



AVIC International Holding (HK) Limited 中國航空工業國際控股(香港)有限公司

(Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司)
(Stock Code 股份代號 : 232)



Annual Report
2020 年報

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Chairman's Statement and Management Discussion and Analysis 主席報告以及管理層討論及分析

On behalf of the board (the "Board") of directors (the "Directors") of AVIC International Holding (HK) Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2020.

OVERALL REVIEW

In 2020, the Group recorded revenue of HK\$1,246,809,000 (2019: HK\$1,458,003,000) and gross profit of HK\$182,199,000 (2019: HK\$376,523,000). The Group recorded loss for the year of HK\$756,738,000 (2019: HK\$54,016,000), which was mainly because the general aviation aircraft piston engine business recorded a loss of HK\$749,196,000 (2019: HK\$20,310,000) for the year as a result of the coronavirus disease 2019 pandemic (the "COVID-19 Pandemic") and the deteriorated economic environment.

Basic loss per share amounted to HK\$8.13 (2019: HK\$0.58). The return on equity, calculated on the basis of profit/loss attributable to owners of the parent as a percentage of equity attributable to owners of the parent, was -27% (2019: -2%).

BUSINESS REVIEW

During the year, the Group has only one reportable operating segment, the general aviation aircraft piston engine business, which is engaged in the design, development and production of general aviation aircraft piston engines and spare parts as well as the provision of aftermarket services and support for piston engines.

本人謹代表AVIC International Holding (HK) Limited中國航空工業國際控股(香港)有限公司(「本公司」)之董事(「董事」)會(「董事會」)欣然提呈本公司及其附屬公司(「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。

整體回顧

於二零二零年，本集團錄得收益1,246,809,000港元(二零一九年：1,458,003,000港元)及毛利182,199,000港元(二零一九年：376,523,000港元)。本集團錄得本年虧損756,738,000港元(二零一九年：54,016,000港元)，主要是由於2019冠狀病毒病大流行(「COVID-19大流行」)及經濟環境惡化的緣故，導致通用航空飛機活塞發動機業務於年內錄得虧損749,196,000港元(二零一九年：20,310,000港元)。

每股基本虧損為8.13港仙(二零一九年：0.58港仙)。股本回報率按母公司所有者應佔溢利／虧損佔母公司所有者應佔權益之百分比計算為-27%(二零一九年：-2%)。

業務回顧

年內，本集團只有一個須呈報之經營分部—通用航空飛機活塞發動機業務，從事通用航空飛機活塞發動機及備件的設計、開發及生產、以及提供活塞發動機的售後市場服務及支援。

Chairman's Statement and Management Discussion and Analysis 主席報告以及管理層討論及分析

In 2020, the general aviation aircraft piston engine business recognised revenue of HK\$1,246,809,000 (2019: HK\$1,458,003,000) and gross profit of HK\$182,199,000 (2019: HK\$376,523,000), and recorded loss for the year of HK\$749,196,000 (2019: HK\$20,310,000). Impairment of goodwill and other intangible assets of HK\$471,044,000 (2019: Nil) was recorded by the business mainly due to the COVID-19 Pandemic and the deteriorated economic environment. Selling and distribution expenses increased from HK\$90,768,000 to HK\$127,077,000 mainly because a warranty provision of HK\$51,003,000 was made due to a recall of products by our subsidiary in Germany for replacement of parts for safety issues. Had the effect from the fair value adjustments on the identifiable assets acquired from the acquisition of the business in 2018 charged to current year's profit or loss of HK\$44,773,000 (2019: HK\$55,644,000) been excluded, the general aviation aircraft piston engine business would have recorded loss of HK\$704,423,000 (2019: profit of HK\$35,334,000).

2020 has become one of the most challenging years in the history of the general aviation aircraft piston engine business owing to the outbreak of the COVID-19 Pandemic and natural disasters. Due to the COVID-19 Pandemic, the USA and global gross domestic product decreased by 4.3% and 4.2%, respectively. During the first quarter to the third quarter, the global piston airplane market decreased by 10.9% as compared with the same period of 2019. With the implementation of quarantine measures and travel restrictions, the piston airplane deliveries experienced a 15% decline during the first quarter of 2020 as compared with 2019 and decreased by 21% in the second quarter, with a rebound of 7% increase in the third quarter. As the COVID-19 vaccines become available, it is expected that the USA economy will be recovered in 2021 and 2022. The piston airplane market will also increase accordingly.

於二零二零年，通用航空飛機活塞發動機業務確認了收益1,246,809,000港元(二零一九年：1,458,003,000港元)及毛利182,199,000港元(二零一九年：376,523,000港元)，並錄得本年虧損749,196,000港元(二零一九年：20,310,000港元)。該業務錄得商譽及其他無形資產之減值471,044,000港元(二零一九年：無)，主要是由於COVID-19大流行及經濟環境惡化的緣故。銷售及營銷費用由90,768,000港元增加至127,077,000港元，主要是因為我們位於德國的附屬公司就安全理由而召回產品以作部件替換，所以需要作出保修撥備51,003,000港元。假如撇除已在本年損益扣除之二零一八年收購該業務時可識別購入資產之公平值調整的影響44,773,000港元(二零一九年：55,644,000港元)，則通用航空飛機活塞發動機業務錄得虧損704,423,000港元(二零一九年：溢利35,334,000港元)。

受到COVID-19大流行爆發和自然災害的影響，二零二零年成為通用航空飛機活塞發動機業務歷史上最具有挑戰性的年份之一。由於COVID-19大流行，美國和全球的國內生產總值分別下降4.3%和4.2%。第一至三季度，全球活塞飛機市場同比二零一九年下降10.9%。由於隔離、旅行限制的實施，與二零一九年比較，二零二零年第一季度活塞飛機交付量下降15%，第二季度下降21%。第三季度則上升7%。隨著COVID-19疫苗的普及，預計二零二一年和二零二二年美國經濟將會復甦，活塞飛機市場亦會得到相應的增長。



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In 2020, our sales income decreased by 14% year-on-year, which was mainly attributable to the unpredictable pandemic around the world, two hurricanes sweeping through North America, and the supply chain shortage of avgas-powered engine, which is our major product, as well as machine downtime. Notwithstanding the challenges encountered, we successfully stimulated sales through several marketing campaigns and offset the impact brought by the above adverse factors to a certain extent.

Our state-of-the-art manufacturing plant located in Mobile, Alabama USA was initially scheduled to be completed in 2020. To date, we have moved around 37% of staff, 61% of equipment, and 19% of manufacturing centers to the new plant. The manufacturing centers that have been transferred include cylinder barrel machining, fuel/ignition system, camshaft milling and cylinder assembly machining. However, the deliveries and training for certain equipment were delayed due to international travel restrictions. The major production lines are expected to be transferred and ready for operation in 2021. It is expected that the brand-new plant will significantly increase our production capacity and effectively reduce the production cost.

FINANCIAL REVIEW

Listed equity investments

Last year, the Group held shares issued by Peace Map Holding Limited ("PMH") and AVIC Joy Holdings (HK) Limited ("AVIC Joy"), listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), which were classified as equity investments designated at fair value through other comprehensive income.

PMH's shares had been suspended for trading since 2018 and were delisted on 3 August 2020. The fair values of the shares have been assessed at Nil since 2018.

二零二零年，我們的銷售收入同比下降14%，主要歸結於無法預測的全球疫情、兩次席卷北美的颶風、以及我們的主力產品—航空汽油發動機的供應鏈短缺和設備停機。儘管面臨這些挑戰，我們通過幾次促銷成功刺激銷售，在一定程度上抵消了上述不利因素的影響。

我們位於美國阿拉巴馬州莫比爾市的先進製造工廠原計劃於二零二零年完成。截至目前為止，我們已將約37%的人員、61%的設備和19%的加工中心轉移到新工廠。已經完成轉移的加工中心包括氣缸缸體、燃油／點火系統、凸輪軸和氣缸元件的加工。由於國際旅行限制的原因，部分設備的交付和培訓被推遲。預計主要生產線將在二零二一年度完成轉移和生產準備。這個全新的工廠預期將顯著提高我們的生產能力，有效降低生產成本。

財務回顧

上市股本投資

上年，本集團持有在香港聯合交易所有限公司（「聯交所」）上市之天下圖控股有限公司（「天下圖控股」）及幸福控股（香港）有限公司（「幸福控股」）所發行之股份，該等股份乃分類為按公平值計入其他全面收益之股本投資。

天下圖控股之股份自二零一八年起暫停交易，且於二零二零年八月三日被除牌。該股份之公平值自二零一八年已評定為無。

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During the year, the Group disposed of all AVIC Joy's shares it held to an independent third party, for a cash consideration of HK\$26,821,000. As gains or losses recorded in other comprehensive income for equity investments designated at fair value through other comprehensive income will not be recycled to profit or loss when the investments are derecognised, the disposal had no effect on profit or loss. Further details of the disposal were set out in the announcement of the Company dated 15 September 2020.

Joint ventures and associates

During the year, the Group recorded share of losses of the joint ventures and an associate in an aggregate of HK\$1,191,000 (2019: HK\$38,689,000). The drop in the share of losses was mainly because the Group has discontinued the recognition of its share of losses of a joint venture as the share of losses of the joint venture exceeded the Group's interest in it and the Group has no obligation to take up further losses.

On 30 November 2020, the Group entered into a share purchase agreement with an independent third party, pursuant to which the purchaser agreed to acquire the Group's equity interest held in the joint venture with a consideration of RMB11,500,000. The disposal has not been completed as of 31 December 2020

Administrative expenses

Administrative expenses consist of salaries and wages, product liability expenses, legal and professional expenses and other general expenses. During the year, the Group recorded administrative expenses of HK\$316,682,000 (2019: HK\$319,450,000).

年內，本集團全數出售所持幸福控股之股份予獨立第三方，現金代價為26,821,000港元。按公平值計入其他全面收益之股本投資於終止確認時，其於其他全面收益中錄得的利潤及虧損將不會重新計入損益，因此該出售對損益並無影響。該出售的進一步詳情已載於本公司日期為二零二零年九月十五日之公告內。

合營公司及聯營公司

年內，本集團錄得分佔合營公司及聯營公司之虧損合共1,191,000港元（二零一九年：38,689,000港元），分佔虧損下跌主要是因為本集團已終止確認分佔一間合營公司之虧損，此乃由於分佔該合營公司之虧損已超逾本集團於該公司的權益，而本集團已無責任承擔進一步虧損。

於二零二零年十一月三十日，本集團與獨立第三方簽訂產權交易合同，按此，買家同意收購本集團所持該合營公司之股本權益，代價為人民幣11,500,000元。該出售於二零二零年十二月三十一日尚未完成。

行政管理費用

行政管理費用包括薪金及工資、產品責任費用、法律及專業費用以及其他一般費用。年內，本集團錄得行政管理費用316,682,000港元（二零一九年：319,450,000港元）。



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LIQUIDITY, CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The Group has consistently maintained sufficient working capital. As at 31 December 2020, the Group had current assets of HK\$1,553,030,000 (2019: HK\$1,654,279,000), including cash and bank balances and time deposits in an aggregate of HK\$914,072,000 (2019: HK\$990,386,000). The Group's current liabilities as at 31 December 2020 were HK\$612,235,000 (2019: HK\$527,355,000).

As at 31 December 2020, the Group's total equity amounted to HK\$2,846,140,000 (2019: HK\$3,573,694,000), comprising issued capital of HK\$930,337,000 (2019: HK\$930,337,000) and reserves of HK\$1,915,803,000 (2019: HK\$2,643,357,000). The Group's interest-bearing debts included interest-bearing bank borrowings of HK\$252,902,000 (2019: HK\$225,161,000) and lease liabilities of HK\$314,897,000 (2019: HK\$320,610,000). The Group's gearing ratio, calculated on the basis of the interest-bearing debts as a percentage of total equity plus the interest-bearing debts, was 17% (2019: 13%).

The Group's banking facilities are mainly utilised for general working capital requirements.

CHARGES ON THE GROUP'S ASSETS

Details of the charges on the Group's assets are set out in note 34(b) to the consolidated financial statements.

資金流動性、資本架構及財務資源

本集團一貫保持充足營運資金。於二零二零年十二月三十一日，本集團有流動資產1,553,030,000港元(二零一九年：1,654,279,000港元)，其中包括現金及銀行結存及定期存款合共914,072,000港元(二零一九年：990,386,000港元)。本集團於二零二零年十二月三十一日之流動負債為612,235,000港元(二零一九年：527,355,000港元)。

於二零二零年十二月三十一日，本集團之權益總值為2,846,140,000港元(二零一九年：3,573,694,000港元)，由已發行股本930,337,000港元(二零一九年：930,337,000港元)及儲備1,915,803,000港元(二零一九年：2,643,357,000港元)所組成。本集團之計息債務包括銀行借貸252,902,000港元(二零一九年：225,161,000港元)及租賃負債314,897,000港元(二零一九年：320,610,000港元)。本集團之資本負債率按計息債務佔權益總值加計息債務之百分比計算為17%(二零一九年：13%)。

本集團之銀行信貸主要用於應付一般營運資金的需要。

本集團資產抵押

有關本集團資產抵押之詳情載於綜合財務報表附註34(b)。

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EXPOSURE TO FOREIGN CURRENCY RISK

The Group has intra-group balance denominated in foreign currency which expose the Group to foreign currency risk. The carrying amount of the intra-group asset is EUR19,500,000 (equivalent to HK\$180,863,000) as at 31 December 2020 (2019: EUR19,625,000, equivalent to HK\$171,326,000). An increase or decrease of 5% in HK\$ against EUR, will increase or decrease in the Group's loss before tax of HK\$9,043,000.

In addition, as most of the Group's business transactions, assets and liabilities are principally denominated in the functional currencies of the operating units, the Group's other exposure to foreign currency risk is minimal.

MATERIAL ACQUISITIONS AND DISPOSALS

Save for the transactions described elsewhere in this annual report, the Group had no material acquisitions or disposals during the year.

CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have any significant contingent liabilities (2019: Nil).

ENVIRONMENTAL AND REGULATORY COMPLIANCE

Environmental protection and the effective use of natural resources have gradually become an important concept in modern economic growth. The Group has been keeping track on the major trends in environmental protection around the world and has been making an effort to integrate the concept of environmental protection in its operations. Based on new technology and management approach, the Group strictly controls its environmental impact and resource usage such that cleaner production featuring lower pollution and lower emissions thus sustainable development can be achieved.

外匯風險

本集團的集團內公司間結餘以外幣計值，令本集團承受外匯風險。於二零二零年十二月三十一日，集團內公司間資產的賬面值為19,500,000歐元（相當於180,863,000港元）（二零一九年：19,625,000歐元，相當於171,326,000港元）。港元兌歐元增加或減少5%，將使本集團的除稅前虧損增加或減少9,043,000港元。

此外，由於本集團的大部分業務交易、資產及負債均主要以營運單位之功能貨幣結算，因此本集團所承受的其他外匯風險極微。

重大收購及出售

除本年報另有所述之交易外，本集團於年內並無任何重大收購或出售。

或然負債

於二零二零年十二月三十一日，本集團並無任何重大或然負債（二零一九年：無）。

環境及法規的遵從

保護環境及善用天然資源已逐步成為現代經濟發展的重要觀念，本集團一直密切關注全球環保的大趨勢，並一直在努力將環境保護的概念融入營運模式中。本集團採用新科技、新管理配套，嚴格控制環境影響及資源使用，致力打造低污染低排放的清潔生產模式，從而實現可持續發展經濟的重要方向。



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The Group strictly complies all applicable laws and regulations released by the relevant authorities which are material to us. Throughout the year of 2020, there was no non-compliance with the relevant laws and regulations that had a significant impact on the Group.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2020, there were 560 (2019: 650) employees in the Group. The employees' wages and salaries amounted to HK\$233,668,000 (2019: HK\$293,581,000) for the year ended 31 December 2020. The Group recognises the importance of good relationship with employees. The Directors believe that the working environment and benefits offered to employees have contributed to building good staff relations and retention. The Group's remuneration policies are formulated based on the performance of individual employees and market conditions and are reviewed regularly. The Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

OUTLOOK

It is our strategy to provide customers with premium products and services. Nevertheless, we also face problems such as fragile supply chains and high absenteeism rate as many other companies do, and such situation will continue until a greater base of the general population are vaccinated. Our global research and development team has developed several projects for the product lines of both avgas and jet fuel, and the current progress of all these projects are in line with our expectation. From 2021 onwards, we will strive to become the best choice for customers through constant innovation. Besides, by putting the new plant into operation, we hope to create a safe, innovative, and efficient workplace so as to further promote the steady growth of the Group.

本集團嚴格遵循所有由相關監管部門發佈而對公司有重要影響的相關的適用法律及規例。於二零二零年全年，本集團沒有不遵守對其業務有重大影響的有關法律及規例的事故。

僱員及薪酬政策

於二零二零年十二月三十一日，本集團共有僱員560名(二零一九年：650名)。截至二零二零年十二月三十一日止年度，僱員工資及薪金為233,668,000港元(二零一九年：293,581,000港元)。本集團重視與僱員保持良好關係。董事認為，為僱員提供優越的工作環境及福利，有助建立良好員工關係及挽留員工。本集團的薪酬政策乃根據各員工的表現及市場情況制定並定期進行檢討。本集團並為僱員提供其他福利包括醫療及人壽保險，以及按個別僱員之表現及其對本集團作出之貢獻，向合資格僱員授予酌情性獎勵花紅及購股權。

展望

我們的戰略是致力為客戶提供優質的產品和服務。與很多公司一樣，我們仍然面臨著脆弱的供應鏈和高企的缺勤率，這種情況將會一直延續，直至疫苗注射覆蓋了大部分人群。我們的全球研發團隊在航空汽油和航空煤油兩個產品線上開展了多個項目，目前所有項目的進展皆符合預期。二零二一年及將來，我們將繼續致力於通過持續創新，使我們能成為客戶的首選。同時，我們期望隨著新工廠的投入使用，能創造一個安全、創新、高效益的工作環境，從而促進本集團的穩步發展。

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APPRECIATION

I would like to take this opportunity to express my appreciation to my fellow Directors and all our staff for their support, hard work and dedication.

By order of the Board

AVIC International Holding (HK) Limited

Lai Weixuan

Chairman

Hong Kong, 31 March 2021

致謝

本人謹此向各董事及全體職員所作出之重大貢獻、努力不懈及盡忠職守表示深切謝意。

承董事會命

AVIC International Holding (HK) Limited

中國航空工業國際控股(香港)有限公司

主席

賴偉宣

香港，二零二一年三月三十一日



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理高層之履歷

EXECUTIVE DIRECTORS

Mr. Lai Weixuan, aged 56, has been an executive Director since June 2015 and the chairman of the Company and a member of the remuneration committee of the Company (the "Remuneration Committee") since August 2019. He is a senior accountant, holding doctorate degree in Management of Tongji University and an EMBA of Guanghua School of Management, Peking University. Mr. Lai is now the chairman of AVIC International Holding Corporation ("AVIC International") and AVIC International (HK) Group Limited ("AVIC International (HK) Group"). Mr. Lai joined AVIC International Shenzhen Company Limited ("AVIC Shenzhen"), a wholly owned subsidiary of AVIC International, in 1983. He previously served as the deputy general manager of AVIC Shenzhen, the Chairman of Fiyta Holdings Limited ("Fiyta"), the deputy chairman of Tianma Microelectronics Co., Ltd. ("Tianma") and the chairman of Rainbow Department Store Co., Ltd. ("Rainbow Department Store"). Fiyta, Tianma and Rainbow Department Store are companies listed on Shenzhen Stock Exchange. Mr. Lai has rich experience in finance and operation management, and once acted as an executive director of AVIC International Holdings Limited ("AVIC IHL") from 2004 to 2012 and 2014 to 2020.

執行董事

賴偉宣先生，56歲，自二零一五年六月出任執行董事，並自二零一九年八月起同時出任本公司主席及薪酬委員會（「薪酬委員會」）成員。賴先生為高級會計師，同濟大學管理學博士及北京大學光華管理學院EMBA。賴先生現為中國航空技術國際控股有限公司（「中航國際」）及中航國際（香港）集團有限公司（「中航國際（香港）集團」）董事長。賴先生於一九八三年加入中航國際之全資附屬公司中國航空技術深圳有限公司（「中航深圳」）。賴先生曾任中航深圳副總經理、飛亞達（集團）股份有限公司（「飛亞達」）董事長、天馬微電子股份有限公司（「天馬」）副董事長及天虹商場股份有限公司（「天虹商場」）董事長。飛亞達、天馬及天虹商場之股份於深圳證券交易所上市。賴先生具有豐富之財務及經營管理經驗，曾於二零零四年至二零一二年及二零一四年至二零二零年於中航國際控股股份有限公司（「中航國際控股」）擔任執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理高層之履歷

Mr. Huang Yongfeng, aged 46, has been an executive Director and a member of nomination committee of the Company (the "Nomination Committee") since January 2021. He obtained a Master degree in management engineering from Beihang University and an Executive Master of Business Administration degree from China Europe International Business School. Mr. Huang is currently the deputy general manager of AVIC International and the Chairman of FIYTA Precision Technology Co., Ltd., the shares of which are listed on the Shenzhen Stock Exchange, since September 2017. Mr. Huang was previously a Chairman and general manager of AVIC International Holding (Zhuhai) Co., Ltd., a general manager assistant of AVIC International, a deputy general manager, general manager assistant and a manager of corporate strategy and management department of AVIC Shenzhen and a board secretary of AVIC IHL. Further, he was also previously a director of each of AVIC Sunda Holding Company Limited ("AVIC Sunda") (中航善達股份有限公司), Rainbow Department Store and Tianma, which shares are listed and traded on the Shenzhen Stock Exchange. Mr. Huang was also previously a chairman of Castic-SMP Machinery Corp Ltd. Mr. Huang has extensive experience in financial management, investment and financing management, mergers and acquisitions, as well as aviation manufacturing and aviation operation areas. He is also the director of two subsidiaries of the Group.

Mr. Zhang Zhibiao, aged 47, has been an executive Director since August 2018. Mr. Zhang is currently the head of the operations management department of AVIC International. Mr. Zhang previously served as an executive director of AVIC Joy, a director of AVIC Sunda., the president assistant of AVIC Securities Co., Ltd (中航證券有限公司) (formerly known as SouthChina Securities Co., Ltd.* (江南證券有限責任公司)), the head of SouthChina Financial Research Institute* (江南金融研究所) and the deputy office manager of the capital operation office of AVIC International. Mr. Zhang was also the office manager of international aviation business, the head of the administrative management department and the head of the planning and development department of AVIC International. Mr. Zhang has over 22 years of working experience in the areas of management, aviation business, strategic development, industries research, securities, investment and initial public offerings.

黃勇峰先生，46歲，自二零二一年一月出任執行董事及提名委員會（「提名委員會」）成員。黃先生持有北京航空航天大學管理工程碩士學位元及中歐國際工商學院高層管理人員工商管理碩士學位。黃先生現出任中航國際副總經理及自二零一七年九月起擔任飛亞達精密科技股份有限公司（其股份於深圳證券交易所上市）董事長。彼曾任中航國際控股（珠海）有限公司董事長及總經理、中航國際總經理助理、中國航空技術深圳有限公司副總經理、總經理助理及企業戰略與管理部經理、中航國際控股董事會秘書、中航善達股份有限公司（「中航善達」）董事、天虹商場董事、天馬董事（中航善達、天虹商場及天馬股份於深圳證券交易所上市及買賣）及深圳中施機械設備有限公司董事長。黃先生在財務管理、投融資管理、投資併購及航空製造和航空運營領域有著豐富的經驗。黃先生亦為本集團兩間附屬公司之董事。

張志標先生，47歲，自二零一八年八月出任執行董事。張先生現為中航國際之經營管理部部長。張先生曾任幸福控股執行董事、中航善達董事、中航證券有限公司（前稱江南證券有限責任公司）總裁助理、江南金融研究所所長以及中航國際資本運營辦副主任。張先生亦出任中航國際國際航空業務辦公室主任、行政管理部部長及規劃發展部部長。張先生和管理、航空業務、戰略規劃、行業研究、證券、投資及首次公開招股方面有超過22年工作經驗。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理高層之履歷

Mr. Yu Xiaodong, aged 48, has been an executive Director since August 2018. He obtained a Master's Degree in International Trade from University of International Business and Economics in 1997. He previously served as the project manager of AVIC International, the assistant general manager of AVIC International Harbin Company* (中航國際哈爾濱公司), the operations management vice director of the international cooperation department of AVIC International, the organisational performance director of the human resources department of AVIC International, the vice general manager of the human resources department of AVIC International and the general manager of the auditing department of AVIC International. He is also the director of six subsidiaries of the Group.

Mr. Zhao Yang, aged 50, has been an executive Director and the chief executive officer of the Company since August 2019. Mr. Zhao previously served as the chief financial officer of the Company starting from January 2017. Mr. Zhao is also a director of Tacko International Limited and certain subsidiaries of the Company. He holds a Bachelor's degree in Finance from Nankai University and EMBA degree from China Europe International Business School. Mr. Zhao is a senior economist. Prior to joining the Group, Mr. Zhao held senior management positions in different companies, of which two are Shenzhen listed companies. Mr. Zhao has over 25 years of experience in accounting and finance.

于曉東先生，48歲，自二零一八年八月出任執行董事。于先生於一九九七年獲頒對外經濟貿易大學國際貿易碩士學位。彼曾任中航國際項目經理、中航國際哈爾濱公司協理、中航國際國際合作部運作管理處副總監、中航國際人力資源部架構績效處總監、中航國際人力資源部副總經理及中航國際審計部總經理。于先生亦為本集團六間附屬公司之董事。

趙揚先生，50歲，自二零一九年八月起出任執行董事及本公司行政總裁。趙先生自二零一七年一月起曾擔任本公司的財務總監。趙先生同時出任Tacko International Limited董事，並為本公司若干附屬公司董事。趙先生持有南開大學金融學士學位及中歐國際工商學院EMBA，並為高級經濟師。在加盟本集團之前，趙先生曾於多間公司擔任高級管理職務，其中兩間為深圳上市公司。趙先生在會計及財務方面擁有逾25年經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理高層之履歷

NON-EXECUTIVE DIRECTOR

Mr. Chow Wai Kam, JP, aged 73, has been a non-executive Director since June 2015. He obtained a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from the University of Hong Kong in November 1970 and November 1972, respectively. He has been an Authorised Person (List of Architects) and a Registered Architect since July 1976 and January 1991, respectively. He was also admitted as a Fellow of The Hong Kong Institute of Architects since August 2001. He is currently an executive director of CK Asset Holdings Limited (“CKAH”), a company listed on the main board of the Stock Exchange. Mr. Chow joined the Hutchison Group in July 1995 and was the group managing director of the property and hotels divisions of the Hutchison Group since 2000. He is now the group managing director of Hutchison Property Group Limited, a wholly-owned subsidiary of CKAH. He has over 40 years of experience in project management and architectural design for various developments, including hotel, residential, commercial, industrial and school projects in Hong Kong, the Mainland China and overseas.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Yu Lin, David, JP, SBS, aged 77, has been an independent non-executive Director since May 1999. He is also a member of the Nomination Committee and the chairman of each of the audit committee of the Company (the “Audit Committee”) and the Remuneration Committee. Mr. Chu received his Master of Business Administration degree from Harvard University after degrees in Electrical Engineering and Management at Northeastern University and was awarded an honorary Doctor of Public Service degree from Northeastern University. He worked for a number of sizeable international corporations such as Bank of America, General Electric Co. and Jardine Matheson & Company Limited. Mr. Chu is an independent non-executive director of Chuang’s Consortium International Limited and Zhuhai Holdings Investment Group Limited, and was an independent non-executive director of Chuang’s China Investments Limited until June 2020, all being listed on the main board of the Stock Exchange.

非執行董事

周偉淦先生，太平紳士，73歲，自二零一五年六月出任本公司非執行董事。周先生分別於一九七零年十一月及一九七二年十一月獲得香港大學建築學文學學士學位及建築學學士學位。並分別自一九七六年七月及一九九一年一月起成為認可人士（建築師名單）及註冊建築師。自二零零一年八月起，周先生成為香港建築師學會資深會員。周先生現為於聯交所主板上市之長江實業集團有限公司（「長實集團」）之執行董事。周先生於一九九五年七月加入和黃集團，並自二零零零年起曾任和黃集團之物業及酒店部門集團董事總經理。周先生現任長實集團之全資附屬公司和記地產集團有限公司集團董事總經理。周先生於各類發展之項目管理與建築設計方面，包括於香港、中國與海外之酒店、住宅、商業、工業及校舍項目有逾四十年經驗。

獨立非執行董事

朱幼麟先生，JP, SBS, 77歲，自一九九九年五月出任獨立非執行董事。朱先生同時出任本公司提名委員會成員、審核委員會及薪酬委員會成員兼主席。朱先生持有美國東北大學電機工程及管理學學位，後獲哈佛大學頒授工商管理碩士學位及獲美國東北大學頒發名譽博士學位（公共服務）。朱先生曾於多間頗具規模之國際機構如美國銀行、General Electric Co.及怡和洋行有限公司工作。朱先生現出任莊士機構國際有限公司及珠海控股投資集團有限公司獨立非執行董事，亦曾擔任莊士中國投資有限公司獨立非執行董事直到二零二零年六月（上述公司全部均於聯交所主板上市）。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理高層之履歷

Mr. Li Ka Fai, David, aged 66, has been an independent non-executive Director since December 2007. He is also a member of the Audit Committee and the Remuneration Committee. Mr. Li holds a Bachelor of Science honours degree in Chemistry and Administration. He is the senior advisor of SHINEWING (HK) CPA Limited. Mr. Li is also a fellow of the Association of Chartered Certified Accountants, UK. He is an independent non-executive director of China Merchants Port Holdings Company Limited, China-Hongkong Photo Products Holdings Limited, Cosmopolitan International Holdings Limited, Goldlion Holdings Limited, Shanghai Industrial Urban Development Group Limited, Wai Yuen Tong Medicine Holdings Limited and CR Construction Group Holdings Limited, all being listed on the main board of the Stock Exchange.

Mr. Zhang Ping, aged 56, has been an independent non-executive Director since May 2017. He is also a chairman and member of the Nomination Committee and the member of Audit Committee. He received a doctoral degree in Economics from Chinese Academy of Social Science Graduate School (中國社會科學院研究生院). Mr. Zhang started working at the Institute of Economics under Chinese Academy of Social Science (中國社會科學院經濟研究所) since July 1988. He once led and organized key national research project on economics. He published several essays based on theory research and surveys. His major research fields are the growth of China economy and macroeconomic policies. Mr. Zhang was an independent non-executive director of AVIC IHL until December 2014. He is currently an independent director of Minsheng Tonghui Asset Management Co., Ltd (民生通惠資產管理有限公司).

李家暉先生，66歲，自二零零七年十二月出任獨立非執行董事。李先生同時出任審核委員會及薪酬委員會成員。李先生持有化學及管理榮譽理學士學位。李先生現時為信永中和(香港)會計師事務所有限公司高級顧問。李先生亦為英國特許公認會計師公會資深會員。李先生現出任招商局港口控股有限公司、中港照相器材集團有限公司、四海國際集團有限公司、金利來集團有限公司、上海實業城市開發集團有限公司、位元堂藥業控股有限公司及華營建築集團控股有限公司獨立非執行董事(上述公司全部均於聯交所主板上市)。

張平先生，56歲，自二零一七年五月出任獨立非執行董事。張先生同時出任提名委員會主席及審核委員會成員。張先生獲得中國社會科學院研究生院經濟博士學位。張先生自一九八八年七月開始在中國社會科學院經濟研究所工作。彼曾領導及主持多項重點國家經濟研究項目。彼在理論研究和調查的基礎上寫出了諸多論著，主要研究領域為中國經濟增長和宏觀經濟政策。張先生曾出任中航國際控股的獨立非執行董事至二零一四年十二月。張先生現任民生通惠資產管理有限公司獨立董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理高層之履歷

SENIOR MANAGEMENT

Mr. Lin Jining, aged 49, joined the Group in June 2018 as deputy chief financial officer and is responsible for the Group's corporate finance, accounting and treasury functions. He holds a Bachelor's degree in accounting and economic from University of Xiamen. Mr. Lin held senior management positions in different companies. He has over 25 years of experience in accounting and finance and international aviation business.

管理高層

林紀寧先生，49歲，二零一八年六月加入本公司擔任副財務總監，並負責處理本集團之企業融資、會計及財政等職務。林先生持有廈門大學會計系經濟學學士學位。在加盟本集團之前，林先生曾於多間公司擔任高級管理職務。林先生在會計財務方面、以及國際航空及相關領域業務方面擁有逾25年經驗。



CORPORATE GOVERNANCE REPORT 企業管治報告

CORPORATE GOVERNANCE

The Company is committed to maintain good standards of corporate governance practices by emphasising transparency, accountability and responsibility to its shareholders.

For the year ended 31 December 2020, the Company applied the principles of, and complied with all the code provisions and, where applicable, the recommended best practices of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), except as noted hereunder:

Other than the non-executive Director appointed on 23 June 2015 and the independent non-executive Director appointed on 26 May 2017, the other two independent non-executive Directors were appointed without specific terms (code provision A.4.1), details of which are mentioned under the section headed “NON-EXECUTIVE DIRECTORS” in this report.

The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the Company’s code of conduct regarding Directors’ securities transactions. A reminder is served by the Company to each Director twice annually of the black out period that the Directors cannot deal in the securities and derivatives (if any) of the Company.

企業管治

本公司致力於對其股東強調透明度、問責性及責任性，從而保持良好的企業管治常規。

除下文所述外，本公司於截至二零二零年十二月三十一日止年度已實施並遵守載於聯交所證券上市規則（「上市規則」）附錄十四的《企業管治守則》（「企業管治守則」）的所有守則條文及（如適用）建議最佳常規：

除於二零一五年六月二十三日委任的非執行董事及於二零一七年五月二十六日委任的獨立非執行董事外，另外兩名獨立非執行董事並無指定任期（守則條文第A.4.1條），詳情載於本報告內「非執行董事」項下。

本公司將參考企業管治的最新發展，定期檢討及改善其企業管治常規。

董事的證券交易

本公司已採納載於上市規則附錄十的《上市發行人董事進行證券交易的標準守則》（「標準守則」）作為董事進行證券交易的行為守則。本公司每年就禁止買賣期發出兩次通知提醒每位董事不可買賣本公司之證券及衍生工具（如有）。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Directors are required to notify the chief executive officer (who is also a Director) and receive a dated written acknowledgement before dealing in the securities and derivatives (if any) of the Company. In the case of the chief executive officer himself, he must notify the chairman and receive a dated written acknowledgement before any dealing.

Having made specific enquiry, all Directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2020.

The Company has also established a written guideline no less exacting than the Model Code for securities transactions by relevant employees (including any employee of the Company or director or employee of a subsidiary who, because of his office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company). No incidents of non-compliance was noted by the Company.

BOARD OF DIRECTORS

The Company is governed by the Board which has the responsibility for leadership and control of the Company. The Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs.

Currently, the Board comprises five executive Directors, and one non-executive Directors and three independent non-executive Directors. An independent non-executive Director has appropriate professional qualifications or accounting or related financial management expertise as prescribed by the Listing Rules. All Directors served the full year for the year ended 31 December 2020. With effect from 25 January 2021, Mr. Fu Fangxing has tendered his resignation as an executive Director and Mr. Huang Yongfeng has been appointed as an executive Director. The composition of the Board and the biographical details of the Directors are set out on pages 10 to 15 of this annual report. Save as disclosed in this annual report, there is no relationship (including financial, business, family or other material/relevant relationship) between Board members.

董事進行本公司之證券及衍生工具(如有)買賣前,必須先知會行政總裁(行政總裁亦為董事),並待收到註明日期之書面確認才可進行買賣。倘為行政總裁本人,則必須先知會主席,並待收到註明日期之書面確認才可進行買賣。

在作出特定查詢後,所有董事確認彼等於截至二零二零年十二月三十一日止年度已遵守標準守則所載的規定。

本公司亦已制定一份不遜於標準守則的有關僱員(包括本公司任何僱員、或附屬公司的任何董事或僱員,不會利用他們因在該公司或該附屬公司的職務或工作而可能管有與本公司證券有關的內幕消息)進行證券交易的書面指引。本公司並無知悉任何違規事件。

董事會

本公司由董事會管理,董事會負有領導及監控本公司之責任。董事透過集體領導及監督本公司事務,共同負責推動本公司的成功。

董事會目前由五名執行董事及四名非執行董事(包括三名獨立非執行董事)組成。一名獨立非執行董事具備上市規則所規定之適當的專業資格或會計或相關的財務管理專長。所有董事於截至二零二零年十二月三十一日止整個年度內任職。自二零二一年一月二十五日起,傅方興先生已辭任執行董事及黃勇峰先生已獲委任為執行董事。董事會組成及董事之履歷資料載於本年報第10頁至第15頁。除本年報所披露外,董事會成員之間並無任何關係(包括財務、業務、家屬或其他重大/相關的關係)。



CORPORATE GOVERNANCE REPORT

企業管治報告

Notwithstanding any contractual or other terms on which any Director may be appointed or engaged at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. A new Director appointed by the Board after the preceding annual general meeting shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the existing Board) and shall then be eligible for re-election at that meeting.

