基準一節內所述事項之重要性，我們並未能夠取得充足適當審核憑據以就該等綜合財務報表發表之審核意見提供提供基準。我們認為，在所有重大方面，該等財務報表已根據香港公司條例妥為編製。

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Central
Hong Kong

香港
中環
畢打街11號
置地廣場
告羅士打大廈31樓

To the Shareholders of
Rare Earth Magnesium Technology Group Holdings Limited
(In Provisional Liquidation)

(Incorporated in Bermuda with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Rare Earth Magnesium Technology Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 58 to 162, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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.

不發表意見之基準

與持續經營基準有關之重大不明朗因素

誠如綜合財務報表附註1所解釋，於二零二零年七月三日，貴公司公佈(i) 貴公司控股股東世紀陽光集團控股有限公司(「世紀陽光」)已違約贖回本金金額為101.75百萬新加坡元之上市後償票據(「世紀陽光違約支付」)；(ii) 貴公司接獲其中一名銀行債權人要求 貴公司償還其約22.87百萬港元借款另加應計利息並相信其很有可能受到其債權人之催繳；以及(iii) 一份清盤呈請連同委任共同臨時清盤人(「共同臨時清盤人」)之申請已於二零二零年七月三日向百慕達最高法院提交，藉此以「非強制性」方式重組。臨時清盤人已分別於二零二零年七月十六日獲百慕達委任並於二零二零年八月二十五日獲香港高等法院授予命令委任。

此外，誠如綜合財務報表附註3所解釋，貴集團截至二零二零年十二月三十日產生淨虧損約74,011,000港元，以及截至該日，貴集團之流動負債超過其流動資產約180,801,000港元。其截至二零二零年十二月三十日流動及非流動借分別約為796,938,000港元及75,381,000港元，而貴集團僅維持其現金及現金等價物約36,104,000港元。此外，截至二零二零年十二月三十日，貴集團未能滿足與若干借款有關之若干契諾約760,580,000港元。於二零二一年二月二十二日，貸方已就計入本集團截至二零二零年十二月三十一日其他借款中約154,686,000港元借款對本集團發起訴訟，要求償還未償付結餘。

BASIS FOR DISCLAIMER OF OPINION

Material uncertainties relating to the going concern basis

As explained in Note 1 to the consolidated financial statements, on 3 July 2020, the Company announced (i) Century Sunshine Group Holding Limited ("CS"), the controlling shareholder of the Company, defaulted on the redemption of the SGD101.75 million in principal amount of subordinated notes (the "CS Payment Default"); (ii) the Company had received demand from one of the bank creditors for the repayment of borrowings of the Company or its subsidiaries of approximately HK\$22.87 million plus interest accrued and believed it was likely to receive further calls from its creditors; and (iii) a winding up petition has been submitted on 3 July 2020 to the Supreme Court of Bermuda together with the application for the appointment of the joint provisional liquidators ("JPLs") on a "light touch" basis for debt restructuring purpose. The JPLs were appointed pursuant to an order granted by the Supreme Court of Bermuda on 16 July 2020 and granted by the High Court in Hong Kong on 25 August 2020.

Further, as explained in Note 3 to the consolidated financial statements, the Group incurred a net loss of approximately HK\$74,011,000 for the year ended 31 December 2020, and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$180,801,000. Its current and non-current borrowings amounted to HK\$796,938,000 and HK\$75,381,000 as at 31 December 2020 respectively, while its cash and cash equivalents amounted to only HK\$36,104,000. In addition, the Group could not fulfil certain covenants relating to certain borrowings of the Group amounting to HK\$760,580,000 as at 31 December 2020, which have become immediately repayable on demand of the lenders. Included in the other borrowings of the Group as at 31 December 2020 are borrowings of HK\$154,686,000 which the lender have commenced litigations against the Group to repay the outstanding balances on 22 February 2021.

上文所述條件表示存在可能對貴集團持續經營能力產生重大疑慮之重大不明朗因素。誠如綜合財務報表附註3所載，董事正在採取若干措施改善貴集團之流動資金及財務狀況。該等綜合財務報表乃按持續經營基準編製，其有效程度視乎該等措施之結果，截至本報告日期不能以合理理由確定並受多項不明朗因素之規限，包括(i) 在與貴集團一般債權人協商後，共同臨時清盤人及貴公司是否能夠落實建議重組計劃以對貴集團之債務及負債進行重組並取得相關法院就實施落實建議重組計劃之安排計劃之制裁；及(ii) 貴集團是否能夠對資本投資、生產及行政經營執行進一步成本控制措施，以減少本集團之整體運營成本。

倘本集團不能自上述計劃及措施取得成功結果，其可能不會按持續基準經營，因此必須作出調整將貴集團資產之賬面值撇減至其可回收金額，以為可能進一步產生之負債作出撥備，並將非流動資產及非流動負債分別重新分類至流動資產及流動負債。此等調整之影響尚未反映於綜合財務報表內。

我們未獲提供足夠適當之審核憑證來推斷管理層在編製綜合財務報表時已使用持續經營會計基礎是否恰當，這是由於管理層有關其持續經營評估之未來行動尚未落實。倘發現需要作出任何調整，可能會對貴集團於二零二零年十二月三十一日之綜合資產淨值及貴集團於截至二零二零二零年十二月三十一日止年度之綜合虧損及其他全面虧損及現金流量以及其在綜合財務報表中之相關披露產生重大影響。

The conditions described above indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. The directors have been undertaking certain measures to improve the Group's liquidity and financial position, as set out in Note 3 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the successful eventual outcome of these measures, which as at the date of this report cannot be ascertained with reasonable certainty and are still subject to multiple uncertainties, including whether (i) the JPLs and the Company will be able to finalise the Proposed Restructuring Plan for the restructuring of the debts and liabilities of the Group after consultations with the creditors of the Group and obtain the sanctions of the relevant courts for the Schemes of Arrangement for the implementation of the finalised Proposed Restructuring Plan; and (ii) the Group is able to implement further cost control measures on capital investments, production and administrative operations to reduce overall operating costs of the Group.

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

We have not been provided with sufficient appropriate audit evidence to conclude on the appropriateness of management's use of the going concern basis of accounting in the preparation of the consolidated financial statements because management's plans for future actions in relation to its going concern assessment could not be finalized yet. Any adjustments found to be required may have consequential significant effects on the consolidated net assets of the Group as at 31 December 2020 and the consolidated loss and other comprehensive income or loss and cash flows of the Group for the year ended 31 December 2020, and the related elements and disclosures thereof presented or disclosed in the consolidated financial statements.

董事及審核委員會就綜合財務報表須承擔之責任

我們的責任是根據根據香港會計師公會頒佈之香港會計準則(「香港會計準則」)對綜合財務報表進行審並僅向閣下(作為整體)出具審核報告，除此之外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔責任。然而，由於本報告不發表意見之基準一節所述之事項，我們未能就該等綜合財務報表發表審核意見。

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

審核委員會協助監督貴集團之財務報告過程之責任。

核數師就審核綜合財務報表承擔之責任

我們的責任是根據根據香港會計師公會頒佈之香港財務報告準則對貴集團之綜合財務報表進行審核。我們僅向閣下(作為整體)報告，除此之外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔責任。然而，由於本報告不發表意見之基準一節所述之事項，我們未能取得充足適當審核憑據就該等綜合財務報表發表審核意見。

RESPONSIBILITIES OF THE 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 the Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the Hong Kong Companies Ordinance and for such internal control as 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 is responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the consolidated financial statements in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA and to issue an auditor's report solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to form an audit opinion on these consolidated financial statements.

根據香港會計師公會頒佈之專業會計師道德守則(「守則」)，我們獨立於貴集團，並已履行守則中之其他專業道德責任。

出具本獨立核數師報告之審計項目董事是郭梓俊。

國衛會計師事務所有限公司
執業會計師

郭梓俊
執業證書編號：P06901

香港，二零二一年三月二十六日

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 director on the audit resulting in this independent auditors' report is Kwok Tsz Chun.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Kwok Tsz Chun
Practising Certificate Number: P06901

Hong Kong, 26 March 2021

綜合損益及其他全面收入表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

截至二零二零年十二月三十一日止年度 For the year ended 31 December 2020

		附註 Notes	二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
收入	Revenue	6	744,836	1,515,291
銷售成本	Cost of sales		(614,665)	(1,099,085)
毛利	Gross profit		130,171	416,206
其他收入及其他收益，淨額	Other income and other gains, net	6	8,155	12,152
銷售及分銷支出	Selling and distribution expenses		(8,506)	(15,615)
行政支出	Administrative expenses		(100,611)	(77,551)
財務費用	Finance costs	8	(97,857)	(72,064)
稅前(虧損)/溢利	(LOSS)/PROFIT BEFORE TAX	7	(68,648)	263,128
所得稅支出	Income tax expense	11	(5,363)	(53,396)
年度(虧損)/溢利	(Loss)/profit for the year		(74,011)	209,732
其他全面收入/(支出)	OTHER COMPREHENSIVE INCOME/ (EXPENSES)			
後續期間重新分類至 損益的其他全面收入/ (支出)：	Other comprehensive income/ (expenses) to be reclassified to profit or loss in subsequent periods:			
換算海外業務之匯兌差額	Exchange differences on translation of foreign operations		131,071	(79,605)
年度其他全面收入/ (支出)，扣除所得稅	Other comprehensive income/ (expenses) for the year, net of income tax		131,071	(79,605)
年度全面收入總額	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		57,060	130,127
下列人士應佔年度(虧損)/ 溢利：	(Loss)/profit for the year attributable to:			
本公司擁有人	Owners of the Company		(74,011)	209,732
下列人士應佔年內全面 收入總額：	Total comprehensive income for the year attributable to:			
本公司擁有人	Owners of the Company		57,060	130,127
每股(虧損)/盈利：	(Loss)/earnings per share:			
— 基本及攤薄	— basic and diluted	13	(1.12仙 cents)	3.19仙 cents

隨附之附註為本綜合財務報表之組成部分。

The accompanying notes form an integral part of these consolidated financial statements.

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

截至二零二零年十二月三十一日止年度 For the year ended 31 December 2020

		附註 Notes	二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
非流動資產	NON-CURRENT ASSETS			
物業、廠房及設備	Property, plant and equipment	14	1,650,042	1,524,989
使用權資產	Right-of-use assets	15	52,981	50,928
無形資產	Intangible assets	16	32,141	34,661
採礦權	Mining rights	17	48,760	45,899
已抵押銀行存款	Pledged bank deposits	21	—	9,549
非流動資產總額	Total non-current assets		1,783,924	1,666,026
流動資產	CURRENT ASSETS			
存貨	Inventories	18	287,135	186,807
應收貿易賬款及應收票據	Trade and bills receivables	19	172,292	151,471
預付款項、按金及 其他應收款項	Prepayments, deposits and other receivables	20	256,753	287,879
可收回稅項	Tax recoverable		10,439	—
已抵押銀行存款	Pledged bank deposits	21	10,185	7,328
現金及現金等值項目	Cash and cash equivalents	21	36,104	254,813
流動資產總額	Total current assets		772,908	888,298
流動負債	CURRENT LIABILITIES			
應付貿易賬款	Trade payables	22	36,216	47,993
其他應付款項及應計費用	Other payables and accruals	23	72,603	25,211
合約負債	Contract liabilities	23	13,993	19,742
借款	Borrowings	24	796,938	315,765
可換股債券	Convertible bond	27	—	385,072
應付稅款	Tax payable		—	10,794
應付一名股東款項	Amount due to a shareholder	25	33,959	—
流動負債總額	Total current liabilities		953,709	804,577
流動(負債)/資產淨值	NET CURRENT (LIABILITIES)/ ASSETS		(180,801)	83,721
資產總額減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		1,603,123	1,749,747

綜合財務狀況表(續)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

截至二零二零年十二月三十一日止年度 For the year ended 31 December 2020

			二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
	附註 Notes			
非流動負債	NON-CURRENT LIABILITIES			
遞延收入	Deferred revenue	26	72,834	68,283
借款	Borrowings	24	75,381	171,677
遞延稅項負債	Deferred tax liabilities	28	2,986	8,872
應付一名股東之款項	Amount due to a shareholder	25	—	113,028
非流動負債總額	Total non-current liabilities		151,201	361,860
資產淨值	NET ASSETS		1,451,922	1,387,887
權益	EQUITY			
本公司擁有人應佔權益	Equity attributable to owners of the Company			
已發行股本	Issued capital	29	658,439	657,439
儲備	Reserves	31	793,483	730,448
權益總額	TOTAL EQUITY		1,451,922	1,387,887

於第58至第162頁之綜合財務報表於二零二一年三月二十六日經董事會審批及授權刊印，並由下列董事代表簽署：

沈世捷先生
Mr. Shum Sai Chit
董事
Director

池靜超先生
Mr. Chi Jing Chao
董事
Director

隨附之附註為本綜合財務報表之組成部分。

The consolidated financial statements on pages 58 to 162 were approved and authorised for issued by the board of directors on 26 March 2021 and are signed on its behalf by:

The accompanying notes form an integral part of these consolidated financial statements.

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零二零年十二月三十一日止年度 For the year ended 31 December 2020

		已發行 股本 千港元 HK\$'000	股份 溢價賬 千港元 HK\$'000	資本贖回 儲備 千港元 HK\$'000	可換股 債券儲備 千港元 HK\$'000	購股權 儲備 千港元 HK\$'000	法定儲備 千港元 HK\$'000	合併儲備 千港元 HK\$'000	其他儲備 千港元 HK\$'000	匯兌波動 儲備 千港元 HK\$'000	保留 溢利 千港元 HK\$'000	總額 千港元 HK\$'000
於二零一九年一月一日	As at 1 January 2019	657,439	1,560,077	419	86,548	8,364	104,882	(1,500,592)	(22,233)	(139,068)	515,381	1,271,217
年度溢利	Profit for the year	—	—	—	—	—	—	—	—	—	209,732	209,732
年度其他全面(支出)/ 收入，扣除所得稅：	Other comprehensive (expense)/income for the year, net of income tax:											
換算海外業務所產生之 匯兌差額	Exchange differences arising from translations of foreign operations	—	—	—	—	—	—	—	—	(79,605)	—	(79,605)
年度全面(虧損)/收入 總額	Total comprehensive (loss)/income for the year	—	—	—	—	—	—	—	—	(79,605)	209,732	130,127
已付股息	Dividend paid	—	—	—	—	—	—	—	—	—	(32,872)	(32,872)
股權結算股份付款 之交易	Equity settled share based transactions	—	—	—	—	19,415	—	—	—	—	—	19,415
轉撥至儲備	Transfer to reserve	—	—	—	—	—	8,553	—	—	—	(8,553)	—
於二零一九年 十二月三十一日及 二零二零年一月一日	As at 31 December 2019 and 1 January 2020	657,439	1,560,077	419	86,548	27,779	113,435	(1,500,592)	(22,233)	(218,673)	683,688	1,387,887
年度虧損	Loss for the year	—	—	—	—	—	—	—	—	—	(74,011)	(74,011)
年度其他全面收入虧損， 扣除所得稅：	Other comprehensive income for the year, net of income tax:											
換算海外業務所產生之 匯兌差額	Exchange differences arising from translations of foreign operations	—	—	—	—	—	—	—	—	131,071	—	131,071
年度全面(支出)/收入 總額	Total comprehensive (expense)/income for the year	—	—	—	—	—	—	—	—	131,071	(74,011)	57,060
行使購股權	Exercise of share options	1,000	2,557	—	—	(557)	—	—	—	—	—	3,000
已失效購股權	Share option lapsed	—	—	—	—	(2,477)	—	—	—	—	2,477	—
股權結算股份付款 之交易	Equity settled share based transactions	—	—	—	—	3,975	—	—	—	—	—	3,975
轉撥至儲備	Transfer to reserve	—	—	—	—	—	2,414	—	—	—	(2,414)	—
轉撥至可換股債券權益	Transfer to equity of convertible bonds	—	—	—	(86,548)	—	—	—	—	—	86,548	—
於二零二零年 十二月三十一日	As at 31 December 2020	658,439	1,562,634	419	—	28,720	115,849	(1,500,592)	(22,233)	(87,602)	696,288	1,451,922

綜合權益變動表(續)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

截至二零二零年十二月三十一日止年度 For the year ended 31 December 2020

附註:

- (i) 此等儲備賬包含綜合財務狀況表中的綜合儲備793,483,000港元(二零一九年: 730,448,000港元)。
- (ii) 資本贖回儲備指本公司於購回及註銷股份時由本公司保留盈利轉撥的本公司股份面值。
- (iii) 法定儲備主要指附屬公司按中華人民共和國(「中國」)法定財務報表所列純利的10%及為若干安全生產活動提撥的資金。

根據中國成立之附屬公司之組織章程細則及相關之中國法則及法規，該等附屬公司須撥出10%之扣除所得稅後溢利(按中國國內法定財務報表記錄為準)作為法定儲備，除非該儲備結餘已達附屬公司註冊資本50%。該儲備僅可用於對銷附屬公司過往年度之虧損、擴充附屬公司之生產業務或增加附屬公司之股本。

根據中國國家安全生產監督管理總局及其他相關監管機構發佈的若干規例，本集團需按規定比例為白雲石及蛇紋石採掘活動提撥資金。該等資金可供用於維護及/或改善上述安全生產，不得向股東分派。

- (iv) 合併儲備於就合併受共同控制之實體採用合併會計法時產生。

Note:

- (i) These reserve accounts comprise the consolidated reserves of HK\$793,483,000 (2019: HK\$730,448,000) in the consolidated statement of financial position.
- (ii) Capital redemption reserve represents the nominal value of the Shares of the Company which was transferred from the Company's retained earnings upon repurchase and cancellation of Shares by the Company.
- (iii) Statutory reserve mainly represents the fund set aside by the subsidiaries based on 10% of their net profit of the People's Republic of China (the "PRC") statutory financial statements and that for the purpose of certain safety production activities.

In accordance with the articles of association of the subsidiaries established in the PRC and the relevant PRC rules and regulations, these subsidiaries are required to set aside 10% of their profit after income tax as recorded in the PRC statutory financial statements as statutory reserve, except where the reserve fund balance has reached 50% of the subsidiaries' registered capital. The reserve fund can only be used to make good the subsidiaries' previous years' losses, to expand the subsidiaries' production operations or to increase the capital of the subsidiaries.

Pursuant to certain regulations issued by the State Administration of Work Safety of the PRC and other relevant regulatory bodies, the Group is required to set aside funds mainly for mining of dolomite and serpentine at prescribed rates. These funds can be used for maintenance and/or improvements of safety of these activities, and is not available for distribution to shareholders.

- (iv) Merger reserve was arising on the application of merger accounting method in relation to the combination with entity under common control.

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零二零年十二月三十一日止年度 For the year ended 31 December 2020

	附註 Notes	二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
經營業務之現金流量			
稅前(虧損)/溢利		(68,648)	263,128
調整:			
財務費用	8	97,857	72,064
以股權結算之購股權費用	30	3,975	19,415
銀行利息收入	6	(418)	(1,401)
出售物業、廠房及設備項目之收益	6	(497)	(662)
物業、廠房及設備之折舊	14	97,963	86,277
使用權資產之折舊	15	1,273	1,320
無形資產之攤銷	16	4,587	4,549
採礦權之攤銷	17	188	400
按金及其他應收款項之預期信貸虧損撥備	20	10	174
應收貿易賬款預期信貸虧損撥回	19	1,649	(1,784)
營運資金變動前之經營現金流量		137,939	443,480
存貨增加		(83,463)	(44,558)
應收貿易賬款及應收票據(增加)/減少		(11,836)	65,131
預付款項、按金及其他應收款項減少/(增加)		47,775	(117,591)
應付貿易賬款減少/(增加)		(14,223)	7,206
其他應付款項及其他應計費用減少		(14,116)	(5,504)
經營業務(所用)/所得之現金		62,076	348,164
已付海外稅項		(32,288)	(58,026)
經營業務之現金流入淨額		29,788	290,138

	附註 Notes	二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
投資業務之現金流量	CASH FLOWS FROM INVESTING ACTIVITIES		
利息收入	Interest received	418	1,401
已抵押銀行存款減少	Decrease in pledged bank deposits	7,424	6,875
出售物業、廠房及設備的 所得款項	Proceeds from disposal of property, plant and equipment	1,007	—
購入物業、廠房及設備 項目	Purchases of items of property, plant and equipment	14	(114,891)
投資業務之現金流出淨額	Net cash flows used in investing activities	(93,364)	(106,615)
融資業務之現金流量	CASH FLOWS FROM FINANCING ACTIVITIES		
財務費用	Finance costs	(9,864)	(20,303)
已付股息	Dividend paid	—	(32,872)
借款所得款項	Proceeds from borrowings	—	179,164
償還借款	Repayment of borrowings	(44,677)	(71,169)
股東貸款減少	Decrease in shareholder's loan	(96,469)	(86,924)
於行使購股權後 發後行普通股	Issue of ordinary shares upon exercise of share options	3,000	—
融資業務之現金流出淨額	Net cash flows used in financing activities	(148,010)	(32,104)
現金及現金等值項目之 (減少)/增加淨額	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(211,586)	151,419
年初之現金及現金等值項 目	Cash and cash equivalents at beginning of year	254,813	131,276
外幣匯率變更調整，淨額	Effect of foreign exchange rate changes, net	(7,123)	(27,882)
年終之現金及現金等值 項目	CASH AND CASH EQUIVALENTS AT END OF YEAR	36,104	254,813
現金及現金等值項目結餘 分析	ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
現金及銀行結餘	Cash and bank balances	21	254,813

隨附之附註為本綜合財務報表之組成部分。

The accompanying notes form an integral part of these consolidated financial statements.