The Nomination Committee will carefully consider the qualifications and experience of each candidate, before making evaluation and submitting its recommendations to the Board on the candidates for the appointment of new Directors, re-election of Directors and filling any vacancy in the Board. After the Board approves the proposal in relation to the nomination of candidates for Directors, the proposal will be submitted to the shareholders' general meeting for consideration and approval.

儘管在每次股東周年大會上可能有任何董事按合約條款或其他條款被委任或聘用，其時三分之一的董事（或，若董事的人數不是三(3)的倍數，則最接近但不少於三分之一的人數）須輪席退任，即每位董事至少每三年須退任一次。每年退任的董事須為自上一次選舉以來任期最長的董事，對於同一日連任的董事，則須以抽籤方式決定（除非董事之間另有協定）。退任董事合資格重選連任。於上屆股東週年大會後獲董事會委任之新董事，將任職至本公司下屆股東大會（如為填補空缺者）或任職至本公司下屆股東週年大會（如為增加現有董事會成員），並合資格在有關會議上重選連任。

提名委員會對每位董事候選人的任職資格及經驗作審慎考慮，負責就委任新董事、重選董事或填補董事空缺人選作出評價，並向董事會提交建議。董事會通過有關董事候選人的提名議案後，提交股東大會審議批准。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Company has adopted a board diversity policy (the "Policy") which sets out the approach to achieve and maintain diversity on the Board in order to maintaining a competitive advantage of the Board. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to the talents, skills, regional and industry experience, background, gender and other qualities. The Board will consider and if appropriate, set measurable objectives to implement the Policy and review such objectives to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Board will review the Policy, from time to time, to ensure its continued effectiveness.

The Board formulates overall strategy of the Group, monitors its financial performance and maintains effective oversight over the management. The Board members are fully committed to their roles and have acted in good faith to maximize the shareholders' value in the long run, and have aligned the Group's goals and directions with the prevailing economic and market conditions.

The Board is also responsible for performing the corporate governance functions under the requirements of the CG Code. The major role and functions of the Board regarding its corporate governance include:

1. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
2. to review and monitor the training and continuous professional development of Directors and senior management of the Company;
3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

本公司已採納了一份載列實現並保持董事會成員多元化途徑的董事會成員多元化政策（「本政策」），以保持董事會的競爭優勢。本公司透過考慮多項因素，包括但不限於才能、技能、地域及行業經驗、背景、性別及其他特質，以尋求實現董事會多元化。董事會將考慮並在適當情況下制定可計量目標以推行本政策，並檢討該等目標以確保其合適度及確定達標的進度。董事會將不時檢討本政策，以確保其持續有效。

董事會制定本集團之整體策略，監察其財務表現及對管理層維持有效之監督。董事會成員盡心履行及忠誠行事，爭取股東長遠最大利益，並使本集團之目標及方向與當前經濟及市場狀況保持一致。

董事會同時負責履行企業管治守則項下要求的企業管治職能。董事會就其企業管治的主要角色和職能，包括：

1. 制定及檢討本公司的企業管治政策及常規並向董事會提出建議；
2. 檢討及監察董事及本公司管理高層的培訓及持續專業發展；
3. 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；



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4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Company and Directors; and
5. to review the Company's compliance with the CG Code and disclosure in this report.

The following is a summary of the work of the Board in respect of corporate governance matters during the year ended 31 December 2020:

1. performed corporate governance duties under the CG Code;
2. reviewed the Company's corporate governance policies and practices;
3. reviewed the connected transactions and the continuing connected transactions of the Group;
4. reviewed the compliance with the CG Code; and
5. reviewed the effectiveness of the risk management and internal control systems of the Company through the Audit Committee.

The senior management of the Company is delegated with responsibilities in the day-to-day management and administration of the Company and makes operational and business decisions within the control and delegation framework of the Company.

4. 制定、檢討及監察本公司僱員及董事的操守準則及合規手冊(如有);及
5. 檢討本公司遵守企業管治守則的情況及於本報告內的披露。

以下是董事會於截至二零二零年十二月三十一日止年度內就企業管治事宜的工作概要:

1. 履行企業管治守則項下的企業管治職責;
2. 檢討本公司之企業管治政策及常規;
3. 檢討本集團之關連交易及持續關連交易;
4. 檢討是否遵守企業管治守則;及
5. 透過審核委員會檢討本公司實施之風險管理及內部監控系統是否有效。

按本公司之監控及授權架構,本公司管理高層獲授權負責本公司之日常及行政管理,並作出營運及業務上之決策。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Company has issued formal letters of appointment for Directors setting out the key terms and conditions of their appointment.

本公司已發出訂明有關委任的主要條款及條件的正式的董事委任書。

The Company had arranged appropriate insurance cover in respect of legal actions against its Directors and officers. The Company reviews the extent of insurance cover each year.

本公司已就因董事及高級職員所承擔之法律責任安排適當保險，本公司每年對保險之保障範圍進行檢討。

All Directors have access to the advice and services of the company secretary who is responsible for ensuring that board procedures, and all applicable rules and regulations, are followed; and also regularly updates the Board on governance and regulatory matters. Any Director, in the furtherance of his or her duties, may take independent professional advice in appropriate circumstances through the chairman at the expense of the Company. The availability of professional advice extends to the Audit, Nomination and Remuneration Committees.

所有董事均可獲得公司秘書的意見和服務，公司秘書負責確保遵循董事會程序及所有適用規則及規例；並定期就管治及法規等事宜向董事會提供最新的信息。任何董事可在適當的情況下透過主席尋求獨立專業意見，以協助有關董事履行對本公司的責任，費用由本公司支付。尋求專業意見亦適用於審核委員會，提名委員會及薪酬委員會。

Minutes of Board meetings were taken by the company secretary and, together with any supporting Board papers, are available to all Board members. During the year ended 31 December 2020, nine Board meetings were held by the Company.

董事會會議記錄由公司秘書記存，連同任何相關的董事會文件，可供董事會所有成員查閱。於截至二零二零年十二月三十一日止年度，本公司曾舉行九次董事會會議。



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The attendance record of Directors at Board meetings and other Committee meetings as well as general meetings during the year ended 31 December 2020 are set out in the table below:

董事於截至二零二零年十二月三十一日止年度內出席董事會會議及其他委員會會議以及股東大會的記錄載於下表：

Director	董事	Number of regular meetings or meetings attended/held 出席/舉行定期會議或會議次數			Number of general meetings attended/held 出席/舉行股東大會次數		
		Board 董事會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Audit Committee 審核委員會	Annual 週年	Special 特別
<i>Executive Directors</i> 執行董事							
Lai Weixuan (Chairman)	賴偉宣(主席)	9/9	1/1	–	–	0/1	0/1
Huang Yongfeng [#]	黃勇峰 [#]	–	–	–	–	–	–
Fu Fangxing [*]	傅方興 [*]	9/9	–	1/1	–	0/1	0/1
Zhang Zhibiao	張志標	9/9	–	–	–	0/1	0/1
Yu Xiaodong	於曉東	9/9	–	–	–	0/1	0/1
Zhao Yang	趙揚	9/9	–	–	–	1/1	1/1
<i>Non-executive Director</i> 非執行董事							
Chow Wai Kam	周偉淦	9/9	–	–	–	1/1	1/1
<i>Independent Non-executive Directors</i> 獨立非執行董事							
Chu Yu Lin, David	朱幼麟	9/9	1/1	1/1	5/5	1/1	1/1
Li Ka Fai, David	李家暉	9/9	1/1	–	5/5	1/1	1/1
Zhang Ping	張平	9/9	–	1/1	5/5	0/1	1/1

* Mr. Fu Fangxing has resigned on 25 January 2021.

* 傅方興先生於二零二一年一月二十五日辭任。

[#] Mr. Huang Yongfeng has been appointed as an executive Director on 25 January 2021.

[#] 黃勇峰先生於二零二一年一月二十五日獲委任為執行董事。

Save for the annual general meeting, one special general meeting was held during the year 2020.

除股東週年大會外，於二零二零年內舉行了一次股東特別大會。

CORPORATE GOVERNANCE REPORT 企業管治報告

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

Every newly appointed director was given a comprehensive, formal and tailored induction training to ensure that he is fully aware of his responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements.

All directors were encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. According to the records provided by the Directors, the Directors received the following training during the year 2020:

董事培訓及專業發展

每名新委任的董事獲給予全面、正式兼特為其而設的就任須知，以確保他們完全知道本身在法規及普通法、上市規則、法律及其他監管規定下的職責。

本公司鼓勵全體董事參與持續專業發展，發展並更新其知識及技能。根據董事提供的記錄，董事於二零二零年內接受以下培訓：

Director	董事	Type of continuous professional development programmes 持續專業發展計劃類別	
		Reading materials and updates 閱讀材料及更新資料	Attending briefing sessions/seminars 出席簡介會/研討會
<i>Executive Directors</i>			
Lai Weixuan	賴偉宣	✓	✓
Huang Yongfeng [#]	黃勇峰 [#]	-	-
Fu Fangxing [*]	傅方興 [*]	✓	✓
Zhang Zhibiao	張志標	✓	✓
Yu Xiaodong	於曉東	✓	✓
Zhao Yang	趙揚	✓	✓
<i>Non-executive Director</i>			
Chow Wai Kam	周偉淦	✓	✓
<i>Independent Non-executive Directors</i>			
Chu Yu Lin, David	朱幼麟	✓	✓
Li Ka Fai, David	李家暉	✓	✓
Zhang Ping	張平	✓	✓

* resigned on 25 January 2021.

[#] appointed on 25 January 2021

* 於二零二一年一月二十五日辭任。

[#] 於二零二一年一月二十五日獲委任



CORPORATE GOVERNANCE REPORT 企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

To ensure a balance of power and authority, the role of the chairman is separated from that of the chief executive officer. Currently, the chairman and the chief executive officer of the Company are Mr. Lai Weixuan and Mr. Zhao Yang respectively.

The chairman is responsible for the leadership of the Board, ensuring the effectiveness of the Board in all aspects of its role and for setting its agenda and taking into account any matters proposed by other Directors for inclusion in the agenda. Agendas and accompanying Board papers are circulated where possible at least three days before the time of a Board meeting. The chairman is also responsible for making sure all Directors are properly briefed on issues arising at Board meetings. The chief executive officer is delegated with the authorities to manage the business of the Group in all aspects effectively.

The division of responsibilities between the chairman and the chief executive officer has been clearly established and set out in writing.

NON-EXECUTIVE DIRECTORS

The non-executive Directors bring a wide range of skills and experience to the Group. They serve the important function of providing adequate checks and balances for safeguarding the interests of shareholders and the Company as a whole. The Company had received from each of the independent non-executive Directors an annual confirmation of his Independence pursuant to Rule 3.13 of the Listing Rules. The Board considered that the independent non-executive Directors are independent in character and judgment and fulfill the independence guidelines set out in Rule 3.13 of the Listing Rules.

Other than the non-executive Director appointed on 23 June 2015 and the independent non-executive Director appointed on 26 May 2017, the other two independent non-executive Directors were appointed without specific terms, but are subject to retirement by rotation as explained above under section headed "BOARD OF DIRECTORS".

主席及行政總裁

為確保權力和授權分佈均衡，主席及行政總裁的角色有獨立區分。現時本公司之主席及行政總裁分別為賴偉宣先生及趙揚先生。

主席負責領導董事會，確保董事會各方面有效地運作及釐定董事會會議議程，並考慮將其他董事提出的議題加入議程。會議議程及隨附的董事會文件（在可能情況下）在舉行董事會會議當日最少三日前傳閱。主席亦負責確保所有董事均適當知悉在董事會會議上提出的事項。行政總裁則獲授權有效地管理本集團各方面之業務。

主席及行政總裁的職責區分已清晰界定並以書面列明。

非執行董事

非執行董事為本集團帶來廣泛技能及經驗。彼等就保障股東及本公司之整體利益上發揮重要制衡功能。董事會認為三名獨立非執行董事在個性及判斷上皆為獨立，並符合上市規則第3.13條所載的獨立性準則。

除於二零一五年六月二十三日委任的非執行董事及於二零一七年五月二十六日委任的獨立非執行董事外，另外兩名獨立非執行董事並無指定任期，惟須根據以上「董事會」項下所述輪席退任。

CORPORATE GOVERNANCE REPORT 企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises one executive Director, Mr. Lai Weixuan, and two independent non-executive Directors, namely, Mr. Chu Yu Lin, David (as chairman) and Mr. Li Ka Fai, David. The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The role, authority and duties of the Remuneration Committee are clearly set out in its terms of reference.

One meeting was held during the year 2020 to review and recommend the remuneration package of all Directors to Board. The attendance of each member is set out in the table above under section headed "BOARD OF DIRECTORS".

The primary goal of the remuneration policy on executive remuneration packages is to enable the Company to retain and motivate Executive Directors by linking their compensation with performance as measured against corporate objectives. Under the policy, no director or any of his associates is allowed in deciding his own remuneration. During the year 2020, the Remuneration Committee has adopted the model "to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management".

薪酬委員會

薪酬委員會目前由一名執行董事(賴偉宣先生)及兩名獨立非執行董事(朱幼麟先生擔任主席及李家暉先生)組成。薪酬委員會的職責包括向董事會就有關本公司董事及管理高層之薪酬政策及架構、以及就制訂有關薪酬政策而建立之正規且具透明度的程序提供建議。薪酬委員會的角色、權限及職責已清晰地載於其職權範圍內。

於二零二零年內，薪酬委員會舉行了一次會議，檢視及向董事會建議所有董事之薪酬待遇。各成員之出席記錄載於上述「董事會」項下的出席表內。

行政人員薪酬政策之主要目的是透過把執行董事的待遇與按企業目標量度的表現掛鉤，藉此挽留及勉勵本公司執行董事。根據薪酬政策，任何董事或其任何聯繫人不得參與釐定其自身的薪酬。於二零二零年內，薪酬委員會已採納了《獲董事會轉授責任，釐定個別執行董事及高級管理人員的薪酬待遇》的模式。



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Details of remuneration of members of senior management of the Company by band for the year ended 31 December 2020 are set out below:

截至二零二零年十二月三十一日止年度，本公司管理高層之酬金等級載列如下：

Remuneration	酬金	Number of individuals 人數
HK\$1,000,000 to HK\$1,500,000	1,000,000港元至1,500,000港元	2

Details of Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 10 and 11 to the consolidated financial statements respectively.

根據上市規則附錄十六之披露要求，董事酬金及五名最高薪僱員之詳情分別載於綜合財務報表附註10及11。

AUDIT COMMITTEE

The Company has an Audit Committee which was established in compliance with rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process, risk management and internal control systems and the effectiveness of the Company's internal audit function. It currently comprises three independent non-executive Directors, namely Mr. Chu Yu Lin, David (as chairman), Mr. Li Ka Fai, David and Mr. Zhang Ping. The Audit Committee met five times during the year 2020 to assess the ability of external auditor and review the interim and final results, the interim and annual reports, the external auditor's engagement letter and fee, the risk management and internal control systems of the Group, the effectiveness of the Group's internal audit function and the continuing connected transactions. The attendance of each member is set out in the table above under the section headed "BOARD OF DIRECTORS". The duties of the Audit Committee are clearly set out in its terms of reference.

審核委員會

本公司已根據上市規則第3.21條規定設立審核委員會，以檢討及監督本集團之財務申報程序、風險管理及內部監控系統及公司的內部審計職能的有效性。審核委員會現由三名獨立非執行董事（朱幼麟先生擔任主席、李家暉先生及張平先生）組成。審核委員會於二零二零年內曾舉行五次會議，以評估外聘核數師之能力及審閱本集團的中期業績及末期業績、中期報告及年報、外聘核數師之委聘函及費用、風險管理及內部監控系統、本集團的內部審核功能的有效性以及持續關連交易。各成員之出席記錄載於上述「董事會」項下的出席表內。審核委員會的職責已清晰地載於其職權範圍內。

CORPORATE GOVERNANCE REPORT 企業管治報告

Full minutes of meetings are kept and sent to all members of the Board. Matters raised at the meetings were reported back to the Board so that due consideration was given as to the action to be taken.

NOMINATION COMMITTEE

The Company has a Nomination Committee which was established in compliance with code provisions A.5.1 to A.5.4 of the CG Code for the purposes of reviewing the structure, size and composition (including skills, knowledge and experience) of the Board and making recommendations to the Board regarding any proposed changes, identifying candidates with suitable qualifications as directors, selecting and making recommendations to the Board, assessing the independence of independent non-executive Directors, and making recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors. It currently comprises one executive Director, Mr. Huang Yongfeng, and two independent non-executive Directors, namely, Mr. Zhang Ping (as chairman) and Mr. Chu Yu Lin, David. The duties of the Nomination Committee are clearly set out in its terms of reference.

One meeting was held during the year 2020 to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors and making recommendations to the Board regarding appointment or re-appointment of Directors and succession planning for Directors. The attendance of each member is set out in the table above under the section headed "BOARD OF DIRECTORS".

相關會議的全部記錄已備存，並發送予董事會所有成員。在會議上提出的事項均已匯報董事會，以便及時考慮所需行動。

提名委員會

本公司已根據企業管治守則守則條文第A.5.1至A.5.4條規定設立提名委員會，以檢討董事會的架構、人數及組成（包括技能、知識及經驗方面），並就任何建議變動向董事會提出建議、物色具備合適資格擔任董事的人士，並挑選有關人士出任董事並就此向董事會提出建議、評估獨立非執行董事的獨立性及就董事委任或重新委任以及董事繼任計劃相關的事宜向董事會提出建議。提名委員會現由一名執行董事（黃勇峰先生）及兩名獨立非執行董事（張平先生擔任主席及朱幼麟先生）組成。提名委員會的職責已清晰地載於其職權範圍內。

提名委員會於二零二零年內曾舉行一次會議，以檢討董事會的架構、人數及組成，評估獨立非執行董事的獨立性及就董事委任或重新委任以及董事繼任計劃相關的事宜向董事會提出建議。各成員之出席記錄載於上述「董事會」項下的出席表內。



CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD NOMINATION POLICY

The Nomination Committee shall endeavor to find individuals of high integrity who have a solid record of accomplishment in their chosen fields and who possess the qualifications, qualities and skills to effectively represent the best interests of the Group and its shareholders. Candidates will be selected for their ability to exercise good judgment, and to provide practical insights and diverse perspectives. Candidates also will be assessed in the context of the then-current composition of the Board, the operating requirements of the Group. In conducting this assessment, the Nomination Committee will, in connection with its assessment and recommendation of candidates for director, consider diversity (including, but not limited to, gender, race, ethnicity, age, experience and skills) and such other factors as it deems appropriate given the then current and anticipated future needs of the Board and the Company, and to maintain a balance of perspectives, qualifications, qualities and skills on the Board.

The Nomination Committee considered the following qualifications at a minimum to be required of any Board members in recommending to the Board potential new board members, or the continued service of existing members:

- the highest professional and personal ethics;
- broad experience in business;
- ability to provide insights and practical wisdom based on their experience and expertise;
- commitment to enhancing shareholder value;
- sufficient time to effectively carry out their duties;
- compliance with legal and regulatory requirements; and
- ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with senior management of the Group.

董事提名政策

提名委員會應努力尋找具有高度誠信及事業成就的人士，並具備專業的資格，素質和技能，能為本集團及股東爭取最佳的利益。被選中的候選人具備能力做出良好的判斷，並提供實用的見解和不同的觀點。提名委員會亦會根據當時的董事會組成及本集團的營運要求對候選人進行評估。此外，提名委員會會考慮多樣性因素（包括但不限於性別，種族，民族，年齡，經驗和技能）及其他因素，其中包括董事會和本公司當前和預期的未來需求，及保持在董事會中的觀點，資格，質量和技能的平衡。

提名委員會認為董事會成員向董事會推薦新董事會成員時，或現有的董事會成員時，至少需要具備以下資格：

- 高尚的職業道德和個人道德；
- 廣泛的商業經驗；
- 根據他們的經驗和知識提供專業的見解和實踐智慧；
- 致力於提高股東的價值；
- 有足夠的時間有效履行職責；
- 遵守法律和監管要求；及
- 能夠與其他董事會成員建立良好的工作關係，並有助董事會與本集團的管理層建立工作關係。

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AUDITORS' REMUNERATION

Deloitte Touche Tohmatsu are the auditors of the Group. The services provided by them include audit and non-audit. Fees for auditing and non-auditing (including interim review and other professional services) services for the year ended 31 December 2020 amount to HK\$3,295,000 and HK\$1,040,000 respectively.

FINANCIAL REPORTING

The Directors are responsible for monitoring the preparation of financial statements of each financial period and ensuring those financial statements provide a true and fair view of the state of affairs of the Group and of the results and cash flow for the relevant financial period. In preparing the financial statements, the Directors have selected appropriate accounting policies and applied them consistently, adopted Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, made a prudent and reasonable judgment and estimation, and, prepared the financial statements on a going concern basis.

The Company has timely announced and published its financial results in accordance with the requirements of the Listing Rules.

The auditors are responsible for forming an independent opinion, based on their audit, on those financial statements and to report their opinion solely to the members of the Company, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda (the "Companies Act"), and for no other purpose.

A statement by the auditors about their reporting responsibilities is set out in the Independent Auditors' Report of this annual report.

核數師酬金

德勤會計師事務所乃本集團之核數師。彼等所提供之服務包括審核及非審核。截至二零二零年十二月三十一日止年度，審核及非審核（包括中期審閱及其他專業服務）服務費用分別為3,295,000港元及1,040,000港元。

財務申報

董事負責監督擬備每個財政期間之財務報表，使該財務報表能真實而中肯地反映本集團於該有關財政期間之業務狀況、業績及現金流量表現。在擬備該等財務報表時，董事已選擇及貫徹採用合適的會計政策；採納香港會計師公會頒佈的香港財務報告準則；及作出審慎合理判斷及估計，並按持續經營基準擬備財務報表。

本公司已按上市規則規定適時公告及發佈其財務業績。

核數師的責任乃根據彼等審核工作的結果，對該等財務報表作出獨立意見，並根據百慕達公司法一九八一（「公司法」）第90條僅為本公司全體股東報告，而不作任何其他用途。

核數師就其申報責任而作出的聲明載於本年報獨立核數師報告書內。



CORPORATE GOVERNANCE REPORT 企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the Group's risk management and internal control systems and for reviewing their effectiveness through the Audit Committee. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement, losses or fraud. Procedures have been designed for safeguarding assets against unauthorized use or disposition, for maintaining proper accounting records; and for the reliability of financial information used within the business or for publication. Procedures have also been designed for compliance of applicable laws, rules and regulations.

Reviews of the adequacy and effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, operational and compliance controls, were conducted by the internal audit section of the Group annually. The results and recommendations were reported to the Audit Committee and thereafter to the Board. The adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions had also been reviewed by the Board and Audit Committee. During the year ended 31 December 2020, internal audit section of the Group evaluated the effectiveness and adequacy of the Group's risk management and internal control systems by adopting an integrated risk assessment approach. In addition, the Company also engaged an independent internal control consultant to conduct independent evaluations on its internal control. The consultant's internal control assessment report and suggestions together with the review report of the internal audit section were presented to the Audit Committee and the Board for review in March 2021. No material deficiency was identified. Improvements in internal control and risk management measures to enhance the risk management and internal control systems of the Group and to mitigate risks of the Group will be adopted by The Board. The Board considered that the Group's risk management and internal control systems were adequate and effective and the Company had complied with the provisions on risk management and internal control of the CG Code. The Board confirms that systems and procedures are in place to identify, control and report on significant risks involved in achieving the Company's strategic objectives. Exposures to these risks are monitored by the Board with the support of Audit Committee, internal audit section and senior management.

風險管理及內部監控

董事會對於本集團的風險管理及內部監控系統負有整體責任，並透過審核委員會對其有效程度進行檢討。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述、損失或詐騙作出合理而非絕對的保證。就保障資產免受非法使用或處置、保存妥善會計記錄以及提供可靠的財務資料供內部或作刊發用途，已設計出相應步驟。同時亦已設計出相應步驟確保適用的法例、規則及法規得以遵守。

本集團的內部審核部門每年就本集團的風險管理及內部監控系統的足夠性及有效性進行檢討。有關檢討涵蓋所有重要監控，包括財務監控、營運監控及合規監控。相關結果及建議已向審核委員會報告；及後向董事會報告。董事會及審核委員會亦審閱本集團在會計、內部審核及財務匯報職能方面的資源充足性、員工資歷及經驗，以及員工所接受的培訓課程及有關預算的足夠性。於截至二零二零年十二月三十一日止年度內，本集團的內部審核部門通過綜合風險評估方法評估本集團的風險管理及內部監控系統的有效性及足夠性。此外，本公司亦委聘獨立的內部監控顧問對其內部監控進行獨立評估。顧問的內部監控評估報告連同內部審核部門的評估報告及建議於二零二一年三月呈交審核委員會及董事會審閱。本公司並無發現重大缺點。董事會會按照顧問建議改進內部監控及風險管理以提升本集團的風險管理及內部監控系統及降低本集團之風險，同時認為本集團的風險管理及內部監控系統是足夠及有效的，同時本公司也遵守了企業管治守則關於風險管理及內部監控的條文。董事會確認該系統和程序能就實現本公司戰略目標而可能涉及的重大風險進行辨識、監控和作出報告。董事會在審核委員會、內部審核部門及管理高層的支持下監督該些風險。

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The Company has implemented Corporate Disclosure Policy, which set out the reporting procedures for the handling and dissemination of inside information.

COMPANY SECRETARY

Mr. Kwok Chi Ho, the company secretary of the Company, is an employee of the Company and responsible directly to the Board. He has complied with all the qualification, experience and training requirement under the Listing Rules.

The company secretary reports to the chairman and the chief executive officer of the Company.

INVESTOR RELATIONS

The updated memorandum of association and bye-laws of the Company had been posted on the Company's website at www.avic.com.hk and the Stock Exchange's designated website at www.hkexnews.hk. During the year 2020, there was no change in the memorandum of association and bye-laws of the Company.

SHAREHOLDERS' RIGHTS

Convening of a special general meeting by shareholders

Pursuant to the bye-laws of the Company and the Companies Act, the Board shall, on the requisition of shareholders holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, forthwith proceed duly to convene a special general meeting of the Company.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company (the "Registered Office"), which is presently situated at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda, and may consist of several documents in like form each signed by one or more requisitionists.

本公司已經實施企業信息披露政策，其中規定了對內幕消息的處理發發佈的報告程序。

公司秘書

公司秘書郭致豪先生是本公司僱員，並直接向董事會負責。郭先生一直遵守上市規則項下所有的資歷，經驗及培訓要求。

公司秘書向本公司主席及行政總裁匯報。

投資者關係

本公司最新的組織大綱及細則已登載於本公司網頁www.avic.com.hk及聯交所指定網頁www.hkexnews.hk。於二零二零年內，本公司組織大綱及細則並無變動。

股東權利

股東召開股東特別大會

根據本公司細則及公司法，於持有可於本公司股東大會投票之已繳足股本不少於十分之一之股東遞交呈請書當日，董事會須隨即召開股東特別大會。

呈請書必須列明會議目的，並必須由呈請人簽署及遞交本公司註冊辦事處（「註冊辦事處」，現時地址為Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda），而呈請書可由若干相同格式之文件組成，而每份文件均由一名或以上呈請人簽署。



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If the Board does not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedures for putting forward proposals at shareholders' meetings

Pursuant to the Companies Act, either any number of shareholders representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or not less than one hundred shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition signed by all the requisitionists must be deposited at the Registered Office with a sum reasonably sufficient to meet the Company's relevant expenses, not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution; and not less than one week before the meeting in the case of any other requisition. Provided that if, an annual general meeting is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

倘董事會並無於呈請人遞交呈請書當日起二十一日內隨即召開會議，則呈請人(或其中代表全體呈請人總表決權半數以上之任何人士)可自行召開會議，惟按此方式召開之任何會議不得於遞交呈請書當日起計三個月屆滿後舉行。

於股東大會上提呈議案之程序

根據公司法，任何股東數目代表不少於該呈請書提出當日有權於會議上投票之所有股東之總投票權二十分之一；或不少於一百名股東，可向本公司提交書面要求：(a)向有權接收下一屆股東週年大會通告之股東發出通告，以告知任何可能於該會議上正式動議及擬於該會議上動議之決議案；及(b)向有權獲發送任何股東大會通告之股東傳閱不超過一千字之陳述書，以告知於該會議上提呈之任何建議決議案所述事宜或將處理之事項。

由所有呈請人簽署之呈請書，必須在不少於(倘為要求通知決議案之呈請書)會議舉行前六週或(倘為任何其他呈請書)會議舉行前一週，遞交到註冊辦事處，並須支付足以彌補本公司相關開支之款項。惟倘在遞交呈請書後六週或較短期間內之某一日召開股東週年大會，則該呈請書雖未有在規定時間內遞交，就此而言亦將被視為已妥為遞交。

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Procedures for shareholders to propose a person for election as a Director

Regarding the procedures for proposing a person for election as a Director, please refer to the procedures made available under section Corporate Governance of the Company's website at www.avic.com.hk.

Procedures for directing shareholder's enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

Unit A, 20/F, Tower 2, Admiralty Centre
18 Harcourt Road, Admiralty, Hong Kong
Fax: (852) 2915 0867

Shareholders may also make enquiries with the Board at general meetings of the Company.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to fair disclosure, comprehensive and transparent reporting. Effective communication with shareholders has always been one of the Company's priorities. Information in relation to the Group is disseminated to shareholders in a timely manner through various formal channels, which include interim and annual reports, announcements and circulars.

The Company has established a shareholders' communication policy which is subject to review on a regular basis to ensure its effectiveness.

股東提名候選董事之程序

關於提名候選董事之程序，請參閱本公司網頁 www.avic.com.hk 企業管治項下之程序。

股東向董事會作出查詢之程序

股東可隨時以書面形式透過公司秘書轉遞其查詢及問題予董事會。公司秘書之聯絡詳情如下：

香港金鐘夏愨道18號
海富中心第二座20樓 A室
傳真：(852) 2915 0867

股東亦可在本公司之股東大會上向董事會作出查詢。

與股東的溝通

本公司致力於公平披露、綜合及透明的報告。本公司一向高度重視與股東之間的有效溝通。有關本集團之資料，已透過各種正式渠道及時向股東發佈，包括中期報告及年報、公告以及通函。

本公司已制定一份股東通訊政策並對該政策定期作出檢討以確保其成效。



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General meetings of the Company provide good opportunities for direct communications between the Board and its shareholders. The chairman of the Board, all other Directors and senior management endeavor to attend any general meeting of the Company and answer queries from shareholders. Separate resolution is proposed for each issue by the chairman of the meeting at each general meeting. Notice of general meeting is served together with the circular to the shareholders at least twenty clear business days or twenty-one clear days, whichever is the longer, before an annual general meeting and at least ten clear business days or twenty-one clear days, whichever is the longer, before a meeting called for passing of a special resolution, and, at least ten clear business days or fourteen clear days, whichever is the longer, before a meeting other than an annual general meeting or a meeting for the passing of a special resolution.

Detailed procedures for conducting a poll are to be explained by the chairman of the meeting at the commencement of the general meeting. Any questions raised from shareholders regarding voting by way of a poll may also be answered by the chairman of the meeting.

The 2020 annual general meeting of the Company was held on 22 May 2020. At the meeting, a separate resolution was proposed by the chairman of the meeting in respect of each separate issue, including re-election of retiring directors, and voted by way of poll. The Company announced the results of the poll in the manner prescribed under the Listing Rules. All Directors except for four executive Directors and an independent non-executive Director, the chairman of the Audit Committee and Remuneration Committee, a member of the Audit Committee and Remuneration Committee and a member of Nomination Committee, attended the 2020 annual general meeting and had effective communications with shareholders.

本公司之股東大會提供董事會與股東直接溝通之良好機會。董事會主席、所有其他董事及管理高層盡量出席本公司的任何股東大會，並解答股東的提問。會議主席於每個股東大會上就各項議題提呈個別決議案。股東大會通告連同通函分別於召開股東週年大會最少二十個完整營業日或二十一日前（以較長者為準）及為通過特別決議案之會議最少十個完整營業日或二十一日前（以較長者為準），以及於召開其他會議（股東週年大會或為通過特別決議案之會議除外）最少十個完整營業日或十四日前（以較長者為準），送交本公司股東。

以投票方式進行表決的詳細程序於股東大會開始時由會議主席說明，而股東就有關以投票方式表決提出的任何提問亦可由會議主席回答。

本公司二零二零年股東週年大會已於二零二零年五月二十二日舉行。在會議上，會議主席就各項個別議題提呈個別決議案（包括重選退任董事），並以投票方式表決。本公司已根據上市規則規定的方式公告投票結果。除四位執行董事及一位獨立非執行董事外，所有董事，審核委員會兼薪酬委員會主席，一名審核委員會兼薪酬委員會成員及一名提名委員會成員出席二零二零年股東週年大會並與股東有效溝通。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

ABOUT THIS REPORT

The Group is pleased to present this environmental, social and governance report (the “ESG Report”), which details the Group’s policies, measures, and performance on environmental, social and governance issues. By reporting to stakeholders, the Group has disclosed its measures and performance on sustainable development issues in a transparent manner and increased public confidence; at the same time helping stakeholders better understand the Group’s sustainability progress and development direction.

SCOPE OF REPORTING

This ESG report specifies the Group’s environmental, social and governance performance for the fiscal year 2020 (1 January to 31 December 2020), which runs consistent with the annual report of the Group. The Group planned and prepared this report based on the materiality principle. Unless otherwise stated, this report covers the general aviation piston engine business in the United States which represents the majority of Group’s environmental and social impacts.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE GUIDELINES AND REPORTING

The Group’s environmental, social and governance guidelines are designed to continually improve the transparency and responsibility of information disclosure. Therefore, the ESG Report is released annually by the Group for public review. In addition, the Group is committed to creating long-term value for stakeholders in line with interest of the environment in which it operates, while driving the business growth and sustainable development of the Group. As such, the Group formulated its sustainable development policies which cover the Group’s activities in environment, employment, business integrity, and society. The Group will strive to incorporate such principles into its practice and governance, and is committed to contributing to the sustainable development of the society and environment.

關於本報告

本集團欣然提呈本環境、社會及管治報告(下稱「ESG報告」)。本ESG報告詳列本集團在環境、社會及管治方面的政策、措施和績效。透過與持份者匯報，讓本集團以透明及公開的方式披露本集團在可持續發展議題上的措施和表現，以增加持份者對本集團的信心，並進一步了解本公司於可持續發展議題的進程和發展方向。

報告範圍

本ESG報告的時間範圍為二零二零年財政年度(二零二零年一月一日至十二月三十一日)，與本集團年報的時間一致。本集團基於重要性原則規劃和編撰此報告，除非另有說明，本報告涵蓋了位於美國之通用航空飛機活塞發動機業務，代表本集團大部分的環境和社會方面的影響。

環境、社會及管治方針與報告

本集團以持續地提升有關披露透明度和責任作為環境、社會及管治方針，因而每年發佈ESG報告供各界隨時查閱。此外，本集團矢志為持份者締造符合所在環境利益的長遠價值，推動本集團業務增長及可持續發展。本集團依此訂立可持續發展政策，該政策涵蓋本集團於環境、僱傭、商業誠信、及社區等各個領域。本集團會努力將該等原則融合於本集團實踐及管治之中，致力為社會及環境之可持續發展作出貢獻。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

The Board is responsible for reviewing and assessing the Group's environmental, social and governance risks. The Board endeavours to contribute to sustainability. By formulating well-defined environmental, social and governance policies, the Board can identify and mitigate relevant risks, and ensure the solid implementation of relevant policies and guidelines.

董事會負責檢視及評估本集團有關環境、社會及管治的風險。董事會致力為可持續發展作出貢獻，透過制訂明確的環境、社會及管治政策，釐定及緩減有關風險，並確保所有政策和方針得以穩妥實行。

BASIS OF PREPARATION

This report is prepared and presented with reference to the Environmental, Social and Governance (ESG) Reporting Guide set out in Appendix 27 to the Listing Rules:

編製基準

本報告根據上市規則附錄二十七對《環境、社會及管治報告指引》的要求編撰及呈列相關資料：

- Materiality:** the threshold at which ESG issues become sufficiently important to investors and other stakeholders that they should be reported. Accordingly, this report covers the principal business of the Group.
 - Quantitative:** KPIs need to be measurable. Targets can be set to reduce a particular impact. In this way, the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate. Accordingly, KPIs are presented in this report pursuant to the reporting guide.
 - Balance:** The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.
 - Consistency:** The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time. The issuer should disclose in the ESG report any changes to the methods used or any other relevant factors affecting a meaningful comparison.
- 重要性：**當環境、社會及管治的相關事宜會對投資者及其他關聯方產生重要影響時，本報告須作出彙報，本報告因而涵蓋本集團的主要業務作為報告範圍。
 - 量化：**如有訂立關鍵績效指標，該指標須可予以計量並於適當情況下作出有效對比，而所訂立的指標亦須闡述其目的及影響。本報告因而依據報告指引呈列各項關鍵績效指標。
 - 平衡：**本報告須不偏不倚地呈報本集團在環境、社會及管治方面的表現，以及避免不恰當地誤導讀者決策或判斷的選擇、遺漏或呈報格式。
 - 一致性：**本報告使用一致的披露統計方法，使相關數據日後可作有意義的比較。若統計方法於日後有所變更，亦須在報告中註明。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

COMMUNICATION WITH STAKEHOLDERS

Feedback from stakeholders not only helps the Group to comprehensively and impartially evaluate its ESG performance, but also enables the Group to continuously improve its performance based on the feedback. As such, the Group regularly communicates with stakeholders in an open, honest and proactive manner through a variety of channels, including interim reports, annual reports, announcements and circulars. During the Reporting Period, the Group continued to maintain an open dialogue with stakeholders to review and update the areas identified as important to the Group's business operations. This can help the Group to develop sustainability plans in line with the business strategy.

A. ENVIRONMENTAL

The Group taps into the future economic development trend of low-carbon economy, and is committed to aligning its business model with this philosophy. It has adopted management measures on air and greenhouse gas emissions, water and land discharges, as well as the generation of hazardous and non-hazardous wastes, and implemented a series of environmental management regulations on daily business activities to reduce the impact on the environment, in an attempt to achieve a green production mode with low pollution and low emissions, which leads the Group towards a low-carbon economy.

1. GREENHOUSE GAS AND AIR EMISSIONS

Based on the Group's environmental protection policies, the Group has formulated internal environmental guidelines to systematically integrate emission management into daily operations. Also, the Group has established the environmental management committee, and the human resources director, plant facility manager, environment and occupational safety and health manager, and environmental engineer maintain close communication with various stakeholders to balance different opinions and facilitate the implementation of environmental protection guidelines.

與持份者溝通

持份者的反饋不僅有助本集團全面和中肯地評估自身的ESG表現，同時亦讓本集團以此為依據，持續改善表現。本集團因此通過不同渠道並以公開、誠實及積極的態度與持份者進行開放及定期的溝通，當中包括中期報告及年報、公告以及通函等。報告期內，本集團繼續與持份者保持開放的對話，以檢視及更新已識別為對本集團業務而言屬重要的範疇，有助於制定切合業務策略的可持續發展工作。

A. 環境

本集團把握低碳經濟的未來經濟發展趨勢，致力把營運模式與此觀念接軌。本集團落實廢氣及溫室氣體排放、水及土地排污、有害及無害廢棄物產生之管理方法，通過實施一系列針對日常經營活動的環境管理規定以達致減少對環境之影響，務求達致低污染低排放的綠色生產模式，引領本集團走向低碳經濟的願景。

1. 溫室氣體及廢氣排放

依據本集團之環保政策，本集團制定了內部環保指引，將排放物管理有系統地融入日常營運之中。此外，本集團已成立環境管理委員會，並由人力資源部總監、工廠設施經理、環境職安健經理及環境工程師與各利益相關人士保持密切溝通以平衡不同意見和推動落實環保指引。



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The Group takes proactive and effective actions to comply with the requirements of laws and regulations of the government and reduce greenhouse gas and air emissions, regarding the management of greenhouse gas and air emissions as part of the Group's operational decisions. The Group also keeps abreast of relevant environmental developments around the world, and put in to practice environmental protection efforts. The Group's air emissions mainly come from its general aviation piston engine business, which involves air pollutants from transportation and testing of engines. The air emissions include nitrogen oxides (NO_x), sulphur oxides (SO_x) and suspended particulates.

本集團積極採取有效的行動遵守政府法例法規要求，同時減少溫室氣體及廢氣排放，將溫室氣體及廢氣管理作為本集團營運決策的一部分。本集團又留意相關國際環保趨勢，致力實踐環境保護的工作。本集團的廢氣排放物主要來自通用航空飛機活塞發動機業務，當中涉及運輸及測試引擎所產生之空氣污染物，例如氮氧化物(NO_x)、硫氧化物(SO_x)及顆粒物。

Emission 排放物		Unit (kg) 排放量 (千克)	
		2020 二零二零年	2019 二零一九年
Nitrogen Oxides (NO _x)	氮氧化物(NO _x)	3,084.43	2,630.84
Sulphur oxides (SO _x)	硫氧化物(SO _x)	72.57	145.15
Particulate matter	顆粒物	1,995.81	1,995.80

Table 1 – Total Emissions During the Reporting Period

表1—報告期內的排放物總量

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The Group's greenhouse gas emissions come from the operations of the aircraft factory, including fuel consumption for testing aircraft engines.

本集團的溫室氣體排放來自飛機工廠營運，當中包括測試航空發動機之消耗燃油。

Scope of greenhouse gases emission 溫室氣體排放範圍		Emissions (Tonnes of carbon dioxide equivalent) 排放量 (以噸二氧化碳當量計)		Intensity (Emissions per employee) 密度 (排放量/員工)	
		2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年
Scope 1 Direct emissions	範圍1 直接排放	3,670.11	1,237.29	10.37	2.78
Scope 2 Indirect emissions from energy	範圍2 能源間接排放	5.83	7.56	0.02	0.02
Scope 3 Other indirect emissions	範圍3 其它間接排放	60.04	532.20	0.17	1.20
Total	總計	3,735.98	1,777.05	10.56	4.00

Note: The calculations were based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC Fifth Assessment Report, latest grid emission factors. Scope 1 includes consumption of aviation fuel, unleaded petrol, liquefied petroleum gas, kerosene, diesel, natural gas, acetylene, and carbon dioxide extinguisher, and fugitive emission of R22 refrigerants. Emission data on natural gas is newly added for this year and was not reflected in the data for the previous year. Scope 2 includes electricity power purchased from power companies. Scope 3 includes disposed paper and air mileage of employees.

附註：計算乃基於聯交所發佈的環境關鍵績效指標報告指引、二零零六年IPCC國家溫室氣體清單指南、IPCC第五次評估報告、最新電網排放因子。範圍1包括航空燃油、無鉛汽油、液化石油氣、煤油、柴油、天然氣、乙炔及二氧化碳滅火器的消耗，以及R22製冷劑的逃逸排放。本年度的數據新增包括天然氣相對應的排放數據，此部份未於往年的數據反映。範圍2包括從電力公司購買電力。範圍3包括棄置廢紙及員工飛行裡數。

Table 2 – Total Greenhouse Gas Emissions During the Reporting Period

表2—報告期內的溫室氣體排放總量



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The Group's business units take various measures to reduce air pollutants and greenhouse gas emissions. One of the measures is to reduce the emission of greenhouse gas through reducing the power consumption. To reduce power consumptions in the office, the Group prefers using low-power electrical appliances or products, and avoids using unnecessary high-power equipment. For example, the Group preferably chooses LED or low-wattage with bright lighting systems.

In addition, the Group is committed to equipping appropriate aftertreatment equipment for machinery and devices. Pollution control devices have been installed in paint shops, sandblasting machines and treatment tanks in the factory to effectively control and reduce the emissions of harmful air pollutants such as carbon monoxide, volatile organic compounds, and particulate matters.

(a) Waste Management

The Group adheres to the 4R principles of waste management and strives to properly handle and dispose of all wastes generated from business activities through reduction, reuse, recycling, and replacement. To reduce environmental impact, the Group classify and recycle waste where feasible to increase the potential of downstream recycling, and dispose of non-recyclable waste in accordance with laws and regulations.

本集團業務單位採取多項措施減少空氣污染物及溫室氣體排放。其中之一為通過減低電力消耗，從而達致減少溫室氣體排放的目的。本集團為減少辦公室耗電，優先採用低耗電電器或產品，避免使用非必要的高耗能設備，例如在照明方面優先選用LED照明，或低瓦數、高光度的照明系統。

此外，本集團致力在各機械及裝置採用適當的後處理設備，工廠油漆間、砂粒噴磨機、噴砂機，處理罐等均已安裝污染物控制裝置，有效控制和減少一氧化碳、揮發性有機化合物、顆粒物等有害空氣污染物的排放。

(a) 廢棄物管理

本集團堅持4R廢棄物管理原則，通過減少使用、廢物重用、循環再用及替代使用，致力於妥善處理及處置來自業務活動所產生的廢棄物。為減少對環境的影響，本集團在可行的情況下將廢棄物分類回收，提升下游再造利用的潛力，並依法循規地棄置不可回收再造的廢棄物。

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By implementing waste assessment procedures, the Group assesses the emissions of air, water and solid waste, special waste, hazardous and non-hazardous waste for newly added machines and processes. Meanwhile, the Group classifies hazardous and non-hazardous waste for disposal in the factory to meet the requirements of local laws and regulations. The hazardous waste is handed over to qualified hazardous waste collectors for disposal. The hazardous waste collectors commissioned by the Group have all obtained hazardous waste transportation permit from the U.S. Department of Transportation.

透過實施廢棄物評估程序，本集團對新添加之機器或工序進行空氣、水、固體廢棄物、特殊廢棄物、無害廢棄物和有害廢棄物評估，以判斷其排放情況。工廠同時將有害及無害廢棄物分類處理，以符合當地法規要求。有害廢棄物均交由合資格之有害廢棄物收集商處理。本集團所委託的有害廢棄物收集商均取得美國運輸部的運送有害廢棄物許可證明。

Waste 廢棄物	Emission (Tonnes) 消耗量(噸)		Intensity (Consumption per employee) 密度 (排放量/員工)	
	2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年
Total hazardous waste 有害廢棄物總量	12.35	19.90	0.03	0.04
Total non-hazardous waste 無害廢棄物總量	251.28	190.00	0.71	0.43

Table 3 – Waste Generated During the Reporting Period

表3—報告期內所產生廢棄物

During the reporting period, the Group strictly complied with the relevant environmental laws such as Resource Conservation and Recovery Act and there was no case of prosecution against the Group for violation of environmental laws.

於報告期內，本集團嚴格遵行相關的環保法例如資源保護與恢復法，未有因為違反與環保相關法例而被檢控的個案。



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2. USE OF RESOURCES

The Group upholds the concept of energy conservation and green production. It has formulated environmental protection guidelines to systematically incorporate the use of resources into daily operations. To improve energy efficiency and reduce paper and water consumption, the Group has implemented a series of measures to fulfil its environmental commitments. By monitoring and managing the use of resources, the Group aims to improve resources utilisation efficiency, achieve low-carbon practices, emission reduction and energy conservation in operation, and reduce the use of resources. Details of energy and water consumption are discussed in the sections below.

(a) Resources

During the reporting period, the resources directly consumed by the Group for operations are as follows:

2. 資源使用

本集團恪守節能減排、綠色生產的理念。本集團制定了內部環保指引將資源使用有系統地融入日常營運之中。為提升能源效益、減少用紙量和用水量，本集團已實施多項措施以履行環保理念，通過積極監察及管理提高資源使用效率，在經營中實現低碳工序和減排節能，致力節省資源。有關能源及水資源消耗之詳情將於下述章節討論。

(a) 資源

於報告期內，本集團用於營運的直接消耗資源如下：

Resources 資源	Unit 單位	Consumption 消耗量		Intensity (Consumption per employee) 密度 (消耗量/員工)	
		2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年
Energy 能源					
Electricity 電力	'000 kWh 千個千瓦時	14.57	14.27	0.04	0.03
Fuel oil 燃油	'000 kWh 千個千瓦時	2,426.84	4,287.98	6.86	9.64
Fuel gas 燃氣	'000 kWh 千個千瓦時	14,984.09	16,792.21	42.33	37.74
Total energy 能源總計	kWh 千瓦時	17,425.50	21,094.46	49.23	47.41

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Resources 資源	Unit 單位	Consumption 消耗量		Intensity (Consumption per employee) 密度 (消耗量/員工)	
		2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年
Other resources 其他資源					
Water 水	cubic metre 立方米	33,627.00	71,687.00	94.99	161.09

Note: Unit of energy figures is translated into kWh based on the lower heat value. Energy data for 2019 is restated in kWh herein. Fuel oil includes aviation fuel, unleaded gasoline, kerosene, and diesel. Fuel gas includes Liquefied petroleum gas and natural gas.

附註：能源數據參考較低熱值換算為千瓦時，二零一九的能源數據以千瓦時為單位在此重列。燃油包括航空燃油、無鉛汽油、煤油及柴油。燃氣包括液化石油氣及天然氣。

Table 4 – Consumption of Resources During the Reporting Period

表4—報告期內的資源消耗總量

Packaging material used for finished products 製成品包裝材料	Unit 單位	Consumption 使用量	
		2020 二零二零年	2019 二零一九年
Packaging material used for finished products 製成品包裝材料	tonne 噸	301.76	406.74

Table 5 – Consumption of Packaging Material Used for Finished Products During the Reporting Period

表5—報告期內的製成品包裝材料使用總量



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The Group manages the workspace using the “5S” management programme which focuses on five areas: sort, set, shine, standardize, and sustain, as the core model. Furthermore, the Group conducts lean management and waste reduction management to encourage employees to redesign the use of resources from many aspects, effectively reuse products or materials, prolong the life cycle of resources, and reduce the use of resources and generate less waste, thereby achieving the goal of “Zero Emission”.

The Group also attaches great importance to energy management in order to make effective use of power resources. The Group gives preference to the use of energy-efficient equipment, including energy-saving lighting fixtures, with a view to reducing energy consumption in the long run.

(b) *Water Consumption*

The Group recognises that sustainable and responsible use of water resources is a major global issue, and that excessive demand and overuse of water can cause serious regional water shortage. In view of this, the Group has in place wastewater treatment equipment. Through wastewater minimization plans, neutralization, chromate reduction, and alkaline chlorination of cyanide, the Group ensures that the emissions meet relevant standards and water is reused.

本集團已推行「5S」管理方案管理工作空間，以整理、存放、清潔、標準和修養五個範疇作為核心模式。本集團實行同時精益管理和減廢管理以鼓勵員工從多方面重新設計，有效地使產品或物料重新使用，使資源生命週期延長，減少使用資源和產生較少的廢棄物，以達至「零排放」的目標。

本集團亦重視能源管理，以達致善用電力資源。本集團通過優先採用更具能源效益的設備，包括慎選節能照明系統，務求能長遠減少能源消耗。

(b) *用水*

本集團意識到可持續及負責任地使用水資源是一個全球關鍵議題，而過度需求及使用可引致嚴重地區性的缺水問題。有見及此，本集團設有廢水處理設備。透過減少廢水計劃、中和、減少鉻酸鹽以及利用鹼性氯化處理氰化物，確保排放符合標準，令水源得以再生使用。

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3. ENVIRONMENT AND NATURAL RESOURCES

Protecting nature and the environment has become an integral part of the Group's corporate culture. As a socially responsible enterprise, the Group continuously strives for sustainable development, and constantly looks for ways to minimize resource consumption and environmental impact. The Group will continue to identify, assess and manage potential risks to the environment, and strive to balance business development and ecological environment for long-term sustainable development. The Group will incorporate environmental protection and natural resource conservation into its business strategies and planning for future business development.

The Group is dedicated to taking a series of effective measures to avoid and mitigating the impact on the environment and surrounding areas, including reducing noise, emissions and indoor air pollution. The Group has engaged qualified environmental consultants to review its environmental projects regularly. For example, the Group ensures that the factory is in compliance with the Resource Conservation and Recycling Act (RCRA), the Air Emissions Permit, and the National Pollutant Discharge Elimination System (NPDES) permit.

During the reporting period, the Group did not have any major environmental accidents.

3. 環境及自然資源

保護大自然及環境已成為本集團企業文化的重要一環，本集團作為一家對社會負責任的企業繼續致力實現可持續發展，不斷尋求減少資源消耗和緩減環境影響的方法。本集團將繼續識別、評估及管理對環境的潛在風險，並致力平衡產業發展與生態環境，追求長期持續發展。本集團定必將環境保護及珍惜天然資源納入經營策略檢討、未來產業發展規劃當中。

本集團致力採取一系列有效措施避免及緩減對環境及週邊的影響，包括針對減少噪音、排放，及室內空氣污染等。本集團已委託合資格的環保顧問定期審查環保項目，例如確保其工廠符合當地的資源保護與回收法(RCRA)、空氣排放許可及國家污水排放控制系統(NPDES)許可證明。

於報告期內，期內本集團未有出現重大環境事故。



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4. CLIMATE CHANGE

The Group's business scope includes the general aviation aircraft piston engine business in the United States. The Group has identified and assessed climate change risks and has developed measures to mitigate their impacts on the operations of the Group and protect the safety of employees, including ensuring that the infrastructure of the Group is sufficient to cope with extreme weather conditions and strictly following relevant extreme weather guidelines issued by the government. The Group regularly reviews policies on coping with climate change to ensure their effectiveness.

B. SOCIAL

1. EMPLOYMENT AND LABOUR PRACTICES

The Group believes that employees are foundation of the success of the Group. Employees have a critical impact on the quality of the Group's products and services. They are also the engine that drives sustainable corporate development. The Group strives to establish harmonious relations with employees to bring together all employees and proactive maintain a diversified, inclusive, fair and safe work environment to jointly promote the long-term sustainable development of the Group.

4. 氣候轉變

本集團業務範疇包括位於美國之通用航空飛機活塞發動機業務。本集團已識別並評估氣候轉變風險，並制定措施以緩減對本集團運作的影響以及保障員工的安全，當中包括確保本集團的基礎建設能有效應對極端天氣，以及嚴格遵循政府發佈的相關極端天氣指引。本集團會定期檢討應對氣候轉變的政策，致力確保成效。

B. 社會

1. 僱傭與勞工常規

本集團深信員工是企業成功的基礎，員工對本集團的產品和服務質素的影響充為關鍵，亦是推動企業持續發展的動力。本集團致力構建與員工的和諧關係凝聚人才，積極維持一個多元共融、公平公正、健康安全的工作環境，共同推動本集團業務的長期可持續發展。

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(a) *Equal Opportunity Policy*

The Group is convinced that providing employees with equal opportunities can improve employee satisfaction, which in turn helps attract outstanding talents and motivate employees, thus promoting the Group's business development. To ensure that no discrimination whatsoever exists in the hiring process, the Group has formulated relevant recruitment procedures to ensure that recruitment decisions are made based on the capabilities, knowledge and experience of job applicants related to the open positions irrespective of such factors as gender, age, race, family status, religious belief and disability.

(b) *Compensation System*

The Group provides a fair and competitive compensation package, including basic salary, social security insurance, and other fringe benefits to attract and retain quality talents. The Group also regularly reviews its compensation policies to maintain its attractiveness in the labour market. Furthermore, the Group fully considers sharing with employees the value they have created in tandem with the Group's performance growth. The Group considers a variety of factors to assess and determine pay levels, including employees' work ability, the Group's performance, and compensation levels in the market.

(a) *平等機會政策*

本集團深信為員工提供平等機會可提高員工滿意度，有助吸引優秀人才，提昇員工的動力，加快本集團的業務發展。為了確保在聘用階段中不存在任何類型的歧視，本集團制定了相關招聘程序，確保人事決策建基於應徵者的才能、知識以及與職位有關的經驗，而排除性別、年齡、種族、家庭崗位、宗教信仰或殘疾等因素。

(b) *薪酬體系*

本集團一直以包含基本薪金、社會安全保險及其他附帶福利的公平及具競爭力薪酬方案吸引及保留優秀人才，並定期檢討薪酬待遇，維持本集團在人力市場上的吸引力。本集團同時充分考慮因應本集團業績增長，公平地與員工分享所創價值。本集團會考慮多項因素來評估及制定薪酬水平，當中包括員工的工作能力、本集團效益、市場薪酬水平等。



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The Group also has a set of comprehensive human resources management policies to serve as the basis of human resources management. The policies include compensation and benefits, working hours and holidays, recruitment and selection, performance management, promotion, employment termination, training and development, and other related areas.

During the reporting period, the Group did not have any cases of violation of relevant employment laws and regulations, including the Labour Law, nor did it receive any complaints related to recruitment.

本集團亦有一套全面的人力資源管理政策作為人力資源管理的依據。該政策包括薪酬及福利、工作時間及假期、招聘及篩選、表現管理、晉升、僱傭終止、培訓及發展等相關範疇。

於報告期內，本集團並無違反包括勞動法在內的相關僱傭法律及法規的個案，亦無與招聘相關的投訴個案。

Number of employees 員工人數

		2020 二零二零年	2019 二零一九年
By gender			
	性別		
Male	男性	290	371
Female	女性	64	74
Total	總計	354	445
By employee category			
	僱傭類型		
Full-time	全職	345	440
Part-time	兼職	9	5
Total	總計	354	445

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		Number of employees 員工人數	
		2020 二零二零年	2019 二零一九年
By age group	年齡組別		
18-30	18-30歲	51	47
31-45	31-45歲	108	135
46-60	46-60歲	148	182
over 61	61歲以上	47	81
Total	總計	354	445
By region	地區		
United States	美國	354	445
Total	總計	354	445

Table 6 – Breakdown of Total Employees by Gender, Employee Category, Age Group, and Region

表6— 報告期內按性別、僱傭類型、年齡組別及地區劃分的僱員總數明細



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		Turnover rate 流失比率	
		2020 二零二零年	2019 二零一九年
By gender	性別		
Male	男性	39%	20%
Female	女性	34%	14%
By age group	年齡組別		
18-30	18-30歲	43%	17%
31-45	31-45歲	45%	16%
46-60	46-60歲	30%	14%
over 61	61歲以上	40%	38%
By region	地區		
United States	美國	38%	19%

Table 7 – Breakdown of Employee Turnover Rate
by Gender, Age Group, and Region

表7—報告期內按性別、年齡
組別及地區劃分的僱員
流失比率明細

2. OCCUPATIONAL HEALTH AND SAFETY

The Group values the occupational health and safety of every employee, and has established a risk assessment mechanism that consists of a series of measures including risk identification, analysis, evaluation, treatment, monitoring and reviewing to reduce risks which are not deemed to be under acceptable limits.

The Group has identified high-risk positions and implemented occupational health and safety measures accordingly to protect the safety of employees. The Group requires employees to strictly comply with the safety policy and guidelines which specify workflows, various safety measures and guidance as well as employees' responsibilities for their health and safety at the workplace.

2. 職業健康與安全

本集團重視每一名員工的職業健康與安全，因而已制定風險評估機制，其中包括一系列風險識別、分析、評估、處理、監管及檢討等措施，以減少不被視為可接受限度內的風險。

本集團已識別較高危的工作崗位，並據此實施職業健康與安全措施，以保障員工的安全。本集團嚴格要求僱員遵守本集團安全政策及指引，當中清楚列明工作流程、各種安全措施及指引，以及僱員在有關工作場所的健康與安全責任。

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The Group has set up a safety committee to take charge of its occupational health and safety matters. The committee, which consists of the human resources director, safety manager and fire & safety supervisor, as well as hourly team members from the shop floor, is responsible for the Group's occupational health and safety matters. The committee is tasked with formulating safety management measures for compliance, advising internal departments on government standards and regulations, and meeting regularly to review occupational health and safety issues brought up by team members. In addition, to effectively improve occupational health and safety, the Group incorporating safety performance into the annual performance appraisal.

In addition, the Group requires all employees to attend monthly safety meetings, which covers the latest information on occupational health and safety, internal safety policies and safety accident review. The Group has also developed measures for drug abuse prevention. Through the Employee Assistance Program, professionals are engaged to provide local employees with training, diagnosis, and consultation on drug and alcohol abuse problems, and to provide professional advice and guidance for employees. No work-related fatalities occurred in the past three years including the Reporting Period, and the total number of lost days due to work injury during the Reporting Period is 266 days.

During the reporting period, the Group found no cases of violation of laws and regulations related to occupational safety and health, including the Occupational Safety and Health Act.

本集團設有安全委員會，專責本集團的職業健康及安全事務。該委員會由人事部經理、安全經理、消防主任及車間常規人員組成，並負責本集團職業健康及安全事務。委員會負責制定合規的安全管理措施、就政府標準及規例向內部部門提供建議，以及定期進行會議檢視各成員提出的職業健康及安全事宜。此外，為有效地推動職業健康與安全，本集團亦把安全表現納入每年一次的績效評估當中。

此外，本集團要求所有員工出席每月舉行之安全會議，涵蓋職業健康及安全的最新資訊、內部安全政策，及安全事故檢討。本集團另外又設立藥物濫用預防制度。當地員工可透過「員工支援計劃」，讓專業人員為其進行有關濫用藥物和酒精的培訓和診斷諮詢，並為員工提供專業建議及指導。包括報告期內過往三年未有因工亡故事件，而報告期內因工傷損失工作日數則共有266天。

於報告期內，本集團並無發現違反包括職業安全與健康法在內的職業安全健康相關的法例和法規。



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3. DEVELOPMENT AND TRAINING

Skilled and professionally trained employees can lead the Group's business growth. Through employee developments and training, the Group helps employees demonstrate their potential and align with the Group's objectives, laying a foundation for future success.

On this ground, the Group encourages employees to participate in training courses related to personal development and work. Through the formulation of employee training policies, the Group has found a comprehensive training system, which specifies the management responsibilities of training leaders in various departments, and provides corresponding learning and training courses for employees to continuously increase their work knowledge and skills.

In daily operation, the Group provides induction training for new employees, and arranges for experienced employees to act as mentors to guide newcomers. The Group has also established the Educational Assistance Plan which provides eligible employees with subsidies for internal and external training related to their work. The Group believes such arrangement can effectively facilitate communication and team spirit, improve technical skills and managerial capability, as well as encouraging employees for further development.

3. 發展及培訓

具備專業培訓之員工能帶領本集團的業務增長。本集團藉僱員發展和培訓協助僱員展現潛能，同時亦可配合本集團的目標，奠定未來成功的基礎。

本集團因而鼓勵員工參與個人發展及與工作相關的培訓課程。本集團透過制定員工培訓政策，建立完整的培訓體系，當中訂明各部門培訓負責人的管理職責，為員工提供相應的學習及培訓課程，以持續增長員工的工作知識和技能。

本集團於日常營運中向新入職員工提供入職培訓，讓有經驗的僱員擔任新入職員工的導師，對彼作出指導。本集團亦已訂立教育援助計劃，為合資格之員工提供與工作相關之內部及外部培訓資助。本集團相信有關安排能有效促進溝通及團隊精神、提高技術技能及管理能力，更能鼓勵僱員在所有層面學習及進一步發展。

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Training rate and average hours of employees during the Reporting Period by gender and employee category are as follows:

於報告期內，按性別及員工類別劃分的員工培訓率及受訓的平均時數如下：

		Training rate		Average hours completed	
		培訓率		每名僱員完成受訓的平均時數	
		2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年
By gender	性別				
Male	男性	100.0	83.4	1.1	1.2
Female	女性	100.0	16.6	1.2	1.2
By employee category	員工類別				
Senior management	高級管理層	100.0	2.0	1.0	1.0
Middle management	中級管理層	100.0	14.2	1.0	1.0
General employee	一般員工	100.0	83.8	1.0	1.0

Table 8 – Training Rate and Average Hours of Employees by Gender and Employee Category During the Reporting Period

表8— 報告期內按性別及員工類別劃分的員工培訓率及平均時數

4. LABOUR STANDARDS

(a) *Prohibition of Child Labour and Forced Labour*

The Group is firmly against child labour and forced labour, and prohibits the employment of any child labour and forced labour in any operations and services.

4. 勞工準則

(a) *禁止使用童工和強迫勞工*

本集團堅守反對童工及強迫勞工現的原則，禁止於任何營運及服務中聘用童工或強制勞工。



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Before hiring any candidate, the Group will check the age-related documents to verify his/her age. All employees of the Group must reach the statutory minimum working age. The Group adheres to the principle of fair and voluntary recruitment, strictly forbids forced or fraudulent recruitment, ensures that all employees work on a voluntary basis, and prohibits forced labour in any form. Where employees are needed to work overtime in the production process, the Group will formulate overtime arrangements with the employee representatives and employees, and the working hours will not exceed the maximum legal limits. Moreover, the management personnel will not force the employees to carry out work with significant safety and health risks or illicit work.

During the reporting period, the Group found neither cases incompliance with relevant laws and regulations on employment, including the Labour Law, nor incidents in violation of the laws and regulations on labour standards.

本集團在聘用任何應徵者之前均會檢查與年齡相關的檔案，有效核實其年齡，而所有員工均須符合法定工作年齡。本集團秉持公正自願原則進行招聘，嚴禁以強逼或欺詐手段招募，又確保所有員工都在自願的基礎上勞動或工作，禁止任何形式的強迫勞工。本集團在生產過程中需要加班亦會與員工代表和員工協商，並且不會超過法定時間，而管理人員亦不會自恃職務強迫員工進行具有顯著安全衛生風險或違規的工作。

於報告期內，本集團並無違反包括勞動法在內的相關僱傭法律及法規的個案，並無發現與有關勞工準則法例及規例的不合規事件。

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5. SUPPLY CHAIN MANAGEMENT

The Group is well aware that maintaining the quality and safety of products and services is dependent on the cooperation of business partners, thus emphasising the promotion of communication and partnership with business partners on a continuous basis. In addition, the Group carries out the selection and evaluation process on suppliers based on quality and price with reference to internal guidance, implementing complete supplier management to regulate the engagement of suppliers.

The Group only selects highly qualified suppliers complying with regulatory requirements. In order to ensure suppliers' capability in quality assurance, safety and environmental responsibility, the Group will arrange field visits conducted by inspection personnel to suppliers' production sites to evaluate their production capacity and quality, so as to assess their environmental and process certifications. The evaluation reviews the production capacity, technology level, quality assurance capabilities, supply capacity, safety and environment management qualifications if needed. The Group also carries out regular assessments on suppliers' overall capabilities, assets position, nature of the business, reputation in the industry, quality of products, goods delivery and compliance with law and regulations.

5. 供應鏈管理

本集團深明維護產品與服務的質量和安全有賴業務夥伴的配合，因而強調持續促進與業務夥伴溝通與合作。本集團又依據內部指引，根據品質和價格進行篩選和評估供應商的程序，實施完善的供應商管理以規管供應商的委聘。

本集團只選擇符合監管要求的高質量供應商供貨。本集團會安排審核人員到供應商現場進行實地考察以評估供應商的生產能力及品質，以檢視其於環保及流程認證情況，根據實際需要評估供應商的生產能力、技術水平、品質保證能力、供應能力，並對安全及環境管理資格進行審查，以確保供應商在品質保證、安全和環境責任等方面的能力達到相關的要求。本集團亦對供應商的整體能力、資產狀況、業務性質、行業聲譽、產品質量、貨物交付及遵守法律及法規情況進行定期評估。



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In addition, the Group also utilizes Solumina Supplier Rating System Software to manage and certify suppliers to achieve the best product quality and management. The Group will request suppliers to obtain third-party certifications, so as to prompt them to make progress and improvements.

During the Reporting Period, the Group had a total of 203 active suppliers, including 179 suppliers located in the USA and 24 suppliers located in other areas.

6. PRODUCT RESPONSIBILITY

(a) Quality Assurance

The Group carries out stringent quality management, covering every aspect between product production and delivery process. The Group has formulated different policies and guidelines in the design, planning and production stages to ensure that products meet relevant quality and safety requirements. Products, before delivering to customers, must complete internal quality procedures stipulated by the Group to ensure their quality standards not only comply with laws and regulations but also meet the quality requirements of the Group.

The Group will continuously strive to ensure that its products meet regulatory requirements and customer expectations on a continuous basis, and regularly accesses its internal production processes to ensure customer satisfaction and compliance with the requirements of the Federal Aviation Administration.

此外，為了達至最佳產品質素和管理，本集團又利用Solumina供應商評級軟件管理及驗證供應商。本集團會要求供應商取得第三方認證，以推動供應商的改進和提升。

於報告期內，本集團的活躍供應商共203家，其中179家位於美國，24家位於其他地區。

6. 產品責任

(a) 質量保證

本集團對於質量管理實施嚴格控制，涵蓋產品生產及交付過程中的每一個環節。為確保產品符合質量和安全要求，本集團在設計、計劃和生產階段制定不同政策及指引。產品在交付予客戶之前必須通過本集團內部制定的質量控制程序，確保質量水平不單符合法律法規，且達到本集團的質量要求。

本集團將持續致力確保產品合乎監管要求及客戶期望，並定期評估內部生產流程，確保符合客戶滿意度及美國聯邦航空管理局等要求。

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(b) *Customer Data Protection and Privacy Policy*

To ensure the protection of customer data, all orders and data of the Group's customers are processed and saved by dedicated personnel, and other employees are not allowed to access them. In terms of safeguarding and protecting intellectual property rights, the Group will only select products provided by legitimate manufacturers or suppliers to prevent pirated goods from using its sales channels to enter the market. Furthermore, the Information Management Department of the Group monitors the use of software to ensure all software used is licensed, and conducts regular inspections to ensure that there is no unauthorised software being used in the computers of the Group.

During the Reporting Period, 5.82% of all products sold were recalled by the Group for safety and health reasons, all of which had been followed up and handled. The Group abided by relevant product liability laws, such as Consumer Data Privacy and Security Act, and there was no case of prosecution against the Group for violation of laws related to product responsibility and privacy protection.

(b) *客戶資料保護和隱私政策*

本集團所有客戶訂單及資料均由專人處理和保存，嚴禁其他員工查閱，以確保顧客資料得到保護。而在維護及保障知識產權方面，為避免有盜版貨品利用本集團的銷售渠道流入市面，本集團只會選擇銷售由合法生產商或供應商提供的產品。另外，本集團的資訊管理部監控軟體的使用，確保所用軟體均為正版軟體，並又會定期檢查以確保本集團的電腦裝置無未授權使用的軟體。

於報告期內，本集團因安全與健康理由而須回收的產品佔總已售產品5.82%，全部經已獲跟進和處理。本集團遵行相關的產品責任法例，例如消費者數據隱私和安全法，期內未有因為違反與產品責任或私隱相關法例而被檢控的個案。



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7. INTEGRITY

The Group advocates honest operation and fair competition. The Group has developed a sound risk management code and internal control code, including setting out relevant policies in the employee handbook and guiding employees to abide by the code of conduct, in a bid to require all employees to observe the highest ethical, personal and professional standards. The code of conduct provides a clear definition of how to deal with conflicts of interest, gifts, and other interests.

The Group has established and implemented an internal integrity system to strengthen the integrity of employees in management practices. The Group has also formulated an effective whistle-blowing procedure for the employees, management personnel and directors to report directly any misconduct and dishonest behaviours, in order to avoid bribery, fraud and other criminal offences. Furthermore, the Group has specified in the employee handbook that the Group is entitled to terminate the employment contract with any employee who is bribed with money, gifts or commission, etc., and reserves the right to take further actions against such person.

7. 維護廉潔

本集團致力提倡誠實經營及公平競爭。本集團已制定完備的風險管理守則及內部控制守則，包括於僱員手冊中載列相關政策並引導僱員遵守操守準則，務求令所有員工恪守最高的道德、個人及專業操守準則。操守準則明確界定了如何處理利益衝突及饋贈等利益。

為加強員工清正廉潔的管治操守，本集團已制定並實施內部廉政制度。本集團並已建立有效舉報程序作為員工、管理人員和董事舉報任何不當行為和不誠實活動的正式渠道，以避免出現例如貪污，欺詐等犯罪行為。另外，員工手冊中明確指出，如果員工收受金錢、禮物或傭金等賄賂，本集團有權與該員工終止僱傭合約並保留權利對該人士作出進一步追究行動。

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The Group clearly defines misconduct such as bribery, corruption, embezzlement, insider trading and theft of Group assets, and ensures that employees can report matters of concern through various channels in an absolutely confidential manner. Where a case of misconduct is found valid after investigation, the Group will take appropriate corrective measures and disciplinary action against the person(s) involved. If there involves any criminal offence, the Group will hand over the suspect(s) to the competent authority. In addition, the Group engages a third-party agency to audit its financial statements each year.

During the reporting period, the Group found neither corruption incidents nor violations of relevant laws and regulations, including Foreign Corrupt Practices Act.

8. COMMUNITY ENGAGEMENT

The Group considers that an enterprise and the community are inseparable as a whole and enterprise development is also inseparable from the support and recognition of the community. The Group considers community benefits as one of its social responsibility and understands the importance of making positive contributions to the community where it operates. The Group encourages its employees to participate in charity and social services, aiming to become a good corporate citizen, fulfil its social responsibilities more sufficiently and make a contribution to the community.