1. 公司及集團資料

稀鎂科技集團控股有限公司(「本公司」)是一間於百慕達註冊成立之有限公司。本公司之主要營業地點位於香港九龍尖沙咀廣東道9號港威大廈第6座11樓1105室。

於本年度內，本集團之業務涉及製造及銷售金屬鎂相關產品。

按董事之意見，本公司之直接控股公司為於英屬處女群島註冊成立公司Ming Xin Development Limited並自二零二零年七月十六日以來處於臨時清盤中，而最終控股公司則為於英屬處女群島註冊成立公司Alpha Sino Limited。

綜合財務報表以港元(「港元」)呈列，港元與本公司之功能貨幣相同。除另有指明外，所有價值均四捨五入至最接近之千位數(千港元)。

1. CORPORATE AND GROUP INFORMATION

Rare Earth Technology Group Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at Suite 1105, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

During the year, the Group was involved in the manufacture and sale of magnesium products.

In the opinion of the directors, the immediate holding company of the Company is Ming Xin Development Limited, a company incorporated in the British Virgin Islands and in provisional liquidation since 16 July 2020, and the ultimate holding company is Alpha Sino Limited, a company incorporated in the British Virgin Islands.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

1. 公司及集團資料(續)

本公司之主要附屬公司之詳情如下：

名稱 Name	註冊成立/ 註冊及經營地點 Place of incorporation/ registration and business	已發行普通股/ 註冊股本面值 Nominal value of issued ordinary share/ registered capital	本公司應佔股權 之百分比 Percentage of equity attributable to the Company		持有表決權 比例 Proportion of voting power held	主要業務 Principal activities
			直接 Direct	間接 Indirect		
香港新材料產業投資有限公司 Hong Kong New Materials Industry Investment Holding	香港 Hong Kong	1港元 HK\$1	—	100	100%	投資控股 Investment Holding
新疆騰翔鎂製品有限公司 (「新疆騰翔」) Xinjiang Tengxiang Magnesium Products Company Limited ("Xinjiang Tengxiang")	中國 The PRC	人民幣171,800,000元 RMB171,800,000	—	100	100%	製造及銷售金屬鎂 相關產品 Manufacture and trading of magnesium related products
白山市天安金屬鎂礦業有限公司 Baishan City Tianan Magnesium Resources Company Limited	中國 The PRC	註冊及繳足股本 人民幣280,332,000元 Registered and paid up capital of RMB280,332,000	—	100	100%	製造及銷售金屬鎂 相關產品 Manufacturing and trading of magnesium-related products
中國稀鎂科技控股有限公司 China Rare Earth Magnesium Technology Holdings Limited	香港 Hong Kong	10,310港元 HK\$10,310	—	100	100%	投資控股 Investment holdings

上表載列董事認為對本集團之本年度業績有重大影響或組成本集團資產淨值之主要部份之本公司附屬公司。董事認為，提供其他附屬公司之詳情將導致資料過於冗長。

1. CORPORATE AND GROUP INFORMATION (continued)

Particulars of the Company's principal subsidiaries are as follows:

名稱 Name	註冊成立/ 註冊及經營地點 Place of incorporation/ registration and business	已發行普通股/ 註冊股本面值 Nominal value of issued ordinary share/ registered capital	本公司應佔股權 之百分比 Percentage of equity attributable to the Company		持有表決權 比例 Proportion of voting power held	主要業務 Principal activities
			直接 Direct	間接 Indirect		
香港新材料產業投資有限公司 Hong Kong New Materials Industry Investment Holding	香港 Hong Kong	1港元 HK\$1	—	100	100%	投資控股 Investment Holding
新疆騰翔鎂製品有限公司 (「新疆騰翔」) Xinjiang Tengxiang Magnesium Products Company Limited ("Xinjiang Tengxiang")	中國 The PRC	人民幣171,800,000元 RMB171,800,000	—	100	100%	製造及銷售金屬鎂 相關產品 Manufacture and trading of magnesium related products
白山市天安金屬鎂礦業有限公司 Baishan City Tianan Magnesium Resources Company Limited	中國 The PRC	註冊及繳足股本 人民幣280,332,000元 Registered and paid up capital of RMB280,332,000	—	100	100%	製造及銷售金屬鎂 相關產品 Manufacturing and trading of magnesium-related products
中國稀鎂科技控股有限公司 China Rare Earth Magnesium Technology Holdings Limited	香港 Hong Kong	10,310港元 HK\$10,310	—	100	100%	投資控股 Investment holdings

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

1. 公司及集團資料(續)

清盤呈請及委任同臨時清盤人

於二零二零年七月三日，本公司公佈(i)本公司控股股東世紀陽光集團控股有限公司(「世紀陽光」)已違約贖回本金金額為101,750,000新加坡元之上市後償票據(「世紀陽光付款違約」)；(ii)本公司於二零二零年六月三十日接獲其中一名銀行債權人要求本公司或其附屬公司償還其約22,750,000港元借款另加應計利息，且認為其可能會收到債權人的進一步通知；世紀陽光支付違約構成本集團若干借款的違約事件，其須即時按求償還；(iv)一份清盤呈請連同委任共同臨時清盤人(「共同臨時清盤人」)之申請已代表本公司於二零二零年七月三日向百慕達最高法院提交，其為「非強制」原則行事，即本公司董事會(「董事會」)仍將管理本公司，而共同臨時清盤人會與公司管理層一起致力於(其中包括)監督、督導和監察對整個集團進行全面及經協調的債務和負債重組(「建議重組計劃」)，包括維持本公司在香港聯合交易所有限公司的上市。

於二零二零年七月十六日，百慕達最高法院頒佈一項命令，委任安永企業財務服務有限公司之閻正為先生及蘇潔儀女士、安永有限公司之Roy Bailey先生以及EY Cayman Ltd之Tammy Karina Fu女士為本公司共同臨時清盤人，並授予其共同及個別之權力。於二零二零年八月七日，百慕達法院接受閻正為先生之辭任，而有關Roy Bailey先生、Tammy Karina Fu女士、及蘇潔儀女士作為共同臨時清盤人的責任令則維持生效。

於二零二零年八月二十五日，香港特別行政區高等法院已批准有關在香港委任共同臨時清盤人的認可令。

1. CORPORATE AND GROUP INFORMATION (continued)

Winding-up petitions and appointment of provisional liquidators

On 3 July 2020, the Company announced (i) Century Sunshine Group Holding Limited ("CS"), the controlling shareholder of the Company, defaulted in the redemption of its SGDD101.75 million in principal amount of subordinated notes (the "CS Payment Default"); (ii) the Company had received on 30 June 2020 a demand from one of the bank creditors for the repayment of borrowings of the Company or its subsidiaries of approximately HK\$22.75 million plus interest accrued and believed it was likely to receive further calls from its creditors; (iii) the CS Payment Default constituted an event of default in respect of certain borrowings of the Group, which became immediately payable on demand; (iv) a winding-up petition has been filed on 3 July 2020 to the Supreme Court of Bermuda on behalf of the Company together with an application for the appointment of joint provisional liquidators ("JPLs") on a "light touch" basis that the board of directors of the Company (the "Board") will retain management of the Company while the JPLs will work alongside the Company's management to, amongst other things, monitor, supervise and oversee the implementation of a group-wide holistic and coordinated restructuring of its debts and liabilities (the "Proposed Restructuring Plan") including to maintain the listing of the Company on the Stock Exchange of the Hong Kong Limited.

On 16 July 2020, an order was granted by the Supreme Court of Bermuda for the appointment of Mr. Yen Ching Wai David and Ms. So Kit Yee Anita of Ernst & Young Transactions Limited, Mr. Roy Bailey of Ernst & Young, and Ms. Tammy Karina Fu of EY Cayman Ltd as JPLs of the Company with the power to act jointly and severally. On 7 August 2020, the Bermuda Court also accepted the resignation of Mr. Yen Ching Wai David. The JPLs appointment order remains in force in respect of Mr. Roy Bailey, Ms. Tammy Karina Fu and Ms. So Kit Yee Anita as JPLs.

On 25 August 2020, the High Court of The Hong Kong Special Administrative Region has granted the recognition order in respect of the appointment and powers of the JPLs in Hong Kong.

2. 應用香港財務報告準則(「香港財務報告準則」)之修訂

於本年度強制生效之香港財務報告準則之修訂

於本年度，本集團已就編製綜合財務報表首次採用於二零二零年一月一日或之後開始之年度期間強制生效之香港財務報告準則標準中有關概念框架之提述的修訂及以下由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則之修訂：

香港會計準則第1號及香港會計準則第8號的修訂	重大之定義
香港財務報告準則第3號的修訂	業務之定義
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號的修訂	利率基準改革

此外，本集團已提早應用香港財務報告準則第16號修訂本「新冠肺炎疫情相關租金優惠」。

應用香港財務報告準則標準中有關概念框架之提述的之修訂及香港財務報告準則本年度之修訂對本集團及本年度及過往年度及／或該等綜合財務報表所載之財務狀況及表現並無重大影響。

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

In addition, the Group has early applied the Amendment to HKFRS 16 *Covid-19-Related Rent Concessions*.

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用香港財務報告準則(「香港財務報告準則」)之修訂

(續)

已頒佈但未生效的新訂及經修訂香港財務報告準則

本集團並未提前應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第17號	保險合約及相關修訂 ¹
香港財務報告準則第3號的修訂	有關概念框架之提述 ²
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號的修訂	利率基準改革—第2階段 ⁴
香港財務報告準則第10號及香港會計準則第28號的修訂	投資者與其聯營公司或合資公司之間的資產出售或注資 ³
香港會計準則第1號的修訂	將負債分類為流動或非流動以及香港詮釋第5號(二零二零年)之有關修訂 ¹
香港會計準則第16號的修訂	物業、廠房及設備—作擬定用途前之所得款項 ²
香港會計準則第37號的修訂	有償合約—履行合約的成本 ²
香港財務報告準則的修訂	香港財務報告準則二零一八年至二零二零年之年度改進 ²

- ¹ 於二零二三年一月一日或之後開始之年度期間生效。
- ² 於二零二二年一月一日或之後開始之年度期間生效。
- ³ 於待定期限或之後開始之年度期間生效。
- ⁴ 於二零二一年一月一日或之後開始之年度期間生效。

本公司董事預測，應用香港財務報告準則所有新訂及修訂本於可預見的未來將不會對綜合財務報表產生重大影響。

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ²

- ¹ Effective for annual periods beginning on or after 1 January 2023.
- ² Effective for annual periods beginning on or after 1 January 2022.
- ³ Effective for annual periods beginning on or after a date to be determined.
- ⁴ Effective for annual periods beginning on or after 1 January 2021.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. 主要會計政策概要**編製基準**

於編製此等綜合財務報表時應用之主要會計政策載列如下。除非另有說明，此等政策已一致應用於所有呈列年度。

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例(「公司條例」)所規定之適用披露資料。

持續經營

截至二零二零年十二月三十一日止年度，本集團錄得虧損約74,011,000港元，而截至該日，本集團之流動負債超過其流動資產約180,801,000港元。此外，於二零二零年十二月三十一日，本集團之流動及非流動借款分別約為796,938,000港元及75,381,000港元，而其現金及現金等價物僅約為36,104,000港元。誠如綜合財務報表附註1所載，世紀陽光已拖欠償還本金額為101,750,000新加坡元的債券另加於二零二零年七月三日到期的應計利息，本公司已接獲其中一名銀行債權人要求償還約22,870,000港元之本集團借款。本集團未能於二零二零年十二月三十一日達成有關若干金額約760,580,000港元的借款的若干契約，該等借款須按要求償還並於綜合財務狀況表中呈列為流動負債。於二零二一年二月二十二日，貸方已就計入本集團其他借款中約154,686,000港元借款對本集團發起訴訟，要求償還未償付結餘。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Preparation**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with HKFRSs, issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

Going concern

During year ended 31 December 2020, the Group recorded loss of approximately HK\$74,011,000, and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$180,801,000. Further, as at 31 December 2020, the Group's current and non-current borrowings amounted to approximately HK\$796,938,000 and HK\$75,381,000 while its cash and cash equivalents only amounted to approximately HK\$36,104,000. As stated in note 1 to the consolidated financial statements, CS had defaulted in repayment of its bonds of principal amount of SGD101.75 million plus interests accrued when they fell due on their maturity date on 3 July 2020 and the Company had received demand from one of its bank creditors for repayment of the borrowings of the Group of approximately HK\$22.87 million. The Group could not fulfil certain covenants relating to certain borrowings amounting to approximately HK\$760,580,000 as at 31 December 2020, which have become repayable on demand and are presented as current liabilities in the consolidated statement of financial position. Included in the other borrowings of the Group were borrowings of approximately HK\$154,686,000 which the lender have commenced litigations against the Group to repay the outstanding balances on 22 February 2021.

3. 主要會計政策概要(續)**編製基準(續)****持續經營(續)**

上述條件表明存在對本集團之持續經營能力構成疑慮之重大不明朗因素。因此，本集團可能無法於正常業務過程中變現其資產及履行其責任：

本公司正積極探索本集團之方案，藉百慕達大法院監督臨時清盤制度(通常稱為「非強制」臨時清盤)下執行管理層領導之重組，從而取得法定延緩以禁止未經開百慕達最高法院准許下對本公司展開或持續進行任何訴訟。本公司正在積極努力地考慮制定切實可行之建議重組計劃，包括但不限於以下部分或全部事項：

1. 進行股權重組以便本公司透過發行股權自第三方投資者籌集現金；
2. 進行可能涉及再融資及／或本集團負債及債務和解或安排之債務重組；

預計建議重組計劃將通過安排計劃(「計劃」)方式與包括本公司在內之臨時清盤中公司之債權人。計劃很可能會受到相關法院制裁。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(Continued)****Basis of Preparation (Continued)****Going concern (Continued)**

The conditions described above indicate the existence of a material uncertainty that cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company is actively exploring options to restructure the debts of the Group and intends to implement a management led restructuring by taking advantage of the court-supervised provisional liquidation regime in Bermuda, commonly known as a "light touch" provisional liquidation, which gives the Company the benefit of a statutory moratorium prohibiting the commencement or continuance of any proceedings against the Company without the leave of the Supreme Court of Bermuda. The Company is actively considering to develop a viable Proposed Restructuring Plan, including but not limited to some or all of the followings:

1. equity restructuring to facilitate the raising of cash for the Company from third party investors through equity issue.
2. a debt restructuring that may involve refinancing and/or a compromise or arrangement of debts and liabilities of the Group.

It is expected that the Proposed Restructuring Plan will be implemented by way of Schemes of Arrangement (the "Schemes") with the creditors of the companies in provisional liquidation, including the Company. The Schemes are likely subject to the sanctions of the relevant courts.

3. 主要會計政策概要(續)

編製基準(續)

持續經營(續)

- 可能由一個或以上之第三方投資者投資於本公司，借此為本公司籌集現金，以及可能出售非核心業務及本集團非營運中之固定資產；及／或
- 對資本投資、生產及行政運營採取進一步之成本控制措施，以降低本集團之整體運營成本。

本公司董事認為，按持續經營基準編製綜合財務報表乃合宜之舉。該等綜合財務報表乃按持續經營基準編製，其有效程度視乎本集團能否與債權人順利磋商，並同意重續或延長現有借款，或完成債務融資以為本集團提供資金以滿足到期之債務。這進而取決於(i)在與本集團債權人協商後，共同臨時清盤人及本公司能夠落實建議重組計劃；及(ii)將成功地從相關法院取得對計劃之制裁。

截至批准刊發綜合財務報表之日，建議重組計劃尚未制訂且建議重組計劃之最終結果無法合理確定。因此，截至批准刊發綜合財務報表之日，存在對本集團之持續經營能力構成疑慮之重大不明朗因素。倘本集團無法持續經營，則須於綜合財務報表作出調整以將資產價值撇減至可收回金額，以為可能進一步產生之負債作出撥備，並將非流動資產及非流動負債分別重新分類至流動資產及流動負債。此等調整之影響尚未反映於綜合財務報表內。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of Preparation (Continued)

Going concern (Continued)

- potential investment in the Company from one or more third party investor(s) to facilitate raising of cash for the Company and potential disposal of non-core business and non-operating fixed assets of the Group.
- In addition, the Company plans to implement further cost control measures on capital investments, production and administrative operations to reduce overall operating costs of the Group.

The directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on going concern basis. These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group being able to successfully negotiate and agree with the creditors to renew or extend the existing borrowings or complete debt financing to provide funds for the Group to meet its liabilities as they fall due. This in turn is dependent upon (i) the JPLs and the Company being able to finalise the Proposed Restructuring Plan after consultations with the creditors of the Group; and (ii) the sanctions of the Schemes will be successfully obtained from the relevant courts.

As at the date of approval for issuance of the consolidated financial statements, the Proposed Restructuring Plan has not been formulated yet and the eventual outcome of the Proposed Restructuring Plan cannot be determined with reasonable certainty. Accordingly, the material uncertainty that cast significant doubt on the Group's ability to continue as a going concern remains in existence as at the date of approval for issuance of the consolidated financial statements. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statement to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. 主要會計政策概要(續)

編製基準(續)

除若干按公允值計量的金融工具外，誠如下文會計政策所釋，綜合財務報表已按歷史成本基準編製。歷史成本通常根據為換取資產支付的代價的公允值釐定。

公允值為市場參與者於計量日期在有序交易中出售資產可能收取或轉讓負債可能支付之價格，不論該價格是否直接觀察可得或使用另一種估值技術估計。估計資產或負債之公允值時，本集團考慮了市場參與者在計量日期為該資產或負債進行定價時將會考慮的資產或負債特徵。在該等綜合財務報表中計量及／或披露的公允值均在此基礎上予以確定，惟香港財務報告準則第2號以股份為基礎付款範圍內之以股份支付之交易、香港會計準則第16號範圍內之租賃交易及以及與公允值類似但並非公允值的計量(例如，香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值)除外。

非金融資產的公允值計量參考市場參與者能否以最高及最佳用途使用該資產，或把該資產售予另一能夠以最高及最佳用途使用該資產的市場參與者所產生的經濟效益。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of Preparation (Continued)

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. 主要會計政策概要(續)

編製基準(續)

此外，就財務報告而言，公允值計量根據公允值計量之輸入數據可觀察程度及輸入數據對公允值計量之整體重要性分類為第1類、第2類及第3類，載述如下：

- 第1類輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第2類輸入數據是就資產或負債直接或間接地可觀察之輸入數據(第1類內包括的報價除外)；及
- 第3類輸入數據是資產或負債的不可觀察輸入數據。

綜合基準

綜合財務報表包括本公司及本公司所控制的實體(包括結構性實體)及其附屬公司的財務報表。倘出現以下情況，則本公司已取得控制權：

- 可對投資對象行使權力；
- 因參與投資對象之業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響該等回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制投資對象。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of Preparation *(Continued)*

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

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

Basis of consolidation

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

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

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

3. 主要會計政策概要(續)

綜合基準(續)

本公司於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止綜合入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本公司獲得控制權當日起至本公司失去附屬公司控制權當日止，計入綜合損益及其他全面收益報表內。

本公司擁有人及非控股股東權益應佔損益及其他全面收益各組成部分。即使會使非控股權益出現虧絀，一間附屬公司的全面收益及開支總額仍歸本公司擁有人及非控股權益所有。

如有需要，會對附屬公司的財務報表作出調整，以使其會計政策與本集團採用的會計政策一致。

所有本集團成員間集團內部交易有關資產及負債、權益、收益、開支及現金流已於編製綜合賬目時悉數抵銷。

於附屬公司的非控股權益與本集團的權益分開呈列，其指現有擁有權權益，使其持有人有權於清盤時按比例取得有關附屬公司之資產淨值。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation *(Continued)*

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

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. 主要會計政策概要(續)

附屬公司

附屬公司為本公司直接或間接控制之實體(包括結構性實體)。當本集團對參與投資對象業務之浮動回報承擔風險或享有權利以及能透過對投資對象之權力(即本集團獲賦予現有能以主導投資對象相關活動之既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利的權利，則本集團於評估其是否擁有對投資對象之權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生之權利；及
- (c) 本集團之投票權及潛在投票權。

附屬公司業績按已收取及應收取之股息列入本公司損益賬。本公司於附屬公司之投資按成本扣除任何減值列賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivables. The Company's investments in subsidiaries are stated at cost less any impairment.

3. 主要會計政策概要(續)

業務合併

收購業務以收購法入賬。業務合併所轉讓代價以公允值計量，而公允值按本集團所轉讓資產、本集團對被收購方前擁有人所產生負債以及本集團就交換被收購方控制權所發行股本權益於收購日期之公允值總和計算。收購相關成本一般於產生時於損益內確認。

除若干確認豁免外，所購入可識別資產及所承擔負債必須符合《財務報表編製及列報框架》(由二零一零年十月發布的《財務報告概念框架》取代)中之資產及負債定義。

於收購日期，所購入可識別資產及所承擔負債按其公允值確認，但以下各項除外：

- 遞延稅項資產或負債及有關僱員福利安排之資產或負債分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；
- 與被收購方以股份為基礎支付安排或為替代被收購方以股份為基礎支付安排而訂立之本集團以股份為基礎支付安排有關之負債或股本工具，於收購日期根據香港財務報告準則第2號以股份為基礎之支付計量(見下文會計政策)；
- 根據香港財務報告準則第5號持作出售非流動資產及已終止經營業務分類為持作出售之資產(或出售組合)按該準則計量；及

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting issued in October 2010).