本集團明確界定賄賂、貪污舞弊、挪用、內幕交易、盜竊本集團資產等不當行為，並確保其員工可以絕對保密的方式透過不同渠道就其關注的事項進行通報。如調查個案屬實，本集團將會採取合適的糾正措施和對涉事人作出紀律處分，倘若事件涉及刑事成分，本集團會轉交有關當局處理。此外，本集團每年均會聘請第三方機構審核內部財務。

於報告期內，本集團未發現貪腐事件，或任何違反包括反海外腐敗法在內的相關法律及規例。

8. 社區參與

本集團認為企業和社區是不可分割的整體，企業發展同時也離不開社區的支持與認可。本集團將社區的利益視為其社會責任之一，深明對經營所在社區作出積極貢獻的重要。本集團致力鼓勵員工參與慈善及社會服務，以期承擔良好企業公民的角色，更充份履行社會責任，為社區作出貢獻。



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The Group will continue to regularly review its objectives and orientation for community investment, and supervise community investment, sponsorship and donation activities and the relevant approval policies.

本集團將繼續定期檢討社區投資的目標和方向，並監督社區投資、贊助和捐贈活動及批核政策。

OUTLOOK

Going forward, the Group will, where appropriate, conduct review and make amendments on the disclosure level in response to the needs of various laws, Listing Rules and internal management. The Group will also continue to carry out more measures beneficial to the environment, society and governance in business operations to live up its commitment to the environment and society.

展望

本集團未來會因應各項法例、上市規則和內部管理的需要在披露層面上作出必要的檢討和修訂。本集團亦會繼續在營運上進行更多有利環境、社會以及管治的措施，以反映本集團對環境及社會的承擔。

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KPI B.4.2	Description of steps taken to eliminate violation practices when discovered.	There was no violation during the period
指標B.4.2	描述在發現違規情況時消除有關情況所採取的步驟	期內未有違規情況
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KPI B.6.2	Number of products and service related complaints received and how they are dealt with	There were 1,952 feedbacks in total and all of them were followed up by special personnel during the period
指標B.6.2	接獲關於產品及服務的投訴數目以及應對方法	期內共有1952個意見反饋並已悉數安排專人跟進處理
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KPI B.7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	There was no corruption practice during the period
指標B.7.1	於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果	期內未有貪污訴訟案件
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KPI B.8.1	Focus areas of contribution	There was no resource utilization in any areas during the period
指標B.8.1	專注貢獻範疇	期內未有在任何範疇動用資源
KPI B.8.2	Resources contributed to the focus area	There was no resource utilization in any areas during the period
指標B.8.2	在專注範疇所動用資源	期內未有在任何範疇動用資源



REPORT OF THE DIRECTORS

董事會報告

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of its principal subsidiaries are set out in note 46 to the consolidated financial statements.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Cap 622 of the laws of Hong Kong), including a description of the principal risks and uncertainties faced by the Group and an indication of likely future development in the Group's business, can be found in the Chairman's Statement and Management Discussion and Analysis set out on pages 2 to 9 of this annual report which forms part of this directors' report.

RESULTS AND DIVIDEND

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 86 to 256 of this annual report.

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2020.

董事謹此呈報截至二零二零年十二月三十一日止年度之董事會報告及本集團之經審核財務報表。

主要業務及業務回顧

本公司主要從事投資控股，其主要附屬公司之主要業務詳情載於綜合財務報表附註46。

按公司條例附表5（香港法例第章622）要求對這些業務的進一步討論及分析，包括本集團面臨的主要風險和不確定因素的描述和集團業務的可能未來發展的指示可以在載於這份年度報告的第2頁至第9頁的主席聲報告書及管理層討論及分析中找到。這個討論是本董事會報告的一部分。

業績及股息

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於本年報第86頁至第256頁之財務報表。

董事並不建議派付截至二零二零年十二月三十一日止年度之任何股息。

REPORT OF THE DIRECTORS 董事會報告

DIVIDEND POLICY

The Company has adopted a dividend policy (the “Dividend Policy”), pursuant to which the Company may declare and distribute dividends to the shareholders of the Company to allow the shareholders to share the Company’s profits.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia, the following factors:

- (1) the Group’s actual and expected financial results;
- (2) the Group’s working capital requirements, capital expenditure requirements and future expansion plans;
- (3) the Group’s liquidity position; and
- (4) any other factors that the Board may consider relevant.

The payment of dividend is subject to the compliance with applicable laws and regulations, including the laws of Bermuda and the Company’s bye-laws. The Board will continue to review the Dividend Policy from time to time.

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, is set out on page 257 of this annual report. This summary does not form part of the audited financial statements.

SHARE CAPITAL

There were no movements in the Company’s share capital during the year.

PRE-EMPTIVE RIGHTS

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

股息政策

本公司可根據已採用的股息政策（「股息政策」）向股東宣佈及分配股息，以允許股東分享公司利潤。

董事會在決定是否建議派發股息及在釐定股息金額時會考慮下列因素，其中包括：

- (1) 本集團的實際和預期財務業績；
- (2) 本集團預期營運資本要求，資本開支要求及未來擴展計劃；
- (3) 本集團的流動資金狀況；及
- (4) 董事會認為相關的其他因素。

本公司派付股息亦會遵守適用的法例及規例，包括百慕達法例及本公司章程細則。董事會將繼續不時檢討此股息政策。

財務資料概要

本集團最近五個財政年度之已公佈業績及資產、負債及非控股權益之概要（摘錄自經審核財務報表）載於本年報第257頁。該概要並非經審核財務報表的部份。

股本

年內，本公司之股本並沒有變動。

優先購買權

本公司細則或百慕達法例均無優先購買權條文，規定本公司必須按當時股東之持股比例向其發售新股。



REPORT OF THE DIRECTORS 董事會報告

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company does not have any distributable reserves calculated in accordance with the provisions of the Companies Act 1981 of Bermuda. The Company's share premium account, in the amount of HK\$1,857,729,000, may be distributed in the form of fully paid bonus shares.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of the Group's purchases attributable to the Group's major suppliers are as follows:

		2020 二零二零年 %	2019 二零一九年 %
Percentage of purchases:	佔採購額百分比：		
From the largest supplier	來自最大供應商	2	4

The percentages of the Group's sales attributable to the Group's major customers are as follows:

		2020 二零二零年 %	2019 二零一九年 %
Percentage of sales:	佔銷售百分比：		
To the largest customer	來自最大客戶	26	32
To the five largest customers	來自五大客戶	66	63

None of the Directors or any of their close associates or any shareholders (which, to the knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest suppliers and customers.

可供分派儲備

按百慕達公司法一九八一之條文規定計算，於二零二零年十二月三十一日，本公司沒有可供分派儲備。本公司之股份溢價賬1,857,729,000港元可以繳足紅股形式予以分派。

購入、贖回或出售本公司上市證券

本公司或其任何附屬公司於年內概無購入、贖回或出售本公司任何上市證券。

主要供應商及客戶

本集團主要供應商所佔本集團之採購額百分比如下：

本集團主要客戶所佔本集團之銷售百分比如下：

董事或其任何緊密聯繫人士或據董事所知擁有本公司5%以上已發行股本之股東概無擁有本集團五大供應商和客戶任何權益。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS

The Board during the year and up to the date of this report comprises:

Executive Directors:

Lai Weixuan
Fu Fangxing (resigned on 25 January 2021)
Huang Yongfeng (appointed on 25 January 2021)
Zhang Zhibiao
Yu Xiaodong
Zhao Yang

Non-executive Director:

Chow Wai Kam

Independent Non-executive Directors:

Chu Yu Lin, David
Li Ka Fai, David
Zhang Ping

Pursuant to the bye-laws of the Company, Mr. Lai Weixuan, Mr. Zhang Zhibiao and Mr. Yu Xiaodong will retire by rotation. Mr. Huang Yongfeng, the executive Director who was appointed by the Board on 25 January 2021, shall hold office only until the next following general meeting of the Company. All of them, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received an annual confirmation from each of the independent non-executive Directors of his independence pursuant to rule 3.13 of the Listing Rules on the Stock Exchange. The Company, as at the date of this report, still considered all the independent non-executive Directors as independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 10 to 15 of this annual report.

董事

於年內及截至本報告日期，董事會包括：

執行董事：

賴偉宣
傅方興（於二零二一年一月二十五日辭任）
黃勇峰（於二零二一年一月二十五日獲委任）
張志標
於曉東
趙揚

非執行董事：

周偉淦

獨立非執行董事：

朱幼麟
李家暉
張平

根據本公司細則，賴偉宣先生、張志標先生及于曉東先生將於應屆股東週年大會上輪席退任。黃勇峰先生（於二零二一年一月二十五日獲董事會委任之董事）之任期僅至本公司下屆股東大會為止。彼等符合資格並願意於應屆股東週年大會上重選連任。

本公司已接獲各獨立非執行董事根據聯交所上市規則第3.13條有關其獨立性之年度確認函。截至本報告日期，本公司仍認為所有獨立非執行董事均屬獨立人士。

董事及管理高層之履歷

董事及本集團管理高層之履歷載於本年報第10頁至第15頁。



REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation, other than statutory compensation.

REMUNERATION POLICY

The remuneration of employees (including Directors and senior management of the Group) is determined with reference to their qualification, expertise and experience in the industry, competence, duties and responsibilities within the Group, the performance and profitability of the Group as well as the market benchmark and the prevailing market conditions. Employees shall also be eligible to receive a discretionary year-end incentive bonus, which shall be determined by the Group at its absolute discretion taking into account, inter alia, the Group's operating performance, market conditions in which the Group operates and the individual's performance, payable at such time as the Group may consider appropriate, and discretionary share options.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director or entities connected with the 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 the Company's holding companies, subsidiaries or fellow subsidiaries was a party during or at the end of the year.

董事之服務合約

擬於應屆股東週年大會重選連任之董事概無與本公司或其任何附屬公司訂立僱主不可於一年內無償(法定賠償除外)終止之服務合約。

薪酬政策

僱員的薪酬(包括董事及本集團管理高層)乃參考彼等之資歷、於行業之專業知識與經驗、能力、於本集團之職責、本集團之業績表現及盈利能力,以及市場指標和當時市場情況而釐定。僱員亦有資格收取本集團根據其絕對酌情權,經考慮(其中包括)本集團之經營業績、市場狀況以及僱員個人表現,而適時發放的酌情年終獎勵花紅,以及酌情購股權。

董事於交易、安排或合約之權益

年內或年末,董事或董事之關連實體於本公司的任何控股公司、附屬公司或同系附屬公司所訂立之任何有關本集團業務之重要交易、安排或合約中概無直接或間接擁有重大權益。

REPORT OF THE DIRECTORS

董事會報告

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

Except for certain Directors who had non-beneficial interests in certain subsidiaries of the Company held for the benefits of the Company, as at 31 December 2020, none of the Directors and chief executive of the Company had an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") (a) as recorded in the register required to be kept under Section 352 of the SFO; or (b) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section of "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above and in the section of "Share option scheme" below, during the year no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company had been granted to any of the Directors or their respective spouses or children under 18 years of age; no such rights had been exercised by them; and none of the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

At the annual general meeting held on 28 May 2014, the Company adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants to contribute to the business development and growth of the Group and to enable the Group to recruit high-calibre employees and attract or retain human resources that are valuable to the Group. The share option scheme is valid and effective for a period of 10 years from the date of its adoption. Further details of the share option scheme are disclosed in note 38 to the consolidated financial statements.

Since the adoption of the share option scheme, no options have been granted, exercised, lapsed, cancelled or outstanding thereunder as at 31 December 2020.

董事及行政總裁於股份、相關股份及債券之權益及淡倉

除若干董事代本公司於若干附屬公司持有非實益股權外，於二零二零年十二月三十一日，概無董事及本公司行政總裁於本公司或其任何相聯法團（證券及期貨條例（「證券及期貨條例」）第XV部所指）之股份、相關股份或債券中擁有(a)須記入本公司根據證券及期貨條例（第352條須予備存之登記冊內之權益或淡倉；或(b)根據標準守則須知會本公司及聯交所之權益或淡倉。

董事認購股份或債券之權利

除上文「董事及行政總裁於股份、相關股份及債券之權益及淡倉」項下及下文「購股權計劃」項下所披露外，於年內，概無向任何董事或彼等各自之配偶或未滿18歲之子女授出可藉購買本公司股份或債券而獲益之權利，而彼等亦無行使任何該等權利；本公司或其任何控股公司、附屬公司或同系附屬公司亦無參與任何安排，致使董事可於任何其他法人團體中取得該等權利。

購股權計劃

於二零一四年五月二十八日舉行之股東週年大會上，本公司採納了一項購股權計劃，目的為對本集團之業務發展及成長作出貢獻之合資格參與者提供激勵及獎勵，以使本集團能夠招攬優秀員工並吸引或挽留對本集團具有價值之人才。該購股權計劃自採納日期起的十年期間內有效。有關該購股權計劃之進一步詳情載於綜合財務報表附註38。

自採納該購股權計劃以來，於二零二零年十二月三十一日，概無根據該計劃授出、行使、失效、註銷或尚未行使之購股權。



REPORT OF THE DIRECTORS 董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2020, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

主要股東及其他人士於股份及相關股份之權益

於二零二零年十二月三十一日，本公司根據證券及期貨條例第336條存置之權益登記冊所記錄的本公司5%或以上已發行股本權益如下：

好倉：

Name of shareholders 股東名稱	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital as at 31 December 2020 於二零二零年十二月三十一日佔本公司已發行股本之百分比
Tacko International Limited ("Tacko")	Beneficial owner 實益擁有人	1,895,559,000	20.37
AVIC International (HK) Group Limited ("AVIC International (HK) Group") 中航國際(香港)集團有限公司 (「中航國際(香港)集團」)	Beneficial owner 實益擁有人	2,421,341,390	26.03
AVIC International (HK) Group 中航國際(香港)集團	Through a controlled corporation 通過一間受控法團	4,316,900,390	46.40
AVIC International 中航國際	Through a controlled corporation 通過一間受控法團	4,316,900,390	46.40
Aviation Industry Corporation of China, Ltd ("AVIC") 中國航空工業集團有限公司(「中航工業」)	Through a controlled corporation 通過一間受控法團	4,316,900,390	46.40

REPORT OF THE DIRECTORS 董事會報告

According to notices of disclosure of interests filed with the Company, Tacko is a wholly-owned subsidiary of AVIC International (HK) Group, which in turn is a wholly-owned subsidiary of AVIC International. AVIC International is a non-wholly-owned subsidiary of AVIC (91.14% interest controlled by AVIC as at 31 December 2020). Accordingly, each of AVIC International (HK) Group, AVIC International and AVIC is deemed to be interested in the shares held by Tacko.

Save as disclosed above, as at 31 December 2020, no person had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

NON-EXEMPT CONNECTED TRANSACTIONS

During the year, the Company had the following connected transactions, certain details of which are disclosed in compliance with the requirements of Charter 14A of the Listing Rules.

Connected transaction

Disposal of equity interests In AVIC Joy

On 15 September 2020, the Company, Billirich Investment Limited ("Billirich"), a wholly-owned subsidiary of the Company, and AVIC International (HK) Group entered into a share purchase and loan transfer agreement with, among others, Sincere View International Limited (the "Purchaser"), pursuant to which the Purchaser agreed to acquire from the Company and Billirich in aggregate 1,031,595,000 shares of AVIC Joy. The consideration received by the Group is HK\$26,821,000. Further details of the transaction are included in note 21 to the consolidated financial statements and disclosed in the announcement of the Company dated 15 September 2020.

根據提交給本公司之權益披露通知書，Tacko 為中航國際(香港)集團之全資附屬公司，而中航國際(香港)集團為中航國際之全資附屬公司。中航國際為中航工業之非全資附屬公司(於二零二零年十二月三十一日，由中航工業控制91.14%權益)。因此，中航國際(香港)集團、中航國際及中航工業均被視為於Tacko 持有之股份中擁有權益。

除上文所披露外，於二零二零年十二月三十一日，概無人士於本公司股份或相關股份中擁有根據證券及期貨條例第336條而備存之登記冊內之權益或淡倉。

非獲豁免關連交易

於年內，本公司有以下關連交易，若干詳情已按上市規則第14A章之規定予以披露。

關連交易

出售幸福控股股權

於二零二零年九月十五日，本公司、本公司全資附屬公司Billirich Investment Limited (「Billirich」)及中航國際(香港)集團與(其中包括)信景國際有限公司(「買方」)訂立股份及債權轉讓協議，據此，買方同意收購本公司及Billirich合共持有的1,031,595,000股幸福控股股份。本集團已收代價為26,821,000港元。此交易之詳情已披露於綜合財務報表附註21及二零二零年九月十五日之本公司公告。



REPORT OF THE DIRECTORS 董事會報告

Continuing connected transactions

Sale services of engines and engines parts

On 17 January 2020, the Company entered into a sale framework agreement with AVIC, pursuant to which the Group will sell engines, engine parts and related services to AVIC and/or its associates (excluding the Group) for use in new aircraft manufacture and for the sale of parts into the aftermarket for maintenance, repair and overhaul for a term from 17 January 2020 to 31 March 2020. Further details were disclosed in the announcement of the Company dated 17 January 2020 and the circular of the Company dated 19 February 2020.

On 22 January 2020, the Company entered into a second sale framework agreement with AVIC, pursuant to which the Group will sell engines, engine parts and related services to AVIC and/or its associates (excluding the Group) for use in new aircraft manufacture and for the sale of parts into the aftermarket for maintenance, repair and overhaul for a term from 1 April 2020 to 31 December 2021. Further details were disclosed in the announcement of the Company dated 22 January 2020 and the circular of the Company dated 19 February 2020.

The continuing connected transaction of the Company is included in the disclosure of related party transactions in note 45 to the consolidated financial statements.

The independent non-executive Directors had reviewed the above continuing connected transactions pursuant to Rule 14A.55 of the Listing Rules, and had confirmed that the continuing connected transaction had been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the terms of the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

持續關連交易

銷售發動機及發動機之零部件

於二零二零年一月十七日，本公司與中航工業訂立銷售框架協議，據此，本集團將向中航工業及／或其聯繫人（不包括本集團）出售發動機、發動機之零部件及相關服務供製造新飛機之用及將部件售往零部件市場進行保養、維修及檢修，期限由二零二零年一月十七日起至二零二零年三月三十一日止。詳情請閱二零二零年一月十七日之本公司公告及二零二零年二月十九日之本公司通函。

於二零二零年一月二十二日，本公司與中航工業訂立第二份銷售框架協議，據此，本集團將向中航工業及／或其聯繫人（不包括本集團）出售發動機、發動機之零部件及相關服務供製造新飛機之用及將部件售往零部件市場進行保養、維修及檢修，期限由二零二零年四月一日起至二零二一年十二月三十一日止。詳情請閱二零二零年一月二十二日之本公司公告及二零二零年二月十九日之本公司通函。

本公司的持續關聯交易在綜合財務報表附註45中作為關聯交易披露。

獨立非執行董事已根據上市規則第14A.55條審閱上述持續關連交易，並已確認該等持續關連交易：

- (1) 在本集團的日常業務中訂立；
- (2) 按一般商業條款或更佳的條款訂立；及
- (3) 根據相關框架協議的條款進行，條款公平合理，並且符合本公司股東的整體利益。

REPORT OF THE DIRECTORS 董事會報告

The total amounts of the sale income disclosed above during the year under review have not exceeded the annual cap amounts of US\$28 million (equivalent to approximately HK\$217 million).

Deloitte Touche Tohmatsu, the Company's external auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. Deloitte Touche Tohmatsu have issued their unqualified letter containing the findings and conclusions in respect of the non-exempt continuing connected transactions disclosed above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Save as disclosed above, there is no related party transaction or continuing related party transaction set out in note 45 to the consolidated financial statements that falls into the category of connected transaction or continuing connected transaction that needs to be disclosed under the Listing Rules. The Directors confirmed that the Company had complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

於回顧年度內，上文所披露的銷售收入總金額未超過年度上限28,000,000美元(約217,000,000港元)。

本公司已委聘核數師德勤•關黃陳方會計師行，遵照香港會計師公會發出的《香港核證聘用準則3000》(經修訂)的「歷史財務資料審計或審閱以外的核證聘用」並參照《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，就本集團的持續關連交易作出報告。德勤•關黃陳方會計師行已根據上市規則第14A.56條發出其無保留意見函件，當中載有其有關本集團於上文所披露之持續關連交易的結果及結論。本公司已經向聯交所提交核數師函件之副本。

除上述披露外，概無其他載列於綜合財務報表附註45的任何關聯方交易或持續關聯方交易屬於上市規則項下須予披露的關連交易或持續關連交易。董事確認本公司已遵守上市規則第14A章之規定予以披露。



REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, the following Director had interests in the following businesses conducted through the company named below which are considered to compete or be likely to compete, either directly or indirectly, with the business of the Group, as defined in the Listing Rules:

Name of Director 董事姓名	Name of company 公司名稱	Nature of interest 權益性質	Nature of competing business 競爭業務性質
Chow Wai Kam 周偉淦	CK Asset Holdings Limited 長江實業集團有限公司	Executive director 執行董事	– Property development and investment (“Excluded Businesses”) 物業發展及投資 (「豁免業務」)

The Board is of the view that the Group is capable of carrying on its business independently of, and at arms length from the Excluded Businesses. When making decisions on the businesses of the Excluded Businesses of the Group, Mr. Chow, in the performance of his duties as Director, has acted and will continue to act in the best interest of the Group.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) for the benefit of the Directors of the Company is currently in force and was in force throughout the year 2020.

SUFFICIENCY OF PUBLIC FLOAT

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

董事於競爭性業務上之權益

年內，下列董事透過下述公司持有下列業務的權益，而該等業務根據上市規則定義被視為與本集團的業務有競爭或可能有直接或間接競爭：

董事會認為本集團有能力獨立地及基於各自利益來經營豁免業務。在本集團就其豁免業務進行決策時，周先生在執行其董事職務時，已經並將會繼續以本集團之最佳利益行事。

彌償條文

為公司董事的利益而訂立的彌償條文(定義見「香港公司條例」)現正生效，並於二零二零年全年生效。

公眾持股量

根據本公司循公眾途徑獲得的資料及據董事所知，截至本報告日期，公眾人士至少持有本公司已發行股本總額之25%。

REPORT OF THE DIRECTORS 董事會報告

AUDITORS

On 9 April 2020, Ernst & Young has resigned as the auditors of the Company. Following the resignation of Ernst & Young as auditors of the Company, Deloitte Touche Tohmatsu has been appointed as the auditors of the Company on 9 April 2020 to fill the vacancy. Save as disclosed above, there were no other changes in auditors of the Company in any of the preceding three years.

The financial statements of the Company and the Group for the year ended 31 December 2020 have been audited by Deloitte Touche Tohmatsu who shall retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

AVIC International Holding (HK) Limited

Lai Weixuan

Chairman

Hong Kong
31 March 2021

核數師

安永會計師事務所於二零二零年四月九日辭任本公司核數師。安永會計師事務所辭任本公司核數師後，德勤·關黃陳方會計師行於二零二零年四月九日獲委任為本公司核數師，以填補空缺。除上文所披露者外，在過去三年中，本公司核數師沒有其他變動。

本公司與本集團截至二零二零年十二月三十一日止年度之財務報表經由德勤·關黃陳方會計師行審核。德勤·關黃陳方會計師行應於應屆股東週年大會上退任，而一項續聘彼等為本公司核數師之決議案將於應屆股東週年大會上提呈。

承董事會命

AVIC International Holding (HK) Limited
中國航空工業國際控股(香港)有限公司

賴偉宣

主席

香港
二零二一年三月三十一日



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Deloitte.

To the shareholders of AVIC International Holding (HK) Limited

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of AVIC International Holding (HK) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 86 to 256, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

德勤

致AVIC International Holding (HK) Limited
中國航空工業國際控股(香港)有限公司全體股東

(於百慕達註冊成立之有限公司)

意見

我們已審計AVIC International Holding (HK) Limited中國航空工業國際控股(香港)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載於第86頁至第256頁的綜合財務報表,此綜合財務報表包括於二零二零年十二月三十一日的綜合財務狀況表,及截至該日止年度的綜合損益表、綜合其他全面收益表、綜合權益變動表、綜合現金流量表以及綜合財務報表附註(包括重大會計政策概要)。

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映 貴集團於二零二零年十二月三十一日的綜合財務狀況,及截至該日止年度的綜合財務表現及其綜合現金流量,並已按照香港公司條例的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已於本報告核數師就審計綜合財務報表須承擔的責任一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(以下簡稱「守則」),我們獨立於 貴集團,並已履行守則中的其他道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

關鍵審計事項

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

Key audit matter	How our audit addressed the key audit matter
關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>Impairment assessment on goodwill, other intangible assets, property, plant and equipment and right-of-use assets (collectively "Long-lived Assets") 商譽、其他無形資產、物業、廠房和設備及使用權資產(統稱「長期資產」)的減值評估</p>	
<p>We identified the impairment assessment on the Long-lived Assets as a key audit matter due to the subjective valuation parameters used and significant estimations exercised by the management of the Group for the impairment assessment, as disclosed in note 4 to the consolidated financial statements.</p> <p>由於 貴集團管理層就減值評估所使用的主觀評估參數及所作出的重大估計，我們將長期資產的減值評估識別為關鍵審計事項，誠如綜合財務報表附註4所披露。</p> <p>As disclosed in notes 16, 17, 13 and 14 to the consolidated financial statements, the carrying amounts of goodwill, other intangible assets, property, plant and equipment and right-of-use assets were HK\$14,927,000, HK\$1,657,066,000, HK\$481,329,000 and HK\$301,528,000, respectively, at 31 December 2020. Management of the Group conducted the impairment assessment on the Long-lived Assets based on a value-in-use calculation as disclosed in note 16 to the consolidated financial statements. For a cash-generating unit ("CGU") using value-in-use as the recoverable amount, it requires the Group to estimate the future cash flows expected to arise from each CGU and discount rate to calculate the present value.</p> <p>誠如綜合財務報表附註16、17、13及14所披露，於二零二零年十二月三十一日，商譽、其他無形資產、物業、廠房和設備及使用權資產的賬面值分別為14,927,000港元、1,657,066,000港元、481,329,000港元及301,528,000港元。誠如附註16所披露， 貴公司管理層根據使用價值計算對長期資產進行減值評估。就採用使用價值作為可收回金額的現金產生單元(「現金產生單元」)而言， 貴集團須估計各現金產生單元預計將產生的未來現金流量及貼現率以計算現值。</p>	<p>Our procedures in relation to the impairment assessment on the Long-lived Assets included:</p> <p>我們有關長期資產的減值評估的程序包括：</p> <ul style="list-style-type: none"> • Understanding and evaluating the Group's impairment assessment process, including the value-in-use model adopted, identification of CGUs, assumptions used, and the involvement of the independent qualified valuer ("Valuer"); • 了解及評估 貴集團的減值評估程序，包括所採用的使用價值模型、現金產生單元的識別、所用假設、獨立合資格估值師(「估值師」)的參與情況； • Assessing the competence, capabilities and objectivity of the Valuer; • 評估估值師的才能、能力及客觀性；



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter	How our audit addressed the key audit matter
關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>Based on the management's assessment, the Group recognised impairment loss of HK\$385,770,000 on goodwill. There was no impairment on other Long-Lived Assets other than the impairment loss on other intangible assets which was recognised for the specific reasons as disclosed in note 17 to the consolidated financial statements. Details of the above impairment assessment are disclosed in note 16 to the consolidated financial statements.</p> <p>根據管理層的評估，貴集團確認商譽減值虧損385,770,000港元。除其他無形資產就綜合財務報表附註17披露的特定原因確認減值虧損外，其他長期資產概無出現減值。上述減值評估詳情於綜合財務報表附註16披露。</p>	<ul style="list-style-type: none"> • Assessing the reasonableness of the budgeted cash flows prepared by management of the Group, including evaluating key assumptions applied in value-in-use calculations, such as estimated annual revenue growth rates, long-term growth rate, gross margins and discount rate used in the cash flow forecast of each CGU and conducting the retrospective review on historical accuracy of the budgeted cash flows; • 評估貴集團管理層所編製現金流量預測的合理性，包括評估使用價值計算所用的關鍵假設，例如，各現金產生單元的現金流量預測所用的估計年度收益增長率、長期增長率、毛利率及貼現率，並就現金流量預測的過往準確性進行回溯審閱； • Checking the mathematical accuracy of the value-in-use calculations; • 核查使用價值計算方式的算術準確性； • Involving our internal valuation specialist in assessing the reasonableness of certain key assumptions; • 於評估若干假設的合理性時，令我們的內部估值專家參與其中； • Reviewing the sensitivity analysis performed by management; • 審閱管理層進行的敏感度分析； • Evaluating the appropriateness of the disclosures of the impairment assessment on the Long-lived Assets. • 評估長期資產減值評估的披露是否合適。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 13 March 2020.

OTHER INFORMATION

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

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

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

其他事項

貴集團截至二零一九年十二月三十一日止年度的綜合財務報表乃由另一核數師審核，該核數師於二零二零年三月十三日對該等報表發表了無修訂意見。

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內所載的資料，但不包括綜合財務報表及我們的核數師報告。

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

就我們對綜合財務報表的審核，我們的責任乃閱讀其他資料，並在此過程中考慮其他資料與綜合財務報表或我們在審核過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述的情況。基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定擬備真實而中肯的綜合財務報表，並對董事認為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的有關內部控制負責。

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

治理層須負責監督 貴集團的財務報告過程。

核數師就審核綜合財務報表須承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告，並按照百慕達公司法第90條僅向 閣下(作為整體)報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或整體可能影響綜合財務報表使用者依賴該等綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則須在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關披露不足，則修改我們的意見。我們的結論是基於直至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評估綜合財務報表(包括披露資料)的整體列報方式、結構和內容，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的指導、監督和執行。我們為審計意見承擔全部責任。

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

我們與治理層溝通(其中包括)審計的計劃範圍、時間安排以及重大審計發現，包括我們在審計中識別出內部控制的任何重大缺陷。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in the independent auditor's report is Ip Chiu Yin.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

31 March 2021

我們亦向治理層提交聲明，說明我們已符合有關獨立性的相關道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，採取行動以消除威脅或應用防範措施。

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

出具本獨立核數師報告的審計項目合夥人是葉超然。

德勤·關黃陳方會計師行
執業會計師
香港

二零二一年三月三十一日


CONSOLIDATED STATEMENT OF PROFIT OR LOSS 綜合損益表

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

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (Restated) (重列)
		NOTES 附註		
Revenue	收益	5	1,246,809	1,458,003
Cost of sales and services	銷售及服務成本		(1,064,610)	(1,081,480)
Gross profit	毛利		182,199	376,523
Other income	其他收入	5	22,644	18,689
Other gains and losses	其他利潤及虧損	5	(40,707)	18,920
Impairment of goodwill and other intangible assets	商譽及其他無形資產減值	16/17	(471,044)	-
Selling and distribution expenses	銷售及營銷費用		(127,077)	(90,768)
Administrative expenses	行政管理費用		(316,682)	(319,450)
Research and development costs	研發成本		(37,921)	(38,208)
Share of profits and losses of:	分佔溢利及虧損：			
Joint ventures	合營公司		-	(38,361)
An associate	聯營公司		(1,191)	(328)
Finance costs	財務開支	7	(18,751)	(10,850)
LOSS BEFORE TAX	除稅前虧損		(808,530)	(83,833)
Income tax credit	所得稅抵免	8	51,792	29,817
LOSS FOR THE YEAR, ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司所有者應佔本年虧損	9	(756,738)	(54,016)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通權益持有人應佔每股虧損			
Basic	基本	12	(HK8.13 cents) (8.13港仙)	(HK0.58 cents) (0.58港仙)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 綜合全面收益表

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Loss for the year	本年虧損	(756,738)	(54,016)
Other comprehensive (expense) income	其他全面(支出)收益		
Items that may be reclassified to profit or loss in subsequent periods:	於其後期間可能重新分類至損益之項目：		
Exchange differences:	匯兌差額：		
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	33,123	(3,090)
Reclassification adjustment for a foreign operation deregistered during the year	本年註銷之海外業務之重新分類調整	-	(1,721)
		33,123	(4,811)
Items that will not be reclassified to profit or loss in subsequent periods:	於其後期間不會重新分類至損益之項目：		
Actuarial losses on defined benefit plans	定額福利計劃精算虧損	(702)	(5,247)
Income tax effect	所得稅影響	95	620
		(607)	(4,627)
Changes in fair value of equity investments designated at fair value through other comprehensive income	按公平值計入其他全面收益之股本投資之公平值變動	(3,332)	(19,601)
Gain on property revaluation	物業重估之利潤	-	130,615
		(3,939)	106,387
Other comprehensive income for the year, net of tax	本年其他全面收益(扣除稅項後)	29,184	101,576
Total comprehensive (expense) income for the year, attributable to owners of the parent	母公司所有者應佔本年全面(支出)收益總額	(727,554)	47,560



CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31 December 2020 於二零二零年十二月三十一日

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (Restated) (重列)
	NOTES 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	13	物業、廠房和設備	481,329	410,880
Right-of-use assets	14	使用權資產	301,528	317,688
Investment property	15	投資物業	128,200	151,500
Goodwill	16	商譽	14,927	399,821
Other intangible assets	17	其他無形資產	1,657,066	1,765,634
Interest in an associate	18	聯營公司之權益	12,029	11,781
Interest in a joint venture	19	合營公司之權益	-	-
Financial assets at fair value through profit or loss	20	按公平值計入損益之財務資產	1,938	1,938
Equity investments designated at fair value through other comprehensive income	21	按公平值計入其他全面收益之股本投資	389	34,430
Deferred tax assets	33	遞延稅項資產	28,120	24,673
Total non-current assets		非流動資產總值	2,625,526	3,118,345
CURRENT ASSETS		流動資產		
Inventories	25	存貨	442,878	490,265
Trade receivables	22	應收貿易賬款	122,955	103,672
Prepayments, deposits and other receivables	24	預付款項、按金及其他應收賬款	45,156	39,963
Amounts due from fellow subsidiaries	23	應收同系附屬公司款項	15,788	20,011
Loans to an associate	18	向聯營公司提供的貸款	11,135	9,982
Loans to a joint venture	19	向合營公司提供的貸款	1,046	-
Cash and cash equivalents	26	現金及現金等值	914,072	990,386
Total current assets		流動資產總值	1,553,030	1,654,279

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31 December 2020 於二零二零年十二月三十一日

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (Restated) (重列)
	NOTES 附註			
CURRENT LIABILITIES	流動負債			
Trade payables	應付貿易賬款	28	107,783	85,219
Other payables and accruals	其他應付賬款及應計費用	29	116,493	86,111
Amounts due to intermediate holding companies	應付中間控股公司款項	27	26,456	27,846
Tax payable	應付稅項		38,283	46,560
Lease liabilities	租賃負債	36	5,311	5,906
Provisions and other liabilities	撥備及其他負債	37	104,618	42,633
Contract liabilities	合約負債	30	17,948	7,919
Bank borrowings	銀行借貸	34	195,343	225,161
Total current liabilities	流動負債總值		612,235	527,355
Net current assets	流動資產淨值		940,795	1,126,924
			3,566,321	4,245,269
EQUITY	權益			
Issued capital	已發行股本	31	930,337	930,337
Reserves	儲備		1,915,803	2,643,357
Total equity	權益總值		2,846,140	3,573,694
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債	33	226,902	274,480
Bank borrowings	銀行借貸	34	57,559	-
Other financial liabilities	其他財務負債	35	47,897	-
Lease liabilities	租賃負債	36	309,586	314,704
Provisions and other liabilities	撥備及其他負債	37	32,529	35,526
Contract liabilities	合約負債	30	28,935	31,109
Defined benefit plan obligations	定額福利計劃責任	39	16,773	15,756
Total non-current liabilities	非流動負債總值		720,181	671,575
			3,566,321	4,245,269

The financial statements on pages 86 to 256 were approved and authorised for issue by the Board of Directors on 31 March 2021 and are signed on its behalf by:

載於第86頁至第256頁之財務報表已由董事會於二零二一年三月三十一日批准及授權發行，並由以下人士代為簽署：

Lai Weixuan
賴偉宣
DIRECTOR
董事

Zhao Yang
趙揚
DIRECTOR
董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

		Issued capital	Share premium account
		已發行股本 HK\$'000 千港元	股份溢價賬 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	930,337	1,857,729
Loss for the year	本年虧損	-	-
Other comprehensive (expense) income for the year:	本年其他全面(支出)收益:		
Exchange differences related to foreign operations	與海外業務有關之匯兌差額	-	-
Actuarial losses on defined benefit plans, net of tax	定額福利計劃精算虧損 (扣除稅項後)	-	-
Changes in fair value of equity investments designated at fair value through other comprehensive income	按公平值計入其他全面收益之 股本投資之公平值變動	-	-
Gain on property revaluation	物業重估利潤	-	-
Total comprehensive income (expense) for the year	本年全面收益(支出)總額	-	-
2018 special dividend	二零一八年特別股息	-	-
Deregistration of a subsidiary	註銷附屬公司	-	-
Transfer from retained profits	自留存溢利轉撥	-	-
At 31 December 2019	於二零一九年十二月三十一日	930,337	1,857,729