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and

3. 主要會計政策概要(續)

業務合併(續)

- 租賃負債按剩餘租賃付款(定義見香港財務報告準則第16號)之現值確認及計量，猶如收購之租賃於收購日期為新租賃，惟(a)租期於收購日期12個月內結束；或(b)相關資產為低價值的租賃除外。使用權資產按與相關租賃負債相同之金額確認及計量，並進行調整以反映與市場條件相比租賃之有利或不利條款。

商譽按所轉讓代價、於被收購方任何非控股權益之金額及收購方過往所持被收購方股本權益(如有)公允值總和超出所收購可識別資產及所承擔負債於收購日期之淨額計量。倘於重新評估後，所收購可識別資產及所承擔負債之淨額超出所轉讓代價、於被收購方任何非控股權益之金額及收購方過往所持被收購方權益(如有)公允值之總和，差額即時於損益確認為按折價收購收益。

非控股權益為現有所有權權益，使持有人於清盤時能夠按比例分佔相關附屬公司資產淨值，其可初步按非控股權益按比例分佔被收購方可識別資產淨值之已確認數額或按公允值計量。

當本集團於一項業務合併轉移之代價包括或然代價安排，則或然代價乃按其收購日期之公允值計量，並計入作為於一項業務合併轉移之代價一部分。合資格作計量期間調整之或然代價之公允值變動乃追溯調整。計量期間調整為於「計量期間」(不得超過收購日期起計一年)因獲得於收購日期已存在事實及情況之額外資料而作出之調整。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations (Continued)

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. 主要會計政策概要(續)

業務合併(續)

不符合作為計量期間調整之或然代價之其後會計處理，取決於或然代價如何分類。分類為權益之或然代價於其後報告日期不會重新計量，其後結算於權益內進行入賬處理。分類為資產或負債之或然代價於其後報告日期重新計量至公允值，而相應收益或虧損乃於損益中確認。

倘業務合併分階段達成，本集團先前持有之被收購方股權乃於收購日期(即本集團獲得控制權之日期)重新計量至公允值，而所產生之收益或虧損(如有)乃於損益或其他全面收益(如適用)內確認。於收購日期前已於其他全面收益確認並按香港財務報告準則第9號計量之被收購方權益產生之金額，將按本集團直接出售先前持有之股權所需之相同基準入賬。

倘業務合併之初步會計處理於合併發生之報告期末仍未完成，則本集團會就仍未完成會計處理之項目呈報暫定金額。該等暫定金額於計量期間(見上文)內作出追溯調整，並確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況之新資料，而倘知悉該等資料，將會影響於當日確認之金額。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations (Continued)

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3. 主要會計政策概要(續)

來自客戶合約之收入

本集團於完成履約責任時(或就此)確認收益,即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時確認收益。

履約責任指明確貨品及服務(或一組貨品或服務)或一系列大致相同的明確貨品或服務。

控制權會隨時間轉移,而倘滿足以下其中一項標準,則收益乃參照完全滿足相關履約責任的進度而隨時間確認:

- 於本集團履約時客戶同時取得並耗用本集團履約所提供的利益;
- 本集團的履約行為創造及提升客戶於本集團履約時已控制的資產;或
- 本集團的履約行為並無創造對本集團而言有其他用途的資產,且本集團擁有就迄今為止已完成的履約部分獲付款的可強行執行權利。

否則,收益於客戶取得明確貨品或服務控制權的時間點確認。

合約資產指本集團就向客戶換取本集團已轉讓的商品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反,應收款項指本集團收取代價的無條件權利,即只需待時間過去代價即須到期支付。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue from contracts with customers

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

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

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

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

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

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

3. 主要會計政策概要(續)

來自客戶合約之收入(續)

合約負債指本集團因已自客戶收取代價(或到期收取的代價),而須向客戶轉讓商品或服務之責任。

與合約有關之合約資產及合約負債列作以淨額基準呈列。

來自加工及銷售農業肥料、鎂產品及煉鋼熔劑之收益於產品的控制權在產品交付予客戶且客戶已接納產品的時間點轉移以及並無可能會影響客戶接納產品的未履約責任時隨時間點予以確認。當產品已運送到指定地點,產品陳舊及遺失的風險已轉移至客戶,及客戶按照銷售合約接納產品,或接納條款已失效,或本集團有客觀證據證明所有接納標準均已達成時,交付即告完成。

該等銷售的收益按照合約訂明的價格(扣除折扣、回報及增值稅)予以確認。

應收款項於產品交付及客戶接納產品時確認,因從那一刻開始,付款之到期僅須時間的流逝,故收取代價成為無條件。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue from contracts with customers (Continued)

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

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

Revenue from the processing and sales of magnesium products is recognised at a point in time when control of the products has transferred, being at the point the products are delivered to the customer and the customer has accepted the products, and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of discounts, returns and value added taxes.

A receivable is recognised when the products are delivered and the customers accept the products, 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.

3. 主要會計政策概要(續)**政府撥款**

政府撥款不予確認，直至有合理保證，本集團將符合政府撥款隨附的條件，以及將收獲撥款後，方會確認。

倘與收入相關者之政府撥款成為應收款項，作為已產生的開支或虧損的彌償，或提供予本集團而沒有相關未來成本即時財務支持，則於成為應收款項之期間於損益確認。有關撥款於「其他收入及收益淨額」項下呈列。

物業、廠房及設備

物業、廠房及設備為用作生產或供應貨物或服務，或行政用途的無形資產(在建工程除外)按成本減其後累計折舊及累計減值虧損列賬。

成本包括為使資產達到能夠按照管理層擬定的方式開展經營所必要的位置及條件而直接產生的任何成本，及(就合資格資產而言)根據本集團會計政策資本化的借貸成本。此等資產以其他物業資產的相同基準，當資產可供擬定用途時開始計提折舊。

在建工程包括建造以供生產或本身運用的物業、廠房及設備。在建工程乃按成本減任何已確認減值虧損列賬。當在建工程完成及可供擬定用途，則撥入物業、廠房及設備的適當分類。此等資產以其他物業資產的相同基準，當資產可供擬定用途時開始計算折舊。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Government Grants**

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

Government grants related to income 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. Such grants are presented under "other income and other gains, net".

Property, Plant and Equipment

Property, plant and equipment, are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress), are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策概要(續)**物業、廠房及設備(續)**

當本集團就於物業的擁有權權益(包括租賃土地及樓宇部分)付款時，全部代價於租賃土地及樓宇部分之間按初始確認時的相對公允值的比例分配。

倘相關付款能可靠分配，則以經營租賃入賬的租賃土地權益於綜合財務狀況表中呈列為「使用權資產」。倘代價無法於相關租賃土地的非租賃樓宇部分及未分割權益間可靠分配，則整項物業分類為物業、廠房及設備。

折舊乃於估計可使用年期內以直線法確認，以撇銷資產成本。估計可使用年期、剩餘價值及折舊方法會在各報告期末進行審核，而任何估計變更之影響乃不予追溯地入賬。

物業、廠房及設備於出售時或預期持續使用該資產不再帶來未來經濟利益時取消確認。因資產取消確認產生的任何收益或虧損(按出售所得款項淨額與項目賬面值的差額計算)乃於項目取消確認的期間內計入期內損益。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Property, Plant and Equipment (Continued)**

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

3. 主要會計政策概要(續)

租賃

租賃的定義

倘合約賦予權利於一段時間內控制已識別資產的用途以換取代價，則該合約為包含租賃。

就於首次應用日期或之後訂立或修改或由業務合併產生的合約而言，本集團根據香港財務報告準則第16號的定義於初始或修改日期或收購日期(倘適用)評估該合約是否為租賃或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

本集團作為承租人

將代價分配至合約組成部分

就包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分之合約而言，本集團根據租賃組成部分之相對獨立價格及非租賃組成部分之獨立價格總和將合約代價分配至各租賃組成部分，包括收購含有租賃土地及非租賃樓宇組成部分的物業的所有權權益的合約，惟有關分配無法可靠作出則除外。

本集團亦採用可行權宜方法，不將非租賃組成部分從租賃組成部分區分開來，而是將租賃組成部分及任何相關非租賃組成部分作為一項單獨的租賃組成部分進行入賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases

Definition of a lease

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

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

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

3. 主要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

短期租賃及低價值資產租賃

對於租期自開始日期起計12個月或以內且並無包含購買選擇權的機器及設備租賃，本集團應用短期租賃確認豁免。本集團亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款按直線基準或另一系統基準於租期內確認為開支。

使用權資產

使用權資產的成本包括：

- 租賃負債初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減去已獲得的租賃優惠；
- 本集團所產生的任何初始直接成本；及
- 由本集團廢除及移除相關資產，恢復其所在場地或將相關資產恢復到租賃條款及條件所要求的條件所產生的成本估算，除非該等成本乃因生產存貨而產生。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

The Group as a lessee (Continued)

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

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

3. 主要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

使用權資產(續)

就本集團於租期結束時合理確定獲取相關租賃資產所有權之使用權資產而言，有關使用權資產自開始日期起至可使用年期結束期間計提折舊。在其他情況下，使用權資產按直線基準於其估計可使用年期與租期兩者之較短期間內計提折舊。

本集團於綜合財務狀況表內將使用權資產呈列為一項單獨項目。

租賃負債

於租賃開始日期，本集團按當日尚未支付的租賃付款現值確認及計量租賃負債。就計算租賃付款現值而言，倘租賃中隱含利率不易確定，則本集團於租賃開始日期使用的增量借款利率進行計算。

計入計量租賃負債之租賃付款包括：

- 固定租賃款項(包括實質性的固定付款)減去任何已獲得租賃優惠；

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

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. Straight-line basis over the shorter of its estimated useful life and the lease term.

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

Lease liabilities

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

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;

3. 主要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

租賃負債(續)

- 跟隨指數或比率而定的可變租賃付款，初步按開始日期的指數或比率計量；
- 根據剩餘價值擔保預期將由承租人支付的金額；
- 倘承租人合理確定行使購買選擇權，則為該選擇權的行使價；及
- 倘租期反映將行使選擇權終止租賃，則支付終止租賃的罰款。

於開始日期後，租賃負債就應計利息及租賃付款作出調整。

倘出現以下情況，本集團重新計量租賃負債(並就相關使用權資產作出相應調整)：

- 租期有所變動或行使購買選擇權的評估發生變化，在此情況下，相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

3. 主要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

租賃負債(續)

- 租賃付款因進行市場租金調查後市場租金變動/有擔保剩餘價值下預期付款變動而出現變動，在此情況下，相關租賃負債使用初始貼現率貼現經修訂租賃付款而重新計量。

租賃負債於綜合財務狀況表中呈列為一項單獨項目。

租賃的修訂

除本集團已應用可行權宜方法的新冠肺炎疫情相關租金優惠外，倘出現以下情況，本集團將租賃的修改作為一項單獨的租賃進行入賬：

- 租賃修訂通過增加了使用一項或以上相關資產的權利使租賃範圍增大；及
- 租賃代價增加的金額相當於擴大範圍對應的單獨價格，加上以反映特定合約的實際情況對單獨價格進行的任何適當調整。

就未作為一項單獨租賃入賬的租賃修改而言，本集團透過使用修改生效日期的經修訂貼現率貼現經修訂租賃付款，根據經修訂租賃的租期重新計量租賃負債。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The lease liability is presented as a separate line in the consolidated statement of financial position.

Lease modifications

Except for Covid-19-related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

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

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

3. 主要會計政策概要(續)

租賃(續)

租賃的修訂(續)

本集團通過對相關使用權資產進行相應調整，以對租賃負債進行重新計量。當經修訂合約包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分時，本集團根據租賃組成部分的相對獨立價格及非租賃組成部分的獨立價格總額，將經修訂合約中的代價分配至各租賃組成部分。

新冠肺炎疫情相關租金寬免

就因導致直接產生的與租賃合約有關的租金寬免而言，本集團已選擇在滿足下列所有條件時應用可行權宜方法不評估有關變動是否為一項租賃修改：

- 租賃付款變動導致之租賃之經修訂代價與緊接變動之前的租賃代價基本相同或低於該代價；
- 租賃付款之任何減少僅影響原於2021年6月30日或之前到期的付款；及
- 租賃的其他條款及條件並無實質性變動。

應用可行權宜方法將租金寬免導致之租賃付款變動列賬之承租人將以同一方式將應用香港財務報告準則第16號「租賃」的變動入賬(倘變動並非租賃修訂)。租賃付款之寬免或豁免被入賬列作可變租賃付款。相關租賃負債獲調整以反映寬免或豁免之金額，並於該事件發生的期間內在損益中確認相應調整。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

Lease modifications (Continued)

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

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

3. 主要會計政策概要(續)

無形資產

於業務合併中收購的無形資產

在業務合併中收購的無形資產，若符合無形資產的定義，而公允價值能可靠地計量，則須與商譽分開識別及確認。有關無形資產的成本確認為其於收購日期的公允價值。

於首次確認後，具有有限使用年期的無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有有限使用年期的無形資產以直線法按其估計可使用年期計提攤銷。或者，擁有無限使用年期的資產可按成本減任何其後累計減值虧損列賬。

無形資產乃於出售時或於預期使用或出售不會產生未來經濟利益時終止確認。於終止確認無形資產所產生的收益及虧損(按資產的出售所得款項淨額與賬面值之間的差額計量)於終止確認資產時在損益中確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Intangible Assets

Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is recognised at their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

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

3. 主要會計政策概要(續)

無形資產(續)

專利權

購入專利權之開支將予資本化，並以直線法按自專利權可使用日期起計九至十六年之估計可使用年期攤銷。

物業、廠房及設備、使用權資產及無形資產(商譽除外)減值

於各報告期末，本集團審閱其物業、廠房及設備、使用權資產及具有有限使用年期無形資產(商譽除外)之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何有關跡象，則會估計有關資產的可收回金額以釐定減值虧損(如有)之程度。無限使用年期之無形資產及尚未可供使用之無形資產至少每年及於有跡象顯示資產可能出現減值時進行減值測試。

物業、廠房及設備、使用權資產及無形資產之可收回金額予以個別估計。倘無法個別估計可收回金額，則本集團會估計該資產所屬現金產生單位之可收回金額。

在就減值測試現金產生單位時，於可設定合理一致的分配基準時，公司資產會分配至相關現金產生單位，否則有關資產會分配至可設定合理一致分配基準之現金產生單位最小組別。就公司資產所屬現金產生單位或現金產生單位組別釐定可收回金額，並與相關現金產生單位或現金產生單位組別之賬面值進行比較。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Intangible Assets (Continued)

Patent

Expenditure on acquired patent is capitalised and amortised using the straight-line method over its estimated useful life of 9 to 16 years, from the date when the patent is available for use.

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

3. 主要會計政策概要(續)

物業、廠房及設備、使用權資產及無形資產(商譽除外)減值(續)

可收回金額為公允值減出售成本與使用價值兩者中之較高者。於評估使用價值時，乃以反映目前市場對貨幣時間價值及資產(或現金產生單位)於估計未來現金流量調整前之獨有風險之稅前貼現率將估計未來現金流量貼現至其現值。

倘估計資產(或現金產生單位)之可收回金額低於其賬面值，則資產(或現金產生單位)之賬面值下調至其可收回金額。就未能按合理一致基準分配至現金產生單位之公司資產或一部分公司資產而言，本集團會將現金產生單位組別之賬面值(包括分配至該現金產生單位組別的公司資產或一部分公司資產的賬面值)與該現金產生單位組別之可收回款項作比較。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位或現金產生單位組別各資產之賬面值分配至其他資產。一項資產的賬面值不會減至低於其公允值減出售成本(如可計量)、其使用價值(如可釐定)及零當中之最高者。本將分配至該資產之減值虧損之金額按比例分配至該單位或現金產生單位組別的其他資產。減值虧損即時於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill (Continued)

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

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

3. 主要會計政策概要(續)

物業、廠房及設備、使用權資產及無形資產(商譽除外)減值(續)

倘減值虧損於其後撥回，則資產(或現金產生單位或現金產生單位組別)的賬面值會增加至其經修訂的估計可收回金額，惟增加後的賬面值不得超出假設過往年度並無就該項資產(或現金產生單位或現金產生單位組別)確認減值虧損時原應釐定的賬面值。減值虧損撥回即時於損益確認。

採礦權

採礦權包括所轉撥之勘探及評估資產，以成本扣除累計攤銷及任何減值虧損後列示。採購權按生產量除以礦產資源總儲量作攤銷。倘礦山被廢置時，則採礦權在損益表中攤銷。

外幣

編製本集團旗下各個別實體的財務報表時，以該實體的功能貨幣以外貨幣(外幣)進行的交易按交易日期的匯率以其功能貨幣(即該實體經營業務所在主要經濟環境的貨幣)列賬。

於各報告期末，以外幣結算的貨幣項目按該日的匯率重新換算。以外幣計值並以公允值列賬之非現金項目於公允值釐定當日按當前比率重新換算。按過往成本以外幣結算的非貨幣項目不會重新換算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill (Continued)

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

Mining Rights

Mining rights, including transferred exploration and evaluation assets, are stated at cost less accumulated amortisation and any impairment losses. The mining rights are amortised on the production quantities over the total estimated mineral reserve. Mining rights are written off to the profit or loss if the mining property is abandoned.

Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 主要會計政策概要(續)

外幣(續)

結算貨幣項目及換算貨幣項目時產生的匯兌差額於產生期間在損益確認。重新換算非貨幣項目產生的匯兌差額按公允值納入有關期間的損益內。

就綜合財務報表呈報方式而言，本集團海外業務的資產及負債按報告期末的匯率換算為本集團的呈報貨幣(即港元)，而其收入及開支則按年內平均匯率換算，除非匯率於期內出現大幅波動，在此情況下，則採用交易日期的匯率換算。所產生匯兌差額(如有)於其他全面收益確認並於(如適用，按非控股權益應佔之)股本(即匯兌儲備)累計。

於出售海外業務(即出售本集團於海外業務的全部權益或涉及失去對一家從事海外業務的附屬公司的控制權的出售、涉及失去對一家從事海外業務的共同控制實體的共同控制權的出售、或失去對一家從事海外業務的聯營公司的重大影響力的出售)時，就本公司擁有人應佔該業務之權益而累計之所有匯兌差額重新分類至損益。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign Currencies *(Continued)*

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value, are included in profit or loss for the period.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) at the rates of exchange prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (i.e. the translation reserve) (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. 主要會計政策概要(續)

借貸成本

直接歸屬於收購、建築或生產合資格資產的借貸成本，而該等資產需要較長時間才能準備好供擬定用途使用或銷售，則該借貸成本則加入該等資產的成本，直至該等資產大致可供擬定用途使用或銷售。

所有其他借貸成本於產生之期內在損益確認。

退休福利費用

退休金計劃

本集團根據強制性公積金計劃條例設立一項界定供款之強制性公積金退休福利計劃(「強積金計劃」)，為所有僱員參與強積金計劃。供款按僱員基本薪金的若干百分比釐定並根據強積金計劃守則於需支付供款時在損益內扣除。強積金計劃之資產與本集團的其他資產分開處理，由一獨立管理之基金持有。在向強積金計劃供款時，本集團僱主供款將全數歸屬於僱員所有。

本集團亦為僱員(包括若干董事)設立一項界定供款僱員退休金計劃，該計劃依職業退休計劃條例註冊(「職業退休計劃」)。職業退休計劃的資產與本集團資產分開，由一個獨立管理的基金持有。供款按合資格僱員基本薪金的若干百分比釐定並於根據職業退休計劃守則於需支付供款時在損益內扣除。如僱員於其於本集團僱主供款的權益尚未全數歸於僱員前退出職業退休計劃，有關被沒收的供款可能減少本集團的持續應付供款。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Borrowing Costs

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

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

Retirement Benefit Costs

Pension Schemes

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

The Group also operates a defined contribution staff retirement scheme registered under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") for its employees (including certain directors), the assets of which are held separately from those of the Group in an independently administered fund. Contributions are made based on a percentage of the eligible employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the ORSO Scheme. When an employee leaves the ORSO Scheme prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of forfeited contributions.

3. 主要會計政策概要(續)**退休福利費用(續)****退休金計劃(續)**

本集團於中國內地營運附屬公司之僱員須參與一項由當地市政府管理之中央退休金計劃。此等附屬公司須按彼等薪金成本之若干百分比，向該中央退休金計劃作出供款。此供款根據中央退休金計劃之守則，於應付時在損益內扣除。

向界定供款退休金計劃的供款於僱員提供服務後而符合領取有關供款的資格時列作支出扣除。

以股份為基礎的付款**以股權結算以股份為基礎的付款****授予僱員的購股權**

向僱員及其他提供類似服務的人士作出的以股權結算以股份為基礎的付款乃於授出日期按權益工具的公平值計量

以股權結算以股份為基礎的付款按授出日期釐定的公平值(並無計及所有非市場歸屬條件)，乃根據本集團對最終將歸屬的權益工具的估計，於歸屬期內以直線法支銷，而權益(購股權儲備)會相應增加。於各報告期末，本集團基於對所有相關非市場歸屬條件的評估修訂預期歸屬的權益工具數目的估計。修訂原先估計的影響(如有)於損益中確認，以便累計開支反映修訂估計，並對購股權儲備作出相應調整。

當購股權獲行使時，先前於購股權儲備中確認的款項將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日仍未獲行使，先前於購股權儲備中確認的款項將轉撥至保留溢利。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Retirement Benefit Costs (Continued)****Pension Schemes (Continued)**

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Payments to defined contribution retirement plans are charged as an expense when employees have rendered service entitling them to the contributions.

Share-based payments**Equity-settled share-based payments transactions****Share options granted to employees**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

3. 主要會計政策概要(續)**現金及等同現金項目**

就綜合現金流量表而言，現金及等同現金項目包括手頭現金及活期存款，以及可隨時轉換為已知數額現金並一般於購入後三個月內到期，且價值變動風險微不足道之短期及高度流通投資，另扣除須按要項償還及構成本集團現金管理一部分之銀行透支。

稅項

所得稅開支指當前應付稅項及遞延稅項總額。

當前應付稅項乃按年內應課稅溢利計算。應課稅溢利不包括已撥往其他年間的應課稅收入或可扣減開支項目，亦不包括可作免稅或不可作稅項扣減之項目，故與綜合損益及其他全面收益表所列溢利不同。本集團即期稅項負債乃按於報告期末已頒佈或大致上已頒佈之稅率計算。

遞延稅項乃按於財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者之暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產通常會於可能出現應課稅溢利抵銷有關可動用可扣減暫時差額時就所有可扣減暫時差額確認。若暫時差額因商譽或因於一項既不影響應課稅溢利亦不影響會計溢利之交易(不包括業務合併)中開始確認其他資產及負債而引致，則不會確認該等資產及負債。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Cash and Cash Equivalents**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprises of cash in hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes 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.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profit will be available against which those deductible temporary differences 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.

3. 主要會計政策概要(續)

稅項(續)

遞延稅項負債就與於附屬公司投資有關之應課稅臨時差額確認，惟倘集團能控制臨時差額撥回且臨時差額於可見未來不會撥回則作別論。與該等投資及權益相關的可抵扣暫時差額所產生的遞延稅項資產僅在動用暫時差額利益時有足夠的應課稅溢利且預期在可見將來其將被撥回時，方可確認。

遞延稅項資產之賬面值會於各報告期末均作檢討，並在不大有足夠應課稅溢利收回全部或部分資產時減少。

遞延稅項負債及資產以負債被清償或資產被變現的期間內預期適用的稅率計量，並根據於報告期末已頒佈或大致上已頒佈的稅率(和稅務法例)計量。遞延稅項負債及資產之計量反映隨本集團預期於報告期末時收回或償還資產及負債賬面值所產生之稅務後果。

對於其中稅項扣除歸屬於租賃負債之租賃交易，本集團將香港會計準則第12號所得稅要求分別應用於使用權資產及租賃負債。相關使用權資產及租賃負債初步確認之暫時差額乃由於應用初始確認豁免而並未確認。因重新計量租賃負債及租賃修訂導致對使用權資產及租賃負債的賬面值進行後續修訂而產生的不受初始確認豁免之暫時差額，於重新計量或修訂日期確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

3. 主要會計政策概要(續)

稅項(續)

當即期稅項資產與即期稅項負債可依法相互抵銷，且與同一稅務機關對同一應課稅實體所徵收之所得稅有關時，遞延稅項資產及負債可相互抵銷。即期及遞延稅項於損益確認。

存貨

存貨按成本與可變現淨值兩者的較低者列賬。如為在製品及製成品，包括直接物料、直接勞工及適當部分的間接開支。成本以加權平均法計算。可變現淨值指存貨之估計售價減完成之所有估計成本以及出售所需之成本。

投資及其他金融資產

初步確認及計量

於初步確認時，金融資產分類為其後按攤銷成本計量、按公允值計入其他全面收入及按公允值計入損益。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation *(Continued)*

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

Inventories

Inventories are stated at the lower of cost and net realisable value. In the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make sale.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

3. 主要會計政策概要(續)**投資及其他金融資產(續)****初步確認及計量(續)**

初步確認金融資產分類取決於金融資產的合約現金流特徵，以及本集團管理金融資產的業務模式。除並未包含重大融資組成部分或本集團已實行權宜措施不調整重大融資組成部分影響的貿易應收款項外，本集團按公允值初步計量金融資產，倘金融資產並非按公允值計入損益，則另加交易成本。並未包含重大融資組成部分或本集團已實行權宜措施的貿易應收款項根據下文「收益確認」所述政策按香港財務報告準則第15號釐定的交易價計量。

金融資產須使現金流量僅為償還本金及未償還本金利息(「僅為償還本金及利息」)，方可分類為按攤銷成本計量或按公允值計入其他全面收入的金融資產。現金流量並非純粹為支付本金及利息的金融資產，不論其業務模式，均按公允值計入損益分類及計量。現金流量並非純粹為支付本金及利息的金融資產，不論其業務模式，均按公允值計入損益分類及計量。本集團管理金融資產的業務模式指本集團如何管理其金融資產以產生現金流量。業務模式釐定現金流量會否因收取合約現金流量、出售金融資產或因前述兩者而產生。按攤銷成本進行分類及計量的金融資產於旨在持有金融資產以收取合約現金流量的業務模式中持有，而按公允值計入其他全面收入進行分類及計量的金融資產於旨在持有以收取合約現金流量及出售的業務模式中持有。並非於上述業務模式中持有的金融資產乃按公允值計入損益進行分類及計量。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Investments and other financial assets (Continued)****Initial recognition and measurement (Continued)**

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

3. 主要會計政策概要(續)**投資及其他金融資產(續)****初步確認及計量(續)**

金融資產的所有一般買賣概於交易日(即本集團承諾買賣資產的日期)確認。一般買賣指按照一般市場規定或慣例須在指定期間內交付資產的金融資產買賣。

後續計量

金融資產的後續計量取決於以下分類：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能出現減值。當資產被終止確認、修訂或出現減值時，收益及虧損於損益表中確認。

終止確認金融資產

金融資產(或(倘適用)一項金融資產的一部分或一組相類似金融資產的一部分)在下列情況下一般將會被大致終止確認(即從本集團綜合財務狀況表移除)：

- 收取該項資產所得現金流量的權利已屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量的權利，或已根據一項「轉付」安排承擔向第三方全數支付(並無出現重大延誤)所收現金流量的責任；且(a)本集團已轉讓該項資產的絕大部分風險及回報，或(b)本集團並無轉讓或保留該項資產絕大部分風險及回報，但已轉讓該項資產的控制權。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Investments and other financial assets (Continued)****Initial recognition and measurement (Continued)**

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. 主要會計政策概要(續)

投資及其他金融資產(續)

初步確認及計量(續)

終止確認金融資產(續)

凡本集團已轉讓其收取該項資產所得現金流量的權利或作出一項轉付安排，其會評估是否以及在何種程度上保留資產所有權的風險及回報。如並無轉讓或保留該項資產的絕大部分風險及回報，亦無轉讓該項資產的控制權，則以本集團持續參與該資產的程度為限，本集團繼續確認已轉讓的資產。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債乃按可反映本集團所保留權利及責任的基準計量。

所轉讓資產擔保形式的持續參與，以資產原賬面值與本集團可能須償還的最高代價金額中的較低者計量。

金融資產減值

本集團確認對並非按公允值計入損益的所有債務工具預期信貸虧損(「預期信貸虧損」)的撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押品的現金流量或組成合約條款的其他信貸提升措施。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments and other financial assets *(Continued)*

Initial recognition and measurement *(Continued)*

Derecognition of financial assets *(Continued)*

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

3. 主要會計政策概要(續)

投資及其他金融資產(續)

初步確認及計量(續)

金融資產減值(續)

一般方法

預期信貸虧損分兩個階段確認。就自初始確認起並未顯著增加的信貸風險而言，會為未來12個月(12個月預期信貸虧損)可能發生的違約事件所產生的信貸虧損作出信貸虧損撥備。就自初始確認起已顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須作出虧損撥備(全期預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險自初始確認後是否顯著增加。作出評估時，本集團比較金融工具於報告日期出現違約的風險與該金融工具於初始確認日期出現違約的風險，並考慮毋須花費不必要成本或精力即可獲得的合理及有理據的資料，包括歷史及前瞻性資料。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments and other financial assets *(Continued)*

Initial recognition and measurement *(Continued)*

Impairment of financial assets *(Continued)*

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

3. 主要會計政策概要(續)

投資及其他金融資產(續)

初步確認及計量(續)

金融資產減值(續)

一般方法(續)

當合約付款逾期90天，則本集團認為金融資產違約。然而，在若干情況下，倘內部或外部資料顯示，於計及本集團持有的任何信貸提升前，本集團不大可能悉數收取未償還的合約款項，則本集團亦可認為金融資產違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

按公允值計入其他全面收益之債務投資及按攤銷成本計量的金融資產須按一般方法作出減值，除貿易應收款項及合約資產應用下文詳述的簡化方法外，預期信貸虧損的計量於以下階段進行分類。

- 第1階段 — 信貸風險自初始確認以來並未顯著增加的金融工具，虧損撥備按12個月預期信貸虧損計量
- 第2階段 — 信貸風險自初始確認以來顯著增加但並非信貸減值金融資產的金融工具，虧損撥備按全期預期信貸虧損計量
- 第3階段 — 於報告日期已信貸減值(並非購買或原信貸減值)的金融資產，虧損撥備按全期預期信貸虧損計量

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

3. 主要會計政策概要(續)

投資及其他金融資產(續)

初步確認及計量(續)

金融資產減值(續)

簡化方法

就並無重大融資組成部分或本集團實行權宜措施不調整重大融資組成部分影響的貿易應收款項及合約資產而言，本集團應用簡化方法計算預期信貸虧損。根據簡化方法，本集團不會追蹤信貸風險的變動，而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已根據過往信貸虧損經驗建立撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

金融負債及股權

分類為債務或股權

債務及股本工具按所訂立之合約安排性質，以及金融負債及股本工具之定義而分類為金融負債或股權。

股本工具

股本工具為實體經扣除其所有負債後乃對資產擁有剩餘權益之任何合約。由本公司發行之股本工具扣除直接發行成本後按已收所得款項確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

Impairment of financial assets (Continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3. 主要會計政策概要(續)

投資及其他金融資產(續)

初步確認及計量(續)

金融資產減值(續)

簡化方法

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3. 主要會計政策概要(續)

金融負債

全部金融負債後續按攤銷成本使用實際利率法或按公允值計入損益計量。

按攤銷成本列賬之金融負債

本集團的金融負債包括貿易應付款項、其他應付款項及應計費用、借款、可換股債券及應付一名股東款項。

後續計量

金融負債按其分類的後續計量如下：

貸款及借款於初次確認後，計息貸款及借款隨後使用實際利率法按攤銷成本計量，除非貼現影響不大，則按成本列賬。

終止確認負債時以及於實際利率攤銷過程中，盈虧於損益確認。

攤銷成本於計及收購時的任何折讓或溢價以及組成實際利率一部分的費用或成本後計算。實際利率攤銷計入損益內的融資成本內。

終止確認金融負債

當負債下的責任已履行、取消或屆滿，即會終止確認金融負債。倘一項現有金融負債被另一項由同一貸款人按條款相當不同的金融負債所取代，或一項現有負債的條款經重大修改，該項取代或修改乃視為終止確認原有負債及確認一項新負債，而各自賬面值的差額則於損益內確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised costing using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

The Group's financial liabilities include trade payables, other payables and accruals, borrowings, convertible bonds and amount due to a shareholder.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings after initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

3. 主要會計政策概要(續)

關連人士交易

在下列情況下，有關人士將被視為與本集團有關連：

- (1) 倘屬以下人士，即該人士或該人士之直系親屬與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。

或

- (2) 倘符合下列任何條件，則有關人士為實體：
 - (i) 該實體與本公司屬同一集團之成員公司。
 - (ii) 一間實體為另一實體的聯營公司或合資公司（或另一實體的母公司、附屬公司或同系附屬公司）。
 - (iii) 該實體與本集團均為同一第三方的合資公司。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Related Parties Transactions

A party is considered to be related to the Group if:

- (1) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.

or

- (2) The party is an entity where any of the following condition applies:
 - (i) The entity and the Group are members of the same group.
 - (ii) One entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity).
 - (iii) the entity and the Group are joint ventures of the same third party.

3. 主要會計政策概要(續)

關連人士交易(續)

- (iv) 一間實體為第三方實體的合資公司，而另一實體為該第三方實體的聯營公司。
- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。倘本集團本身便是該計劃，則為離職福利計劃的提供資助的僱主。
- (vi) 實體受(1)所識別人士控制或受共同控制。
- (vii) 於(1)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 該實體或該實體所屬集團之任何成員公司為本集團或本集團之母公司提供主要管理人員服務。

一名人士的家族的密切成員指可能影響該名人士或被該名人士影響的家族成員，從而影響該名人士或其家族的密切成員與實體的交易，包括：

- (a) 該名人士的子女、配偶或同居者；
- (b) 該名人士或其配偶或其同居者的子女；及
- (c) 該名人士或其配偶或其同居者的家屬。

關連人士之間轉讓資源或責任的交易，乃視為關連人士交易。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Related Parties Transactions (Continued)

- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers of the post-employment benefit plan.
- (vi) The entity is controlled or jointly controlled by a person identified in (1).
- (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. 主要會計政策概要(續)

分部報告

經營分部及綜合財務報表所呈列各分部的金額，乃從為向本集團各項業務及地理位置分配資源及評估其業績而定期向本集團多數最高行政管理層提供的財務資料當中識別出來。

個別重要的經營分部不會合計以供財務報告之用，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別不重要的經營分部如果符合以上大部分條件，則可以合計為一個報告分部。

4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用於附註3所述之本集團之會計政策時，本公司之董事須對未能透過其他來源確定之資產及負債之賬面值作出判斷、估計及假設。所作出之估計及相關假設乃以過往經驗及其他被視為相關之因素為基準。實際業績可能與該等估計有異。

估計及相關假設乃以持續基準被審閱。倘對會計估計之修訂僅影響進行修訂之期間，則於該期間確認，或倘修訂會影響目前及未來期間，則會於目前及未來期間確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Segment Reporting

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

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

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源

以下為於報告期末極可能導致本集團資產與負債賬面值於下一財政年度需要作出重大調整之未來相關重要假設及導致估計不明朗因素的其他主要來源。

(a) 採礦權、使用權資產、物業、廠房及設備以及無形資產的減值的估計

根據附註3所述的會計政策，倘任何事件或情況改變顯示資產的賬面值不能收回，則本集團會評估採礦權、使用權資產、物業、廠房及設備以及無形資產有否出現減值。現金產生單位的可收回金額指資產之公允值減銷售成本或其可使用價值(以較高者為準)。公允值減銷售成本或其可使用價值之計算方法需要作出估計。於本年度，本集團並無就採礦權、使用權資產、物業、廠房及設備以及無形資產(2019年：零港元)計提任何減值撥備。

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

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Estimated Impairment of Mining Rights, Right-of-use Assets, Property, Plant and Equipment and Intangible Assets

The Group evaluates whether mining rights, right-of-use assets, property, plant and equipment and intangible assets have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable, in accordance with the accounting policy stated in Note 3. The recoverable amounts of CGUs represent the higher of the asset's fair value less costs to sell or its value-in-use. The calculations of fair value less costs to sell or value-in-use require the use of estimates. During the year, the Group did not provide any impairment for mining rights, right-of-use assets, property, plant and equipment and intangible assets (2019: HK\$ Nil).

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源(續)

(b) 使用權資產、物業、廠房及設備、無形資產和採礦權的可使用年期的估計

本集團的管理層為其使用權資產、物業、廠房及設備及無形資產釐定估計可使用年期及相關折舊／攤銷費用。此估計以相似性質及功能的使用權資產、物業、廠房及設備及無形資產過往經驗的實際可使用年期及獨立技術顧問所釐定的礦產資源為基準，其可因科技創新及競爭者對市況作出反應而有很大差距。倘可使用年期較之前估計年期短，管理層將提高折舊／攤銷費用，或撇銷或撇減已棄置或出售的技術上過時或非策略性的資產。

本集團於截至二零二零年及二零一九年十二月三十一日止年度內並無更改使用權資產、物業、廠房及設備、無形資產以及採礦權之估計可使用年期。

(c) 所得稅

本集團於多個司法權區均須繳納所得稅。若干交易及計算方法存在不明朗之最終稅項決定。本集團以額外稅項會否到期之估計就預期稅項事宜確認負債。倘該等事宜之最終稅務結果有別於首次記錄之金額，有關差額將於作出決定之期間影響當期及遞延稅項撥備。

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

Key Sources of Estimation Uncertainty (Continued)

(b) Estimated Useful Lives of Right-of-use Assets, Property, Plant and Equipment, Intangible Assets and Mining Rights

The Group's management determines the estimated useful lives and related depreciation/amortisation charges for its right-of-use assets, property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of right-of-use assets, property, plant and equipment and intangible assets of similar nature and functions and the mineral reserve determined by independent technical adviser. It could change significantly as a result of technical innovations and competitor actions in response to market conditions. Management will increase the depreciation/amortisation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

During the years ended 31 December 2020 and 2019, the Group did not change the estimated useful lives of right-of-use assets, property, plant and equipment, intangible assets and mining rights.

(c) Income Tax

The Group is subject to income taxes in several jurisdictions. There are certain transactions and calculations for which the ultimate tax determination may be uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源(續)

(d) 預期信貸虧損貿易應收款項撥備

本集團使用撥備矩陣計算貿易應收款項的預期信貸虧損。撥備率乃基於具有類似虧損模式(即按地理區域、產品類型、客戶類型及評級, 以及信用證或其他形式的信用保險的承保範圍)的不同客戶分部組合逾期日數釐定。

撥備矩陣最初基於本集團過往觀察所得違約率而釐定。本集團將調整矩陣, 藉以按前瞻性資料調整過往信貸虧損經驗。舉例而言, 倘預測經濟環境(即本地生產總值)預期將於未來一年惡化, 導致製造業違約事件增加, 則會調整過往違約率。於各報告日期, 過往觀察所得違約率將予更新, 並會分析前瞻性估計變動。

對過往觀察所得違約率、預測經濟環境及預期信貸虧損之間關連性進行的評估屬重大估計。預期信貸虧損金額對情況變化及預測經濟環境相當敏感。本集團過往信貸虧損經驗及預測經濟環境亦未必能代表客戶日後的實際違約情況。有關本集團貿易應收款項的預期信貸虧損的資料於財務報表附註5及25披露。

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

Key Sources of Estimation Uncertainty (Continued)

(d) Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i. e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in notes 5 and 19 to the financial statements.

5. 業務分類資料

向主要營運決策者內部呈報以作資源分配及分部表現評估資料, 乃集中於所交付或提供貨品或服務種類。本集團於截至二零二零年及二零一九年十二月三十一日止年度主要從事單一分部業務, 亦即製造及銷售金屬鎂相關產品。單一管理團隊向全面掌管有關整體業務分部的主要營運決策者匯報。因此, 本集團並無獨立可報告分部。

地區資料

(a) 來自外界客戶之收入

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
中國(香港除外)	Mainland China (other than Hong Kong)	739,775	1,478,854
歐洲	Europe	5,061	36,437
		744,836	1,515,291

上述收入資料按客戶所在地呈列。

(b) 非流動資產

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
中國(香港除外)	Mainland China (other than Hong Kong)	1,783,924	1,666,026

上述非流動資產資料按資產所在地呈列。

5. OPERATING SEGMENT INFORMATION

Information reported internally to the chief operating decision makers for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group is principally engaged in one single segment, which is manufacturing and selling magnesium related products during the years ended 31 December 2020 and 2019. A single management team reports to the chief operating decision makers who comprehensively manages such entire business segment. Accordingly, the Group does not have separately reportable segments.

Geographical information

(a) Revenue from external customers

The revenue information above is based on the locations of the customers.

(b) Non-current assets

The non-current assets information above is based on the locations of the assets.

5. 業務分類資料(續)

主要客戶資料

於本年度向單一客戶之銷售佔本集團10%或以上之收入如下：

	二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
客戶A Customer A	98,358	59,566

6. 收入、其他收入及收益，淨額

收入、其他收入及收益，淨額分析如下：

	二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
於某一時間點確認 來自客戶合約之收入 Revenue from contract with customer recognised at a point in time		
銷售鎂金屬相關產品 Sale of magnesium related products	744,836	1,515,291
其他收入及其他收益淨額 Other income and other gains, net		
銀行利息收入 Bank interest income	418	1,401
銷售廢料 Sales of scrap materials	4,053	2,190
出售物業、廠房及設備之收益 Gain on disposal of property, plant and equipment	497	662
其他(附註) Others (Note)	3,187	7,899
	8,155	12,152

附註：截至二零二零年十二月三十一日止年度，其他包括租金收入約3,793,000港元(二零一九年：4,331,000港元)。

所有收入合約年度為一年或以下。如香港財務報告準則第15號的實際權宜所許可，並無披露分配至未履行合約的交易價格。

5. OPERATING SEGMENT INFORMATION (Continued)

Information about major customers

Sales to a single customer contributed 10% or more of the Group's revenue during the year is as follows:

6. REVENUE, OTHER INCOME AND OTHER GAINS, NET

An analysis of revenue and other income and gains, net is as follows:

Note: During the year ended 31 December 2020, included in others was rental income of approximately HK\$3,793,000 (2019: HK\$4,331,000).

All revenue contracts are for one year or less. As permitted by practical expedient under HKFRS 15, the transaction price allocated to unsatisfied contracts is not disclosed.