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

Asset revaluation reserve	Fair value reserve of equity investments designated at fair value through other comprehensive income	Reserve fund	Exchange fluctuation reserve	Retained profits	Total equity
資產重估儲備	按公平值計入 其他全面收益之 股本投資之 公平值儲備	儲備金	匯兌波動儲備	留存溢利	權益總值
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (note 32) (附註32)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
-	(765,634)	7,790	(31,688)	1,620,634	3,619,168
-	-	-	-	(54,016)	(54,016)
-	-	-	(4,811)	-	(4,811)
-	-	-	-	(4,627)	(4,627)
-	(19,601)	-	-	-	(19,601)
130,615	-	-	-	-	130,615
130,615	(19,601)	-	(4,811)	(58,643)	47,560
-	-	-	-	(93,034)	(93,034)
-	-	(2,604)	-	2,604	-
-	-	124	-	(124)	-
130,615	(785,235)	5,310	(36,499)	1,471,437	3,573,694



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

		Issued capital	Share premium account
		已發行股本 HK\$'000 千港元	股份溢價賬 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	930,337	1,857,729
Loss for the year	本年虧損	-	-
Other comprehensive (expense) income for the year:	本年其他全面(支出)收益：		
Exchange differences related to foreign operations	與海外業務有關之匯兌差額	-	-
Actuarial losses on defined benefit plans, net of tax	定額福利計劃精算虧損 (扣除稅項後)	-	-
Changes in fair value of equity investments designated at fair value through other comprehensive income	按公平值計入其他全面收益之 股本投資之公平值變動	-	-
Total comprehensive (expense) income for the year	本年全面(支出)收益總額	-	-
Deregistration of a subsidiary	註銷附屬公司	-	-
Disposal of equity investments designated at fair value through other comprehensive income	出售按公平值計入其他全面收益之股 本投資		
- listed	- 上市	-	-
- unlisted	- 非上市	-	-
Transfer from retained profits	自留存溢利轉撥	-	-
At 31 December 2020	於二零二零年十二月三十一日	930,337	1,857,729

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

Asset revaluation reserve	Fair value reserve of equity investments designated at fair value through other comprehensive income	Reserve fund	Exchange fluctuation reserve	Retained profits	Total equity
資產重估儲備	按公平值計入 其他全面收益之 股本投資之 公平值儲備	儲備金	匯兌波動儲備	留存溢利	權益總值
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元
		(note 32) (附註32)			
130,615	(785,235)	5,310	(36,499)	1,471,437	3,573,694
-	-	-	-	(756,738)	(756,738)
-	-	-	33,123	-	33,123
-	-	-	-	(607)	(607)
-	(3,332)	-	-	-	(3,332)
-	(3,332)	-	33,123	(757,345)	(727,554)
-	-	(5,186)	-	5,186	-
-	568,004	-	-	(568,004)	-
-	(3,889)	-	-	3,889	-
-	-	59	-	(59)	-
130,615	(224,452)	183	(3,376)	155,104	2,846,140


CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (Restated) (重列)
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動之現金流量		
Loss before tax	除稅前虧損	(808,530)	(83,833)
Adjustments for:	調整：		
Finance costs	財務開支	18,751	10,850
Share of profits and losses of joint ventures and an associate	分佔合營公司及聯營公司之溢利及虧損	1,191	38,689
Bank interest income	銀行利息收入	(8,394)	(13,832)
Interest income on financial assets at fair value through profit or loss	按公平值計入損益之財務資產之利息收入	-	(78)
Interest income on loans to an associate	向聯營公司提供的貸款之利息收入	(550)	(541)
Gain on deregistration of a subsidiary	註銷附屬公司之利潤	-	(1,721)
Gain on disposal of other intangible assets	出售其他無形資產之利潤	-	(28,210)
Loss (gain) on disposal of items of property, plant and equipment	出售物業、廠房和設備項目之虧損(利潤)	58	(1,217)
Write-down (reversal of write-down) of inventories	存貨減值(減值撥回)	38,278	(14,338)
Depreciation of property, plant and equipment	物業、廠房和設備之折舊	60,131	64,934
Depreciation of right-of-use assets	使用權資產之折舊	16,380	8,219
Amortisation of other intangible assets	其他無形資產之攤銷	88,009	82,731
Impairment losses under expected credit loss model on trade receivables, net of reversal	應收貿易賬款於預期信貸虧損模型下之減值虧損減撥回之淨額	5,510	(2,178)
Impairment losses under expected credit loss model on other receivables, net of reversal	其他應收賬款於預期信貸虧損模型下之減值虧損減撥回之淨額	(16,066)	(4,033)
Impairment of a loan to a joint venture	向合營公司提供的貸款之減值	-	1,700
Loss on dissolution of a joint venture	解散合營公司之虧損	-	302
Fair value loss on an investment property	投資物業之公平值虧損	23,300	-
Gain on deemed disposal of an associate	視為出售聯營公司之利潤	(767)	-
Fair value loss on other financial liabilities	其他財務負債之公平值虧損	47,897	-
Impairment of goodwill and other intangible assets	商譽及其他無形資產減值	471,044	-
Operating cash flows before movements in working capital	扣除營運資金變動前的經營現金流量	(63,758)	57,444

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (Restated) (重列)
Decrease in inventories	存貨減少	6,998	6,628
(Increase) decrease in trade receivables	應收貿易賬款(增加)減少	(25,234)	2,510
Decrease in amounts due from fellow subsidiaries	應收同系附屬公司款項減少	4,223	9,555
Increase in an amount due from an associate	應收聯營公司款項增加	-	(517)
(Increase) decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收賬款(增加)減少	(556)	49,181
Increase (decrease) in trade payables	應付貿易賬款增加(減少)	22,171	(4,187)
Increase (decrease) in other payables and accruals	其他應付賬款及應計費用增加(減少)	15,604	(18,973)
Increase (decrease) in provisions and other liabilities	撥備及其他負債增加(減少)	58,791	(17,691)
Increase in contract liabilities	合約負債增加	7,658	1,603
Increase in defined benefit plan obligations	定額福利計劃責任增加	315	3,604
Cash generated from operations	營運產生之現金	26,212	89,157
Interest paid	已付利息	(14,500)	(7,014)
Tax paid	已付稅項	(11,901)	(4,724)
NET CASH FLOW (USED IN) FROM OPERATING ACTIVITIES	經營活動(使用)產生之現金流量淨額	(189)	77,419
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量		
Purchases of items of property, plant and equipment	購入物業、廠房和設備項目	(126,469)	(171,608)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房和設備項目所得款項	1,879	4,339
Additions of other intangible assets	添加其他無形資產	(35,625)	(75,633)
Proceeds from disposal of other intangible assets	出售其他無形資產所得款項	-	32,713
Proceeds from disposal of equity investment designated at fair value through other comprehensive income	出售按公平值計入其他全面收益之股本投資之所得款項	30,710	-
Deposit received for disposal of a joint venture	收到出售合營公司之按金	13,529	-
Bank interest received	已收銀行利息	8,394	13,832
Interest received on financial assets at fair value through profit or loss	已收按公平值計入損益之財務資產之利息	-	78
Interest received on loans to an associate	已收向聯營公司提供的貸款之利息	-	541
Purchase of a financial asset at fair value through profit or loss	購入按公平值計入損益之財務資產	-	(1,938)
Receipt of repayment of a loan from a third party	收到第三方歸還貸款	11,429	-
Advance of a loan to a joint venture	向合營公司墊付貸款	(1,046)	(1,700)
Overseas tax paid	已付海外稅項	-	(72,992)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	投資活動使用之現金流量淨額	(97,199)	(272,368)


CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

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

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (Restated) (重列)
	NOTES 附註			
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量	43		
New bank loans	新銀行貸款		231,115	116,312
Repayment of bank loans	償還銀行貸款		(203,374)	(12,400)
Increase in amounts due to intermediate holding companies	應付中間控股公司款項增加		-	812
Principal portion of lease payments	租賃付款之本金部份		(5,934)	(5,295)
Interest paid	已付利息		(4,251)	(3,766)
Dividend paid	已付股息		-	(93,034)
NET CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生之現金流量淨額		17,556	2,629
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值減少淨額		(79,832)	(192,320)
Cash and cash equivalents at beginning of year	年初之現金及現金等值		990,386	1,191,575
Effect of foreign exchange rate changes, net	匯率變動影響淨額		3,518	(8,869)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值		914,072	990,386
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值結餘之分析	26		
Cash and bank balances	現金及銀行結存		596,322	183,686
Non-pledged time deposits with original maturity of less than three months when acquired	取得時原到期日不足三個月之無抵押定期存款		317,750	806,700
			914,072	990,386

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

1. GENERAL INFORMATION

AVIC International Holding (HK) Limited (the "Company") is a public limited liability company incorporated in Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent is AVIC International (HK) Group Limited (incorporated in Hong Kong) and its ultimate parent is Aviation Industry Corporation of China, Ltd (incorporated in the People's Republic of China (the "PRC")). The registered office of the Company is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton, HM 10, Bermuda. The head office and principal place of business is located at Unit A, 20/F, Tower 2, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.

The consolidated financial statements are presented in HK\$, which is also the functional currency of the Company.

During the year, the Company and its subsidiaries (the "Group") were mainly involved in the general aviation aircraft piston engine business.

1. 一般資料

AVIC International Holding (HK) Limited 中國航空工業國際控股(香港)有限公司(「本公司」)為一間於百慕達註冊成立之公眾有限公司,其股份於香港聯合交易所有限公司(「聯交所」)主板上市。其母公司為中航國際(香港)集團有限公司(於香港註冊成立),且其最終母公司為中國航空工業集團有限公司(於中華人民共和國(「中國」)註冊成立)。本公司之註冊辦事處為Victoria Place, 5th Floor, 31 Victoria Street, Hamilton, HM 10, Bermuda。總部及主要營運地點位在香港金鐘夏愨道18號海富中心第二座20樓A室。

綜合財務報表以港元呈列,港元為本公司之功能貨幣。

年內,本公司及其附屬公司(「本集團」)主要從事通用航空飛機活塞發動機業務。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

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

Except as described below, 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

2.1 於本年度強制生效的香港財務報告準則之修訂

於本年度，本集團於編製綜合財務報表時，已首次採納香港財務報告準則中對概念性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」)頒佈並於二零二零年一月一日或之後開始之年度期間強制生效的香港財務報告準則之修訂：

香港會計準則 重大的定義
第1號及香港會計準則第8號的修訂
香港財務報告準則第3號的修訂
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

除下文所述外，本年度應用香港財務報告準則中對概念性框架之提述的修訂及香港財務報告準則之修訂對此等綜合財務報表所載本集團於本期間及過往期間的財務狀況及表現及／或披露並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

2.1 Amendments to HKFRSs that are mandatorily effective for the current year (continued)

Impacts on application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”. The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the 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)

2.1 於本年度強制生效的香港財務報告準則之修訂(續)

應用香港會計準則第1號及香港會計準則第8號的修訂重大的定義的影響

本集團於本年度首次應用香港會計準則第1號及香港會計準則第8號的修訂。該等修訂為重大提供新的定義，列明「倘遺漏、錯誤陳述或隱瞞資訊可以合理預期會影響一般用途財務報表的主要用戶基於該等提供有關特定報告實體的財務資訊的財務報表作出的決策，則該資訊屬重大」。該等修訂亦釐清在整體財務報表的範圍內，重要性取決於資訊的性質或程度(單獨或與其他資訊結合使用)。

於本年度應用該等修訂對綜合財務報表並無影響。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

2.2 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	<i>Insurance Contracts and the related Amendments¹</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions⁴</i>
Amendments to HKFRS 3	<i>Reference to the Conceptual Framework²</i>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2⁵</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)¹</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use²</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract²</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2018 – 2020²</i>

2. 應用香港財務報告準則(「香港財務報告準則」)之修訂(續)

2.2 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效之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16號之修訂	Covid-19疫情相關租金優惠 ⁴
香港財務報告準則第3號之修訂	概念框架指引 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號之修訂	利率基準改革—第二階段 ⁵
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營或合營公司之間之資產出售或注資 ³
香港會計準則第1號之修訂	流動或非流動負債分類以及香港詮釋第5號(二零二零年)之相關修訂 ¹
香港會計準則第16號之修訂	物業、廠房和設備—擬定用途前之所得款項 ²
香港會計準則第37號之修訂	虧損性合約—履行合約之成本 ²
香港財務報告準則之修訂	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

2.2 New and amendments to HKFRSs in issue but not yet effective (continued)

- 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 June 2020.
- ⁵ Effective for annual periods beginning on or after 1 January 2021.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS issued by HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

2. 應用香港財務報告準則(「香港財務報告準則」)之修訂(續)

2.2 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

- 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 於待定日期或之後開始之年度期間生效。
- ⁴ 於二零二零年六月一日或之後開始之年度期間生效。
- ⁵ 於二零二一年一月一日或之後開始之年度期間生效。

本公司董事預期，應用所有新訂及經修訂香港財務報告準則於可預見未來不會對綜合財務報表產生重大影響。

3. 綜合財務報表之編製基準及重大會計政策

3.1 綜合財務報表之編製基準

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。就編製綜合財務報表而言，倘可合理預計資料會影響主要使用者作出的決策，則有關資料被認為屬重大。此外，綜合財務報表包括聯交所證券上市規則(「上市規則」)及香港公司條例所規定的適用披露。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation of consolidated financial statements (continued)

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.1 綜合財務報表之編製基準 (續)

於批准綜合財務報表時，本公司董事合理預期本集團有足夠資源於可預見未來繼續營運。因此，彼等於編製綜合財務報表時採納持續經營會計基礎。

於各報告期末，綜合財務報表已根據歷史成本基準編製，惟若干物業及金融工具按公平值計量除外（於下文載列之會計政策說明）。

歷史成本一般基於交換貨品及服務所給予之代價之公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation of consolidated financial statements (continued)

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 Payment, leasing transactions that are accounted for in accordance with HKFRS 16 Leases, 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. 綜合財務報表之編製基準及重大會計政策 (續)

3.1 綜合財務報表之編製基準 (續)

公平值為計量日期市場參與者在有序交易中出售資產所得到或轉讓負債所付出的作價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平值時，本集團考慮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／或披露之公平值均在此基礎上予以確定，惟香港財務報告準則第2號股份償付範圍內之股份償付交易、香港會計準則第16號租賃範圍內之租賃交易以及與公平值類似但並非公平值之計量(例如，香港會計準則第2號存貨中之可變現淨值或香港會計準則第36號資產減值中之使用價值)除外。

非財務資產之公平值計量乃考慮市場參與者通過使用其資產之最高及最佳用途或將其出售予將使用其最高及最佳用途之另一市場參與者，而能夠產生經濟利益之能力。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation of consolidated financial statements (continued)

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

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.

These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.1 綜合財務報表之編製基準 (續)

就於往後期間使用不可觀察輸入數據計量公平值之估值方法以公平值進行交易之金融工具及投資物業以及而言，估值方法會經校準，以使初始確認時估值方法的結果與交易價格相同。

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及輸入數據對公平值計量之整體重要性分類為第一級、第二級及第三級，載述如下：

- 第一級輸入數據是實體於計量日期可以取得之相同資產或負債於活躍市場的報價(未調整)；
- 第二級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(第一級內包括之報價除外)；及
- 第三級輸入數據是資產或負債之不可觀察輸入數據。

本財務報表以港元呈列，且所有價值均四捨五入至最接近之千位數(除非另有說明)。

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies

Basis of consolidation

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

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

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策

綜合基準

綜合財務報表包括本公司及本公司控制之實體以及其附屬公司。於下列情況下，即代表本公司擁有控制權：

- 可對被投資公司行使權力；
- 就參與被投資公司營運所得之可變動回報有風險承擔或享有權利；
- 能夠向被投資公司運用其權力以影響其回報。

倘事實及情況反映上文所列三項控制權因素其中一項或多項有變，則本集團會重估是否仍然控制被投資公司。

本集團取得附屬公司控制權時將其綜合入賬，失去有關控制權時則終止綜合入賬。具體而言，年內收購或出售附屬公司之收入及支出自本集團取得控制權當日起至本集團不再控制附屬公司當日止計入綜合損益。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Basis of consolidation (continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in 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.

Business combinations or asset acquisitions

Optional concentration test

Effective from 1 January 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

綜合基準 (續)

於必要時，就附屬公司之財務報表進行調整以使彼等之會計政策與本集團之會計政策一致。

與本集團成員公司間之交易相關之所有集團內公司間資產及負債、權益、收入、費用及現金流量均於綜合時悉數抵銷。

業務合併或資產收購

選擇集中性測試

自二零二零年一月一日起，本集團可按個別交易基準選擇採用選擇集中性測試，該測試容許簡化評估被收購的活動及資產組別是否屬於業務。倘被收購總資產的公平值大部分集中在單個可識別資產或一組類似的可識別資產，則符合集中性測試。待評估總資產不包括現金及現金等值、遞延稅項資產及因遞延稅項負債影響而產生的商譽。倘符合集中性測試，則確定該組活動及資產並非業務，毋須再作評估。

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Business combinations or asset acquisitions (continued)

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

業務合併或資產收購 (續)

資產收購

當本集團收購不構成一項業務的一組資產及負債，本集團透過首先分配購買價至其後按公平值模型計量的投資物業及以各自公平值計量的財務資產／財務負債，購買價的餘額其後根據其於購買日的相關公平值分配至其他個別可識別資產及負債，識別及確認個別可識別所收購資產及所承擔負債。此類交易不會產生商譽或議價購入收益。

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平值計量，而公平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平值總和計算。收購相關成本一般於產生時於損益內確認。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Business combinations or asset acquisitions (continued)

Business combinations (continued)

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 at the acquisition date (see the accounting policy below);

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

業務合併或資產收購 (續)

業務合併 (續)

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佈之《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平值確認，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；
- 與被收購方股份償付安排或為替代被收購方股份償付安排而訂立之本集團股份償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號計量(見下文會計政策)；

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Business combinations or asset acquisitions (continued)

Business combinations (continued)

- 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
- 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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

業務合併或資產收購 (續)

業務合併 (續)

- 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
- 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)相關資產為低價值之租賃除外。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。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Business combinations or asset acquisitions (continued)

Business combinations (continued)

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.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

業務合併或資產收購 (續)

業務合併 (續)

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)公平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)公平值之總和,差額即時於損益確認為議價收購收益。

商譽

收購業務所產生之商譽乃按於收購業務日期確立之成本(見上文會計政策)減累計減值虧損(如有)列賬。

就減值測試而言,商譽會分配至本集團預期將自合併獲得協同效益之各個現金產生單元(或現金產生單元組別),而該單元(或單元組別)即就內部管理目的而監察商譽之最低水平且不大於經營分部。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Goodwill (continued)

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

商譽 (續)

獲分配商譽的現金產生單元(或現金產生單元組別)會每年或於單位出現減值跡象時更頻繁地進行減值測試。就於報告期間進行收購產生之商譽而言,獲分配商譽之現金產生單元(或現金產生單元組別)會於報告期末前進行減值測試。倘可收回金額少於其賬面值,則減值虧損會首先分配以削減任何商譽之賬面值,並於其後按單元(或現金產生單元組別)內各資產的賬面值按比例分配至其他資產。

於出售相關現金產生單元或現金產生單元組別內之任何現金產生單元時,會於釐定出售溢利或虧損金額時計及商譽之應佔金額。當本集團出售現金產生單元(或現金產生單元組別內之一個現金產生單元)內的業務時,所出售商譽金額按所出售業務(或現金產生單元)與所保留現金產生單元(或現金產生單元組別)部分之相對價值計量。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Goodwill (continued)

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

商譽 (續)

本集團有關收購聯營公司及合營公司所產生之商譽之政策於下文闡述。

聯營公司及合營公司之投資

聯營公司乃指本集團可對其施加重大影響力之實體。重大影響力為可參與被投資公司之財務及營運政策決定，而非控制或共同控制該等政策。

合營公司為一項合營安排，據此，擁有該安排之共同控制權之各方均有權享有合營公司之資產淨值。共同控制權乃按合約協定下共享控制權之安排，其僅在相關活動決策必須獲共享控制權之各方一致同意方存在。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Investments in associates and joint ventures (continued)

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

聯營公司及合營公司之投資 (續)

聯營公司及合營公司的業績、資產及負債均以權益會計法計入該等綜合財務報表。根據權益法，於聯營公司或合營公司的投資初步按成本於綜合財務狀況表內確認，其後會作出調整，以確認本集團應佔該聯營公司或合營公司的損益及其他全面收益。除損益及其他全面收益外，聯營公司／合營公司的資產淨值變動不會入賬，除非該等變動導致本集團所持的所有權權益出現變動。當本集團應佔一間聯營公司或合營公司虧損超出本集團於該聯營公司或合營公司之權益時（包括任何實際上構成本集團於聯營公司或合營公司投資淨值其中部分之長遠權益），本集團會終止確認其應佔之進一步虧損。僅在本集團已招致法定或推定責任或代表該聯營公司或合營公司支付款項之情況下確認額外損失。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Investments in associates and joint ventures (continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

聯營公司及合營公司之投資 (續)

對聯營公司或合資公司之投資自被投資方成為一間聯營公司或合資公司之日起採用權益法入賬。於收購一間聯營公司或合資公司之投資時，投資成本超出本集團分佔被投資方可識別資產及負債淨公平值之任何部分乃確認為商譽，並計入投資之賬面值。本集團分佔可識別資產及負債之淨公平值超出經重新評估後之投資成本會即時於收購投資當期損益確認。

本集團會評估是否存在客觀證據證明於一間聯營公司或合營公司之權益將會減值。倘存在任何客觀證據，該項投資之全部賬面值(包括商譽)會根據香港會計準則第36號以單一資產之方式進行減值測試，方法是比較其可收回金額(即使用價值與公平值減出售成本之較高者)與賬面值。任何已確認減值虧損均不會分配至任何構成投資部分賬面值之資產(包括商譽)。該減值虧損之任何撥回根據香港會計準則第36號確認，惟受隨後增加的可收回投資金額規限。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Investments in associates and joint ventures (continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

聯營公司及合營公司之投資 (續)

當本集團不再對聯營公司有重大影響力或不再對合資公司有共同控制權時，將作為出售於該被投資方之全部權益入賬，由此產生之收益或虧損於損益中確認。當本集團於前聯營公司或合資公司保留權益，而該保留權益為香港財務報告準則第9號範圍內之財務資產，則本集團就該保留權益以當日之公平值計量，而該公平值被視為其於初始確認時之公平值。於釐定出售該聯營公司或合資公司之收益或虧損時，已計入該聯營公司或合資公司之賬面值與任何保留權益之公平值及出售於聯營公司或合資公司相關權益之任何所得款項之間的差額。此外，有關本集團就該聯營公司或合資公司過往於其他全面收益中確認之所有金額，本集團按該聯營公司或合資公司已直接出售相關資產及負債情況下的相同基準入賬。因此，該聯營公司或合資公司過往於其他全面收益中確認之收益或虧損，將於出售相關資產或負債時重新分類至損益，本集團會在出售／部分出售相關聯營公司或合資公司後將收益或虧損由權益重新分類至損益內（作為重新分類調整）。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Investments in associates and joint ventures (continued)

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue recognition

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;

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

聯營公司及合營公司之投資 (續)

倘集團實體與本集團之聯營公司或合資公司進行交易，則與該聯營公司或合資公司進行交易所產生之溢利或虧損會於綜合財務報表內確認，惟以與本集團無關之聯營公司或合營公司之權益為限。

收益之確認

來自客戶合約之收益

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貨品或服務之「控制權」移交客戶時。

履約責任代表不同的商品和服務(或一組商品或服務)，或者是基本相同的一系列不同商品或服務。

倘符合以下其中一項標準，則控制權隨時間轉移，而收入則參照完全履行相關履約責任的進展情況而隨時間確認：

- 客戶於本集團履約時同時取得並耗用本集團履約所提供之利益；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

- the Group's performance creates or 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) Sale of aircraft engines and spare parts

Revenue from the sale of aircraft engines and spare parts is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the aircraft engines and spare parts.

(b) Provision of repair and maintenance services for aircraft engines

Revenue from the provision of repair and maintenance services for aircraft engines is recognised over time in the period in which the services are rendered.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

收益之確認 (續)

來自客戶合約之收益 (續)

- 本集團之履約創建及增加客戶於本集團履約時控制之資產；或
- 本集團之履約並未產生對本集團有替代用途之資產，且本集團有強制執行權以收取迄今已履約部分之款項。

否則，收益於客戶獲得明確商品或服務的控制權時確認。

(a) 銷售飛機發動機及備件

來自銷售飛機發動機及備件的收益於資產的控制權轉移至客戶（一般按飛機發動機及備件的交付）的某時間點確認。

(b) 提供飛機發動機維修保養服務

來自提供飛機發動機維修保養服務的收益於提供服務的期間隨時間確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Revenue recognition (continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to, the Group recognises revenue in the amount to which the Group has the right to invoice.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

收益之確認 (續)

隨時間確認收入：計量完全履行履約責任之進度

輸出量法

完全履行之履約責任之進度按輸出量法計量，即根據直接計量至今已轉讓予客戶之商品或服務價值與合約項下承諾之餘下商品或服務相比較確認收益，有關方法最能反映本集團轉讓商品或服務控制權之履約情況。

作為權宜可行方法，本集團有權收取與本集團已履行價值直接相關之金額，則本集團就其有權開立發票之金額確認收益。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment in accordance with HKFRS 9 Financial Instruments.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

合約資產

合約資產乃就換取已向客戶轉讓商品或服務而收取代價的權利。倘本集團於客戶支付代價或付款到期前將商品或服務轉讓予客戶，則就已賺取的有條件代價確認合約資產。根據香港財務報告準則第9號金融工具，合約資產須進行減值評估。

合約負債

倘本集團於轉讓有關商品或服務前收到客戶的付款或款項到期時(以較早者為準)則確認合約負債。合約負債於本集團履行合約時(即相關商品或服務的控制權轉讓予客戶時)確認為收益。

與同一合約有關的合約資產及合約負債按淨額基準入賬及呈列。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases

Definition of a lease

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

For contracts entered into or modified on or after the date of initial application or arising from business combinations, 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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃

租賃之定義

倘一份合約為換取代價而讓渡在一段時間內使用已識別資產之控制權，則該合約是一項租賃或包含一項租賃。

就於首次應用日期或之後訂立或修訂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號中之定義，於開始、修訂日期或收購日期評估合約是否為一項租賃或包含一項租賃。除非合約條款及條件其後改變，否則不得重新評估該合約。

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of motor vehicles, machinery and equipment and office premises 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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

本集團作為承租人

短期租賃及低價值資產租賃

本集團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汽車、機器和設備及辦公室物業租賃，應用短期租賃確認豁免。其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法基準或另一有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：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

Right-of-use assets (continued)

- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

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

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

使用權資產 (續)

- 本集團於拆除及搬遷相關資產、復原相關資產所在場地或將相關資產復原至租賃的條款及條件所規定狀況而產生的成本估計。

使用權資產乃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。

倘本集團可合理確定於租期結束時獲得使用權資產項下相關租用資產之擁有權，則使用權資產將自開始日期起至可使用年期結束為止計提折舊。否則，使用權資產按直線法基準於估計可使用年期與租期之間之較短者計提折舊。

本集團於綜合財務狀況表內將使用權資產呈列為單獨項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

Refundable rental deposits

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

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

可退回租賃按金

已支付的可退回租賃按金乃根據香港財務報告準則第9號入賬並按公平值初步計量。於初步確認時之公平值調整視作額外租賃付款，並計入使用權資產之成本。

租賃負債

於租賃開始日期，本集團按當時尚未支付的租賃付款金額的現值確認並計量租賃負債。於計算租賃付款的現值時，倘租賃中隱含的利率難以釐定，則本集團於租賃開始日期使用增量借款利率。

租賃付款包括：

- 固定付款(包括實質上是固定付款)減任何應收租賃優惠；
- 取決於一項指數或比率之可變租賃付款，初步計量時使用開始日期的指數或利率；



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

Lease liabilities (continued)

- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

租賃負債 (續)

- 本集團預期應支付的剩餘價值擔保金額；
- 本集團可合理確定將予行使的購買選擇權之行使價；及
- 倘租期反映本集團會行使租賃終止選擇權，則為終止租賃而支付之罰款。

於開始日期後，租賃負債就利息增量及租賃付款予以調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

Lease liabilities (continued)

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

Lease modifications

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

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

租賃負債 (續)

本集團於綜合財務狀況表內將租賃負債呈列為單獨項目。

租賃的修改

倘存在下列情形，則本集團將租賃的修改作為一項單獨的租賃進行入賬：

- 該項修改通過增加使用一項或多項相關資產的權利擴大了租賃範圍；及
- 調增租賃的代價，增加的金額相當於範圍擴大對應的單獨價格，加上按照特定合約的實際情況對單獨價格進行的任何適當調整。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

Lease modifications (continued)

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

租賃的修改 (續)

對於不入賬為單獨租賃的租賃修改，本集團會使用修訂生效日期的經修訂貼現率對經修訂租賃付款進行貼現，以根據經修訂租賃的租期重新計量租賃負債減任何應收租賃優惠。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Foreign currencies

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

外幣

本集團旗下各實體自行決定其功能貨幣，而各實體財務報表內的項目均以該功能貨幣計量。本集團旗下實體的外幣交易初始按交易當日適用的功能貨幣匯率入賬。以外幣計值的貨幣資產及負債按報告期末適用的功能貨幣匯率換算。結算或換算貨幣項目產生之差額於損益表確認。

按歷史成本並以外幣計量的非貨幣項目按初始交易日期適用的匯率換算。按公平值並以外幣計量的非貨幣項目按釐定公平值當日的適用匯率換算。換算按公平值計量的非貨幣項目產生之利潤或虧損按確認該項目之公平值變動產生之利潤或虧損處理。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Foreign currencies (continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and income and expenses items are translated into Hong Kong dollars at the average exchange rates for the year.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

外幣 (續)

在終止確認與預付代價相關的非貨幣性資產或非貨幣性負債時，為釐定初始確認相關資產、費用或收入採用的匯率，初始交易日期為本集團初始確認預付代價產生的非貨幣性資產或非貨幣性負債當日。如有多次支付或收取預付款項，本集團會釐定每次支付或收取預付代價的交易日期。

若干海外附屬公司之功能貨幣乃港元以外之貨幣。於報告期末，該等實體之資產及負債乃以報告期末適用之匯率換算成港元，而收益及開支項目則按年內平均匯率換算成港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Foreign currencies (continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the average exchange rates for the year.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

外幣 (續)

所產生之匯兌差額乃於其他全面收益中確認，並於匯兌波動儲備中累積。於出售海外業務時，與該特定海外業務有關之其他全面收益部份乃重新分類至損益。

因收購海外業務而產生的任何商譽及對因該收購產生的資產及負債賬面值的任何公平值調整，均被視為該海外業務的資產及負債，並以結算匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量按有關之現金流量產生日期之匯率換算為港元。海外附屬公司於年內經常出現之現金流量則按該年度之平均匯率換算為港元。



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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 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.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

借貸成本

直接歸屬於收購、建造或生產合格資產(即在投入原定用途或出售前必須較長時間準備之資產)的借貸成本計入其資產的成本，直至該資產已大致作好準備投入原定用途或出售為止。

於相關資產擬用作原定用途或出售後仍未償還的任何特定借貸均計入一般借貸中，以計算一般借貸的資本化率。在特定借貸撥作合資格資產之支出前，其暫時用作投資所賺獲之投資收入須從撥充符合資本化之借貸成本中扣除。

所有其他借貸成本均在其產生的期間內於損益中確認。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 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 are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

政府補助

除非合理保證本集團將遵守政府補助所附帶之條件並將收到補助，否則政府補助將不予確認。

政府補助在本集團將補助擬補償的相關成本確認為開支之期間內，以系統基準於損益中確認。具體而言，以本集團須購買、建造或另行收購非流動資產為主要條件的政府補助，將於綜合財務狀況表中確認為從相關資產賬面值扣減，並於相關資產之可使用年期內以系統及合理基準轉撥至損益。

作為已產生開支或虧損之補償或向本集團提供即時財務資助（並無日後相關成本）而應收與收入有關的政府補助，乃於其成為應收款項期間於損益中確認。作為開支補償之政府補助乃從相關開支扣減。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

股份償付

本公司設有購股權計劃，旨在鼓勵及嘉獎為本集團業務之成功作出貢獻之合資格參與者。本集團僱員(包括董事)以股份償付形式收取酬金，並據此提供服務作為取得股本工具的代價(「股本結算交易」)。

於二零零二年十一月七日後授出之與僱員進行股本結算交易之成本乃參考授出當日之公平值計算。

股本結算交易之成本連同權益之相應增加額，於達致表現及／或服務條件之期間內於僱員福利開支確認。於各報告期末就股本結算交易確認之累計開支，直至歸屬日止，以反映歸屬期已屆滿部份之開支以及本集團對將最終歸屬之股本工具數量之最佳估計。期間於損益表扣除或計入之款額指於期初及期末確認之累積開支之變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Share-based payments (continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

股份償付 (續)

釐定獎勵之授出日公平值並不考慮服務及非市場表現條件，惟能達成條件之可能性則被評定為本集團對將最終歸屬之股本工具數量之最佳估計之一部份。市場表現條件於授出日公平值內反映。獎勵中所附帶但並無相關聯服務要求之其他任何條件皆視為非歸屬條件。非歸屬條件乃於獎勵之公平值中反映並導致獎勵即時支銷，除非亦包含有服務及／或表現條件則另作別論。

對於因未能達至非市場表現及／或服務條件而最終未歸屬之獎勵，不會確認開支。倘獎勵包括一項市場或非歸屬條件，無論市場或非歸屬條件是否達成，該交易均會被視為已歸屬，前提是所有其他表現及／或服務條件須已達成。

在股本結算報酬原有條款經已履行之情況下，倘若修訂報酬條款，則最少確認假設並無修訂有關條款時所產生的開支。此外，倘修訂導致股份償付之總公平值增加，或對僱員帶來其他利益，均會按修訂當日之計量確認開支。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Share-based payments (continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options, if any, is reflected as additional share dilution in the computation of earnings per share.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

股份償付 (續)

倘若取消股本結算報酬，則被視為於取消當日即已歸屬，並立即確認尚未就該報酬確認之任何開支，包括在本集團或僱員控制下之非歸屬條件未獲達成之任何報酬。然而，倘以新報酬替代已取消報酬，並於授出當日被指定為替代報酬，則如上段所述，已取消及新報酬被視為對原始報酬之修訂。

尚未行使購股權(若有)之攤薄影響反映為計算每股盈利時之額外股份攤薄。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Other employee benefits

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 those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of 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 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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

其他僱員福利

退休金計劃

本集團根據強制性公積金計劃條例，為所有合資格參與之僱員提供定額供款強制性公積金退休福利計劃（「強積金計劃」）。供款乃根據僱員基本薪金之百分比計算，並於有關款項根據強積金計劃之規則須予支付時計入損益表。強積金計劃之資產乃獨立於本集團之資產，並由獨立管理之基金持有。本集團之僱主供款於向強積金計劃作出供款時全數歸於僱員。

本集團於中國內地經營之附屬公司之僱員須參加由當地市政府所運作的中央退休金計劃。該等附屬公司須按其薪金成本的若干百分比向該中央退休金計劃供款。有關供款於根據該中央退休金計劃之規則須支付時計入損益。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Other employee benefits (continued)

Pension schemes (continued)

A subsidiary of the Group sponsors a defined benefit pension plan as well as a retiree medical and life insurance plan. Payments to defined benefit pension plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit pension plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

其他僱員福利 (續)

退休金計劃 (續)

本集團之一間附屬公司供款定額福利退休金計劃及退休人員醫療及人壽保險計劃。向定額福利退休金計劃支付之款項乃於僱員已提供服務而令彼等享有供款時確認為開支。

就定額福利退休金計劃而言，提供福利的成本乃按照預計單位貸記法釐定，並於各年報期末進行精算估值。重新計量金額（包括精算損益、資產上限變動的影響（如適用）及計劃資產的回報（利息除外））即時於綜合財務狀況表內反映，而扣除或抵免於產生期間於其他全面收益確認。於其他全面收益內確認的重新計量金額將即時於留存溢利內反映，且不會重新分類至損益。

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Other employee benefits (continued)

Pension schemes (continued)

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

其他僱員福利 (續)

退休金計劃 (續)

過往服務成本於計劃修訂或縮減期間於損益確認，而發生結算時確認結算收益或虧損。當釐定過往服務成本或結算收益或虧損時，實體應使用計劃資產當前公平值及當前主要精算假設重新計量定額福利負債或資產淨額，反映計劃下提供的福利及計劃修訂、縮減或結清前後的計劃資產，不考慮資產上限的影響（即該等計劃收回款項或該等計劃的未來供款減額形式的任何經濟利益的現值）。

淨利息以期初的折現率應用於定額福利負債或資產淨額計算。然而，倘本集團於計劃修訂、縮減或結清之前重新計量定額福利負債或資產淨額，本集團使用計劃下提供的福利及計劃修訂、縮減或結清後之計劃資產以及用作重新計量該等定額福利負債或資產淨額之折現率，並考慮定額福利負債或資產淨額於期內因供款或福利支出而導致之變動，以釐定報告期餘下時間經計劃修訂、縮減或結清後之淨利息。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Other employee benefits (continued)

Pension schemes (continued)

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit pension plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

其他僱員福利 (續)

退休金計劃 (續)

定額福利成本分類如下：

- 服務成本(包括現時服務成本、過往服務成本及有關縮減及結清的收益及虧損)；
- 淨利息開支或收入；及
- 重新計量。

於綜合財務狀況表內確認的退休福利責任代表本集團定額福利退休金計劃實際虧絀或盈餘。由此計算產生的任何盈餘將僅限於以該等計劃收回款項或該等計劃的未來供款減額形式的任何經濟利益的現值。

僱員或第三方的酌情供款於向計劃支付該等供款時削減服務成本。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Other employee benefits (continued)

Pension schemes (continued)

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (for example contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability or asset.
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the entity reduces service cost by attributing the contributions to periods of service using the attribution method required by HKAS 19 paragraph 70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the entity reduces service cost in the period in which the related service is rendered.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

其他僱員福利 (續)

退休金計劃 (續)

倘若計劃的正式條款訂明僱員或第三方將作出供款，則會計處理取決於供款是否與服務有關，如下：

- 倘若供款與服務無關(例如供款被要求以減少源自計劃資產虧損或精算虧損的虧絀)，則供款於重新計量之定額福利負債或資產淨額中反映。
- 倘若供款與服務有關，則供款減少服務成本。就與服務年期相關的供款金額而言，實體可根據香港會計準則第19號第70段規定的供款方式就總福利將供款歸屬於服務期間從而減少服務成本。倘若供款金額與服務年期無關，則實體於提供有關服務期間減少服務成本。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Other employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

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

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

其他僱員福利 (續)

短期僱員福利

短期僱員福利按預期就僱員提供服務所支付的福利的未折現金額確認。所有短期僱員福利確認為支出，惟另一項香港財務報告準則規定或允許將其計入資產成本的情況則除外。

扣除任何已支付的金額後，就僱員應計福利(如工資及薪金、年假及病假) 確認負債。

稅項

所得稅包括即期及遞延稅項。即期及遞延稅項於損益確認，惟在其與其他全面收益或直接於權益內確認的項目有關的情況下，即期及遞延稅項亦會分別於其他全面收益或直接於權益內確認。

即期稅項資產及負債，乃根據於報告期末已頒佈或實質頒佈的稅率(及稅法)，經計及本集團經營所在國家的現行詮釋及慣例，按預期自稅務機關收回或向其繳付的金額計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Taxation (continued)

Deferred tax is provided, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

稅項 (續)

遞延稅項乃就於報告期末資產與負債之稅基及其用作財務報告之賬面值之間之所有臨時差額計提撥備。

所有應課稅臨時差額均確認為遞延稅項負債，惟以下情況例外：

- 在一項非業務合併之交易中初始確認商譽或資產或負債而產生之遞延稅項負債，而有關交易於當時對會計溢利或稅務盈虧並無影響；及
- 就於附屬公司、聯營公司及合營公司之投資之相關應課稅臨時差額而言，倘能控制有關臨時差額之回撥時間，而且於可見將來可能不會回撥臨時差額。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Taxation (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

稅項 (續)

遞延稅項資產乃就所有可抵扣臨時差額、及承前未動用稅項抵免及任何未動用稅項虧損予以確認，但僅限於可能取得應課稅溢利以供動用可抵扣臨時差額、承前未動用稅項抵免及未動用稅項虧損之部份，惟以下情況例外：

- 與在一項非企業合併之交易中初始確認資產或負債而產生之可抵扣臨時差額相關之遞延稅項資產，而有關交易於當時對會計溢利或稅務盈虧並無影響；及
- 就於附屬公司、聯營公司及合營公司之投資之相關可抵扣臨時差額而言，則僅限於臨時差額可於可見將來回撥，並有應課稅溢利以供動用臨時差額予以抵銷之部份，方會確認遞延稅項資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Taxation (continued)

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to income taxes levied to the same taxable entity by the same taxation authority.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於各報告期末檢討，倘不再可能有足夠應課稅溢利以供動用所有或部份遞延稅項資產時，則遞延稅項資產將相應減少。未確認之遞延稅項資產則於各報告期末重新評估，倘可能有足夠應課稅溢利以抵銷全部或部份遞延稅項資產時，則予以確認。

遞延稅項資產及負債乃根據於報告期末已頒佈或實質頒佈之稅率(及稅法)，按預期變現有關資產或清償有關負債期間之適用稅率釐定。

當且僅當本集團擁有法定行使權可將即期稅項資產與即期稅項負債互相抵銷，且當遞延稅項資產與遞延稅項負債與同一稅務機關向同一應課稅實體所徵收之所得稅有關，則遞延稅項資產與遞延稅項負債可予互相抵銷。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than freehold land and construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Freehold lands located in Germany are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備及折舊

物業、廠房和設備(永久業權土地及在建工程除外)乃按成本減累計折舊及任何減值虧損入賬。物業、廠房和設備之項目之成本包括其購買價及任何使資產達致運作狀況及地點以供擬定用途之直接相關成本。位於德國的永久業權土地並無計提折舊,並按成本減後續累計減值虧損計量。

物業、廠房和設備項目投入運作後所產生之費用(如維修保養費用)一般會在支出期間在損益表中扣除。在符合確認準則的情況下,相關主要檢查的支出可按撥充資本計入作為重置之資產賬面值。倘物業、廠房和設備的重要部份需要不時重置,本集團將確認該部份為個別具有特定使用年期之資產並相應計提折舊。

倘物業、廠房和設備項目之組成部份有不同之可用年期,則該項目之成本按合理之基準分配至各組成部份,每個組成部份獨立計算折舊。剩餘價值、可用年期及折舊方法至少於每個財政年度末進行檢討及調整(如適用)。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Property, plant and equipment and depreciation (continued)

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. 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. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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 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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備及折舊 (續)

在建工程指在建的樓宇，按成本減任何減值虧損列賬且不作折舊。成本包括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，為根據本集團會計政策資本化之借貸成本。在建工程於完成及準備使用時重新分類至合適類別物業、廠房和設備。該等資產按與其他物業資產相同的基準，在可用作其擬定用途時開始計算折舊。

當本集團就包括租賃土地及樓宇成分的物業擁有權益作出付款，全部代價按於首次確認時之相對公平值比例，於租賃土地及樓宇成分之間進行分配。倘相關付款分配能可靠計量時，租賃土地的權益於綜合財務狀況表以「使用權資產」呈列。當代價無法在相關租賃土地的非租賃樓宇成分及未分割權益之間可靠分配時，整項物業分類至物業、廠房和設備。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Property, plant and equipment and depreciation (continued)

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

Depreciation is recognised so as to write off the cost of assets, other than construction in progress 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 including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備及折舊 (續)

倘物業因業主結束佔用而證實用途有變，由此成為投資物業，該項目於轉移日的賬面值與公平值之間的任何差額（包括分類為使用權資產的相關租賃土地）於其他全面收益確認並於重估儲備累計。於物業後續出售或棄用時，相關的重估儲備將直接轉入留存溢利。

折舊乃以直線法撇銷資產成本（在建工程除外）減剩餘價值於估計可使用年內內確認。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討，而任何估計變動之影響按預先計提基準列賬。

物業、廠房和設備項目（包括初始確認之任何重要部份）將在被出售，或預計其使用或出售不再產生未來經濟利益時終止確認。出售或棄用所產生之任何利潤或虧損於資產終止確認當年在損益表中確認，其金額為出售有關資產所得款項淨額與賬面值之差額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Investment property

Investment property is interest in land and building held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

投資物業

投資物業為就賺取租金收入及／或資本增值而持有之土地及樓宇之權益，而非用作生產或供應貨物或服務或用作行政用途、或就於日常業務進行銷售而持有之土地及樓宇權益。有關物業初始按成本（包括交易成本）計量。於初始確認後，投資物業按於報告期末反映市況之公平值列賬。

投資物業公平值變動所產生之利潤或虧損，於其產生年度計入損益表內。

棄用或出售投資物業之任何利潤或虧損，於棄用或出售年度在損益表確認。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Trademarks

Trademarks are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 30 years.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

無形資產 (商譽除外)

單獨收購之無形資產於初始確認時按成本計量。於業務合併時收購之無形資產之成本以收購日期之公平值計量。無形資產之可用年期可評估為有限或無限。年期有限之無形資產其後於可使用經濟年期內攤銷，並於該無形資產出現減值跡象時進行減值評估。可用年期有限之無形資產之攤銷期及攤銷方法須至少於每個財政年度末檢討一次。

商標

商標按照成本減任何減值虧損列賬，並根據其估計使用年期30年以直線法攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Intangible assets (other than goodwill) (continued)

Product technology, licence and completed programs

The product technology, licence and completed programs are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 to 30 years.

Customer relationships

Customer relationships are stated at cost less any impairment losses and are amortised on the straight-line basis over their useful lives of 15 years.

Other intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their useful lives of 1 to 5 years.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

無形資產 (商譽除外) (續)

產品技術、牌照及已完成計劃

產品技術、牌照及已完成計劃按照成本減任何減值虧損列賬，並根據其估計使用年期10至30年以直線法攤銷。

客戶關係

客戶關係按照成本減任何減值虧損列賬，並根據其使用年期15年以直線法攤銷。

其他無形資產按照成本減任何減值虧損列賬，並根據其使用年期1至5年以直線法攤銷。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Intangible assets (other than goodwill) (continued)

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred. Development costs recognised as internally-generated intangible asset are stated at cost less any impairment losses (if any) and are amortised using the straight-line basis over the commercial lives of the underlying products from 10 to 30 years, commencing from the date when the products are put into commercial production.

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. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

無形資產(商譽除外) (續)

研發成本

所有研發成本於其產生時於損益扣除。

開發新產品項目中產生的開支僅當本集團可證明以下各項時方可予以資本化及遞延：完成無形資產以使其能夠使用或銷售在技術上具有可行性、擬完成該無形資產且能夠使用或出售、無形資產產生未來經濟利益的方式、有足夠的資源完成該等項目及有能力可靠計量開發階段的開支。不符合該等標準的產品開發開支於產生時支銷。確認為內部產生無形資產的開發成本乃按成本減任何減值虧損(如有)列賬，並採用直線法於相關產品的商業壽命(自該等產品投入商業生產之日起計10至30年)內予以攤銷。

無形資產在被處置或當使用或處置預期不會再產生未來經濟利益時，對其進行終止確認。終止確認無形資產所產生的利潤及虧損(按資產出售所得款項淨額與資產賬面值之間的差額計算)於該資產終止確認時於損益確認。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Impairment on property, plant and equipment, right-of-use assets, 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 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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備、使用權資產及無形資產(商譽除外)減值

於報告期末，本集團會檢討可使用年期有限之物業、廠房和設備、使用權資產及無形資產賬面值，以釐定該等資產是否出現任何減值虧損跡象。倘存在任何該等跡象，則會估計相關資產的可收回金額以釐定減值虧損(如有)金額。尚未可供使用的無形資產每年及於出現可能減值的跡象時進行減值測試。

物業、廠房和設備、使用權資產及無形資產之可收回金額個別作出估計，當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元之可收回金額。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

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

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.

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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備、使用權資產及無形資產(商譽除外)減值(續)

於測試現金產生單元的減值時，倘可設立合理及一致之分配基準，則公司資產將分配至相關現金產生單元，或分配至現金產生單元內可設立合理及一致分配基準之最小組別。可收回金額乃按公司資產所屬現金產生單元或現金產生單元組別釐定，並與相關現金產生單元或現金產生單元組別之賬面值比較。

可收回金額為公平值減出售成本與使用價值兩者中之較高者。評估使用價值時，估計未來現金流量採用除稅前貼現率貼現至其現值，而該除稅前貼現率反映金錢時間價值的現行市場評估及未來現金流量估計未經調整的資產(或現金產生單元)的特定風險。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or 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. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備、使用權資產及無形資產(商譽除外)減值(續)

倘估計資產(或現金產生單元)之可收回金額低於其賬面值,則資產(或現金產生單元)之賬面值將減至其可收回金額。就未能按合理及一致的基準分配至現金產生單元之公司資產或部分公司資產而言,本集團會比較一組現金產生單元之賬面值(包括已分配至該組現金產生單元的公司資產或部分公司資產)與該組現金產生單元之可收回金額。於分配減值虧損時,減值虧損首先分配至削減任何商譽(如適用)的賬面值,然後根據各資產於單元或一組現金產生單元的賬面值按比例分配至其他資產。資產之賬面值不會削減至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零三者間的最高者。可能另行分配至資產的減值虧損金額按比例分配至單元或一組現金產生單元的其他資產。減值虧損即時於損益確認。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a 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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and to make the sale.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備、使用權資產及無形資產(商譽除外) 減值 (續)

倘減值虧損其後撥回，則資產（或現金產生單元或一組現金產生單元）之賬面值增至其經修訂之估計可收回金額，惟所增加之賬面值不得超過該資產（或現金產生單元或一組現金產生單元）於過往年度倘並無確認減值虧損而釐定之賬面值。減值虧損撥回即時於損益確認。

存貨

存貨乃按成本及可變現淨值兩者中之較低者呈列。成本按先進先出法釐定，且就在製品及製成品而言，包括直接材料、直接勞工及適當比例的經常費用。可變現淨值則根據估計售價減任何完成及作出銷售估計所需成本計算。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, 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.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

現金及現金等值

就綜合現金流量表而言，現金及現金等值指手頭現金及活期存款，以及可隨時轉換為已知現金額而價值變動風險不大且期限較短（一般自取得起計三個月內到期）之短期高流通性投資，減須於要求時償還並屬於本集團現金管理組成部份之銀行透支。

就綜合財務狀況表而言，現金及現金等值指手頭及銀行現金，包括定期存款，及無使用限制而性質與現金相若之資產。

撥備

當因過往事件而產生即期債務（法定或推定）並可能須於日後撥出資源以償還該債務時，倘能可靠估計有關債務金額，則須就此確認撥備。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Provisions (continued)

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

Product claim provision is made when there are present expected claims which challenge the safety of the products. The Group has general liability and other insurance policies to cover product claims. Initial recognition is based on historical experience. The initial estimate of product claim costs is revised annually based on current year's development of present expected claims.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

撥備 (續)

倘折現影響重大，則按預期須於未來就該債務所作之開支於報告期末之現值來確認撥備。隨著時間過去而增加的折現現值於損益表內列為財務開支。

就銷售若干產品，於保養期內出現的缺陷提供一般維修，本集團計提保修撥備。本集團授予的該等保證型保修撥備，乃根據銷量以及過往維修及退貨水平之經驗來確認，並適當折現至其現值。

倘當前存在對產品安全性提出質疑的預期索賠，則計提產品索賠撥備。本集團已就該等產品索賠投購綜合責任險及其他保險。初始確認乃基於過往經驗。產品索賠成本的初始估計根據本年度當前預期索賠的發展情況每年進行修訂。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

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.

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 Revenue from Contracts with Customers.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

投資及其他財務資產

初始確認及計量

財務資產於初始確認時分類為其後按攤銷成本計量、按公平值計入其他全面收益及按公平值計入損益。

財務資產於初始確認時的分類視乎財務資產合約現金流量的特徵及本集團管理彼等的業務模式。除並無重大融資組成部份或本集團已應用可行權益方式（不調整重大融資組成部份影響）的應收貿易賬款外，本集團初步按其公平值加（倘並非按公平值計入損益的財務資產）交易成本計量財務資產。並無重大融資組成部份或本集團已應用可行權益方式的應收貿易賬款根據香港財務報告準則第15號客戶合約收益釐定的交易價格計量。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

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. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

投資及其他財務資產 (續)

初始確認及計量 (續)

要把財務資產按攤銷成本或公平值計入其他全面收益分類及計量，其需產生僅為支付本金及未償還本金之利息「僅為支付本金及利息」的現金流量。現金流量並非僅為支付本金及利息的財務資產按公平值計入損益分類及計量，而無關業務模式。

本集團管理財務資產的業務模式指其如何管理財務資產以產生現金流量。業務模式釐定現金流量是否來自收取合約現金流量、出售財務資產或兩者皆是。按攤銷成本分類及計量之財務資產於旨在持有財務資產以收取合約現金流量的業務模式內持有，而按公平值計入其他全面收益分類及計量之財務資產則於旨在持有以同時收取合約現金流量及出售的業務模式內持有。並非於上述業務模式內持有之財務資產乃按公平值計入損益分類及計量。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 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.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Subsequent measurement

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

投資及其他財務資產 (續)

初始確認及計量 (續)

財務資產之所有常規買賣均於交易日(即本集團承諾買賣資產當日)確認。常規買賣指必須按市場所在地法例或慣例一般指定之時間內交付資產之財務資產買賣。

實際利率法乃計算財務資產或財務負債之攤銷成本及分配相關期間利息收入之方法。實際利率乃按財務資產及財務負債預計年期或適用之較短期間將估計為現金收款及付款(包括實際利率重要組成部分之已付或已收全部費用及差價、交易成本及其他溢價或折讓)實際貼現至初步確認之賬面淨值之利率。

其後計量

財務資產之其後計量取決於其分類如下：



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Investments and other financial assets (continued)

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.

Interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

投資及其他財務資產 (續)

按攤銷成本列賬的財務資產(債務工具)

按攤銷成本列賬的財務資產其後使用實際利率法計量，並可予減值。當資產終止確認、修改或減值時，於損益表中確認利潤及虧損。

利息收入

其後按攤銷成本計量的財務資產的利息收入乃使用實際利率法確認。對於購買或發起的信貸減值的財務資產以外的金融工具，利息收入乃對財務資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的財務資產除外(見下文)。對於其後出現信貸減值的財務資產，自下一個報告期起利息收入乃對財務資產攤銷成本應用實際利率確認。若信貸減值金融工具的信貸風險好轉，使財務資產不再信貸減值，在確認資產不再信貸減值後的報告期起，利息收入乃對財務資產賬面總值應用實際利率確認。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Investments and other financial assets (continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

投資及其他財務資產 (續)

按公平值計入其他全面收益之財務資產(股本投資)

初始確認後，倘股本投資符合香港會計準則第32號*金融工具：呈列*項下權益的定義，且並非持作買賣，本集團可選擇不可撤銷地將其股本投資分類為按公平值計入其他全面收益的股本投資。分類按每項工具釐定。

該等財務資產的利潤及虧損不得重新計入損益表。股息於收取款項的權利獲確立，且與股息相關的經濟利益很可能會流入本集團，而股息金額可以可靠地計量時，於損益表中確認為其他收入，惟倘本集團於作為收回財務資產的部份成本的所得款項中獲益則除外，有關利潤列入其他全面收益。按公平值計入其他全面收益的股本投資毋需作減值評估。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

投資及其他財務資產 (續)

按公平值計入損益之財務資產

按公平值計入損益之財務資產於財務狀況表按公平值入賬，而公平值的淨變動則於損益表中確認。

該類別包括本集團並無不可撤銷地選擇按公平值計入其他全面收益進行分類的衍生工具及股本投資。分類為按公平值計入損益之財務資產的股本投資的股息於收取款項的權利獲確立，且與股息相關的經濟利益很可能會流入本集團，而股息金額可以可靠地計量時，於損益表中確認為其他收入。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

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.

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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

終止確認財務資產

在下列情況下，財務資產（或（如適用）一項財務資產或一組相類似財務資產的一部份）基本終止確認（即自本集團綜合財務狀況表剔除）：

- 收取該項資產所得現金流量之權利經已屆滿；或
- 本集團已轉讓自該項資產收取現金流量之權利，或須根據一項「轉付」安排，對第三方承擔全數支付（沒有嚴重延緩）已收取現金流量之責任；而且 (a) 本集團已轉讓該資產之絕大部份風險及回報；或 (b) 本集團並無轉讓或保留該資產之絕大部份風險及回報，但已轉讓該資產之控制權。

倘本集團已轉讓其自該資產收取現金流量的權利或已訂立一項轉付安排，本集團會評估其是否保留擁有該項資產的風險及回報以及其保留程度。倘本集團並無轉讓或保留該資產的大部份風險及回報，亦並無轉讓該資產的控制權，則本集團在持續參與該資產的前提下繼續確認該已轉讓資產。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按反映本集團已保留權利及責任的基準計量。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Derecognition of financial assets (continued)

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. The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort. 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. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

終止確認財務資產 (續)

以經轉讓資產擔保方式的持續參與按該項資產的原賬面值及本集團或須償還的代價的最高金額之間的較低者計量。

財務資產之減值

本集團就所有持有並非按公平值計入損益的債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損的計量為違約可能性、違約損失率(即出現違約時的損失幅度)及違約風險之函數。違約概率及違約損失率根據過往數據及前瞻性資料進行評估。預期信貸虧損之估計反映不偏頗及概率加權之金額。本集團使用可行權宜方法估計應收貿易賬款之預期信貸虧損時，其運用撥備矩陣並考慮歷史信貸虧損經驗，並就無須花費過高成本或努力之現時可取得前瞻性資料進行調整。預期信貸虧損乃以根據合約已到期的合約現金流量與本集團預期所收的所有現金流量的差額為基準，並按原有實際利率的近似值折現。預期現金流量將包括來自出售所持抵押品的現金流量或其他組成合約條款的信貸提升措施。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Impairment of financial assets (continued)

General approach

ECLs are recognised in three 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. The Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

財務資產之減值 (續)

一般方法

預期信貸虧損分三階段確認。就自初始確認以來並未大幅增加的信貸風險而言，預期信貸虧損就未來十二個月內可能發生的違約事件產生的信貸虧損（十二個月預期信貸虧損）計提撥備。就自初始確認以來大幅增加的信貸風險而言，不論違約事件於何時發生，均須在預期信貸虧損的剩餘年期（全期預期信貸虧損）計提虧損撥備。

本集團在各報告日期評估相關金融工具的信貸風險自初始確認後是否已顯著增加。作出評估時，本集團將於報告日期金融工具發生違約之風險與於初始確認日期金融工具發生違約之風險進行比較，並考慮毋須付出不必要成本或資源即可獲得的合理並有依據的資料，包括歷史及前瞻性資料。當合約付款逾期超過30天時，本集團假設信貸風險自初始確認以來已大幅增加，除非本集團有合理及可支持的資料證明並非如此則另當別論。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Impairment of financial assets (continued)

General approach (continued)

The Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate a more lagging default criteria is more appropriate. 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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

財務資產之減值 (續)

一般方法 (續)

當合約付款逾期超過90天時，本集團假設信貸風險自初始確認以來已大幅增加，除非本集團有合理及可支持的資料證明並非如此則另當別論。儘管上文所述，本集團假設倘債務工具於報告日期被釐定為風險較低，則債務工具的信貸風險自初始確認以來並無大幅增加。倘(i)債務工具的違約風險較低；(ii)借款人近期內擁有雄厚的實力履行合約現金流責任；及(iii)經濟及業務狀況的不利變動在較長時間內可能但未必會降低借款人履行合約現金流責任的能力，則債務工具被釐定為信貸風險較低。當債務工具的內部或外部信貸評級為「投資級」(根據全球通用定義)時，本集團將債務工具視為信貸風險較低。

本集團定期監察標準的有效性，以識別信貸風險是否大幅增加，並對標準作出適當修訂，以確保標準能夠在款項逾期前識別信貸風險大幅增加。

本集團認為當財務資產逾期超過90天時，即屬發生違約，除非本集團有合理及可支持的資料證明較寬鬆的違約標準更為適用則另當別論。然而，於若干情況下，當內部或外部資料顯示本集團不可能在本集團採取任何信貸提升安排前悉數收回未償還合約金額時，本集團亦可能認為該財務資產違約。財務資產於不能合理預期收回合約現金流量時撇銷。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Impairment of financial assets (continued)

General approach (continued)

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 and contract assets 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. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

財務資產之減值 (續)

一般方法 (續)

按攤銷成本列賬的財務資產根據一般方法可予減值，並可分為以下階段以計量預期信貸虧損，惟應用簡化法的貿易應收貿易賬款及合約資產（詳見下文）除外。

- 第一階段 – 自初始確認後信貸風險無顯著增加且虧損撥備按等於十二個月預期信貸虧損之金額計量的金融工具
- 第二階段 – 自初始確認後信貸風險顯著增加但並非信貸減值之財務資產且虧損撥備按等於全期預期信貸虧損之金額計量的金融工具
- 第三階段 – 於報告日期已信貸減值（但非已購買或原生已信貸減值）且虧損撥備按等於全期預期信貸虧損之金額計量的財務資產



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Impairment of financial assets (continued)

Simplified approach

For trade receivables and contract assets 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

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or at amortised cost, as appropriate.

The Group's financial liabilities include amounts due to intermediate holding companies, trade payables, other payables and accruals and borrowings are measured at amortised cost.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

財務資產之減值 (續)

簡化法

就不含重大融資之組成部份的應收貿易賬款及合約資產，或當本集團應用可行權宜方法而未就重大融資組成部份的影響作出調整時，本集團應用簡化法計算預期信貸虧損。根據簡化法，本集團並無追蹤信貸風險變動，而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已根據其過往信貸虧損經驗設立撥備矩陣，並按債務人特定之前瞻性因素及經濟環境作出調整。

財務負債

初始確認及計量

財務負債於初始確認時分類為按公平值計入損益的財務負債或按攤銷成本計量的財務負債(如適用)。

本集團的財務負債包括應付中間控股公司款項、應付貿易賬款、其他應付賬款及應計費用以及借貸，乃按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

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 the statement of profit or loss.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the consolidated financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

終止確認財務負債

當負債項下的責任獲解除或取消或屆滿時，則終止確認財務負債。

倘現有財務負債被來自同一借款人但條款極不相同的另一項負債所取代，或對現有負債的條款進行大幅修改，上述更替或修訂將會按終止確認原有負債並確認新負債處理，而有關賬面值的差額於損益表內確認。

股息

末期股息經股東於股東大會上批准後確認為負債。建議末期股息於綜合財務報表附註內披露。

由於本公司的組織章程大綱及細則賦予董事權力宣派中期股息，所以擬派中期股息可即時宣派。因此，中期股息於建議派付並宣派時即時確認為負債。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4. 關鍵會計判斷及估計不確定因素之主要來源

編製本集團的財務報表時，管理層須就其他來源不明顯的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設根據過往經驗及被認為相關之其他因素作出。實際結果或與該等估計不符。

有關估計及相關假設須不斷檢討。若修訂只影響該修訂期，會計估計的修訂於該修訂期內確認；或如該修訂影響本期及未來期間，則於修訂期及未來期間確認。

應用會計政策時的關鍵判斷

除涉及估計(見下文)外，以下為本公司董事在應用本集團會計政策的過程中作出對綜合財務報表確認的金額有最重大影響的關鍵判斷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying accounting policies (continued)

Deferred taxation on investment property

For the purposes of measuring deferred tax arising from investment property that are measured using the fair value model, the directors of the Company have reviewed the investment property and concluded that the investment property is not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time. Therefore, in determining the deferred taxation on investment property, the directors of the Company have determined that the presumption that the carrying amounts of investment property measured using the fair value model is recovered entirely through sale is not rebutted. The Company has not recognised any deferred tax on changes in fair value of investment property as the Company is not subject to any income taxes on the fair value changes of the investment property on disposal.

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 may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 關鍵會計判斷及估計不確定因素之主要來源 (續)

應用會計政策時的關鍵判斷 (續)

投資物業的遞延稅項

就計量使用公平值模式計量的投資物業所產生的遞延稅項而言，本公司董事已檢討投資物業並斷定投資物業並非以旨在隨著時間流逝消耗該等投資物業包含之絕大部分經濟利益之商業模式持有。因此，在釐定投資物業的遞延稅項時，本公司董事認為，以公平值模式計量的投資物業之賬面值可因出售而收回的假設成立。本公司並未就投資物業的公平值變動確認任何遞延稅項，原因是本公司毋須就出售投資物業的公平值變動繳納任何所得稅。

估計的不確定因素

以下為報告期末有關未來的主要假設及估計不確定因素的其他主要來源，該等假設及不確定因素可能具有導致下一財政年度資產及負債賬面值出現重大調整的重大風險。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimation uncertainty (continued)

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise on the cash-generating unit.

Furthermore, the estimated cash flows are subject to higher degree of estimation uncertainties in the current year due to uncertainties on how the Covid-19 pandemic may progress and evolve and volatility in financial markets, including potential disruptions of the Group's operations.

As at 31 December 2020, the carrying amount of goodwill is HK\$14,927,000 (2019: HK\$399,821,000) (net of accumulated impairment loss of HK\$385,770,000 (2019: Nil)). Details of the recoverable amount calculation are disclosed in note 16 to the consolidated financial statements.

4. 關鍵會計判斷及估計不確定因素之主要來源 (續)

估計的不確定因素 (續)

商譽減值

釐定商譽是否減值須對已獲分配商譽的現金產生單元(或現金產生單元組別)之可收回金額(為使用價值或公平價值中之較高者減出售成本)作出估計。本集團計算使用價值時須估計預期將從該現金產生單元(或現金產生單元組別)產生之未來現金流量及適當之貼現率以計算現值。倘實際未來現金流量少於預期,或事實及情況變動導致下調未來現金流量,則可能就現金產生單元產生重大減值虧損或進一步減值虧損。

此外,估計現金流量於本年度受較高程度的估計不確定因素影響,乃由於Covid-19大流行進展及演變的不確定性以及金融市場的波動(包括本集團業務之潛在中斷)。

於二零二零年十二月三十一日,商譽賬面值為14,927,000港元(二零一九年:399,821,000港元)(扣除累計減值虧損385,770,000港元(二零一九年:無))。有關可收回金額計算之進一步詳情於綜合財務報表附註16披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimation uncertainty (continued)

Impairment loss under expected credit losses on trade receivables

The Group uses both provision matrix and individual assessment 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. Trade receivables with significant balances are assessed for ECL individually.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates 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 a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 22 to the consolidated financial statements.

4. 關鍵會計判斷及估計不確定因素之主要來源 (續)

估計的不確定因素 (續)

應收貿易賬款預期信貸虧損下的減值虧損

本集團使用撥備矩陣及個別評估計算應收貿易賬款的預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定。具有重大結餘的貿易應收賬款就預期信貸虧損進行個別評估。

撥備矩陣初始基於本集團的可觀察歷史違約率。本集團按前瞻性資料調整過往信貸虧損經驗來調節矩陣。例如，倘預測經濟狀況(如國內生產總值)預期將在未來一年內惡化，可能導致製造業違約數量增加，歷史違約率將作出調整。在各報告日期，可觀察歷史違約率都會被更新，並分析前瞻性估計的變化。

對可觀察歷史違約率、預測的經濟狀況和預期信貸虧損之間關係的評估屬重大的估計。預期信貸虧損的金額易受環境和預測經濟狀況的變動影響。本集團的過往信貸虧損經驗和對經濟狀況的預測也未必可代表客戶的未來實際違約。有關本集團應收貿易賬款的預期信貸虧損的資料披露於綜合財務報表附註22。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimation uncertainty (continued)

Deferred tax assets and deferred tax rate

Deferred tax assets are recognised for unused tax losses and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Deferred tax rate is a blended tax rate in the United States of America ("USA") and is determined by the amount and source of future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised and deferred tax rate, based upon the likely timing and level of future taxable profits together with future tax planning strategies, which is a key source of estimation uncertainty especially in the current year given the significant uncertainty on the potential disruption of Group's operations due to the Covid-19 pandemic. The carrying value of deferred tax assets relating to recognised tax losses and provisions, other liabilities and others at 31 December 2020 was HK\$69,305,000 (2019: HK\$146,733,000) and HK\$62,203,000 (2019: HK\$66,575,000), respectively. Further details are included in note 33 to the consolidated financial statements.

4. 關鍵會計判斷及估計不確定因素之主要來源 (續)

估計的不確定因素 (續)

遞延稅項資產及遞延稅率

確認遞延稅項資產只限於可能取得應課稅溢利以供動用虧損之未動用之稅項虧損及其他可扣稅暫時性差額之部份。遞延稅率為美利堅合眾國(「美國」)的混合稅率，由未來應課稅溢利的金額及來源釐訂。管理層須作重大判斷，根據未來應課稅溢利可能之時間及水平以及未來稅務規劃策略，以釐定可確認之遞延稅項資產金額及遞延稅率。這些乃是估計不確定因素的主要來源，尤其在本年，本集團之營運因Covid-19大流行而有潛在中斷之重大不確定因素。於二零二零年十二月三十一日，與已確認稅項虧損及撥備、其他負債及其他有關之遞延稅項資產之賬面值分別為69,305,000港元(二零一九年：146,733,000港元)及62,203,000港元(二零一九年：66,575,000港元)。進一步詳情載於綜合財務報表附註33。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimation uncertainty (continued)

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

Other intangible assets, property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation, amortisation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets (if any) when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets (if any) have been allocated. Changing the assumptions and estimates, including the future cash flow or discount rates, could materially affect the recoverable amounts.

4. 關鍵會計判斷及估計不確定因素之主要來源 (續)

估計的不確定因素 (續)

其他無形資產、物業、廠房和設備以及使用權資產之減值

其他無形資產、物業、廠房和設備以及使用權資產乃按成本減累計折舊、攤銷及減值(如有)列賬。於釐定資產是否減值時,本集團須行使判斷及作出估計,特別是於評估(1)是否發生事件或有任何跡象而可能影響資產價值;(2)資產之賬面值是否得到可收回金額(就使用價值而言,未來現金流量之現值淨額,基於資產之持續使用而估計)支持;及(3)於估計可收回金額時包括現金流量預測及適當的貼現率時應用之適當主要假設。當無法估計單項資產之可收回金額時,本集團會估計資產所屬之現金產生單元的可收回金額,包括於可建立合理一致的分配基準時分配企業資產(如有),否則可收回金額按已分配相關企業資產(如有)之最小現金產生單元組釐定。有關假設及估計之變動(包括未來現金流量或貼現率)可重大影響可收回金額。



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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimation uncertainty (continued)

Impairment of other intangible assets, property, plant and equipment and right-of-use assets (continued)

During the year ended 31 December 2020, the impairment of HK\$85,274,000 was recognised on other intangible assets which are impaired individually. Details of the related impairment are disclosed in note 17 to the consolidated financial statements.

As at 31 December 2020 for the purpose of impairment assessment, the carrying amounts of other intangible assets, property, plant and equipment and right-of-use assets included in cash-generating units to which the assets belong were HK\$1,657,066,000 (2019: HK\$1,765,634,000), HK\$481,329,000 (2019: HK\$410,880,000) and HK\$301,528,000 (2019: HK\$317,688,000), respectively. Details of the impairment assessment of the relevant cash-generating units are disclosed in note 16 to the consolidated financial statements.

Estimation of fair value of investment property

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. The determination of the fair value involves certain assumptions of market conditions which are set out in note 15 to the consolidated financial statements.

In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Changes to these assumptions, including the potential risk of any market violation, policy, geopolitical and social changes or other unexpected incidents as a result of change in macroeconomic environment, or other unexpected incidents would result in changes in the fair values of the Group's investment property and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

4. 關鍵會計判斷及估計不確定因素之主要來源 (續)

估計的不確定因素 (續)

其他無形資產、物業、廠房和設備以及使用權資產之減值 (續)

於截至二零二零年十二月三十一日止年度，個別減值的其他無形資產已確認減值85,274,000港元。有關減值之詳情於綜合財務報表附註17披露。

於二零二零年十二月三十一日，就減值評估而言，計入資產所屬的現金產生單元的其他無形資產、物業、廠房和設備以及使用權資產之賬面值分別為1,657,066,000港元(二零一九年：1,765,634,000港元)、481,329,000港元(二零一九年：410,880,000港元)及301,528,000港元(二零一九年：317,688,000港元)。有關現金產生單元相關減值評估之詳情於綜合財務報表附註16披露。

投資物業公平值之估計

投資物業基於由獨立專業估值師進行之估值按公平值入賬。釐定有關若干市況之假設之公平值載於綜合財務報表附註15。

本公司董事依賴估值報告時已行使判斷，並信納估值方法反映當前市況。該等假設之變動，包括任何市場違規的潛在風險，宏觀經濟環境變化導致的政策、地緣政治及社會變化或其他突發事件，都將導致本集團投資物業的公平值變動，並對綜合損益表及其他全面收益表呈報之利潤或虧損金額作出相應調整。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimation uncertainty (continued)

Estimation of fair value of investment property (continued)

As at 31 December 2020, the carrying amount of the Group's investment property is HK\$128,200,000 (2019: HK\$151,500,000).

5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES

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

4. 關鍵會計判斷及估計不確定因素之主要來源 (續)

估計的不確定因素 (續)

投資物業公平值之估計 (續)

於二零二零年十二月三十一日，本集團投資物業之賬面值為128,200,000港元(二零一九年：151,500,000港元)。

5. 收益、其他收入、其他利潤及虧損

收益、其他收入、其他利潤及虧損分析如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約之收益		
Sale of aircraft engines transferred at a point in time	於某時間點轉移之飛機發動機之銷售	701,154	672,493
Sale of spare parts transferred at a point in time	於某時間點轉移之備件之銷售	451,753	661,408
Rendering of services transferred over time	隨時間轉移之服務之提供	93,902	124,102
		1,246,809	1,458,003



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES (continued)

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of aircraft engines and spare parts

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 days from delivery.