7. 稅前(虧損)/溢利

本集團之稅前(虧損)/溢利已扣除/(計入)下列各項：

	二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
出售存貨成本# Cost of inventories sold#	519,343	926,306
物業、廠房及設備之折舊 Depreciation of property, plant and equipment	97,963	86,277
使用權資產折舊* Depreciation of right-of-use assets*	1,273	1,320
出售物業、廠房及備之 收益 Gain on disposal of property, plant and equipment	(497)	(662)
採礦權攤銷* Amortisation of mining right*	188	400
無形資產攤銷* Amortisation of intangible assets*	4,587	4,549
核數師酬金 Auditors' remuneration		
— 審計服務 — Audit Service	1,000	1,639
— 非審計服務 — Non-audit Service	—	—
僱員福利開支(包括董事 薪酬) Employee benefit expense (including directors' remuneration)		
工資、薪金及實物福利 Wages and salaries and benefits in kind	54,364	93,647
養老金計劃供款 Pension scheme contributions	238	685
	54,602	94,332
匯兌差額，淨額* Foreign exchange differences, net*	(1,837)	441
按金及其他應收款項之 預期信貸虧損撥備 Allowance for expected credit loss on deposits and other receivables*	10	174
應收貿易賬款預期 信貸虧損撥備/ (撥回)撥備* Allowance for/(Reversal of) allowance for expected credit loss on trade receivables*	1,649	(1,784)

計入綜合損益及其他全面收入表之「銷售成本」

Included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income

* 計入綜合損益及其他全面收入表之「行政支出」

* Included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income

8. 財務費用

8. FINANCE COSTS

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
須於五年內全數償還之 銀行及其他借款利息	Interest on bank and other borrowings wholly repayable within five years	46,129	20,528
可換股債券利息	Interest on convertible bonds	51,728	51,536
		97,857	72,064

9. 董事酬金

9. DIRECTORS' REMUNERATION

(a) 董事薪酬

(a) Directors' Emoluments

截至二零二零年十二月三十一日止年度各董事之薪酬載列如下：

The emoluments of each director for the year ended 31 December 2020 are set below:

		袍金 Fees 千港元 HK\$'000	購股權 Share options 千港元 HK\$'000	合計 Total 千港元 HK\$'000
執行董事	Executive directors			
沈世捷	Shum Sai Chit	—	539	539
池靜超	Chi Jing Chao	—	54	54
非執行董事	Non-executive directors			
孟健	Meng Jian	100	90	190
譚偉豪 太平紳士 [#]	Tam Wai Ho, Samson JP [#]	—	45	45
獨立非執行董事	Independent non-executive directors			
鄭炳文	Kwong Ping Man	30	90	120
張省本	Cheung Sound Poon	30	90	120
關毅傑	Kwan Ngai Kit	30	90	120
		190	998	1,188

[#] 於二零二零年六月三十日退任

[#] retired on 30 June 2020

9. 董事酬金(續)

9. DIRECTORS' REMUNERATION (continued)

(a) 董事薪酬(續)

(a) Directors' Emoluments (continued)

截至二零一九年十二月三十一日止年度各董事之薪酬載列如下：

The emoluments of each director for the year ended 31 December 2019 are set below:

		袍金 Fees 千港元 HK\$'000	購股權 Share options 千港元 HK\$'000	合計 Total 千港元 HK\$'000
執行董事	Executive directors			
沈世捷	Shum Sai Chit	—	803	803
池碧芬*	Chi Bi Fen*	—	268	268
池靜超 [#]	Chi Jing Chao [#]	—	40	40
非執行董事	Non-executive directors			
孟健	Meng Jian	100	134	234
譚偉豪 太平紳士	Tam Wai Ho, Samson JP	—	134	134
獨立非執行董事	Independent non-executive directors			
鄭炳文	Kwong Ping Man	30	134	164
張省本	Cheung Sound Poon	30	134	164
關毅傑	Kwan Ngai Kit	30	134	164
		190	1,781	1,971

* 於二零一九年六月二十六日辭任

* resigned on 26 June 2019

[#] 於二零一九年六月二十六日獲委任

[#] appointed on 26 June 2019

截至二零二零年及二零一九年十二月三十一日止年度，本集團概無向本集團任何董事支付任何酬金，以誘使其加入本集團或加入本集團，或作為離職補償。

During the years ended 31 December 2020 and 2019, no emoluments were paid by the Group to any of the directors of the Group as an inducement to join or upon joining the Group, or as compensation for loss of office.

於本年度內，並無董事訂立任何放棄或同意放棄任何酬金之安排(二零一九年：無)。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2019: Nil).

10. 五名最高薪僱員

並非本公司董事之五名最高薪僱員的薪金詳情如下：

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	2,099	791
購股權費用	Share option expenses	1,526	11,231
退休計劃供款	Pension scheme contributions	45	25
		3,670	12,047

薪酬處於以下範圍之非董事及非行政總裁最高薪僱員之人數如下：

		二零二零年 2020	二零一九年 2019
零至1,000,000港元	Nil to HK\$1,000,000	4	—
1,000,001港元至2,000,000港元	HK\$1,000,001 to HK\$2,000,000	1	1
2,000,001港元至3,000,000港元	HK\$2,000,001 to HK\$3,000,000	—	2
3,000,000港元至4,000,000港元	HK\$3,000,000 to HK\$4,000,000	—	2
		5	5

10. FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration for the five highest paid employees who are not a director of the Company are as follows:

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

11. 所得稅開支

於綜合損益及其他全面收入表內扣除／(計入)的所得稅開支數額指：

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
即期稅項：	Current tax:		
— 中國企業所得稅	— PRC Enterprises Income Tax	11,438	63,680
過往年度超額撥備	— Overprovision in prior year	—	(4,477)
遞延稅項(附註28)	Deferred taxation (Note 28)	(6,075)	(5,807)
		5,363	53,396

適用於稅前(虧損)／溢利並以本公司及其大多數附屬公司所在國家／司法權區法定稅率計算之稅項支出與以實際稅率計算之稅項支出對賬，以及適用稅率(即法定稅率)與實際稅率之對賬如下：

		二零二零年 2020 千港元 HK\$'000	%	二零一九年 2019 千港元 HK\$'000	%
稅前(虧損)／溢利	(Loss)/profit before tax	(68,648)		263,128	
按法定稅率計算之稅項	Tax at the statutory tax rates	(14,004)	20.4	55,271	21.0
毋須納稅之收入	Income not subject to tax	(4,961)	7.2	(16,437)	(6.2)
不可扣稅之支出	Expenses not deductible for tax	24,208	(35.3)	14,313	5.4
未被確認之稅項虧損	Tax losses not recognised	123	(0.2)	10,631	4.0
動用早前期間之稅項虧損	Tax losses utilised from previous periods	(3)	—	(5,905)	(2.2)
過往年度超額撥備	Overprovision in prior year	—	—	(4,477)	(1.7)
按本集團實際稅率計算之稅項支出	Tax charge at the Group's effective rate	5,363	(7.9)	53,396	20.3

11. INCOME TAX EXPENSE

The amount of income tax expense charged/(credited) to the consolidated statement of profit or loss and other comprehensive income represents:

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory rates for the countries/jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e. the statutory tax rates) to the effective tax rates, are as follows:

11. 所得稅開支(續)**(a) 香港利得稅**

於二零一八年三月二十一日，香港立法會通過二零一七年稅務條例草案(修訂)(第7號)(「該草案」)，該草案引入利得稅兩級制。該法案於二零一八年三月二十八日簽署成法律，並於翌日刊憲。根據利得稅兩級制，合資格集團實體的首二百萬港元利潤將按8.25%徵稅，而超過二百萬港元的利得稅則須按16.5%徵稅。不符合利得稅兩級制的集團實體利潤將繼續按16.5%的固定稅率徵稅。

本集團董事認為實施兩級制利得稅稅率規定後所涉及的金額就綜合財務報表而言屬不重大。香港利得稅於兩個年度內均按估計應課稅溢利之16.5%計算。由於在香港並無產生應課稅溢利，故截至二零二零年十二月三十一日止年度毋須支付任何稅項(二零一九年：無)。

(b) 中國企業所得稅

中國企業所得稅乃按於中國截至二零二零年及二零一九年十二月三十一日止年度之估計應課稅溢利之25%計算。

12. 股息

董事會不建議就截至二零二零年及二零一九年十二月三十一日止年度派付任何股息。

11. INCOME TAX EXPENSE (continued)**(a) Hong Kong Profits Tax**

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rate regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day. Under the two-tiered profits tax rate regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits tax above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Group considered the amount involved upon implementation of the two-tiered profit tax rates require as insignificant to the consolidated financial statement. Hong Kong Profits tax is calculated at 16.5% of the estimated assessable profit for both years. No tax is payable for the year ended 31 December 2020 (2019: Nil) since there was no assessable profit generated in Hong Kong.

(b) PRC Enterprise Income Tax

The PRC Enterprise Income Tax is calculated at 25% on the estimated assessable profits arising in the PRC for the years ended 31 December 2020 and 2019.

12. DIVIDEND

The board of directors do not recommend the payment of any dividend for the years ended 31 December 2020 and 2019.

13. 本公司普通股應佔每股(虧損)/盈利**(a) 基本**

每股基本(虧損)/盈利金額乃根據本公司擁有人應佔年內虧損(74,011,000)港元(二零一九年：溢利209,732,000港元)及年內普通股加權平均數6,583,598,000(二零一九年：6,574,390,058)計算。

(b) 攤薄

每股攤薄(虧損)/盈利是假設轉換所有攤薄性潛在普通股，以調整已發行普通股加權平均數計算。本公司有一類攤薄性潛在普通股：購股權及可換股債券(二零一九年：兩類：購股權及可換股債券)。

就購股權而言，本公司根據尚未行使購股權所附之認購權貨幣值進行計算，以釐定可按公允值(以本公司期內之股份平均市價釐定)購入的股份數目。按上文所述計算的股份數目，與假設行使購股權所發行的股份數目作比較。

由於購股權行使價高於截至二零二零及二零一九年十二月三十一日止年度的股份平均市價，故計算每股攤薄(虧損)/盈利時並無假設行使本公司的購股權。

就可換股債券而言，截至二零二零年及二零一九年十二月三十一日止年度之每股(虧損)/盈利之影響為反攤薄。為計入每股攤薄(虧損)/盈利中。

13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY**(a) Basic**

The calculation of the basic (loss)/earnings per share are based on the loss for the year attributable to owners of the Company of HK\$(74,011,000) (2019: profit of HK\$209,732,000) and the weighted average number of ordinary shares of 6,583,598,000 (2019: 6,574,390,058) during the year.

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one categories of dilutive potential ordinary shares: share options (2019: two categories: share options and convertible bonds).

For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The computation of diluted (loss)/earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of shares for the year ended 31 December 2020 and 2019.

For the convertible bonds, the effect on (loss)/earnings per shares were anti-dilutive for the year ended 31 December 2020 and 2019. They were not included in the calculation of diluted (loss)/earnings per share.

14. 物業、廠房及設備

14. PROPERTY, PLANT AND EQUIPMENT

		租賃土地	在建工程	傢具、裝置	廠房及機器	汽車	總額
		及樓宇		及設備			
		Leasehold	Construction	Furniture,	Plant and	Motor	Total
		land and	in progress	fixtures and	machinery	vehicles	
		buildings		equipment			
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
成本:	Cost:						
於二零一九年一月一日	As at 1 January 2019	419,682	490,318	6,046	782,025	4,893	1,702,964
添置	Additions	2,805	111,237	139	148	562	114,891
轉讓	Transfer	(47,954)	(180,761)	82	228,633	—	—
出售	Disposal	—	—	—	(9,090)	(163)	(9,253)
匯兌重列	Exchange realignment	(7,892)	(8,826)	(133)	(21,842)	(114)	(38,807)
於二零一九年十二月三十一日 及二零二零年一月一日	As at 31 December 2019 and 1 January 2020	366,641	411,968	6,134	979,874	5,178	1,769,795
添置	Addition	—	113,982	317	6,086	326	120,711
轉讓	Transfer	110,073	(110,073)	—	—	—	—
出售	Disposal	(544)	—	(135)	(5)	(2,024)	(2,708)
匯兌重列	Exchange realignment	30,230	27,664	418	65,629	255	124,196
於二零二零年十二月三十一日	As at 31 December 2020	506,400	443,541	6,734	1,051,584	3,735	2,011,994
累計折舊:	Accumulated depreciation:						
於二零一九年一月一日	As at 1 January 2019	(47,413)	—	(4,402)	(114,708)	(2,414)	(168,937)
本年度計提折舊	Depreciation provided during the year	(22,258)	—	(241)	(62,950)	(828)	(86,277)
轉讓	Transfer	21,194	—	—	(21,194)	—	—
出售	Disposal	—	—	—	4,739	154	4,893
匯兌重列	Exchange realignment	1,036	—	99	4,313	67	5,515
於二零一九年十二月三十一日及 於二零二零年一月一日	As at 31 December 2019 and 1 January 2020	(47,441)	—	(4,544)	(189,800)	(3,021)	(244,806)
本年度計提折舊	Depreciation provided during the year	(25,240)	—	(282)	(71,587)	(854)	(97,963)
出售	Disposal	143	—	128	4	1,923	2,198
匯兌重列	Exchange realignment	(4,489)	—	(311)	(16,436)	(145)	(21,381)
於二零二零年十二月三十一日	As at 31 December 2020	(77,027)	—	(5,009)	(277,819)	(2,097)	(361,952)
賬面值:	Carrying amount:						
於二零二零年十二月三十一日	As at 31 December 2020	429,373	443,541	1,725	773,765	1,638	1,650,042
於二零一九年十二月三十一日	As at 31 December 2019	319,200	411,968	1,590	790,074	2,157	1,524,989

14. 物業、廠房及設備(續)

14. PROPERTY, PLANT AND EQUIPMENT (continued)

附註:

Note:

(i) 本集團之租賃土地及樓宇於報告期末之賬面值分析如下:

(i) The carrying amount of the Group's leasehold land and buildings reporting periods are analysed as follows:

	二零二零年	二零一九年
	2020	2019
	千港元	千港元
	HK\$'000	HK\$'000
於中國內地之中年期租約	429,373	319,200
Medium term leases in Mainland China		

(ii) 於二零二零年十二月三十一日,本集團賬面淨值約371,440,000港元之樓宇、廠房及機器(二零一九年:398,587,000港元)已被抵押以獲得本集團所獲授之銀行信貸額(附註24)。

(ii) As at 31 December 2020, buildings, plant and machinery of the Group with a net carrying amount of approximately HK\$371,440,000 (2019: HK\$398,587,000) were pledged to secure banking facilities granted to the Group (note 24).

15. 使用權資產

15. RIGHT-OF-USE ASSETS

	二零二零年	二零一九年
	2020	2019
	千港元	千港元
	HK\$'000	HK\$'000
於一月一日	50,928	53,355
本年度計提折舊	(1,273)	(1,320)
匯兌重列	3,326	(1,107)
於十二月三十一日	52,981	50,928
As at 1 January		
Depreciation provided during the year		
Exchange realignment		
As at 31 December		

使用權資產代表本集團於租期內根據租賃安排使用相關租賃物業及設備之權利。

The right-of-use assets represent the Group's right to use underlying leased premises and equipment under lease arrangements over the lease terms.

於二零二零年十二月三十一日,使用權資產約52,981,000港元(二零一九年:50,928,000港元)已予質押以抵押銀行借款(附註24)。

As at 31 December 2020, right-of-use assets of approximately HK\$52,981,000 (2019: 50,928,000) have been pledged to secure banking borrowings (note 24).

16. 無形資產

16. INTANGIBLE ASSETS

		專利 Patent 千港元 HK\$'000
成本：	Cost:	
於二零一九年一月一日	As at 1 January 2019	51,052
匯兌重列	Exchange realignment	(1,089)
於二零一九年十二月三十一日及 二零二零年一月一日	As at 31 December 2019 and 1 January 2020	49,963
匯兌重列	Exchange alignment	3,330
於二零二零年十二月三十一日	As at 31 December 2020	53,293
累計攤銷：	Accumulated amortisation:	
於二零一九年一月一日	As at 1 January 2019	11,022
本年度攤銷	Amortisation for the year	4,549
匯兌重列	Exchange alignment	(269)
於二零一九年十二月三十一日及 二零二零年一月一日	As at 31 December 2019 and 1 January 2020	15,302
本年度攤銷	Amortisation for the year	4,587
匯兌重列	Exchange alignment	1,263
於二零二零年十二月三十一日	As at 31 December 2020	21,152
賬面值：	Carrying amount:	
於二零二零年十二月三十一日	As at 31 December 2020	32,141
於二零一九年十二月三十一日	As at 31 December 2019	34,661

17. 採礦權

17. MINING RIGHTS

		千港元 HK\$'000
成本：	Cost:	
於二零一九年一月一日	As at 1 January 2019	56,136
匯兌重列	Exchange realignment	(1,197)
於二零一九年十二月三十一日及 二零二零年一月一日	As at 31 December 2019 and 1 January 2020	54,939
匯兌重列	Exchange realignment	3,661
於二零二零年十二月三十一日	As at 31 December 2020	58,600
累計攤銷：	Accumulated amortisation:	
於二零一九年一月一日	As at 1 January 2019	8,838
本年度攤銷	Amortisation for the year	400
匯兌重列	Exchange realignment	(198)
於二零一九年十二月三十一日及 二零二零年一月一日	As at 31 December 2019 and 1 January 2020	9,040
本年度攤銷	Amortisation for the year	188
匯兌重列	Exchange realignment	612
於二零二零年十二月三十一日	As at 31 December 2020	9,840
賬面值：	Carrying amount:	
於二零二零年十二月三十一日	As at 31 December 2020	48,760
於二零一九年十二月三十一日	As at 31 December 2019	45,899

結餘乃位於中國吉林省白山市的白雲石礦的採礦權，以礦石儲備的產量予以攤銷。

The balance represents mining rights of the dolomite mine located in Baishan City of Jilin Province, the PRC, which is amortised by the production quantity over the ore reserve.

18. 存貨

18. INVENTORIES

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
原材料	Raw materials	165,743	125,107
在製品	Work in progress	658	1,247
製成品	Finished goods	120,734	60,453
		287,135	186,807

19. 應收貿易賬款及應收票據

19. TRADE AND BILLS RECEIVABLES

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
應收貿易賬款(附註(i))	Trade receivables (note (i))	168,676	149,011
預期信貸虧損撥備	Allowance for expected credit loss	(3,490)	(1,726)
		165,186	147,285
應收票據(附註(ii))	Bills receivables (note (ii))	7,106	4,186
		172,292	151,471

附註:

(i) 本集團與其客戶之貿易主要以除銷形式進行。除銷期一般不超過180天。每名客戶皆有最高除銷額度。本集團務求嚴格控制未償付應收款項並將除銷風險降至最低。高級管理層定期審核逾期結餘。鑒於上文所述，加之本集團之應收貿易賬款涉及眾多分散之客戶，故並無重大的信貸集中風險。本集團並無就其應收貿易賬款結餘持有任何抵押品或其他信貸提升保障。應收貿易賬款不計利息。

(ii) 於二零二零年十二月三十一日，應收票據約7,106,000港元(二零一九年：4,186,000港元)將於報告期末後六個月(二零一九年：七個月)內到期。所有應收票據均以人民幣計值。

於報告期末按發票日期劃分的應收貿易賬款(扣除預期信貸虧損撥備)之賬齡分析如下所示：

Note:

(i) The Group's trading terms with its customers are mainly on credit. The credit period is generally not over 180 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables related to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are interest-free.

(ii) As at 31 December 2020, bills receivable of approximately HK\$7,106,000 (2019: HK\$4,186,000) will be matured within six months (2019: seven months) after the end of the reporting period. All the bills receivables are dominated in RMB.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of allowance for expected credit loss, is as follows:

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
少於60天	Within 60 days	87,468	113,550
61至90天	61 to 90 days	49,275	33,735
91至180天	91 to 180 days	28,443	—
		165,186	147,285

19. 應收貿易賬款及應收票據

19. TRADE AND BILLS RECEIVABLES (continued)

(續)

應收貿易賬款信貸虧損撥備之變動如下：

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
年初	At the beginning of year	1,726	3,544
預期信貸虧損撥備／ (撥備撥回)	Allowance for/(reversal of allowance for) expected credit loss, net	1,649	(1,784)
匯兌差額	Exchange difference	115	(34)
於年末	At the end of year	3,490	1,726

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於向有類似虧損模式(即按地理區域、產品類型、客戶類型及評級，以及信用證或其他形式的信用保險的承保範圍)的多個客戶分部組合的逾期天數釐定。該計算反映或然率加權結果、貨幣時值及於報告日期可得有關過往事件、目前狀況及預測未來經濟狀況的合理佐證資料。一般而言，倘貿易應收款項逾期超過一年且並無適用強制執行事項，則會撇銷。預期信貸虧損評估詳情載於附註39。

The movements in the allowance for expected credit loss of trade receivables are as follows:

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. Details of assessment of expected credit loss was detailed in Note 39.