Provision of repair and maintenance services for aircraft engines

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from completion of the services and customer acceptance.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) for provision of repair and maintenance services for aircraft engines as at 31 December are as follows:

5. 收益、其他收入、其他利潤及虧損 (續)

履約責任

本集團履約責任資料概述如下：

銷售飛機發動機及備件

履約責任於交付產品後完成，且付款通常應於交付起30天內到期。

提供飛機發動機維修保養服務

履約責任隨提供服務時間達成，且付款通常應在完成服務及客戶驗收後30天內到期。

於十二月三十一日就提供飛機發動機維修保養服務分配至餘下履約責任(未達成或部份未達成)的交易價格金額如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Amounts expected to be recognised as revenue:	預期將確認的 收益金額：		
Within one year	一年內	8,192	7,919
After one year	一年後	28,935	31,109
		37,127	39,028

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

5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES (continued)

Performance obligations (continued)

Provision of repair and maintenance services for aircraft engines (continued)

The amounts of transaction prices allocated to the remaining performance obligations disclosed above relate to repair and maintenance services for aircraft engines, of which the performance obligations are to be satisfied within five years. The amounts disclosed above do not include variable consideration which is constrained. All the amounts of transaction prices allocated to the remaining performance obligations for sale of aircraft engines and spare parts are expected to be recognised as revenue within one year.

5. 收益、其他收入、其他利潤及虧損 (續)

履約責任 (續)

提供飛機發動機維修保養服務 (續)

上文所披露的交易價格金額涉及將於五年內達成的飛機發動機維修保養服務之餘下履約責任。上述金額不包括受限制可變代價。所有就銷售飛機發動機及備件分配至餘下履約責任的交易價格金額預期將於一年內確認為收益。

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Other income	其他收入		
Bank interest income	銀行利息收入	8,394	13,832
Interest income on financial assets at fair value through profit or loss	按公平值計入損益之 財務資產之利息收入	-	78
Interest income on loans to an associate	向聯營公司提供的貸款之 利息收入	550	541
Service fee income	服務費收入	8,525	-
Distributorship fee income	分銷費收入	775	775
Others	其他	4,400	3,463
		22,644	18,689



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

5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES (continued) 5. 收益、其他收入、其他利潤及虧損 (續)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Other gains and losses	其他利潤及虧損		
Gain on deregistration of a subsidiary	註銷附屬公司之利潤	-	1,721
Gain on dilution of an associate	攤薄聯營公司之利潤	767	-
Gain on disposal of other intangible assets	出售其他無形資產之利潤	-	28,210
(Loss) gain on disposal of items of property, plant and equipment	出售物業、廠房和設備項目之(虧損)利潤	(58)	1,217
Loss on dissolution of a joint venture	解散合營公司之虧損	-	(302)
Fair value loss on other financial liabilities (note 35)	其他財務負債之公平值虧損(附註35)	(47,897)	-
Fair value loss on an investment property (note 15)	投資物業之公平值虧損(附註15)	(23,300)	-
Foreign exchange differences, net	外匯兌換差額淨額	19,225	(16,437)
Impairment losses under expected credit loss model, net of reversal:	預期信貸虧損模式下之減值虧損扣除撥回：		
- trade receivables	一應收貿易賬款	(5,510)	2,178
- other receivables	一其他應收賬款	16,066	4,033
- a loan to a joint venture	一向合營公司提供的貸款	-	(1,700)
		(40,707)	18,920

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6. OPERATING SEGMENT INFORMATION

The chief operating decision-makers (“CODM”) have been identified as the board of directors of the Company. For management purposes, the Group is organised into business units based on their products and services. The Group has only one reportable operating segment, the general aviation aircraft piston engine business, which is engaged in the design, development and production of general aviation aircraft piston engines and spare parts as well as the provision of aftermarket services and support for piston engines.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment loss before tax, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group’s loss before tax except that certain income, gains and losses, administrative expenses, share of profits and losses of a joint venture and an associate are excluded from such measurement.

The CODM make decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM do not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

6. 經營分部資料

主要經營決策者（「主要經營決策者」）已確認為本公司董事會。為方便管理，本集團按產品及服務劃分其業務單元。本集團只有一個須呈報之經營分部—通用航空飛機活塞發動機業務，從事通用航空飛機活塞發動機及備件的設計、開發及生產、以及提供活塞發動機的售後市場服務及支援。

管理層會分開監察本集團業務分部之業績，以決定如何分配資源及評估表現。分部表現乃根據經調整除稅前虧損而計量之須呈報分部虧損來作出評估。經調整除稅前虧損之計量方法與本集團除稅前虧損一致，惟若干收入、利潤及虧損、行政管理費用、以及分佔合營公司及聯營公司之溢利及虧損則不包括於該計量中。

主要經營決策者根據各分部的經營業績作出決策。由於主要經營決策者並非定期審閱分部資產及分部負債來決定如何分配資源及評估表現，故並無呈列該等資料之分析。因此，僅呈列分部收益及分部業績。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

6. OPERATING SEGMENT INFORMATION (continued)

The following is an analysis of the Group's revenue and results by reportable operating segment for the year ended 31 December.

6. 經營分部資料 (續)

以下為截至十二月三十一日止年度本集團收益及業績按須呈報之經營分部作出之分析。

		General aviation aircraft piston engine business 通用航空飛機活塞發動機業務		Total 合計	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Segment revenue:	分部收益：				
Sales to external customers	外部客戶銷售	1,246,809	1,458,003	1,246,809	1,458,003
Segment results	分部業績	(801,551)	(31,047)	(801,551)	(31,047)
Reconciliation:	調節表：				
Unallocated other income	未分配其他收入			9,294	14,342
Unallocated other gains and losses	未分配其他利潤及虧損			563	(12,739)
Unallocated administrative expenses	未分配行政管理費用			(15,645)	(15,808)
Share of profits and losses of:	分佔溢利及虧損：				
A joint venture	合營公司			-	(38,253)
An associate	聯營公司			(1,191)	(328)
Loss before tax	除稅前虧損			(808,530)	(83,833)
Other segment information:	其他分部資料：				
Depreciation of property, plant and equipment	物業、廠房和設備之折舊	60,106	64,201	60,106	64,201
Unallocated depreciation	未分配折舊			25	733
				60,131	64,934
Depreciation of right-of-use assets	使用權資產之折舊	16,380	8,219	16,380	8,219
Amortisation of other intangible assets	其他無形資產之攤銷	88,009	82,731	88,009	82,731
Capital expenditure*	資本開支*	162,081	247,241	162,081	247,241
Unallocated capital expenditure	未分配資本開支			13	-
				162,094	247,241

* Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

* 資本開支包括添置物業、廠房和設備及其他無形資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

6. OPERATING SEGMENT INFORMATION

(continued)

Geographical information

(a) Revenue from external customers

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
USA	美國	948,125	1,152,924
Europe	歐洲	191,076	180,110
Others	其他	107,608	124,969
		1,246,809	1,458,003

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

上述收益資料乃按有關客戶之所在地劃分。

(b) Non-current assets

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
USA	美國	1,865,104	2,322,651
Europe	歐洲	589,598	571,184
Hong Kong	香港	128,246	151,557
Mainland China	中國內地	12,131	11,912
		2,595,079	3,057,304

The non-current asset information above is based on the locations of the assets and excludes financial assets and deferred tax assets.

上述非流動資產資料乃按資產之所在地劃分，並不包括財務資產及遞延稅項資產。

6. 經營分部資料 (續)

地區資料

(a) 來自外部客戶收益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
USA	美國	948,125	1,152,924
Europe	歐洲	191,076	180,110
Others	其他	107,608	124,969
		1,246,809	1,458,003

上述收益資料乃按有關客戶之所在地劃分。

(b) 非流動資產

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
USA	美國	1,865,104	2,322,651
Europe	歐洲	589,598	571,184
Hong Kong	香港	128,246	151,557
Mainland China	中國內地	12,131	11,912
		2,595,079	3,057,304

上述非流動資產資料乃按資產之所在地劃分，並不包括財務資產及遞延稅項資產。



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

6. OPERATING SEGMENT INFORMATION

(continued)

Information about major customers

Revenue from each of the major customers, which individually amounted to 10% or more of the Group's revenue, is set out below:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Customer A	客戶A	320,549	471,698
Customer B	客戶B	242,137	234,336
Customer C	客戶C	165,965	185,487

7. FINANCE COSTS

An analysis of finance costs is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest on borrowings	借貸之利息	4,216	3,766
Other interest expenses	其他利息支出	35	70
Interest on lease liabilities (note 43)	租賃負債之利息 (附註43)	14,500	7,014
		18,751	10,850

6. 經營分部資料 (續)

主要客戶之資料

來自各主要客戶之收益載列如下，彼等各佔本集團收益之10%或以上：

7. 財務開支

財務開支分析如下：

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

8. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2019: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

8. 所得稅

年內，由於本集團並無任何源於香港之應課稅溢利，故並無作出香港利得稅撥備(二零一九年：無)。其他地區應課稅溢利之稅項開支按本集團經營所在國家／管轄區域當時之稅率計算。

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current – Hong Kong:	即期－香港：		
Underprovision in prior years	過往年度之撥備不足	99	–
Current – Elsewhere:	即期－其他地區：		
Charge for the year	本年開支	4,493	5,967
Overprovision in prior years	過往年度之過多撥備	(968)	(19,080)
Deferred (note 33)	遞延(附註33)	(55,416)	(16,704)
		(51,792)	(29,817)



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

8. INCOME TAX (continued)

A reconciliation of the tax credit applicable to loss 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 credit at the effective rate for the year is as follows:

8. 所得稅(續)

按本公司及其主要附屬公司所在國家／管轄區域之法定稅率計算適用於除稅前虧損的稅項抵免與本年按實際稅率之稅項抵免之對賬如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Loss before tax	除稅前虧損	(808,530)	(83,833)
Tax at the statutory tax rates of respective entities	按各實體法定稅率計算之稅項	(215,925)	(22,648)
Tax effect of share of profits of joint ventures and associates	分佔合營公司及聯營公司溢利之稅務影響	106	9,668
Effect of withholding tax on interest income from the USA	預扣稅對來自美國的利息收入的影響	4,371	3,906
Overprovision in respect of prior years	過往年度之過多撥備	(869)	(19,080)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(3,744)	(2,212)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	3,935	549
Tax effect of deductible temporary differences not recognised or reversal of deductible temporary differences previously recognised	未確認可扣稅暫時性差額或撥回先前確認的可扣稅暫時性差額之稅務影響	106,348	-
Tax effect on tax losses not recognised or reversal of tax losses previously recognised	未確認稅務虧損或撥回先前確認的稅務虧損之稅務影響	53,986	-
Income tax expense for the year	本年所得稅開支	(51,792)	(29,817)

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

9. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging (crediting):

9. 本年虧損

本集團之本年虧損已扣除(計入):

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cost of inventories sold*	銷售存貨之成本*	942,894	993,441
Cost of services provided*	提供服務之成本*	83,438	102,377
Write-down (reversal of write-down) of inventories*	存貨減值(減值撥回)*	38,278	(14,338)
Provisions and other liabilities:	撥備及其他負債:		
Additional provision (note 37)**	額外撥備(附註37)**	94,445	24,971
Depreciation of property, plant and equipment (note 13)	物業、廠房和設備之折舊(附註13)	60,131	64,934
Depreciation of right-of-use assets (note 14)	使用權資產之折舊(附註14)	16,380	8,219
Amortisation of other intangible assets (note 17)	其他無形資產之攤銷(附註17)	88,009	82,731
Employee benefit expense (including directors' remuneration)	僱員福利費用(包括董事酬金)		
Wages and salaries	工資及薪金	233,668	293,581
Pension scheme and other contributions***	退休金計劃及其他供款***	14,303	15,138
Defined benefit schemes (note 39)	定額福利計劃(附註39)	3,201	6,604
		251,172	315,323
Auditor's remuneration	核數師酬金	3,295	3,000



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9. LOSS FOR THE YEAR (continued)

- * Included in "cost of sales" in the consolidated statement of profit or loss.
- ** On 18 December 2020, the Group's subsidiary, Continental Aerospace Technologies GmbH ("CG") released a Service Bulletin to replace some affected parts in house to avoid any safety issue. The total estimated cost was HK\$51,003,000, which was for the disassembly of the engines, transportation to CG, replacement of the affected parts at CG, transportation and reassembly of the engines and testing.
- *** Pension scheme and other contributions of the Group include the Mandatory Provident Fund in Hong Kong, the state-managed retirement benefits scheme in the PRC, and the social security expenditure in Germany.

At 31 December 2020, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2019: Nil).

9. 本年虧損 (續)

- * 包括在綜合損益表中「銷售成本」內。
- ** 於二零二零年十二月十八日，本集團之附屬公司Continental Aerospace Technologies GmbH (「CG」) 發出服務公告，以更換若干受影響之內部零件，從而避免任何安全議題。估計費用總額為51,003,000港元，乃為拆卸引擎、運輸至CG、於CG更換受影響零件、運輸及重新組裝引擎及測試。
- *** 本集團之退休金計劃及其他供款包括香港之強積金、中國之國家退休福利計劃及德國之社會保障支出。

於二零二零年十二月三十一日，本集團並無任何已沒收供款可用作減少未來年度之退休金計劃供款(二零一九年：無)。

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

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Fees	袍金	1,300	1,120
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	3,356	2,273
Pension scheme and other contributions	退休金計劃及其他供款	101	85
		3,457	2,358
		4,757	3,478

(a) Independent Non-executive Directors

The fees paid to independent non-executive directors during the year were as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Chu Yu Lin, David	朱幼麟	360	300
Li Ka Fai, David	李家暉	360	300
Zhang Ping	張平	280	220
		1,000	820

10. 董事及行政總裁之酬金

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露之年內董事酬金如下：

(a) 獨立非執行董事

於年內支付予獨立非執行董事之袍金如下：



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10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent Non-executive Directors (continued)

There were no other emoluments payable to the independent non-executive directors during the year (2019: Nil).

The emoluments disclosed were for their services as directors of the Company.

(b) Executive Directors and Non-executive Directors

10. 董事及行政總裁之酬金 (續)

(a) 獨立非執行董事 (續)

於年內並無其他應付予獨立非執行董事的酬金(二零一九年：無)。

所披露的酬金為彼等作為本公司董事所提供的服務。

(b) 執行董事及非執行董事

		Salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Total remuneration
	Fees	薪金、津貼及實物利益	退休金福利計劃供款	酬金總額
2020	袍金	HK\$'000	HK\$'000	HK\$'000
二零二零年	千港元	千港元	千港元	千港元
Executive Directors:	執行董事：			
Lai Weixuan	賴偉宣	36	-	36
Fu Fangxing	傅方興	36	-	36
Yu Xiaodong	于曉東	36	1,847	1,966
Zhang Zhibiao	張志標	36	-	36
Zhao Yang	趙揚	36	1,509	1,563
		180	3,356	3,637
Non-executive Director:	非執行董事：			
Chow Wai Kam	周偉淦	120	-	120
		300	3,356	3,757

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10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive Directors and Non-executive Directors (continued)

		Salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Total remuneration
	Fees	薪金、津貼及袍金	退休金福利計劃供款	酬金總額
	袍金	實物利益	計劃供款	酬金總額
2019	HK\$'000	HK\$'000	HK\$'000	HK\$'000
二零一九年	千港元	千港元	千港元	千港元
Executive Directors:	執行董事：			
Liu Hongde (resigned on 23 August 2019)	劉洪德(於二零一九年八月二十三日辭任)	23	-	23
Lai Weixuan*	賴偉宣*	36	-	36
Fu Fangxing	傅方興	36	-	36
Yu Xiaodong	于曉東	36	1,845	1,960
Zhang Zhibiao	張志標	36	-	36
Zhao Yang* (appointed on 23 August 2019)	趙揚*(於二零一九年八月二十三日獲委任)	13	428	447
		180	2,273	2,538
Non-executive Director:	非執行董事：			
Chow Wai Kam	周偉淦	120	-	120
		300	2,273	2,658

* Lai Weixuan was also the chief executive officer of the Group before 23 August 2019. Since 23 August 2019, Zhao Yang has become the chief executive officer of the Group.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' emoluments shown above were for their services as directors of the Company and the Group.

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

10. 董事及行政總裁之酬金 (續)

(b) 執行董事及非執行董事 (續)

	Salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Total remuneration
	薪金、津貼及袍金	退休金福利計劃供款	酬金總額
	實物利益	計劃供款	酬金總額
2019	HK\$'000	HK\$'000	HK\$'000
二零一九年	千港元	千港元	千港元
Executive Directors:	執行董事：		
Liu Hongde (resigned on 23 August 2019)	劉洪德(於二零一九年八月二十三日辭任)	23	23
Lai Weixuan*	賴偉宣*	36	36
Fu Fangxing	傅方興	36	36
Yu Xiaodong	于曉東	36	1,960
Zhang Zhibiao	張志標	36	36
Zhao Yang* (appointed on 23 August 2019)	趙揚*(於二零一九年八月二十三日獲委任)	13	447
		180	2,538
Non-executive Director:	非執行董事：		
Chow Wai Kam	周偉淦	120	120
		300	2,658

* 賴偉宣於二零一九年八月二十三日之前亦為本集團行政總裁。自二零一九年八月二十三日起，趙揚成為本集團行政總裁。

上表所示的執行董事酬金為彼等就管理本公司及本集團事務所提供的服務。

上表所示的非執行董事酬金為彼等作為本公司及本集團董事所提供的服務。

年內概無任何董事放棄或同意放棄任何酬金之安排(二零一九年：無)。



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11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees did not include executive directors (2019: Nil). Details of the remuneration for the year of the five (2019: five) highest paid employees who are not a director of the Company are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	13,749	11,038
Performance related bonuses	工作表現相關花紅	950	3,431
		14,699	14,469

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2020 二零二零年	2019 二零一九年
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至 2,500,000港元	2	2
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至 3,000,000港元	2	2
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至 4,500,000港元	1	1
		5	5

11. 五名最高薪僱員

五名最高薪僱員並不包括執行董事(二零一九年：無)。本年五名(二零一九年：五名)最高薪僱員(並非本公司董事)之酬金詳情如下：

酬金在下列範圍之最高薪非董事僱員人數：

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12. LOSS PER SHARE

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

The calculation of basic loss per share is based on:

12. 每股虧損

每股基本虧損金額乃根據母公司普通股權益持有人應佔本年虧損及年內已發行普通股之加權平均數計算。

每股基本虧損的計算乃根據：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Loss attributable to ordinary equity holders of the parent	母公司普通權益持有人應佔虧損	(756,738)	(54,016)
			Number of shares 股份數目 2020 and 2019 二零二零年及二零一九年
Weighted average number of ordinary shares in issue during the year	年內已發行普通股之加權平均數		9,303,374,783



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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房和設備

		Freehold Lands 永久業權土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃裝修 HK\$'000 千港元	Furniture and fixtures 傢私及裝置 HK\$'000 千港元	Machinery and equipment 機器和設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 合計 HK\$'000 千港元
COST	成本								
At 1 January 2019	於二零一九年一月一日	10,771	59,786	34,061	3,357	210,536	1,618	80,284	400,413
Additions	添置	-	-	-	-	24,769	-	146,839	171,608
Transfers	轉撥	-	-	28,760	-	13,532	-	(42,292)	-
Transfer to investment property	轉撥至投資物業	-	(30,350)	-	-	-	-	-	(30,350)
Transfer to other intangible assets (note 17)	轉撥至其他無形資產 (附註17)	-	-	-	-	-	-	(5,146)	(5,146)
Disposals	出售	-	(16)	-	(153)	(6,850)	-	(31)	(7,050)
Exchange realignment	匯兌調整	(434)	(1,301)	-	-	(2,651)	-	(48)	(4,434)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	10,337	28,119	62,821	3,204	239,336	1,618	179,606	525,041
Additions	添置	-	-	-	13	1,675	-	124,781	126,469
Transfers	轉撥	-	-	3,158	-	59,390	-	(62,548)	-
Disposals	出售	(1,599)	-	-	(548)	(2,445)	-	-	(4,592)
Exchange realignment	匯兌調整	1,125	2,449	-	-	10,734	-	95	14,403
At 31 December 2020	於二零二零年十二月三十一日	9,863	30,568	65,979	2,669	308,690	1,618	241,934	661,321
ACCUMULATED DEPRECIATION	累積折舊								
At 1 January 2019	於二零一九年一月一日	-	9,470	3,650	3,246	47,186	1,618	-	65,170
Charge for the year (note 9)	本年開支 (附註9)	-	1,841	4,844	39	58,210	-	-	64,934
Transfer to investment property	轉撥至投資物業	-	(9,465)	-	-	-	-	-	(9,465)
Disposals	出售	-	-	-	(138)	(3,765)	-	-	(3,903)
Exchange realignment	匯兌調整	-	(989)	-	-	(1,586)	-	-	(2,575)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	-	857	8,494	3,147	100,045	1,618	-	114,161
Charge for the year (note 9)	本年開支 (附註9)	-	2,061	7,148	25	50,897	-	-	60,131
Disposals	出售	-	-	-	(548)	(2,105)	-	-	(2,653)
Exchange realignment	匯兌調整	-	430	-	-	7,923	-	-	8,353
At 31 December 2020	於二零二零年十二月三十一日	-	3,348	15,642	2,624	156,760	1,618	-	179,992
NET CARRYING AMOUNT	賬面淨值								
At 31 December 2020	於二零二零年十二月三十一日	9,863	27,220	50,337	45	151,930	-	241,934	481,329
At 31 December 2019	於二零一九年十二月三十一日	10,337	27,262	54,327	57	139,291	-	179,606	410,880

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13. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment except for freehold lands and construction in progress, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Buildings	3% – 3 ¹ / ₃ %
Leasehold improvements	Over the lease terms
Furniture and fixtures	20% – 33%
Machinery and equipment	4% – 50%
Motor vehicles	20% – 25%

The Group estimates the recoverable amounts of respective CGUs to which the property, plant and equipment belong, when it is not possible to estimate the recoverable amount of these assets individually. The recoverable amounts of the CGUs have been determined based on a value-in-use calculation, details of which including key assumptions underlying the value-in-use calculation are set out in the Note 16.

14. RIGHT-OF-USE ASSETS

13. 物業、廠房和設備 (續)

除永久業權土地及在建工程外，上述物業、廠房和設備項目在考慮剩餘價值後，按以下年率以直線法計提折舊：

樓宇	3% – 3 ¹ / ₃ %
租賃裝修	租賃期
傢私及裝置	20% – 33%
機器和設備	4% – 50%
汽車	20% – 25%

當無法個別估計物業、廠房和設備的可收回金額時，本集團估計該等資產分別所屬現金產生單元的可收回金額。現金產生單元的可收回金額根據使用價值計算釐定，有關詳情（包括使用價值計算涉及的主要假設）載於附註16。

14. 使用權資產

		Leasehold land 租賃土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日	8,247	25,617	1,227	35,091
New leases	新租賃	-	290,824	-	290,824
Depreciation charge (note 9)	折舊開支 (附註9)	(73)	(7,446)	(700)	(8,219)
Exchange realignment	匯兌調整	-	-	(8)	(8)
As at 31 December 2019 and 1 January 2020	於二零一九年 十二月三十一日及 二零二零年一月一日	8,174	308,995	519	317,688
New leases	新租賃	-	-	202	202
Depreciation charge (note 9)	折舊開支 (附註9)	(127)	(15,745)	(508)	(16,380)
Exchange realignment	匯兌調整	-	-	18	18
As at 31 December 2020	於二零二零年 十二月三十一日	8,047	293,250	231	301,528



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14. RIGHT-OF-USE ASSETS (continued)

For both years, the Group leases leasehold land, buildings, motor vehicles for its operations. Lease contracts are entered into for fixed term of 1 year to 75 years, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for motor vehicles, machinery and equipment and office. As at 31 December 2020 and 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed below.

Right-of-use assets are depreciated on a straight-line basis over the lease terms of the assets as follows:

Leasehold land	Over the lease term of 50 to 75 years
Buildings	2 to 25 years
Motor vehicles	2 to 5 years

14. 使用權資產 (續)

於兩個年度，本集團均租賃租賃土地、樓宇、汽車作營運之用。租賃合約的固定期限為1年至75年，但可按下文所述擁有延續及終止選擇權。租賃條款按個別基準磋商，載有不同條款及條件。於確定租賃條款並評估不可撤銷年期長短時，本集團應用合約的定義並判斷合約可強制執行的期限。

本集團通常為汽車、機械和設備以及辦公室訂立短期租賃。於二零二零年及二零一九年十二月三十一日，短期租賃組合與下文所披露之短期租賃費用的短期租賃組合相若。

使用權資產於資產之租賃期以直線法進行折舊如下：

租賃土地	50至75年的租期
樓宇	2至25年
汽車	2至5年

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14. RIGHT-OF-USE ASSETS (continued)

The amounts recognised in profit or loss in relation to leases are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	14,500	7,014
Depreciation charge of right-of-use assets	使用權資產之折舊開支	16,380	8,219
Expense relating to short-term leases	與短期租賃有關的費用	3,956	599
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	與低價值資產租賃有關的費用，不包括低價值資產短期租賃	1,683	1,136
Total amount recognised in profit or loss	損益中確認之總金額	36,519	16,968

The total cash outflow for leases included in the statement of cash flows is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within operating activities	經營活動內	(20,139)	(8,749)
Within financing activities	融資活動內	(5,934)	(5,295)
		(26,073)	(14,044)

The Group estimates the recoverable amounts of respective CGUs to which the right-of-use assets belong, when it is not possible to estimate the recoverable amount of these assets individually. The recoverable amounts of the CGUs have been determined based on a value-in-use calculation, details of which including key assumptions underlying the value-in-use calculation are set out in the note 16.

14. 使用權資產 (續)

於損益中確認的租賃相關金額如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	14,500	7,014
Depreciation charge of right-of-use assets	使用權資產之折舊開支	16,380	8,219
Expense relating to short-term leases	與短期租賃有關的費用	3,956	599
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	與低價值資產租賃有關的費用，不包括低價值資產短期租賃	1,683	1,136
Total amount recognised in profit or loss	損益中確認之總金額	36,519	16,968

計入現金流量表的租賃現金流出總額如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within operating activities	經營活動內	(20,139)	(8,749)
Within financing activities	融資活動內	(5,934)	(5,295)
		(26,073)	(14,044)

當無法個別估計使用權資產的可收回金額時，本集團估計該等資產分別所屬現金產生單元的可收回金額。現金產生單元的可收回金額根據使用價值計算釐定，有關詳情（包括使用價值計算涉及的主要假設）載於附註16。



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15. INVESTMENT PROPERTY

15. 投資物業

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	151,500	-
Decrease in fair value	公平值減少	(23,300)	-
Transfer from property, plant and equipment	從物業、廠房和設備轉入	-	151,500
Carrying amount at 31 December	於十二月三十一日之賬面值	128,200	151,500

In the prior year, investment property was transferred from property, plant and equipment and a gain on property revaluation of HK\$130,615,000 was recognised in other comprehensive income.

The Group's investment property consisted of a commercial property in Hong Kong. The Group's investment property was revalued based on valuation performed by LCH (Asia-Pacific) Surveyors Limited, an independent professionally qualified valuer. Each year, the Group's chief financial officer decides to appoint which external valuer to be responsible for the external valuation of the Group's investment property. Selection criteria include market knowledge, reputation, independence and qualification of external valuer. The Group's chief financial officer has discussions with the valuer on the valuation assumptions and valuation results once a year when the valuation is performed for annual financial reporting.

The fair value is within level 3 of the fair value hierarchy.

During both years, there were no transfers into or out of Level 3.

去年，投資物業由物業、廠房和設備轉入，且物業重估利潤130,615,000港元已於其他全面收益中確認。

本集團的投資物業包括香港的商用物業。本集團的投資物業根據由利駿行測量師有限公司(獨立專業合資格估值師)進行的估值重估。每年，本集團之財務總監決定委任外部估值師負責對本集團投資物業進行外部估值。甄選標準包括市場知識、聲譽、獨立性及外部估值師的資格。本集團之財務總監每年一次會就在年度財務申報目的進行估值時與估值師就估值假設及估值結果進行商討。

公平值於公平值等級第三級內。

於兩個年度內，概無轉入或轉出第三級。

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15. INVESTMENT PROPERTY (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment property as at 31 December 2020:

15. 投資物業 (續)

以下為於二零二零年十二月三十一日投資物業估值所用的估值方法及主要輸入數據之概要：

Investment property 投資物業	Valuation technique 估值技術	Key input 主要輸入數據	Significant unobservable inputs 重大不可觀察輸入數據
Commercial property 商用物業	Market comparison approach 市場比較法	Adjusted unit price 經調整單價	HK\$29,321 – HK\$38,024 (31 December 2019: HK\$31,965 – HK\$43,274) per square foot 每平方英尺 29,321港元 – 38,024港元 (二零一九年十二月三十一日：31,965港元 – 43,274港元)

Under the market comparison approach, the property is valued on the market basis assuming sales in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant markets. Comparison is based on prices realised in actual transactions or asking prices of comparable properties. Appropriate adjustments are then made to account for the differences between such properties in terms of age, floor level and other relevant factors.

A significant increase (decrease) in the adjusted unit price would result in a significant increase (decrease) in the fair value of the investment property.

根據市場比較法，物業按市場基準進行估值，當中假設以現況交吉出售，並參照相關市場可獲得之可比較銷售憑證。比較乃基於實際交易中之實際價格或可比較物業之叫價。之後，就該等物業之樓齡、樓層高低及其他相關因素之差異作出適當調整。

經調整單價大幅增加(減少)將導致投資物業的公平值大幅增加(減少)。



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16. GOODWILL

The Group's goodwill acquired through business combination has been allocated to the following cash-generating units ("CGU") for impairment testing:

- General aviation aircraft piston engine business in USA CGU ("USA CGU"); and
- General aviation aircraft piston engine business in Germany CGU ("Germany CGU")

Management performed the impairment assessment of USA CGU and Germany CGU with the support of an independent professional valuer, Duff & Phelps, LLC.

As at 31 December 2020, the carrying amount of goodwill allocated to USA CGU was Nil (2019: HK\$385,770,000). During the year ended 31 December 2020, the Group recognised impairment of goodwill directly related to USA CGU, which is part of the general aviation aircraft piston engine business segment, amounting to HK\$385,770,000 (2019: Nil), which was mainly due to the Covid-19 pandemic and the deteriorated economic environment.

As at 31 December 2020, the carrying amount of goodwill allocated to Germany CGU was HK\$14,927,000 (2019: HK\$14,051,000). During the year ended 31 December 2020, the directors of the Company determines that there is no impairment on Germany CGU.

16. 商譽

本集團透過業務合併取得之商譽已分配予下列現金產生單元(「現金產生單元」)以進行減值測試：

- 通用航空飛機活塞發動機業務於美國的現金產生單元(「美國現金產生單元」)；及
- 通用航空飛機活塞發動機業務於德國的現金產生單元(「德國現金產生單元」)

在獨立專業估值師Duff & Phelps, LLC的協助下，管理層對美國現金產生單元及德國現金產生單元進行減值評估。

於二零二零年十二月三十一日，分配予美國現金產生單元之商譽賬面值為無(二零一九年：385,770,000港元)。於截至二零二零年十二月三十一日止年度，本集團確認直接與美國現金產生單元(為通用航空飛機活塞發動機業務的一部分)相關之商譽減值為385,770,000港元(二零一九年：無)，其乃主要是由於Covid-19大流行及經濟環境惡化所致。

於二零二零年十二月三十一日，分配予德國現金產生單元之商譽賬面值為14,927,000港元(二零一九年：14,051,000港元)。於截至二零二零年十二月三十一日止年度，本公司董事釐定德國現金產生單元並無減值。

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16. GOODWILL (continued)

16. 商譽 (續)

		USA CGU 美國現金 產生單元 HK\$'000 千港元	Germany CGU 德國現金 產生單元 HK\$'000 千港元	Total 合計 HK\$'000 千港元
COST				
At 1 January 2019	成本 於二零一九年一月一日	385,770	14,324	400,094
Exchange adjustments	匯兌調整	-	(273)	(273)
At 31 December 2019	於二零一九年 十二月三十一日	385,770	14,051	399,821
Exchange adjustments	匯兌調整	-	876	876
At 31 December 2020	於二零二零年 十二月三十一日	385,770	14,927	400,697
IMPAIRMENT				
At 1 January 2019 and 31 December 2019	減值 於二零一九年一月一日 及二零一九年 十二月三十一日	-	-	-
Impairment loss recognised in the year	本年確認減值虧損	(385,770)	-	(385,770)
At 31 December 2020	於二零二零年 十二月三十一日	(385,770)	-	(385,770)
CARRYING VALUES				
At 31 December 2020	賬面值 於二零二零年 十二月三十一日	-	14,927	14,927
At 31 December 2019	於二零一九年 十二月三十一日	385,770	14,051	399,821

The key assumptions used for value-in-use calculations are as follows:

計算使用價值所使用的主要假設如下：

		USA CGU 美國現金 產生單元	Germany CGU 德國現金 產生單元
Long-term growth rate	長期增長率		
31 December 2020	二零二零年十二月三十一日	2.0%	2.0%
31 December 2019	二零一九年十二月三十一日	2.5%	2.5%
Discount rate	貼現率		
31 December 2020	二零二零年十二月三十一日	14.6%	15.7%
31 December 2019	二零一九年十二月三十一日	12.8%	15.5%



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16. GOODWILL (continued)

In addition to goodwill above, other intangible assets, property, plant and equipment, and right-of-use assets disclosed in notes 17, 13 and 14, that generate cash flows together with the related goodwill are also included in the respective CGU for the purpose of impairment assessment.

The recoverable amounts of both cash-generating units have been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by management covering a seven-year period for USA CGU and an eleven-year period for Germany CGU. The budgeted gross margins and annual revenue growth rates during the forecasted period are determined based on past performance and the expectations of market development. The discount rates used are before tax and reflect specific risks relating to the relevant units. The cash flows beyond the forecast period are extrapolated using the rates stated above. These long-term growth rates are based on relevant industry growth forecasts and does not exceed the average growth rate after the forecast period of the industry in which the units operate.

Based on the above impairment assessment, a full impairment loss on goodwill for the USA CGU has been recognised in profit or loss and included in the impairment of goodwill and other intangible assets line item. The remaining shortfall of the recoverable amount below the carrying amount of assets of this CGU is, in the opinion of the Company's directors, not significant and hence no further impairment has been recognised on other assets of the USA CGU.

No impairment loss has been recognised on goodwill or other assets of the Germany CGU based on the result of the above impairment assessment. The recoverable amount of Germany CGU exceeds its carrying amount by HK\$33,325,000. If the discount rate was changed to 16.5%, while other parameters remain constant, the recoverable amount of Germany CGU would equal the carrying amount of its assets; if the growth rate after the forecast period was changed to 1.4%, while other parameters remain constant, the recoverable amount of Germany CGU would equal its carrying amount of its assets.