19. 應收貿易賬款及應收票據

(續)

香港財務報告準則第9號項下減值

採用撥備矩陣分析本集團貿易應收款項的信貸風險資料如下：

19. TRADE AND BILLS RECEIVABLES (continued)

Impairment under HKFRS 9

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

		預期虧損率 Expected loss rate	賬面總值 Gross carrying amount 千港元 HK\$'000	虧損撥備 Loss allowance 千港元 HK\$'000
於二零二零年十二月三十一日	31 December 2020			
即期(未逾期)	Current (not past due)	1.885%	168,359	3,173
逾期少於1年	Less than 1 year past due	100%	317	317
			168,676	3,490
於二零一九年十二月三十一日	31 December 2019			
即期(未逾期)	Current (not past due)	1.038%	148,830	1,545
逾期少於1年	Less than 1 year past due	100%	181	181
			149,011	1,726

未逾期亦無減值之應收款項屬於在近期並無拖欠記錄的大批分散客戶。

已逾期但無減值之應收款項屬於本集團多個記錄良好的獨立客戶。根據過往記錄，本公司董事認為，由於信貸質素並無重大改變，並認為結餘仍可全數收回，故無須就此等結餘作出減值撥備。

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

20. 預付款項、按金及其他應收款項

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
預付款項(附註(i))	Prepayments (note (i))	247,988	281,150
按金	Deposits	208	292
其他應收款項	Other receivables	8,748	6,607
		256,944	288,049
預期信貸虧損撥備	Allowance for expected credit loss	(191)	(170)
		256,753	287,879

按金概無逾期或減值。預期信貸虧損撥備與其他應收款項有關。

附註：

(i) 於二零二零年十二月三十一日，預付款項主要包括存貨之預付款項約241,263,000港元(二零一九年：198,990,000港元)。

預付款項、按金及其他應收款項之預期信貸虧損撥備之變動如下：

None of the deposits is either past due or impaired. The allowance for expected credit loss relates to deposits and other receivables.

notes:

(i) As at 31 December 2020, prepayments mainly comprise of prepayment of inventory of approximately HK\$241,263,000 (2019: HK\$198,990,000).

The movements in the allowance for expected credit loss of prepayments, deposits and other receivables are as follows:

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
年初	At the beginning of year	170	—
預期信貸虧損撥備	Allowance for expected credit loss	10	174
匯兌差額	Exchange difference	11	(4)
於年末	At the end of year	191	170

21. 現金及現金等值項目及已抵押銀行存款

21. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
現金及銀行結餘	Cash and bank balances	36,104	254,813
已抵押銀行存款	Pledged bank deposits	10,185	16,877
		46,289	271,690
減：借款之抵押存款 (附註24)	Less: Pledged deposits for borrowings (note 24)	(10,185)	(16,877)
現金及現金等值項目	Cash and cash equivalents	36,104	254,813
已抵押銀行存款：	Pledged bank deposits:		
流動部份	Current portion	10,185	7,328
非流動部份	Non-current portion	—	9,549
		10,185	16,877

於報告期末，本集團以人民幣計值之現金及現金等值項目以及已抵押銀行存款約為43,730,000港元(二零一九年：161,510,000港元)。人民幣不得自由兌換其他貨幣，然而，根據中國外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權可從事匯兌業務的銀行將人民幣兌換為其他貨幣。

At the end of the reporting period, the cash and cash equivalents and pledged bank deposits of the Group denominated in RMB amounted to approximately HK\$43,730,000 (2019: HK\$161,510,000). RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

21. 現金及現金等值項目及已抵押銀行存款(續)

銀行現金乃根據銀行每日銀行存款利率之浮動利率賺取利息。視乎本集團即時現金需求，短期定期存款之期限為三個月，並按各自之短期定期存款利率賺取利息。銀行存款及抵押存款存放於具良好信用且沒有近期拖欠付款記錄的銀行。

於二零二零年十二月三十一日，已抵押銀行存款約10,185,000港元(二零一九年：16,877,000港元)已抵押予銀行，以獲得借款(附註24)。

22. 應付貿易賬款

於報告期末按發票日期劃分的應付貿易賬款之賬齡分析如下所示：

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
少於60天	Within 60 days	18,777	29,319
61至90天	61 to 90 days	3,257	696
超過90天	Over 90 days	14,182	17,978
		36,216	47,993

應付貿易賬款不計利息，結算期通常為不超過180天。

21. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS (continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

As at 31 December 2020, pledged bank deposit of approximately HK\$10,185,000 (2019: HK\$16,877,000) was pledged to bank for secured of borrowings (Note 24).

22. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice dates, is as follows:

The trade payables are non-interest-bearing and are normally settled within 180-day terms.

23. 其他應付款項及應計費用
及合約負債

23. OTHER PAYABLES AND ACCRUALS AND CONTRACT
LIABILITIES

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
應計費用(附註(i))	Accruals (note (i))	8,875	9,501
其他應付款項(附註(ii))	Other payables (note (ii))	63,728	15,710
		72,603	25,211
合約負債(附註(iii)及(iv))	Contract liabilities (note (iii) and (iv))	13,993	19,742

應計費用及其他應付款項為免息
及須按要求償還。

Accruals and other payables are interest-free and
repayable on demand.

附註:

note:

(i) 於二零二零年十二月三十一日，應計開支
主要為應計薪金及員工福利約4,703,000
港元(二零一九年: 6,130,000港元)及應
計專業費用約1,000,000港元(二零一九
年: 1,639,000港元)。

(i) As at 31 December 2020, the accrual expenses mainly represent
accrual salary and staff benefit of approximately HK\$4,703,000
[2019: HK\$6,130,000] and accrued professional fee of approximately
HK\$1,000,000 [2019: HK\$1,639,000].

(ii) 於二零二零年十二月三十一日，其他應
付款項主要為應付利息約33,566,000港元
(二零一九年: 1,242,000港元)及應付在
建工程未結付金額約27,166,000港元(二
零一九年: 1,973,000港元)。

(ii) As at 31 December 2020, the other payable was mainly represents
interest payable of approximately HK\$33,566,000 [2019: HK\$1,242,000]
and outstanding amount payable for construction-in-progress of
approximately HK\$27,166,000 [2019: HK\$1,973,000].

(iii) 在與銷售鎂產品的客戶簽訂合約時，本
集團收取若干部分的合約金額。分配至
該等銷售的交易價格於初步銷售交易時
確認為合約負債。本年度確認於合約負
債餘額中的收益約為638,208,000港元(二
零一九年: 1,223,590,000港元)。本集團
認為預付款項計劃並不包括重大融資部
分，而因此經計及付款條款並非主要因
向本集團提供融資而訂立，代價金額並
非就金錢時間值的影響而調整。

(iii) The Group receives certain portion of contract amounts when signing
the contracts with customers on sale of magnesium products. The
transaction price allocated to these sales is recognised as a contract
liability at the time of initial sales transaction. Revenue recognised in
the current year that was included in the contract liability balance was
approximately HK\$638,208,000 [2019: HK\$1,223,590,000]. The Group
considers the advance payments schemes does not contain significant
financing component and accordingly the amount of consideration is
not adjusted for the effects of the time value of money taking into
consideration that the payment terms were not structured primarily for
the provision of finance to the Group.

(iv) 合約負債之變動如下:

(iv) The movements of contract liabilities are as follows:

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
於一月一日之結餘	Balance at 1 January	19,742	7,799
自本年度滿足的履約責任確認 之收益	Revenue recognised from performance obligations satisfied during the year	(19,742)	(7,799)
年內收取按金導致之 合約負債增加	Increase in contract liabilities as a result of receiving deposits during the year	12,677	20,200
匯兌重列	Exchange realignment	1,316	(458)
於十二月三十一日之結餘	Balance at 31 December	13,993	19,742

24. 借款

24. BORROWINGS

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
銀行借款	Bank borrowings	134,524	151,508
其他借款(附註(ii)及(iii))	Other borrowings (note (ii) and (iii))	737,795	335,934
		872,319	487,442
借款(附註v):	Borrowings (note v):		
一年內或按要求到期	Due within one year or on demand	796,938	315,765
一年以上但不超過 超過兩年期間內到期	Due within a period of more than one year but not exceeding two years	75,381	96,296
超過兩年期間內到期	Due within a period of more than two years	—	75,381
		872,319	487,442
減: 列作非流動負債金額	Less: Amounts shown under non- current liabilities	(75,381)	(171,677)
列作流動負債金額	Amounts shown under current liabilities	796,938	315,765
減: 由於違反貸款契諾按要 求應付銀行及其他貸款 帳面值(流動負債下列示) (附註vi)	Less: The carrying amount of bank and other borrowings that are repayable on demand due to breach of loan covenants (shown under current liabilities) (note vi)	(760,580)	—
減: 就於一年內應付或 按要求應付之銀行及 其他貸款列作流動負債 之金額	Amounts shown under current liabilities for the bank and other borrowings that are repayable within one year or on demand	36,358	315,765
借款:	Borrowings:		
有抵押(附註(i)及(iii))	Secured (note (i) and (iii))	253,848	275,550
無抵押	Unsecured	618,471	211,892
		872,319	487,442

24. 借款(續)

本集團借款之實際利率(亦相等於合約利率)範圍如下:

		截至二零二零年 十二月三十一日 止年度 Year ended 31 December 2020 千港元 HK\$'000	截至二零一九年 十二月三十一日 止年度 Year ended 31 December 2019 千港元 HK\$'000
實際利率	Effective interest rate:		
固定借款	Fixed-rate borrowings	4% to 18%	4.5% to 7%
可變借款	Variable-rate borrowings	4.25% to 5.48%	3.75% to 7.52%

借款以下列貨幣計值:

		二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
人民幣	RMB	111,739	118,636
港元	HK\$	563,785	145,855
美元	US\$	196,795	222,951
		872,319	487,442

24. BORROWINGS (continued)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

Borrowings were denominated in the following currencies:

24. 借款(續)

附註:

- (i) 抵押借款約211,739,000港元(二零一九年: 212,089,000港元)由一家同系附屬公司的公司擔保以及抵押的物業、廠房及設備約371,440,000港元及使用權資產約52,981,000港元(二零一九年: 物業、廠房及設備約398,587,000港元以及使用權資產約50,928,000港元)作擔保。
- (ii) 其他借款包括(a)國際金融公司的貸款約42,109,000港元(二零一九年: 63,461,000港元)及(b)債券約275,686,000港元(二零一九年: 272,473,000港元)及(c)自直接股東Ming Xing Development Limited債券420,000,000港元, 該款項於年內可換股債券重新分類(附註27)。

可換股債券(附註27)420,000,000港元於二零二零年十一月三十日屆滿並成為按要求應付, 重新分類至其他借款, 年利率為4厘。

於二零二一年二月二十七日, 貸方已就計入本集團其他借貸之借貸約154,686,000港元針對本集團發起訴訟, 要求償還未償付結餘。

- (iii) 根據本公司一家全資附屬公司與國際金融公司(「國際金融公司」)的貸款協議, 國際金融公司已向該附屬公司授出27,000,000美元貸款。

該貸款每年按倫敦銀行同業拆息加3.5%計息, 到期金額按貸款協議所載的計劃還款日期計算。

國際金融公司的貸款約為42,109,000港元(二零一九年: 63,461,000港元), 由(i)世紀陽光提供的公司擔保; 及(ii)主要股東Alpha Sino International Limited (「Alpha Sino」)擁有之世紀陽光股份質押; (iii)銀行存款約10,185,000港元(二零一九年: 16,877,000港元)作抵押。

- (iv) 於二零二零年十二月三十一日, 銀行借款及其他借款的加權實際利率約為8.02%(二零一九年: 7.33%)。

- (v) 該等款項乃根據貸款協議所載還款計劃表到期。

- (vi) 本集團若干信貸融資須受借貸安排中通常發現之契諾達成之規限制。於二零二零年七月三日, 本公司公佈本公司控股股東控股公司世紀陽光已違約贖回本金金額為101,750,000新加坡元之後償票據。因此, 本集團不能達成總額為760,580,000港元之若干借款契諾。在該金額中, 總額760,580,000港元借款在截至二零二零年十二月三十一日之綜合財務狀況表中重新分類為流動負債。本集團正在與借入人磋商在報告期末再融資借款。於綜合財務報表批准日期, 上述借款尚未續期亦尚未償付。

24. BORROWINGS (continued)

Note:

- (i) Secured borrowing of approximately HK\$211,739,000 (2019: HK\$212,089,000) were guaranteed by the corporate guarantee of a fellow subsidiary and pledged property, plant and equipment of approximately HK\$371,440,000 and right-of-use assets of approximately HK\$52,981,000 (2019: property, plant and equipment of approximately HK\$398,587,000 and right-of-use assets of approximately HK\$50,928,000).
- (ii) Included in other borrowings was (a) IFC loan of approximately HK\$42,109,000 (2019: HK\$63,461,000); (b) bond of approximately HK\$275,686,000 (2019: HK\$272,473,000) and (c) bond from the immediate shareholder, Ming Xing Developments Limited of HK\$420,000,000 which was reclassified from convertible bond (Note 27) during the year.

The convertible bonds (note 27) of HK\$420,000,000 was expired on 30 November 2020 and became repayable on demand, reclassified to other borrowings and carried at rate of 4% per annum.

Included in the other borrowings of the Group were borrowings of approximately HK\$154,686,000 which the lender have commenced litigations against the Group to repay the outstanding balances on 22 February 2021.

- (iii) Pursuant to a loan agreement entered into by a wholly-owned subsidiary of the Company and International Finance Corporation ("IFC"), IFC had granted a loan facility of US\$27,000,000 to the subsidiary.

The loan bears interest at LIBOR plus 3.5% per annum and the amounts due are based on the scheduled repayment dates set out in the loan agreement.

The loan from IFC of approximately HK\$42,109,000 (2019: HK\$63,461,000) was secured by (i) corporate guarantee given by Century Sunshine Group Holdings Limited; and (ii) pledged of shares in Century Sunshine Group Holdings Limited as owned by Alpha Sino International Limited ("Alpha Sino"), the substantial shareholder; (iii) deposit with banks of approximately HK\$10,185,000 (2019: HK\$16,877,000).

- (iv) The weighted effective interest rate of bank borrowing and other borrowing as at 31 December 2020 is approximately 8.02% (2019: 7.33%).

- (v) The amounts due are based on scheduled repayment dates set out in the loan agreements.

- (vi) Certain of the Group's facilities were subject to the fulfillment of covenants as are commonly found in lending arrangements. On 3 July 2020, the Company announced CS, the controlling shareholder of the Company, defaulted in the redemption of its subordinated notes of SGD101.75 million in principal amount. As a result, the Group could not fulfill covenants on certain borrowings with an aggregate amount of HK\$760,580,000. Included in this amount, borrowings of an aggregate amount of HK\$760,580,000 were classified as current liabilities in the consolidated statement of financial position as at 31 December 2020. The Group is negotiating with the borrowers to refinancing the borrowings at the end of reporting period. As at the date of approval of the consolidated financial statements, the aforesaid borrowings were not yet renewed nor repaid.

25. 應付一名股東之款項

截至二零二零年十二月三十一日，應付一名股東之款項為無抵押、免息及按要求應付。

截至二零一九年十二月三十一日，應付一名股東之款項為無抵押、免息及未於十二個月內應付。

26. 遞延收入

	二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
與資產相關之政府撥款 Government grants received related to assets	72,834	68,283

為促進金屬鎂業之發展，白山市天安金屬鎂礦業有限公司於二零一二年與當地政府訂立一份協議。根據該協議，當地政府同意向白山市天安金屬鎂礦業有限公司提供財務資助(「資助」)以改善其生產科技及提高物業、廠房及設備的產能。

截至二零二零年及二零一九年十二月三十一日止年度，本集團並無收取任何資助，而截至二零二零年及二零一九年十二月三十一日止年度並無確認任何其他收入。遞延收入賬面值增加乃由於匯兌差額所致。

所收或成為應收款項之資助，初始確認為遞延收入及其後以扣減折舊法開支，按該須予折舊資產可用年期於損益中確認。

25. AMOUNT DUE TO A SHAREHOLDER

As at 31 December 2020, the amount due to a shareholder is unsecured, non-interest bearing and repayable on demand.

As at 31 December 2019, the amount due to a shareholder is unsecured, non-interest bearing and is not repayable within 12 months.

26. DEFERRED REVENUE

In order to encourage the development of magnesium industry, Baishan City Tianan Magnesium Resources Co., Limited entered into an agreement with the local government in 2012. Pursuant to the agreement, the local government agree to provide financial assistance (the "Assistance") to Baishan City Tianan Magnesium Resources Company Limited to improve their production technology and enhance the capacity of the property, plant and equipment.

During the year ended 31 December 2020 and 2019, the Group has not received any Assistance and there were no other income was recognised for the years ended 31 December 2020 and 2019. The carrying amount of deferred revenue increased due to the arise of exchange difference.

The Assistance received or which becomes receivables is initially recognised as deferred revenue and subsequently recognised in profit or loss over the life of a depreciable asset by way of as a reduced depreciation charge expense.

27. 可換股債券

於二零一七年十一月三十日，作為收購永洋集團代價的一部份，本公司根據首智投資有限公司(「首智投資」)、Sure Sino Global Limited (「Sure Sino」)、世紀陽光集團控股有限公司及本公司訂立之買賣協議，發行按每年4%計息，須每半年期末時支付，本金總額為420,000,000港元之可換股債券。

根據本集團之會計政策，可換股債券根據合約安排內容，以及金融負債及權益工具之定義獲個別分類為金融負債及權益。倘換股權將透過以固定金額現金或另一項財務資產換取固定數目之本公司本身權益工具結算，則為權益工具。負債部分之公平值採用類似不可兌換工具之現行市場利率進行估計。可換股債券之公平值評估由獨立專業估值師進行。權益部份於「可換股債券權益儲備」一節列值為權益。負債部份於初始確認時的實際利率為每年14.6%。

可換股債券賦予債券持有人利，以換股價0.40 港元轉換為股份。由發行日起計，可換股債券有效期為三年。轉換可於可換股債券到期日之前隨時進行。本公司將於到期日贖回尚未獲轉換之可換股債券。

於二零一九年十二月三十一日，可換股債券之公平值約381,798,000 港元。可換股債券於二零二零年十一月三十日到期，並於截至二零二零年十月三十一日止年度轉撥至「借款」。該金額按要求應付，且附帶年利率4厘。

27. CONVERTIBLE BOND

On 30 November 2017, as part of consideration for the acquisition of the Fullocean Group, the Company has issued convertible bonds which bear an interest of 4% per annum payable in arrear semi-annually with aggregate principal amount of HK\$420,000,000 pursuant to the sale and purchase agreement entered into by Capital Idea Investments Limited ("CIIL"), Sure Sino Global Limited ("Sure Sino"), Century Sunshine Group Holdings Limited and the Company.

According to the Group's accounting policy, the convertible bonds are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. The fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. The fair value assessment of the convertible bonds was performed by an independent professional valuer. The equity element is presented in equity under the heading of "convertible bond equity reserve". The effective interest rate of the liability element on initial recognition is 14.6% per annum.

The convertible bonds entitle the bondholder to convert to shares at a conversion price of HK\$0.40. The maturity date of the Convertible Bonds is the 3 year from the date of issue. Conversion may occur at any time before maturity date of the Convertible Bonds. The Company will redeem the convertible bonds if the bonds have not been converted on maturity date.

The fair value of the Convertible Bonds is approximately HK\$381,798,000 as at 31 December 2019. The convertible bonds was expired on 30 November 2020 and transferred to "borrowings" during the year ended 31 December 2020. The amount was unsecured repayable on demand and carried interest at 4% per annum.

27. 可換股債券(續)

可換股債券條款的詳細資料可閱日期為二零一七年十月二十六日之通函。

初步計入可換股債券權益儲備可之換股期權於到期時轉撥之保留盈利。

於綜合財務狀況表確認的可換股債券負債部分計算如下：

		千港元 HK\$'000
於二零一九年一月一日	As at 1 January 2019	350,336
計入實際利息開支	Effective interest expenses charged	51,536
已付及應付利息開支	Interest expenses paid and payable	(16,800)
於二零一九年十二月三十一日及 二零二零年一月一日	As at 31 December 2019 and 1 January 2020	385,072
計入實際利息開支	Effective interest expenses charged	51,728
已付及應付利息開支	Interest expenses paid and payable	(16,800)
轉撥至借款	Transfer to borrowings	(420,000)
於二零二零年十二月三十一日	As at 31 December 2020	—

27. CONVERTIBLE BOND (continued)

For more details of the terms of convertible bonds, please refer to the circular dated on 26 October 2017.

The convertible option initially included in convertible bonds equity reserve was transferred to retained earnings upon expiry.

The liability component of convertible bond recognised in the statement of consolidated financial position was calculated as follow:

28. 遞延稅項

年內於綜合財務狀況表確認之遞延稅項結餘的組成部份及其變動如下：

遞延稅項負債

		可換股 債券 Convertible bond 千港元 HK\$'000	預付土地 租賃款項 Prepaid land lease payment 千港元 HK\$'000	使用權 資產 Right-of-use assets 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一九年一月一日	As at 1 January 2019	11,731	3,011	—	14,742
自採納香港財務報告準則 第16號轉撥	Transfer upon adoption of HKFRS 16	—	(3,011)	3,011	—
計入綜合損益及其他 全面收入表	Credited to consolidated statement of profit or loss and other comprehensive income	(5,731)	—	(76)	(5,807)
匯兌重列	Exchange realignment	—	—	(63)	(63)
於二零一九年十二月三十一日 及二零二零年一月一日	As at 31 December 2019 and 1 January 2020	6,000	—	2,872	8,872
計入綜合損益及 其他全面收入表	Credited to consolidated statement of profit or loss and other comprehensive income	(6,000)	—	(75)	(6,075)
匯兌重列	Exchange realignment	—	—	189	189
於二零二零年十二月三十一日	As at 31 December 2020	—	—	2,986	2,986

本集團於稅務局(「稅務局」)評估前於香港產生的稅務虧損約為1,817,000港元(二零一九年：1,820,000港元)，並可供無限期抵銷產生有關虧損的公司的未來應課稅溢利。本集團亦於中國內地產生並無(二零一九年：無)稅務虧損，並可於未來一至五年內抵銷未來應課稅溢利。因此附屬公司已虧損一段時間且認為其應課稅溢利不足以抵銷此等附屬公司可動用之稅務虧損，故此等虧損而言，並未確認遞延稅項資產。

28. DEFERRED TAXATION

The components of deferred tax balances recognised in the consolidated statement of financial position and the movements during the year as follows:

Deferred Tax Liabilities

The Group has tax losses arising in Hong Kong before Inland Revenue Department (「IRD」) assessment of approximately HK\$1,817,000 (2019: HK\$1,820,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has no tax losses arising in Mainland China (2019: Nil) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised by these subsidiaries.

28. 遞延稅項(續)

遞延稅項負債(續)

根據中國企業所得稅法，於中國內地成立之外資企業向外國投資者宣派之股息須徵收10%之暫繳稅。是項規定已由二零零八年一月一日起生效，並適用於二零零七年十二月三十一日之後產生之盈利。倘中國內地與外國投資者所屬司法管轄區之間訂有稅務協議，則可按較低暫繳稅率繳稅。就本集團而言，適用稅率為5%。因此，本集團須就於中國內地成立之附屬公司於二零零八年一月一日以後產生之盈利所分派之股息繳納暫繳稅。

於二零二零年十二月三十一日，本集團並無就於中國內地成立之附屬公司、聯營公司及合資公司因未匯出盈利而產生之應付股息暫繳稅確認任何遞延稅項。董事認為，此等附屬公司、聯營公司及合資公司在可見未來不大可能分派此等盈利。於報告期末，有關於中國內地的附屬公司、合資公司及聯營公司之投資，並未有產生重大暫時差額(二零一九年：無)。

本公司向其股東支付的股息並無附有所得稅後果。

28. DEFERRED TAXATION (continued)

Deferred Tax Liabilities (continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2020, no deferred tax has been recognised for withholding dividend taxes that would be payable on the unremitted earnings that are subject to withholding dividend taxes of the Group's subsidiaries, associate, and joint ventures established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries, associate and joint ventures will distribute such earnings in the foreseeable future. There was no significant temporary difference associated with investments in subsidiaries, joint ventures and associate in Mainland China at the end of the reporting period (2019: Nil).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

29. 股本

29. SHARE CAPITAL

	二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000
法定： 13,000,000,000 (二零一九年：13,000,000,000) 股每股面值0.10港元之普通股	Authorised: 13,000,000,000 {2019: 13,000,000,000} ordinary shares of HK\$0.10 each	1,300,000 1,300,000
已發行及繳足： 6,584,390,058 (二零一九年：6,574,390,058) 股每股面值0.10港元之普通股	Issued and fully paid: 6,584,390,058 {2019: 6,574,390,058} ordinary shares of HK\$0.10 each	658,439 657,439

截至二零二零年十二月三十一日止年度內，本公司於行使購股權後已按行使價每股0.30港元發行10,000,000股股份。有關詳情，請參閱附註30。

於截至二零二零年及二零一九年十二月三十一日止年度內，本公司已發行普通股概無變動。根據本公司日期為二零一九年六月二十六日股東大會通過的決議案，本公司法定股本已增加至1,300,000,000港元(分為13,000,000,000股股份)。

本公司已發行股本之變動概述如下：

During the year ended 31 December 2020, the Company issued 10,000,000 shares at an exercise price of HK\$0.30 per share upon the exercise of share options. For more details, please refer to note 30.

There was no movements in the Company's issued ordinary shares during the year ended 31 December 2019. The authorised share capital of the Company was increased to HK\$1,300,000,000 divided into 13,000,000,000 Shares pursuant to the resolutions passed in the general meeting of Company dated 26 June 2019.

A summary of movements in the Company's issued share capital is as follows:

	已發行 股份數目 Number of shares in issue	股本 Share capital 千港元 HK\$'000	股份 溢價賬目 Share premium account 千港元 HK\$'000	總額 Total 千港元 HK\$'000	
於二零一九年一月一日及 二零一九年十二月三十一日 行使購股權後發行之普通股	As at 1 January 2019 and 31 December 2019 Issue of ordinary shares upon exercise of share options	6,574,390,058	657,439	1,560,077	2,217,516
於二零二零年一月一日及 二零二零年十二月三十一日	As at 1 January 2020 and 31 December 2020	6,584,390,058	658,439	1,562,634	2,221,073

30. 購股權

於二零一七年十二月四日，本公司股東批准購股權計劃(「該計劃」)。根據該計劃，本公司可授出購股權予本集團及任何主要股東之董事或僱員、本集團的顧問或諮詢人、分銷商、分包商、供應商、服務供應商、代理、客戶及業務夥伴(「合資格參與者」)，以認購本公司股份。

購股權可按董事全權酌情釐定的歸屬、行使或其他方面的條款及條件而授出，惟有關條款及條件須與該計劃的任何其他條款及條件相符一致。

認購價不會低於以下最高者：(i)股份於購股權提呈日期於聯交所每日報價表所列於主板的收市價；(ii)股份於緊接購股權提呈日期前五個交易日於聯交所每日報價表所列於主板的平均價；及(iii)股份之面值。本集團並無法定或推定責任以現金購回或償付購股權。

合資格參與者須於購股權授出日期起至指定行使日期止期間於本集團或主要股東任職，方可行使購股權。

各合資格人士於要約日期屆滿前十二個月期間內因行使其獲授購股權而獲發行及將獲發行的股份總數，不得超過本集團已發行股本1%。倘向本集團主要股東或獨立非執行董事(或彼等各自的任何聯繫人)授出任何購股權而導致在截至授出日期(包括該日)止任何十二個月期間內，上述人士已獲授及將獲授的全部購股權(包括已行使、已註銷及尚未行使的購股權)獲行使而發行及將予發行的證券數目，(i)合共超過相關類別已發行證券的0.1%；及(ii)(倘證券於聯交所上市)根據證券於各授出日期收市價計算的總值超過5,000,000港元，該額外授出購股權須經本集團股東批准。

30. SHARE OPTIONS

On 4 December 2017, a share option scheme (the "Scheme") was approved by the shareholders of the Company. Under the Scheme, the Company may grant options to the directors or employees of the Group and any substantial shareholder, consultant or adviser, distributor, contractor, supplier, service provider, agent, customer and business partner of the Group (the "Eligible Participant") to subscribe for shares in the Company.

Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise as the directors may determine in its absolute discretion, provided that such terms and conditions shall not be inconsistent with any other term conditions of the Scheme.

The subscription price is not less than the highest of (i) the closing price of the shares on Main Boards stated in the Stock Exchange's daily quotation sheet on the date of offer of the option; (ii) the average prices of the shares on Main Board as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer of the option; and (iii) the nominal value of the shares. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The share options are exercisable only if the Eligible Participants remain in the service of the Group or substantial shareholder from the grant date of the share options up to the designated exercise date.

The total number of shares issued and to be issued upon exercise of the options granted to each eligible person in the twelve-month period expiring on the offer date must not exceed 1% of the issued share capital of the Group. Where any grant of options to a substantial shareholder or an independent non-executive director of the Group, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the relevant class of securities in issue; and (ii) (where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million, such further grant of options must be approved by shareholders of the Group.

30. 購股權(續)

截至二零二零年十二月三十一日止年度

30. SHARE OPTIONS (continued)

For the year ended 31 December 2020

	於 二零二零年 一月一日 持有	年內授出 之購股權	年內行使 之購股權	年內註銷 之購股權	年內失效 之購股權	於 二零二零年 十二月 三十一日 持有	行使價 (附註)
	Held at 1 January 2020	Options granted during the year	Options exercised during the year	Options cancelled during the year	Options lapsed during the year	Held at 31 December 2020	Exercise price (note) 港元 HK\$
(A) 僱員							
Employees	163,400,000	—	—	—	—	163,400,000	0.4
	40,000,000	—	—	—	(40,000,000)	—	0.5
	150,000,000	—	(10,000,000)	—	—	140,000,000	0.3
(B) 董事							
Directors							
沈世捷	30,000,000	—	—	—	—	30,000,000	0.4
Shum Sai Chit							
池靜超	3,000,000	—	—	—	—	3,000,000	0.4
Chi Jing Chao							
孟健	5,000,000	—	—	—	—	5,000,000	0.4
Meng Jian							
譚偉豪 太平紳士*	5,000,000	—	—	—	5,000,000	—	0.4
Tam Wai Ho, Samson JP*							
鄭炳文	5,000,000	—	—	—	—	5,000,000	0.4
Kwong Ping Man							
張省本	5,000,000	—	—	—	—	5,000,000	0.4
Cheung Sound Poon							
關毅傑	5,000,000	—	—	—	—	5,000,000	0.4
Kwan Ngai Kit							
	221,400,000	—	—	—	5,000,000	216,400,000	0.4
	40,000,000	—	—	—	(40,000,000)	—	0.5
	150,000,000	—	(10,000,000)	—	—	140,000,000	0.3
	411,400,000	—	(10,000,000)	—	(45,000,000)	356,400,000	—

* 於二零二零年六月三十日退任

* retired on 30 June 2020

30. 購股權(續)

截至二零一九年十二月三十一日止年度

30. SHARE OPTIONS (continued)

For the year ended 31 December 2019

	於 二零一九年 一月一日 持有	年內授出 之購股權	年內行使 之購股權	年內註銷 之購股權	年內失效 之購股權	年內轉讓	於 二零一九年 十二月 三十一日 持有	行使價 (附註) 港元
	Held at 1 January 2019	Options granted during the year	Options exercised during the year	Options cancelled during the year	Options lapsed during the year	Transfer during the year	Held at 31 December 2019	Exercise price (note) HK\$
(A) 僱員 Employees	146,400,000 40,000,000 —	— — 200,000,000	— — —	— — (50,000,000)	— — —	17,000,000 — —	163,400,000 40,000,000 150,000,000	0.4 0.5 0.3
(B) 董事 Directors								
沈世捷 Shum Sai Chit	30,000,000	—	—	—	—	—	30,000,000	0.4
池碧芬* Chi Bi Fen*	20,000,000	—	—	—	—	(20,000,000)	—	0.4
池靜超# Chi Jing Chao#	—	—	—	—	—	3,000,000	3,000,000	0.4
孟健 Meng Jian	5,000,000	—	—	—	—	—	5,000,000	0.4
譚偉豪太平紳士 Tam Wai Ho, Samson JP	5,000,000	—	—	—	—	—	5,000,000	0.4
鄭炳文 Kwong Ping Man	5,000,000	—	—	—	—	—	5,000,000	0.4
張省本 Cheung Sound Poon	5,000,000	—	—	—	—	—	5,000,000	0.4
關毅傑 Kwan Ngai Kit	5,000,000	—	—	—	—	—	5,000,000	0.4
	221,400,000 40,000,000 —	— — 200,000,000	— — —	— — (50,000,000)	— — —	— — —	221,400,000 40,000,000 150,000,000	0.4 0.5 0.3
	261,400,000	200,000,000	—	(50,000,000)	—	—	411,400,000	—

* 於二零一九年六月二十六日辭任

* resigned on 26 June 2019

於二零一九年六月二十七日獲委任

appointed on 27 June 2019

30. 購股權(續)

於二零一九年十二月三十一日，尚未行使購股權有以下屆滿日期、行使期及行使價。

30. SHARE OPTIONS (continued)

Options outstanding at 31 December 2020 have the following expiry date, exercise period and exercise prices.

頒授日期	屆滿日期	行使期	每股行使價	購股權數目
Grant date	Expiry date	Exercise period	Exercise prices per Share 港元 HK\$	Number of Options
二零一八年四月二十五日 25 April 2018	二零二三年十二月二十九日 29 December 2023	自二零一八年十一月一日起至 二零二三年十二月二十九日 From 1 November 2018 to 29 December 2023	0.4	216,400,000
二零一九年七月二十五日 25 July 2019	二零二二年八月三十一日 31 August 2022	自二零一九年九月一日起至 二零二二年八月三十一日 From 1 September 2019 to 31 August 2022	0.3	140,000,000
				356,400,000

於本年報日期，該計劃項下可供發行之本公司股份總數(包括上述尚未行使購股權)為813,839,005股，相當於本公司當日已發行股本約12.4%。該計劃之餘下年期約為7年，並將於二零二七年十二月四日屆滿。

As at the date of the annual report, the total number of Shares of the Company available for issue under the Scheme (including the above Options outstanding not yet exercised) was 813,839,005, representing approximately 12.4% of the issued share capital of the Company as of the date thereof. The remaining life of the Scheme is approximately 7 years and to be expired on 4 December 2027.

30. 購股權(續)

截至二零一九年十二月三十一日止年度所授出之購股權，使用二項式期權定價模式釐定公允值為約13,509,000港元。輸入該估值模式的重要計算因素為於授出日期的股價0.285港元上述行使價、預期股價波動介於46.729%至54.568%、年度無風險利率1.459%至1.758%。約1.10至3.10年預計購股權年期及股息收益率1.64。按預期股價回報的標準偏差而計量的波幅，乃根據由二零二零年十二月三十一日至二零一九年七月二十五日的每日股價的統計分析計算得出。截至二零二零年十二月三十一日止年度，約3,975,000港元(二零一九年：19,415,000港元)已計入綜合損益及其他全面收益表內。

截至二零二零年十二月三十一日止年度概無授出任何購股權。

31. 儲備

本集團於本年度及過往期間之儲備金額及其變動呈列於財務報表第61頁之綜合權益變動表內。

於二零二零年十二月三十一日，本公司可供分派儲備(根據一九八一年百慕達公司法(經修訂)(「公司法」)計算)為1,003,291,000港元(二零一九年：1,074,492,000港元)。根據公司法，本公司的實繳盈餘亦可供分派予股東。如會導致本公司無法償還到期負債或其資產的可變現價值因此低於其負債，則不會以實繳盈餘派付股息或作出分派。

30. SHARE OPTIONS (continued)

The fair value of Options granted during the year ended 31 December 2019 determined using the Binomial Option Pricing model was approximately HK\$13,509,000. The significant inputs into the model were share price of HK\$0.285, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility ranged from 46.729% to 54.568%, annual risk-free interest rate of 1.459% to 1.758%. Expected life of Options of approximately 1.10 to 3.10 years and dividend payout ratio 1.64. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 31 December 2010 to 25 July 2019. During the year ended 31 December 2020, approximately HK\$3,975,000 (2019: HK\$19,415,000) were charged to the consolidated statement of profit or loss and other comprehensive income.

No Options were granted during the year ended 31 December 2020.

31. RESERVES

The amounts of the Group's reserves and the movements therein for the current year and prior period are presented in the consolidated statement of changes in equity on page 61 of the financial statements.

As at 31 December 2020, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended) ("Companies Act") amounted to HK\$1,003,291,000 (2019: HK\$1,074,492,000). Under the Companies Act, the Company's contributed surplus of the Company is also available for distribution to the Shareholders. No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

31. 儲備(續)

本集團之特別儲備指根據一九九三年本公司之股份上市前所進行之本集團重組而收購之附屬公司股份之面值，為交換此等股份而發行之本公司股份面值之差額。

32. 融資業務所產生負債之對賬**31. RESERVES (continued)**

The Group's special reserve represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the Group reorganisation prior to the listing of the Company's shares in 1993, and the nominal value of the Company's shares issued in exchange therefor.

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	應付一名股東之款項 Due to a shareholder 千港元 HK\$'000	借款 Borrowings 千港元 HK\$'000	可換股債券 Convertible bond 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零二零年一月一日	113,028	487,442	385,072	985,542
融資現金流量	(96,469)	(44,677)	—	(141,146)
重新分類	—	420,000	(420,000)	—
匯兌重列	600	5,614	—	6,214
其他非現金變動：				
應付利息	16,800	3,940	34,928	55,668
於二零二零年十二月三十一日 的債務淨額	33,959	872,319	—	906,278

32. 融資業務所產生負債之對賬(續)

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

		應付一名股東之款項 Due to a shareholder 千港元 HK\$'000	借款 Borrowings 千港元 HK\$'000	可換股債券 Convertible bond 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一九年一月一日	As at 1 January 2019	183,152	376,627	350,336	910,115
融資現金流量	Financing cash flow	(86,924)	107,995	—	21,071
匯兌重列	Exchange realignment	—	2,596	—	2,596
其他非現金變動：	Other non-cash movement:				
應付利息	Interest payable	16,800	224	34,736	51,760
於二零一九年十二月三十一日 的債務淨額	Net debt as at 31 December 2019	113,028	487,442	385,072	985,542

33. 非現金交易

截至二零二零年十二月三十一日止年度，本集團並無重大非現金交易。

33. NON-CASH TRANSACTION

During the year ended 31 December 2020, the Group did not have material non-cash transaction.

34. 資產抵押

本集團以某些資產作為抵押的借款的詳情見附註14、15、21及24。

34. PLEDGE OF ASSETS

Details of the Group's borrowings, which are secured by certain assets of the Group, are included in notes 14, 15, 21 and 24.

35. 承擔

本集團於報告期末亦有下列資本承擔：

35. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	二零二零年 2020 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000	
已訂約但未作撥備： 物業、廠房及設備	Contracted, but not provided for: Property, plant and equipment	13,266	25,746

36. 重大關連人士交易

(a) 除在此等財務報表其他章節詳述的交易外，於年內，本集團有下列重大關連人士交易：

36. MATERIAL RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	附註 Notes	截至二零二零年 十二月三十一日 止年度 Year ended 31 December 2020 千港元 HK\$'000	截至二零一九年 十二月三十一日 止年度 Year ended 31 December 2019 千港元 HK\$'000
向直接控股公司 支付之管理費	Management fee paid to an intermediate holding company (i)	1,200	1,200

附註：

(i) 向直接控股公司支付之管理費按每月100,000港元(二零一九年：100,000港元)收取。

Notes:

(i) The management fee paid to an intermediate holding company was charged at a monthly rate of HK\$100,000 (2019: HK\$100,000).

(b) 本集團主要管理人員報酬：

董事袍金及酬金進一步詳情載於財務報表附註9。

上文第(a)(i)項之關連人士交易亦構成上市規則第14A章定義的關連交易。

(b) Compensation of key management personnel of the Group:

Further details of directors' fee and emoluments are included in note 9 to the financial statements.

The related party transaction in respect of items (a) (i) above also constitute connected transaction as defined in Chapter 14A of the Listing Rules.

36. 重大關連人士交易(續)

- (c) 於二零二零年十二月三十一日，應付一名股東之款項約為33,959,000港元(二零一九年：113,028,000港元)。該款項為無抵押及需於12個月內償還(附註24)。
- (d) 根據香港聯合交易所有限公司證券上市規則(「上市規則」)第14A.72條：
- 除上文(a)及(c)披露者外，董事認為附註36所披露之其他關聯方交易不再上市規則第14A章的定義下。
 - 董事確認上文(a)項所載「應付中間控股公司Ming Xing Development Limited款項」悉數豁免上市規則第14A.73條及第14A.76條項下之報告、公告及股東批准之規定。
 - 董事確認上文(c)項所載「Ming Xing Development Limited款項」乃基於正常或較佳商業條款，且本集團並無資產作為抵押，因此悉數豁免上市規則第14A.73條及第14A.90條項下之報告、公告、通函及股東批准之規定。

36. MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

- (c) As at 31 December 2020, the amount due to a shareholder is approximately HK\$33,959,000 (2019: HK\$113,028,000). The amount is unsecured and are repayable within 12 months (note 24).
- (d) Pursuant to Rule 14A.72 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"):
- Save as disclosed in the item (a) and (c) above, the Directors consider that the other related party transactions disclosed in the Note 36 do not fall under the definition of "connected transaction" in Chapter 14A of the Listing Rules.
 - The Directors confirm that the transactions under "management fee paid to an intermediate holding company" set forth in item (a) above are fully exempt from the reporting, announcement, circular and shareholders' approval requirements under Rule 14A.73 and Rule 14A.76 of the Listing Rules.
 - The Directors confirm that the transaction under "amount due to Ming Xing Developments Limited" set forth in item (c) was conducted on normal commercial terms or better, and not secured by the assets of the Group, and thus are fully exempt from the reporting, announcement, circular and shareholders' approval requirements under Rule 14A.73 and Rule 14A.90 of the Listing Rules.

37. 按類別劃分之金融工具

各類別金融工具於報告期末之賬面值如下：

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

二零二零年十二月三十一日 31 December 2020		按攤銷 成本計量之 金融資產 Financial assets at amortised cost 千港元 HK\$'000
金融資產	Financial assets	
應收貿易賬款及應收票據 列為按金及其他應收 款項之金融資產	Trade and bills receivables Financial assets included in deposits and other receivables	172,292 8,765
已抵押銀行存款	Pledged bank deposits	10,185
現金及現金等值項目	Cash and cash equivalents	36,104
		227,346
金融負債	Financial liabilities	按攤銷成本 計量之 金融負債 Financial liabilities at amortised cost 千港元 HK\$'000
應付貿易賬款 列為其他應付款項及應計費用之 金融負債	Trade payables Financial liabilities included in other payables and accruals	36,216 72,603
借款	Borrowings	872,319
應付一名股東之款項	Amount due to a shareholder	33,959
		1,015,097

37. 按類別劃分之金融工具(續) 37. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

二零一九年十二月三十一日 31 December 2019		按攤銷 成本計量之 金融資產 Financial assets at amortised cost 千港元 HK\$'000
金融資產	Financial assets	
應收貿易賬款及應收票據 列為按金及其他應收款項 之金融資產	Trade and bills receivables Financial assets included in deposits and other receivables	151,471 6,729
已抵押銀行存款	Pledged bank deposits	16,877
現金及現金等值項目	Cash and cash equivalents	254,813
		429,890
		按攤銷成本 計量之 金融負債 Financial liabilities at amortised cost 千港元 HK\$'000
金融負債	Financial liabilities	
應付貿易賬款	Trade payables	47,993
列為其他應付款項及應計費用之 金融負債	Financial liabilities included in other payables and accruals	25,211
借款	Borrowings	487,442
應付一名股東之款項	Amount due a shareholder	113,028
可換股債券	Convertible bond	385,072
		1,058,746

38. 金融工具之公平值及公平
值等級

管理層已評估本集團之金融資產及負債之公平值結餘與賬面值相若，此乃頗大程度由於此等工具將於短期內到期。

39. 財務風險管理目標及政策

本集團主要金融工具包括應收貿易賬款及應收票據、按金及其他應收款項、現金及現金等值項目、已抵押銀行存款、應付貿易賬款、其他應付款項及應計費用、借款，以及應付一名非控股股東之款項及可換股債券。

本集團金融工具產生的主要風險為信貸風險、流動資金風險及外幣風險。董事會檢討及同意管理此類風險的政策，概述如下：

信貸風險

本集團僅與認可且信譽良好的第三方進行交易。本集團的政策規定，所有欲以信貸條款進行交易的客戶均須遵守信貸驗證程序。此外，本集團持續監控應收款項結餘，而本集團的壞賬風險屬不重大。對於非以相關營運單位的功能貨幣計值的交易，未經信貸控制主管的特別批准，本集團不會提供信貸條款。

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of the Group's financial assets and liabilities, the balance were approximate to their carrying amounts largely due to the short term maturities of these instruments.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly comprise trade and bills receivables, deposits and other receivables, cash and cash equivalents, pledged bank deposits, trade payables, other payables and accruals, borrowings, and amount due to a non-controlling shareholder and convertible bonds.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and foreign currency risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

39. 財務風險管理目標及政策
(續)

信貸風險(續)

於二零二零年十二月三十一日的最大風險敞口及年終階段

下表顯示根據本集團信貸政策的信貸質量及最大信貸風險敞口，其主要基於本集團過往及前瞻性因素，惟其他資料為毋需付出不必要的成本或努力即可取得的資料則除外，以及截至二零二零年及二零一九年十二月三十一日的年終階段分類。

應收貿易款項

		預期虧損率 Expected loss rate	賬面總值 Gross carrying amount 千港元 HK\$'000	虧損撥備 Loss allowance 千港元 HK\$'000
於二零二零年十二月三十一日	31 December 2020			
即期(未逾期)	Current (not past due)	1.885%	168,359	3,173
逾期少於1年	Less than 1 year past due	100%	317	317
			168,676	3,490
二零一九年十二月三十一日	31 December 2019			
即期(未逾期)	Current (not past due)	1.038%	148,830	1,545
逾期少於1年	Less than 1 year past due	100%	181	181
			149,011	1,726

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
(continued)

Credit risk (continued)

Maximum exposure and year-end staging as at 31 December 2020

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on historical and forward looking elements of the Group, unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2020 and 2019.

Trade receivables

39. 財務風險管理目標及政策
(續)列為按金及其他應收款項之
金融資產

		預期虧損率 Expected loss rate	賬面總值 Gross carrying amount 千港元 HK\$'000	虧損撥備 Loss allowance 千港元 HK\$'000
於二零二零年十二月三十一日	As at 31 December 2020			
流動	Current	2.18%	8,765	191

		預期虧損率 Expected loss rate	賬面總值 Gross carrying amount 千港元 HK\$'000	虧損撥備 Loss allowance 千港元 HK\$'000
於二零一九年十二月三十一日	As at 31 December 2019			
流動	Current	2.52%	6,729	170

有關應收票據以及現金及現金等價物之信貸風險由於交易對方為知名銀行而被視為低風險。現有交易對方在過往並無違約。因此，銀行預期信貸虧損率被評估為接近零且於二零二零年及二零一九年並無作出撥備。

流動資金風險

本集團以經常性流動資金規劃工具監察其資金短缺風險。該工具審議其金融工具及金融資產(如應收貿易賬款)之到期情況，並預測經營業務之現金流量情況。

本集團運用銀行借款及銀行信貸額，致力在資金持續性及靈活性中間取得平衡。本集團於二零二零年十二月三十一日一年內到期之銀行借款乃根據賬面值反映於財務報表內。

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
(continued)

Financial assets included in deposit and other receivables

		預期虧損率 Expected loss rate	賬面總值 Gross carrying amount 千港元 HK\$'000	虧損撥備 Loss allowance 千港元 HK\$'000
於二零二零年十二月三十一日	As at 31 December 2020			
流動	Current	2.18%	8,765	191

		預期虧損率 Expected loss rate	賬面總值 Gross carrying amount 千港元 HK\$'000	虧損撥備 Loss allowance 千港元 HK\$'000
於二零一九年十二月三十一日	As at 31 December 2019			
流動	Current	2.52%	6,729	170

In respect of bills receivables and cash and cash equivalents, the credit risk is considered to be low as the counterparties are reputable banks. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of cash at bank is assessed to be close to zero and no provision was made as of 31 December 2020 and 2019.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings and banking facilities. The Group's bank borrowings would mature in less than one year as at 31 December 2020 based on the carrying value of borrowings reflected in the financial statements.

39. 財務風險管理目標及政策

(續)

流動資金風險(續)

下表描述本集團截至報告期末根據合約未折現付款之金融負債。尤其是，按要求條款償付借款及債權人要求立即償還之款項計入最早時間範圍內。

		二零二零年十二月三十一日 31 December 2020				
	加權平均 實際利率 Weighted average effective interest rate	按要求或 少於一年 On demand or less than 1 year	超過一年 Over 1 year	未貼現 現金總額 Total undiscounted cash flows	總計 Total	
	%	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
應付貿易賬款	—	36,216	—	36,216	36,216	
列為其他應付款項及 應計費用之金融負債	—	72,603	—	72,603	72,603	
借款	8.02	862,794	79,855	942,649	872,319	
應付一名股東之款項	—	33,959	—	33,959	33,959	
		1,005,572	79,855	1,085,427	1,015,097	

		二零一九年十二月三十一日 31 December 2019				
	加權平均 實際利率 Weighted average effective interest rate	按要求或 少於一年 On demand or less than 1 year	超過一年 Over 1 year	未貼現 現金總額 Total undiscounted cash flows	總計 Total	
	%	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
應付貿易賬款	—	47,993	—	47,993	47,993	
列為其他應付款項及 應計費用之金融負債	—	25,211	—	25,211	25,211	
借款	7.33	335,730	193,250	528,980	487,442	
應付一名股東之款項	—	—	113,028	113,028	113,028	
可換股債券	14.28	399,209	—	399,209	385,072	
		808,143	306,278	1,114,421	1,058,746	

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

Liquidity risk (continued)

The following tables described the maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments. Specifically, borrowing with repayment on demand clause and amounts being demanded by the creditors for immediate repayment are included in the earliest time band.

39. 財務風險管理目標及政策

(續)

外幣風險

下表顯示在其他變數維持不變的情況下，人民幣匯率之合理可能變動，對報告期末時本集團稅前溢利之敏感度(因貨幣性資產及負債之公平值變動所致)。

		變動百分比 Change in rate %	稅前溢利之 變動 Change in profit before tax 千港元 HK\$'000	增加/ (減少)權益* Increase/ (decrease) in equity* 千港元 HK\$'000
二零二零年十二月三十一日 31 December 2020				
若港元兌以下貨幣 匯率貶值： 人民幣	If the Hong Kong dollar weakens against: Renminbi	4	—	—
若港元兌以下貨幣 匯率升值： 人民幣	If the Hong Kong dollar strengthens against: Renminbi	4	—	—
二零一九年十二月三十一日 31 December 2019				
若港元兌以下貨幣 匯率貶值： 人民幣	If the Hong Kong dollar weakens against: Renminbi	4	13,594	—
若港元兌以下貨幣 匯率升值： 人民幣	If the Hong Kong dollar strengthens against: Renminbi	4	(13,594)	—

* 不包括累計虧損

* Excluding accumulated losses

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

Foreign currency risk

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the Renminbi exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

39. 財務風險管理目標及政策 (續)

資本管理

本集團之資本管理，主要目標乃保障本集團能持續經營，並維持健康之資本比率，以支持其業務及提高股東價值。

本集團管理其資本架構，並因應經濟狀況之變動及資產風險特性作出調整。在保持或調整其資本架構時，本集團或會向股東退回資本或發行新股份。於截至二零二零年十二月三十一日及二零一九年十二月三十一日止年度，其目標、政策或程序並無變動。

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2020 and 31 December 2019.

40. 本公司之財務狀況表

本公司於報告期末之財務狀況表資料如下：

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

		二零二零年 十二月三十一日 31 December 2020 千港元 HK\$'000	二零一九年 十二月三十一日 31 December 2019 千港元 HK\$'000
非流動資產	NON-CURRENT ASSET		
附屬公司之投資	Investments in subsidiaries	1,752,000	1,752,000
流動資產	CURRENT ASSETS		
應收附屬公司款項	Amounts due from subsidiaries	692,926	1,135,546
預付款項	Prepayments	978	830
其他應收款	Other receivable	—	28
現金及銀行結餘	Cash and bank balances	73	108,778
流動資產總額	Total current assets	693,977	1,245,182
流動負債	CURRENT LIABILITIES		
其他應付款項及應計費用	Other payables and accruals	31,817	3,067
銀行借款	Bank borrowings	22,785	32,872
其他借款	Other borrowings	695,686	179,020
可換股債券	Convertible bond	—	385,072
應付一名股東款項	Amount due to a shareholder	33,959	—
流動負債總值	Total current liabilities	784,247	600,031
流動資產(負債)/淨值	NET CURRENT (LIABILITIES)/ASSETS	(90,270)	645,151
資產總值減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES	1,661,730	2,397,151

40. 本公司之財務狀況表(續)

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(continued)

		二零二零年 十二月三十一日 31 December 2020 千港元 HK\$'000	二零一九年 十二月三十一日 31 December 2019 千港元 HK\$'000
非流動負債	NON-CURRENT LIABILITIES		
借款	Borrowing	—	93,454
應付最終控股公司款項	Amount due to ultimate holding company	—	565,767
遞延稅項負債	Deferred tax liability	—	5,999
		—	665,220
資產淨值	Net assets	1,661,730	1,731,931
股權	EQUITY		
已發行股本	Issued capital	658,439	657,439
儲備(附註)	Reserves (note)	1,003,291	1,074,492
股權總額	Total equity	1,661,730	1,731,931

財務報表於二零二一年三月二十六日經董事會審批及授權刊印，並由下列董事代表簽署：

沈世捷先生
Mr. Shum Sai Chit
董事
Director

池靜超先生
Mr. Chi Jing Chao
董事
Director

The financial statement was approved and authorised for issue by the board of directors on 26 March 2021 and was signed on its behalf by:

40. 本公司之財務狀況表(續)

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(continued)

附註：

本公司之儲備概要如下：

Note:

A summary of the Company's reserves is as follows:

		股份溢價賬 Share premium account 千港元 HK\$'000	繳入盈餘 Contributed surplus 千港元 HK\$'000	資本贖回儲備 Capital redemption reserve 千港元 HK\$'000	可換股債券 股權儲備 Convertible bond equity reserve 千港元 HK\$'000	購股權儲備 Share option reserve 千港元 HK\$'000	累計虧損 Accumulated losses 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一九年一月一日	As at 1 January 2019	1,560,077	21,976	419	86,548	8,367	(488,652)	1,188,735
年度虧損及全面開支總額	Loss and total comprehensive expense for the year	—	—	—	—	—	(100,786)	(100,786)
已付股息	Dividend paid	—	—	—	—	—	(32,872)	(32,872)
股權結算股份付款之交易	Equity settled share-based transaction	—	—	—	—	19,415	—	19,415
於二零一九年十二月三十一日 及二零二零年一月一日	As at 31 December 2019 and 1 January 2020	1,560,077	21,976	419	86,548	27,782	(622,310)	1,074,492
年度虧損及全面開支總額	Loss and total comprehensive expense for the year	—	—	—	—	—	(77,176)	(77,176)
行使購股權	Exercise of share options	2,557	—	—	—	(557)	—	2,000
已失效購股權	Share option lapsed	—	—	—	—	(2,477)	2,477	—
股權結算股份付款之交易	Equity settled share-based transactions	—	—	—	—	3,975	—	3,975
轉撥至可換股債券權益	Transfer to equity of convertible bonds	—	—	—	(86,548)	—	86,548	—
於二零二零年十二月三十一日	As at 31 December 2020	1,562,634	21,976	419	—	28,723	(610,461)	1,003,291

本公司之繳入盈餘指根據一九九三年本公司之股份上市前所進行之集團重組而收購之附屬公司股份之公平值超逾為交換此等股份而發行之本公司股份面值之部份。根據一九八一年百慕達公司法，一間公司可在若干情況下，以繳入盈餘賬內之款項向其成員作出分派。

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the Group reorganisation prior to the listing of the Company's shares in 1993, over the nominal value of the Company's shares issued in exchange therefor. Under the Bermuda Companies Act 1981, a company may make distributions to its members out of the contributed surplus in certain circumstances.

41. 法律訴訟及或然負債

茲提述本公司日期為二零二一年二月二十六日之公告，內容有關對本公司之清盤呈請。於本綜合財務報表日期，針對本公司提交之呈請乃由於本公司未能向呈請人支付票據(「定義如下」)未償付本金連同未支付利息及拖欠利息總額20,707,777.78美元，有關金額乃根據呈請人(作為認購人)與本公司(作為發行人)於二零一七年八月七訂立之於二零二零年到期本金20,000,000美元之7%非後償及無抵押票據認購協議作出。

誠如上文披露，董事認為直至報告日期，概無重大法律訴訟會對本集團之業務、運營及財務狀況產生重大不利影響。

42. 報告期後事項

於二零二一年二月二十五日，本公司收到由AI Global Investment SPC (前稱Haitong Global Investment SP(III))代表AI Investment Fund S.P. (「呈請人」)行事及為其利益於二零二一年二月二十二日向香港特別行政區高等法院(「法院」)針對本公司提交之呈請(「呈請」)，要求法院頒令本公司清盤。針對本公司提交之呈請乃由於本公司未能償付呈請人票據(定義如下)未償付本金連同未支付利息及拖欠利息總額20,707,777.78美元，有關金額乃根據呈請人(作為認購人)與本公司(作為發行人)於二零一七年八月七日訂立之於二零二零年到期本金20,000,000美元之7%非後償及無抵押票據(「票據」)認購協議作出。呈請將於二零二一年六月二日於法院進行聆訊。本公司正就上述事項尋求法律意見。

43. 授權刊印綜合財務報表

綜合財務報表於二零二一年三月二十六日已獲得董事會批准及授權刊印。

41. LITIGATIONS AND CONTINGENT LIABILITIES

Reference was made to the announcement of the Company dated 26 February 2021 regarding the winding up petition against the Company. As of the date of the consolidated financial statement, the petition was filed against the Company for its failure to repay the petitioner an outstanding principal of the Notes (as defined below) together with the unpaid interest and default interest in an aggregate amount of US\$20,707,777.78, which was pursuant to a subscription agreement of 7% unsubordinated and unsecured notes due 2020 in a principal amount of US\$20,000,000 entered into between the petitioner as subscriber and the Company as the issuer dated 7 August 2017.

Save as disclosed above, the Directors consider that up to report date there were no significant litigations would have material adverse impact on the business, operation and financial position of the Group.

42. EVENTS AFTER THE REPORTING PERIOD

On 25 February 2021, the Company received a petition (the "Petition") filed by AI Global Investment SPC (formerly known as Haitong Global Investment SP(III)) acting on behalf of and for the account of AI Investment Fund S.P. (the "Petitioner") on 22 February 2021 against the Company in the Court for an order that the Company be wound up by the Court. The Petition was filed against the Company for its failure to repay the Petitioner an outstanding principal of the Notes (as defined below) together with the unpaid interest and default interest in an aggregate amount of US\$20,707,777.78, which was pursuant to a subscription agreement of 7% unsubordinated and unsecured notes due 2020 in a principal amount of US\$20,000,000 entered into between the Petitioner as subscriber and the Company as the issuer dated 7 August 2017. The Petition will be heard before the Court on 2 June 2021. The Company is in the course of seeking legal advice in respect of the above matter.

43. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 26 March 2021.

本概要並非組成經審核財務報表之其中一部份。

This summary does not form part of the audited financial statements.

業績

RESULTS

	二零一六年 四月一日至 二零一六年 十二月 三十一日 期間 For the period from 1 April 2016 to 31 December 2016 千港元 HK\$'000	截至 二零一七年 十二月 三十一日 止年度 For the year ended 31 December 2017 千港元 HK\$'000	截至 二零一八年 十二月 三十一日 止年度 For the year ended 31 December 2018 千港元 HK\$'000	截至 二零一九年 十二月 三十一日 止年度 For the year ended 31 December 2019 千港元 HK\$'000	截至 二零二零年 十二月 三十一日 止年度 For the year ended 31 December 2020 千港元 HK\$'000
持續經營業務 收入	1,122,905	1,158,260	1,537,781	1,515,291	744,836
稅前溢利/(虧損)	215,163	233,073	267,526	263,128	(68,648)
所得稅	(56,811)	(55,291)	(49,835)	(53,396)	(5,363)
本年度/期間來自 持續經營業務溢利/ (虧損)	158,352	177,782	217,691	209,732	(74,011)
來自已終止經營業務之 溢利/(虧損)	—	6,285	68,169	—	—
本年度/期間溢利/ (虧損)	158,352	184,067	285,860	209,732	(74,011)
應佔溢利/(虧損)： 本公司股權持有人	137,061	168,320	285,772	209,732	(74,011)
非控制性權益	21,291	15,747	88	—	—
本年度/期間溢利 /(虧損)	158,352	184,067	285,860	209,732	(74,011)

資產與負債

ASSETS AND LIABILITIES

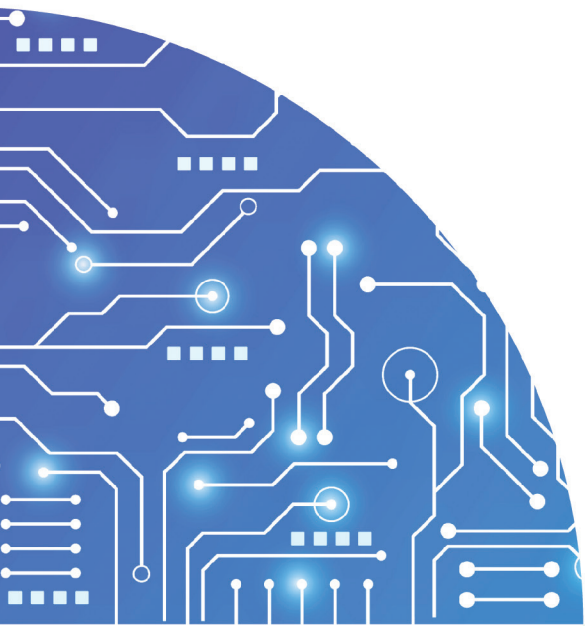
		於 二零一六年 十二月 三十一日 As at 31 December 2016 千港元 HK\$'000 附註(i) Note (i)	於 二零一七年 十二月 三十一日 As at 31 December 2017 千港元 HK\$'000 附註(i) Note (i)	於 二零一八年 十二月 三十一日 As at 31 December 2018 千港元 HK\$'000 附註(i) Note (i)	於 二零一九年 十二月 三十一日 As at 31 December 2019 千港元 HK\$'000	於 二零二零年 十二月 三十一日 As at 31 December 2020 千港元 HK\$'000
資產總額	Total assets	2,126,175	2,558,801	2,372,218	2,554,324	2,556,832
負債總額	Total liabilities	(967,240)	(1,435,557)	(1,101,001)	(1,166,437)	(1,104,910)
		1,158,935	1,123,244	1,271,217	1,387,887	1,451,922
本公司股權持有人 應佔股權	Equity attributable to equity holders of the Company	1,016,076	1,131,080	1,271,217	1,387,887	1,451,922
非控制性權益	Non-controlling interests	142,859	(7,836)	—	—	—
		1,158,935	1,123,244	1,271,217	1,387,887	1,451,922

附註：

- (i) 業績及資產與負債之比較數字乃按相應年度已刊發之往年年報而編製。
- (ii) 本集團之呈列猶如截至二零一八年十二月三十一日止年度之已終止經營業務於比較期初經已終止。

Note:

- (i) The comparative figures of the results and asset and liabilities have been prepared based on the previous annual report published in the corresponding years.
- (ii) The Group has re-presented as if the operation discontinued during the year ended 31 December 2018 had been discontinued at the beginning of the comparative period.





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稀镁科技集團控股有限公司
Rare Earth Magnesium Technology Group Holdings Limited