16. 商譽(續)

就減值評估目的而言，除上文所述商譽外，附註17、13及14所披露產生現金流量的其他無形資產、物業、廠房和設備以及使用權資產連同相關商譽亦計入各現金產生單元。

兩個現金產生單元的可收回金額乃根據採用現金流量預測來計算之使用價值而釐定，該現金流量預測以管理層批准的七年期(就美國現金產生單元而言)及十一年期(就德國現金產生單元而言)財務預算為基礎。預測期內的預算毛利率及年收入增長率乃按過往表現及市場發展的預期釐定。所使用之折現率為除稅前及反映與有關單元相關之特定風險。現金流量乃使用上文所載之利率推算。預測期間後的該等長期增長率乃基於相關行業之增長預測且不超過預測期間後有關單元經營所在行業之平均增長率。

根據上述減值評估，美國現金產生單元的商譽已於損益中確認全部減值虧損，並計入商譽及其他無形資產減值項目。本公司董事認為，該現金產生單元的可收回金額低於資產賬面值的餘下差額並不重大，因此並無就美國現金產生單元的其他資產進一步確認減值。

根據上述減值評估的結果，德國現金產生單元的商譽或其他資產並無確認減值虧損。德國現金產生單元超過其可收回金額33,325,000港元。倘將折現率變更為16.5%，而其他參數維持不變，則德國現金產生單元的可收回金額等於其資產賬面值；倘將預測期間後的增長率變更為1.4%，而其他參數維持不變，則德國現金產生單元的可收回金額等於資產賬面值。

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17. OTHER INTANGIBLE ASSETS

17. 其他無形資產

		Development programs in progress	Trademarks	Product technology, licence and completed programs	Customer relationships	Others	Total other intangible assets
		進行中發展計劃 HK\$'000 千港元	商標 HK\$'000 千港元	產品技術、牌照及已完成的計劃 HK\$'000 千港元	客戶關係 HK\$'000 千港元	其他 HK\$'000 千港元	其他無形資產合計 HK\$'000 千港元
COST	成本						
At 1 January 2019	於二零一九年一月一日	214,373	263,080	821,526	548,502	7,765	1,855,246
Additions	添置	75,439	-	194	-	-	75,633
Transfers	轉撥	(13,105)	-	13,105	-	-	-
Transfer from property, plant and equipment (note 13)	從物業、廠房和設備轉入(附註13)	-	-	-	-	5,146	5,146
Disposals	出售	(4,503)	-	-	-	-	(4,503)
Exchange realignment	匯兌調整	(1,675)	(649)	(5,358)	(2,415)	(1)	(10,098)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	270,529	262,431	829,467	546,087	12,910	1,921,424
Additions	添置	35,150	-	168	-	307	35,625
Transfers	轉撥	(67,148)	-	67,148	-	-	-
Disposals	出售	-	-	(377)	-	-	(377)
Exchange realignment	匯兌調整	2,596	2,137	21,598	7,758	-	34,089
At 31 December 2020	於二零二零年十二月三十一日	241,127	264,568	918,004	553,845	13,217	1,990,761
ACCUMULATED AMORTISATION AND IMPAIRMENT	累積攤銷及減值						
At 1 January 2019	於二零一九年一月一日	-	8,201	27,979	34,436	3,473	74,089
Charge for the year (note 9)	本年開支(附註9)	-	9,703	32,325	38,316	2,387	82,731
Disposals	出售	-	-	-	-	-	-
Exchange realignment	匯兌調整	-	(193)	(536)	(300)	(1)	(1,030)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	-	17,711	59,768	72,452	5,859	155,790
Charge for the year (note 9)	本年開支(附註9)	-	9,695	37,743	38,525	2,046	88,009
Impairment loss recognised in the year	本年確認減值虧損	58,753	-	26,521	-	-	85,274
Disposals	出售	-	-	(377)	-	-	(377)
Exchange realignment	匯兌調整	-	744	2,782	1,473	-	4,999
At 31 December 2020	於二零二零年十二月三十一日	58,753	28,150	126,437	112,450	7,905	333,695
NET CARRYING AMOUNT	賬面淨值						
At 31 December 2020	於二零二零年十二月三十一日	182,374	236,418	791,567	441,395	5,312	1,657,066
At 31 December 2019	於二零一九年十二月三十一日	270,529	244,720	769,699	473,635	7,051	1,765,634

During the year ended 31 December 2020, the impairment losses of HK\$58,753,000 and HK\$26,521,000 were recognised for development programs in progress and product, technology, license and completed programs, respectively, as some customers cancelled their production plans triggered by Covid-19 impacts. The Group has therefore suspended the related development and fully impaired these programs which no longer had economic benefit. Such impairment losses were included in the general aviation aircraft piston engine business segment.

截至二零二零年十二月三十一日止年度，由於部份客戶因Covid-19帶來之影響取消其生產計劃，本集團已分別就進行中發展計劃以及產品、技術、牌照及已完成的計劃確認減值虧損58,753,000港元及26,521,000港元。因此，本集團已暫停有關發展及悉數減值不再有經濟效益之該等計劃。有關減值虧損已計入通用航空飛機活塞發動機業務分部。



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17. OTHER INTANGIBLE ASSETS (continued)

The Group estimates the recoverable amounts of respective CGUs to which the other intangible assets belong, when it is not possible to estimate the recoverable amount of these assets individually. The recoverable amounts of the CGUs have been determined based on a value-in-use calculation, details of which including key assumptions underlying the value-in-use calculation are set out in the note 16

18. INTEREST IN AN ASSOCIATE

At 1 January	於一月一日	11,781	12,446
Gain on dilution	攤薄之利潤	767	-
Share of losses	分佔虧損	(1,191)	(328)
Exchange realignment	匯兌調整	672	(337)
At 31 December	於十二月三十一日	12,029	11,781
Loans to an associate included in the Group's current assets	計入本集團流動資產之向聯營公司提供的貸款	11,135	9,982

The principal of the loan is RMB8,000,000 (equivalent to approximately HK\$9,412,000), the interest rate is 6% per year. The loan matured on 19 August 2020 and has been extended to 30 June 2021.

There was no recent history of default and past due amounts for balances with the associate. As at 31 December 2020 and 2019, the loss allowance was assessed to be minimal.

17. 其他無形資產 (續)

當本集團無法個別估計其他無形資產所屬的各現金產生單元的可收回金額時，本集團會估計該等資產的可收回金額。現金產生單元的可收回金額乃根據使用價值計算而釐定，有關詳情（包括相關使用價值計算的主要假設）載於附註16。

18. 於聯營公司之權益

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	11,781	12,446
Gain on dilution	767	-
Share of losses	(1,191)	(328)
Exchange realignment	672	(337)
At 31 December	12,029	11,781
Loans to an associate included in the Group's current assets	11,135	9,982

貸款之本金額為人民幣8,000,000元（相等於約9,412,000港元），年利率為6厘。該貸款於二零二零年八月十九日到期，並已延長至二零二一年六月三十日。

與聯營公司的結餘並無最近違約歷史及逾期欠款。於二零二零年及二零一九年十二月三十一日，虧損撥備評估為極微。

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18. INTEREST IN AN ASSOCIATE (continued)

Particulars of the associate are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊及營業地點	Percentage of ownership interest attributable to the Group 本集團應佔擁有權權益百分比		Principal activity 主要業務
		2020	2019	
		二零二零年	二零一九年	
北京華信泰科技股份有限公司 ("北京華信泰")*	PRC/ Mainland China	28.92	31.75	Research and development of engineering technology and electronics communication technology
北京華信泰科技股份有限公司 ("北京華信泰")*	中國/中國內地			工程技術及電子通信技術的研 究及開發

* Not audited by Deloitte's members firm.

During the year, the Group's equity interest in 北京華信泰 was diluted as a result of capital injection by new investors to 北京華信泰. A gain on deemed disposal of an associate of HK\$767,000 was recognised in the consolidated statement of profit or loss for the year.

19. INTEREST IN A JOINT VENTURE

18. 於聯營公司之權益 (續)

聯營公司之詳情如下：

* 並無經德勤之成員公司審核。

於本年度，由於新投資者向北京華信泰注資，本集團於北京華信泰之股本權益已被攤薄，且被視為出售聯營公司之利潤767,000港元已於本年度的綜合損益表中確認。

19. 於合營公司之權益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Share of net assets	分佔淨資產	-	-
Loans to a joint venture included in current assets	計入流動資產之 向合營公司提供的貸款	1,046	-



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19. INTEREST IN A JOINT VENTURE (continued)

The interests in joint ventures include the Group's right to enjoy certain economic benefits derived from a 69.4% equity interest in CATIC Siwei Co., Ltd. ("CATIC Siwei") held by third parties through trust arrangements. CATIC Siwei is registered as a co-operative joint venture under PRC law and is holding an investment in PRC which operates in the aero-technology business and is an investment holding company.

In the opinion of the directors, notwithstanding that the Group has the right to enjoy certain economic benefits from the 69.4% equity interest in CATIC Siwei, none of the shareholders of CATIC Siwei has unilateral control over the economic activity of CATIC Siwei pursuant to the provisions in the articles of association of CATIC Siwei. Since the decisions about the relevant activities of CATIC Siwei require the unanimous consent of the parties sharing control, the directors consider it is appropriate to account for the investment as an interest in a joint venture using the equity method of accounting.

The loans to CATIC Siwei of HK\$1,046,000 are unsecured, non-interest bearing and repayable on demand.

The Group has discontinued the recognition of its share of losses of CATIC Siwei because the share of losses of CATIC Siwei exceeded the Group's interest and the Group has no obligation to take up further losses. CATIC Siwei was inactive during the year ended 31 December 2020. The unrecognised share of losses of CATIC Siwei amounted to HK\$25,291,000 (2019: HK\$25,291,000) as of 31 December 2020.

On 30 November 2020, the Group entered into a share purchase agreement with a purchaser, an independent third-party, pursuant to which the purchaser agreed to acquire the 69.4% of the total issued capital of CATIC Siwei at a consideration of RMB11,500,000 (equivalent to approximately HK\$13,529,000). The disposal has not been completed as of 31 December 2020.

CATIC Siwei was not audited by Deloitte's members firm.

19. 於合營公司之權益 (續)

於合營公司之權益包括本集團有權享有由第三方透過信託安排持有之四維航空遙感有限公司(「四維遙感」) 69.4%股本權益之若干經濟利益。四維遙感根據中國法例註冊為合資企業，並於中國持有營運航空技術業務及投資控股公司之投資。

董事認為，雖然本集團擁有四維遙感 69.4%股本權益的若干經濟收益權，但根據四維遙感的公司章程規定，概無四維遙感股東對四維遙感之經濟活動擁有單方面控制權。由於四維遙感相關活動的決策需要共同控制的各方一致同意，董事認為將該投資作為合營公司的權益採用權益法入賬屬合適。

應付四維遙感的款項1,046,000港元乃無抵押、不計息及須按要求償還。

本集團已終止確認分佔四維遙感的虧損，因為分佔四維遙感的虧損已超逾本集團的權益，而本集團並無義務承擔進一步虧損。截至二零二零年十二月三十一日止年度，四維遙感暫停營運。於二零二零年十二月三十一日未確認之分佔四維遙感的虧損為25,291,000港元(二零一九年：25,291,000港元)。

於二零二零年十一月三十日，本集團與獨立第三方買方訂立購股協議，根據該協議，買方同意按代價人民幣11,500,000元(相等於約13,529,000港元)收購四維遙感全部已發行股本之69.4%。於二零二零年十二月三十一日，該出售事項尚未完成。

四維遙感並無經德勤之成員公司審核。

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20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

20. 按公平值計入損益之財務資產

		2020 and 2019 二零二零年及 二零一九年 HK\$'000 千港元
Unlisted investments, at fair value	非上市投資，按公平值	
Non-current asset:	非流動資產：	
VerdeGo Aero, Inc.'s convertible bonds	VerdeGo Aero, Inc.之可換股債券	1,938
Current asset:	流動資產：	
Peace Map Holding Limited ("PMH")'s convertible bonds	天下圖控股有限公司(「天下圖控股」)之 可換股債券	-

The above unlisted investments were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely held for payments of principal and interest.

The maturity date of the convertible bonds issued by VerdeGo Aero, Inc. is 28 February 2028.

The convertible bonds issued by PMH were matured on 2 August 2018 but PMH failed to redeem them. Given PMH is in the liquidation stage, the directors of the Company consider the recoverable amount of the convertible bonds is minimal.

上述非上市投資被強制歸類為按公平值計入損益之財務資產，因為其合約現金流量並不僅限於支付本金及利息。

VerdeGo Aero, Inc.發行之可換股債券之到期日為二零二八年二月二十八日。

天下圖控股發行之可換股債券已於二零一八年八月二日到期，惟天下圖控股未能贖回該等可換股債券。鑒於天下圖控股正處於清盤階段，本公司董事認為可換股債券的可收回金額極低。



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21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

21. 按公平值計入其他全面收益之股本投資

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Listed equity investments, at fair value	上市股本投資，按公平值：		
PMH	天下圖控股	-	-
AVIC Joy Holding (HK) Limited ("AVIC Joy")	幸福控股(香港)有限公司 (「幸福控股」)	-	34,041
		-	34,041
Unlisted equity investment, at fair value	非上市股本投資，按公平值：		
PMH	天下圖控股	-	-
Ampaire, Inc.	Ampaire, Inc.	389	389
		389	34,430

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

Since August 2018, the trading in PMH's shares has been suspended and PMH's convertible bonds were in default. On 3 August 2020, PMH was cancelled from listing on the Stock Exchange.

In the current year, the Group disposed of the investment in AVIC Joy, at a consideration of HK\$26,821,000, the fair value at the date of disposal is HK\$26,821,000. A cumulative loss on disposal of HK\$568,004,000 has been transferred from fair value reserve of equity investments designated at fair value through other comprehensive income to retained profits.

由於本集團認為該等投資屬策略性質，所以已不可撤銷地把上述股本投資指定為按公平值計入其他全面收益。

自二零一八年八月起，天下圖控股之股份暫停買賣，而天下圖控股的可換股債券已違約。於二零二零年八月三日，天下圖控股已被取消於聯交所上市。

於本年度，本集團以代價26,821,000港元出售於幸福控股之投資，於出售日期之公平值為26,821,000港元。出售之累計虧損568,004,000港元已自按公平值計入其他全面收益之股本投資之公平值儲備轉撥至留存溢利。

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22. TRADE RECEIVABLES

	應收貿易賬款 預期信貸虧損模型下之 減值虧損	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade receivables		131,392	108,066
Impairment losses under expected credit loss model		(8,437)	(4,394)
		122,955	103,672

As at 1 January 2019, trade receivables from contracts with customers amounted to HK\$102,711,000.

The Group's trading terms with its customers are mainly on credit, where partial advanced payment is required for certain customers. The credit period is generally 30 days and each customer has been assigned a specified credit limit by the group.

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. As at 31 December 2020, the Group had certain concentrations of credit risk as 28% (2019: 32%) of the Group's trade receivables were due from one of the Group's key customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 1 month	63,372	76,361
1 to 2 months	19,029	11,726
2 to 3 months	2,654	2,441
Over 3 months	37,900	13,144
	122,955	103,672

22. 應收貿易賬款

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade receivables	131,392	108,066
Impairment losses under expected credit loss model	(8,437)	(4,394)
	122,955	103,672

於二零一九年一月一日，來自客戶合約之應收貿易賬款是102,711,000港元。

本集團與客戶之信貸條款主要為賒賬，就若干客戶而言須預付部份款項。信貸期一般為30日，每位客戶已獲本集團分配特定的信貸限額。

本集團務求對未清還之應收貿易賬款維持嚴格監管。管理高層定期檢討逾期結餘。於二零二零年十二月三十一日，本集團有若干信貸集中風險，原因是本集團的應收貿易賬款之28%（二零一九年：32%）為應收本集團一名主要客戶之款項。本集團並無就其應收貿易賬款之結餘持有任何抵押品或其他信貸保證。應收貿易賬款並不計息。

於報告期末，應收貿易賬款按發票日期及扣除虧損撥備之賬齡分析如下：

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22. TRADE RECEIVABLES (continued)

An impairment analysis is performed at each reporting date using a provision matrix and individually assessment to measure expected credit losses. Except for debtors with significant balances and credit impaired, the Group determines the expected credit losses on trade receivables by using a provision matrix. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. 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.

As at 31 December 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$41,445,000 which are past due as at the reporting date. Out of the past due balances, HK\$19,020,000 has been past due 90 days or more and is not considered as in default because the debtors have good repayment record. The impairment of HK\$5,544,000 has been provided in relation to the past due 90 days based on the provision matrix during the year ended 31 December 2020.

Generally, trade receivables are written off if they are past due for more than one year. The trade receivables with gross amount of HK\$1,467,000, which are past due over one year are fully impaired and written off during the year ended 31 December 2020.

22. 應收貿易賬款 (續)

於各報告日期使用撥備矩陣及個別評估進行減值分析，以計量預期信貸虧損。除具有巨額結餘及已信貸減值的債務人外，本集團使用撥備矩陣釐定貿易應收賬款的預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定。該計算反映了概率加權結果、貨幣時間價值以及於報告日期可獲得的關於過去事件、當前狀況及未來經濟狀況預測的合理及可支持資料。

於二零二零年十二月三十一日，本集團應收貿易賬款結餘包括於報告日期已逾期的總賬面值41,445,000港元的債務人。在逾期結餘中，19,020,000港元已逾期90天或以上，由於該等債務人的還款記錄良好，故不被視為違約。於截至二零二零年十二月三十一日止年度，已根據撥備矩陣就逾期90天作出5,544,000港元的減值撥備。

一般而言，應收貿易賬款如逾期超過一年則予以撇銷。已逾期超過一年總金額為1,467,000港元的貿易應收賬款已於截至二零二零年十二月三十一日止年度悉數減值及撇銷。



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22. TRADE RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

		Past due 逾期				Total 合計
		Current 即期	Less than	1 to 3	Over	
			1 month 少於一個月	months 一至三個月	3 months 三個月以上	
As at 31 December 2020	於二零二零年 十二月三十一日					
Expected credit loss rate	預期信貸虧損率	0.5%	2.9%	12.4%	29.1%	11.5%
Gross carrying amount (HK\$'000)	賬面總值 (千港元)	17,199	17,393	5,032	19,020	58,644
Expected credit losses (HK\$'000)	預期信貸虧損 (千港元)	85	503	623	5,544	6,755
		17,114	16,890	4,409	13,476	51,889

The remaining trade receivables with an aggregated gross carrying amount of HK\$72,748,000 were assessed individually due to the significant balances involved and the expected credit losses of HK\$1,682,000 were recognised as at 31 December 2020.

22. 應收貿易賬款 (續)

下表載列使用撥備矩陣分析的有關本集團應收貿易賬款的信貸風險的資料：

由於涉及巨額結餘，總賬面值為72,748,000港元的餘下應收貿易賬款已單獨評估，並於二零二零年十二月三十一日確認信貸虧損1,682,000港元。

		Past due 逾期				Total 合計
		Current 即期	Less than	1 to 3	Over	
			1 month 少於一個月	months 一至三個月	3 months 三個月以上	
As at 31 December 2019	於二零一九年 十二月三十一日					
Expected credit loss rate	預期信貸虧損率	0.25%	2.44%	17.55%	30.18%	4.07%
Gross carrying amount (HK\$'000)	賬面總值 (千港元)	83,220	9,230	5,960	9,656	108,066
Expected credit losses (HK\$'000)	預期信貸虧損 (千港元)	209	225	1,046	2,914	4,394
		83,011	9,005	4,914	6,742	103,672

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23. AMOUNTS DUE FROM FELLOW SUBSIDIARIES

The amounts due from fellow subsidiaries are unsecured, non-interest-bearing and within the credit term.

23. 應收同系附屬公司款項

應收同系附屬公司款項乃無抵押、不計息及在信貸期內。

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

24. 預付款項、按金及其他應收賬款

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Prepayments	預付款項	11,144	20,145
Deposits and other receivables	按金及其他應收賬款	46,301	61,592
Impairment allowance	減值撥備	(12,289)	(41,774)
		45,156	39,963

Deposits and other receivables mainly represent rental deposits and deposits with suppliers. An impairment analysis is performed at each reporting date by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The gross amount of other receivables under life-time ECL (credit-impaired) is HK\$16,926,000 (2019: HK\$41,774,000) because the receivables are in default or there is information indicating that the debtors are in severe financial difficulty.

按金及其他應收賬款主要為租賃按金及供應商按金。於各報告日期，本集團採用虧損率法並參考本集團的過往虧損記錄進行減值分析。本集團調整虧損率以反映當前狀況及對未來經濟狀況的預測（倘適用）。由於應收賬款拖欠或有資料顯示債務人存在嚴重財務困難，因此，全期預期信貸虧損（已信貸減值）項下的其他應收賬款總額為16,926,000港元（二零一九年：41,774,000港元）。



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24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

The movements in the loss allowance for impairment of other receivables which are assessed under life-time ECL (credit-impaired) are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	41,774	46,861
Changes due to financial instruments recognised as at 1 January	於一月一日已確認的金融工具的變動	-	-
– Impairment losses reversed*	– 撥回減值虧損*	(16,066)	(3,781)
– Write-offs**	– 撤銷**	(15,540)	(57)
Exchange realignment	匯兌調整	2,121	(1,249)
At 31 December	於十二月三十一日	12,289	41,774

* During the year ended 31 December 2020, the reversal of impairment loss of HK\$16,066,000 relates to a loan from a third party, which the related gross amount of HK\$23,993,000 was fully impaired in previous year. Reversal was made due to a loan restructuring and the settlement of HK\$11,429,000 received in the current year.

** Due to significant financial difficulty of a third-party borrower of a loan advanced by the Group, the impairment of HK\$15,540,000 was written off. The related gross amount was HK\$15,540,000 which was fully impaired in previous year.

The ECL of remaining deposits and other receivables were assessed under 12-month ECL. These relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2020 and 2019, the loss allowance on deposits and other receivables under 12-month ECL was assessed to be minimal.

24. 預付款項、按金及其他應收賬款 (續)

全期預期信貸虧損(已信貸減值)項下評估的其他應收賬款之減值虧損撥備變動如下:

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	41,774	46,861
Changes due to financial instruments recognised as at 1 January	-	-
– Impairment losses reversed*	(16,066)	(3,781)
– Write-offs**	(15,540)	(57)
Exchange realignment	2,121	(1,249)
At 31 December	12,289	41,774

* 於截至二零二零年十二月三十一日止年度，減值虧損撥回16,066,000港元與來自第三方的貸款有關，有關金額23,993,000港元已於過往年度悉數減值。撥回乃因貸款重組所致，且本年度已收到結算款項11,429,000港元。

** 由於本集團墊款的第三方借款人出現重大財政困難，15,540,000港元的減值已被撤銷。相關總金額為15,540,000港元已於過往年度悉數減值。

餘下按金及其他應收賬款的預期信貸虧損按十二個月預期信貸虧損評估。該等應收賬款與近期並無違約記錄及逾期金額的應收賬款有關。於二零二零年及二零一九年十二月三十一日，十二個月預期信貸虧損的按金及其他應收賬款的虧損撥備評估為極微。

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25. INVENTORIES

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Raw materials	原材料	313,705	363,971
Work in progress	在製品	108,755	110,724
Finished goods	製成品	20,418	15,570
		442,878	490,265

25. 存貨

26. CASH AND CASH EQUIVALENTS

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	596,322	183,686
Time deposits	定期存款	317,750	806,700
Cash and cash equivalents	現金及現金等值	914,072	990,386

26. 現金及現金等值

At the end of the reporting period, the cash and bank balances and time deposits of the Group denominated in Renminbi ("RMB") amounted to HK\$212,375,000 (2019: HK\$211,854,000). 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.

Cash and bank balances comprise cash held by the Group and short-term bank deposits that are interest-bearing at market interest rates ranging from 0% to 2.0115% (2019: 0% to 1.755%) per annum and have maturity of three months or less. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

於報告期末，本集團以人民幣（「人民幣」）計值之現金及銀行結存及定期存款為212,375,000港元（二零一九年：211,854,000港元）。人民幣不可自由轉換為其他貨幣，然而根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團可透過獲授權開展外幣兌換業務之銀行將人民幣兌換為其他貨幣。

現金及銀行結餘包括本集團持有之現金以及按市場年利率介乎於0%至2.0115%（二零一九年：0%至1.755%）計息及到期日為三個月或以下之短期銀行存款。銀行結存及定期存款均存放於無近期拖欠歷史且信譽昭著之銀行。



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27. AMOUNTS DUE TO INTERMEDIATE HOLDING COMPANIES

The amounts due to intermediate holding companies are unsecured, non-interest-bearing and repayable on demand.

28. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 1 month	一個月內	52,282	57,815
1 to 2 months	一至兩個月	47,926	22,559
2 to 3 months	二至三個月	5,730	3,409
Over 3 months	超過三個月	1,845	1,436
		107,783	85,219

The trade payables are normally settled on 45 days terms.

29. OTHER PAYABLES AND ACCRUALS

Other payables* 其他應付賬款*
Accruals 應計費用

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Other payables*	其他應付賬款*	28,999	1,566
Accruals	應計費用	87,494	84,545
		116,493	86,111

* Other payables are non-interest-bearing, and mainly included the consideration received for the disposal of CATIC Siwei of HK\$13,529,000 (2019: Nil) and the trade deposits from customers of HK\$6,546,000 (2019: Nil) new customer sales.

27. 應付中間控股公司款項

應付中間控股公司款項乃無抵押、不計息及須按要求償還。

28. 應付貿易賬款

於報告期末，應付貿易賬款按發票日期之賬齡分析如下：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 1 month	52,282	57,815
1 to 2 months	47,926	22,559
2 to 3 months	5,730	3,409
Over 3 months	1,845	1,436
	107,783	85,219

該等應付貿易賬款一般按45日期限清還。

29. 其他應付賬款及應計費用

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Other payables*	28,999	1,566
Accruals	87,494	84,545
	116,493	86,111

* 其他應付賬款為不計息，主要包括出售四維遙感的已收代價13,529,000港元（二零一九年：無），以及來自客戶交易按金6,546,000港元（二零一九年：無）的新客戶銷售。

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30. CONTRACT LIABILITIES

30. 合約負債

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Repair and maintenance service for aircraft engines	飛機發動機之 維修保養服務	37,127	39,028
Sale of aircraft engines and spare parts	銷售飛機發動機及備件	9,756	-
		46,883	39,028
Current	流動	17,948	7,919
Non-current	非流動	28,935	31,109
		46,883	39,028

As at 1 January 2019, contract liabilities amounted to HK\$37,425,000.

於二零一九年一月一日，合約負債為37,425,000港元。

The following table shows the amount of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

下表顯示於本報告期間確認並已計入報告期初之合約負債之收益金額：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	已計入報告期初之 合約負債之已確認收益：		
Provision of repair and maintenance services for aircraft engines	提供飛機發動機 維修保養服務	7,919	7,905



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31. SHARE CAPITAL

31. 股本

		Number of ordinary shares 普通股數目	Nominal amount 面值 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股		
Authorised:	法定：		
At 1 January 2019, 31 December 2019 and 31 December 2020	於二零一九年一月一日、 二零一九年十二月 三十一日及二零二零年 十二月三十一日	10,000,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2019, 31 December 2019 and 31 December 2020	於二零一九年一月一日、 二零一九年十二月 三十一日及二零二零年 十二月三十一日	9,303,374,783	930,337

32. RESERVE FUND

Pursuant to the articles of association of certain subsidiaries operating as foreign-owned enterprises in Mainland China and the relevant PRC Company Law, the subsidiaries shall make an allocation from their profit after tax at the rate of 10% to the statutory surplus reserve fund, until such reserve reaches 50% of the registered capital of the subsidiaries. Part of the statutory surplus reserve may be capitalised as the subsidiaries' registered capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital of the subsidiaries. The statutory reserve will be reclassified to retained profits upon the disposal of the subsidiaries.

32. 儲備金

根據若干於中國內地以外資企業方式經營之附屬公司之公司章程及相關中國公司法例，該等附屬公司須將其除稅後溢利之10%撥至法定儲備金，直至有關儲備達至該等附屬公司註冊資本之50%。部份法定儲備金可撥充為該等附屬公司之註冊資本，惟規定資本化後之餘下結餘不少於該等附屬公司註冊資本之25%。法定儲備於該等附屬公司被出售時將重新分類至留存溢利。

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33. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

33. 遞延稅項

於本年度及去年確認之主要遞延稅項負債及資產及其變動如下：

		Fair value adjustments arising from acquisition of subsidiaries 收購 附屬公司 產生的公平值 調整 HK\$'000 千港元	Accelerated depreciation and amortisation 加速折舊及 攤銷 HK\$'000 千港元 (Restated) (重列)	Losses available for offsetting against future taxable profits 可供抵銷 未來應課稅 溢利之虧損 HK\$'000 千港元 (Restated) (重列)	Provisions, other liabilities and others 撥備、 其他負債及 其他 HK\$'000 千港元	Total 合計 HK\$'000 千港元 (Restated) (重列)
At 1 January 2019	於二零一九年一月一日	(381,776)	(85,689)	138,495	59,616	(269,354)
Credit (charge) to profit or loss (note 8)	計入(扣除)損益(附註8)	10,157	(9,339)	9,347	6,539	16,704
Credit to other comprehensive income	計入其他全面收益	-	-	-	620	620
Exchange realignment	匯兌調整	2,758	774	(1,109)	(200)	2,223
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日	(368,861)	(94,254)	146,733	66,575	(249,807)
Credit (charge) to profit or loss (note 8)	計入(扣除)損益(附註8)	148,037	(6,670)	(81,411)	(4,540)	55,416
Credit to other comprehensive income	計入其他全面收益	-	-	-	95	95
Exchange realignment	匯兌調整	(6,078)	(2,464)	3,983	73	(4,486)
At 31 December 2020	於二零二零年十二月三十一日	(226,902)	(103,388)	69,305	62,203	(198,782)



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33. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

33. 遞延稅項 (續)

為方便列示，若干遞延稅項資產及負債已於綜合財務狀況表中抵扣。以下為本集團之遞延稅項結餘就財務報告用途所作分析：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (Restated) (重列)
Net deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項資產淨額	28,120	24,673
Net deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項負債淨額	(226,902)	(274,480)
		(198,782)	(249,807)

At 31 December 2020, the Group has not recognised deferred tax assets in respect of cumulative tax losses arising in (i) the PRC amounted to HK\$21,443,000 (2019: HK\$1,565,000) that would expire in one to five years for offsetting against future taxable profits, and (ii) the USA amounted to HK\$599,720,000 in respect of federal tax and HK\$624,627,000 in respect of state tax that would expire in future subject to local tax legislations. The above deferred tax assets have not been recognised in respect of these losses as it is not probable that future taxable profits against which the tax losses can be utilized will be available in the relevant tax jurisdiction and entity.

於二零二零年十二月三十一日，本集團並無就以下地區產生的累計稅項虧損確認遞延稅項資產：(i) 中國為21,443,000港元（二零一九年：1,565,000港元），該等虧損將於一至五年內到期，以抵銷未來應課稅溢利；及(ii) 美國有關聯邦稅的599,720,000港元及有關州稅的624,627,000港元，將根據當地稅項法例於未來到期。由於相關稅務司法權區及實體不大可能有可動用稅項虧損的未來應課稅溢利，故並無就該等虧損確認上述遞延稅項資產。

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33. DEFERRED TAX (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 PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between PRC and the jurisdiction of the foreign investors. For the Group, the applicable rates range from 5% to 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in PRC in respect of earnings generated from 1 January 2008.

At 31 December 2020 and 2019, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries, joint venture and associate established in PRC. In the opinion of the directors, it is not probable that these subsidiaries, joint venture and associate will distribute such earnings in the foreseeable future.

33. 遞延稅項 (續)

根據中國企業所得稅法，在中國成立之外資企業向外國投資者宣派之股息須徵收10%預扣稅。該規定於二零零八年一月一日起生效，適用於二零零七年十二月三十一日後之收益。倘中國與外國投資者之司法權區訂有稅收協定，或可採用較低之預扣稅率。對本集團而言，適用稅率為5%至10%。本集團因而須為在中國成立之附屬公司就自二零零八年一月一日起產生之收益所分派之股息承擔預扣稅。

於二零二零年及二零一九年十二月三十一日，並無就本集團在中國成立之附屬公司、合營公司及聯營公司須繳納預扣稅之未匯出收益所應付之預扣稅確認遞延稅項。董事認為，該等附屬公司、合營公司及聯營公司不大會在可見將來分派該等收益。



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34. BANK BORROWINGS

34. 銀行借貸

		2020 二零二零年			2019 二零一九年		
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	HK\$'000 千港元	Effective interest rate (%) 實際利率(%)	Maturity 到期日	HK\$'000 千港元
Current:	流動：						
Bank loans – secured	銀行貸款－有抵押	1.88%-3.48%	2021	19,817	3.44%-4.27%	2020	84,940
Bank loans – secured	銀行貸款－有抵押	1.13%-2.73%	2021	175,526	2.69%-3.52%	2020	139,190
Bank loans – unsecured	銀行貸款－無抵押	N/A 不適用	N/A 不適用	-	3.69%-4.52%	2020	1,031
				195,343			225,161
Non-current:	非流動：						
Bank loans – unsecured	銀行貸款－無抵押	1%	2025	57,559	N/A 不適用	N/A 不適用	-
				57,559			-
				252,902			225,161

All the current portion of the bank loans bear interests at variable rates while the non-current portion of bank loans bear fixed interest rates.

所有銀行貸款的流動部分按浮動利率計息，而銀行貸款的非流動部分則按固定利率計息。

Notes:

- (a) All bank borrowings are denominated in United States dollars.
- (b) The Group has granted a continuing security interest in all assets of Continental Aerospace Technologies, Inc. (formerly known as Continental Motors, Inc.) ("CMI"), a subsidiary of the Company and equity interests as the collaterals of certain bank loans.

附註：

- (a) 所有銀行借貸均以美元結算。
- (b) 本集團已授出本公司附屬公司 Continental Aerospace Technologies, Inc. (前稱為 Continental Motors, Inc.) (「CMI」) 所有資產及股本權益的持續抵押權益作為若干銀行貸款的抵押品。

35. OTHER FINANCIAL LIABILITIES

During the current year, the interest swaps contract entered into between CMI and Regions Bank was revised. According to the revised contract, CMI exchanged the floating interest rate of 1 month USD LIBOR to Regions Bank for a fixed interest rate of 3.245%. The start date and the maturity date of the interest swaps contract have been revised to 28 December 2020 and 27 December 2027, respectively. The notional amount of the interest swaps contract is US\$45,000,000 (equivalent to approximately HK\$348,750,000) and will be gradually reduced to US\$16,277,000 (equivalent to approximately HK\$126,146,000) before the maturity date.

35. 其他財務負債

年內，由CMI與Regions Bank訂立的利息掉期合約已修訂。根據經修訂合約，CMI變更Regions Bank的1個月美元倫敦銀行同業拆放利率為固定利率3.245%。利息掉期合約開始日期及到期日分別修訂為二零二零年十二月二十八日及二零二七年十二月二十七日。利息掉期合約的名義金額為45,000,000美元(相當於約348,750,000港元)，並將於到期日前逐漸減少至16,277,000美元(相當於約126,146,000港元)。

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35. OTHER FINANCIAL LIABILITIES (continued)

As at 31 December 2020, the fair value of the interest swaps contract is US\$6,180,000 (equivalent to approximately HK\$47,897,000).

36. LEASE LIABILITIES

35. 其他財務負債 (續)

於二零二零年十二月三十一日，利息掉期合約公平值為6,180,000美元(相當於約47,897,000港元)。

36. 租賃負債

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Lease liabilities payable:	於以下時間應付之租賃負債：		
Within one year	一年內	5,311	5,906
In the second year	於第二年	5,272	5,242
In the third to fifth years, inclusive	於第三至第五年 (包括首尾兩年)	15,680	17,533
Beyond five years	超過五年	288,634	291,929
		314,897	320,610
Less: Amount due for settlement within 12 months shown under current liabilities	減：流動負債項下 所顯示於12個月內到 期結付之金額	(5,311)	(5,906)
Amount due for settlement after 12 months shown under non-current liabilities	非流動負債項下 所顯示於12個月後 到期結付之金額	309,586	314,704

The weighted average incremental borrowing rates applied to lease liabilities range from 4.14% to 5.25% (2019: from 4.14% to 5.25%).

應用於租賃負債之加權平均增量借貸利率介乎於4.14%至5.25% (二零一九年：4.14%至5.25%)。



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37. PROVISIONS AND OTHER LIABILITIES

37. 撥備及其他負債

		Warranty provision	Product claim provision	Other liabilities	Total
		保修撥備	索賠撥備	其他負債	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
31 December 2020	二零二零年 十二月三十一日				
At 1 January 2020	於二零二零年一月一日	25,924	15,105	37,130	78,159
Additional provision (note 9)	額外撥備 (附註9)	61,068	20,104	13,273	94,445
Utilised during the year	年內已動用	(8,100)	(15,105)	(15,598)	(38,803)
Exchange realignment	匯兌調整	1,784	-	1,527	3,311
Others	其他	-	-	35	35
At 31 December 2020	於二零二零年 十二月三十一日	80,676	20,104	36,367	137,147
Portion classified as current liabilities	分類為流動負債的部份	(79,967)	(13,129)	(11,522)	(104,618)
Non-current portion	非流動部份	709	6,975	24,845	32,529

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37. PROVISIONS AND OTHER LIABILITIES (continued)

37. 撥備及其他負債 (續)

		Warranty provision	Product claim provision 產品 索賠撥備	Other liabilities 其他負債	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
31 December 2019	二零一九年 十二月三十一日				
At 1 January 2019	於二零一九年一月一日	29,272	28,458	39,254	96,984
Additional (reversal of) provision (note 9)	額外(撥回)撥備 (附註9)	26,792	(8,819)	6,998	24,971
Utilised during the year	年內已動用	(29,636)	(4,534)	(8,696)	(42,866)
Exchange realignment	匯兌調整	(504)	–	(496)	(1,000)
Others	其他	–	–	70	70
At 31 December 2019	於二零一九年 十二月三十一日	25,924	15,105	37,130	78,159
Portion classified as current liabilities	分類為流動負債的部份	(25,219)	(2,519)	(14,895)	(42,633)
Non-current portion	非流動部份	705	12,586	22,235	35,526

The Group provides warranties ranging from one to three years to its customers on certain of its engines. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

本集團就其部份發動機向其客戶提供一至三年的保養期。保修撥備金額根據銷量及過往的維修及退貨水平之經驗估算。本集團持續檢討該估算基準，並於適當時對其進行修訂。



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37. PROVISIONS AND OTHER LIABILITIES

(continued)

And the Group is currently involved in legal proceedings related to product liability claims. An estimate for the probable costs has been made for these claims as product claim provision. This estimate has been developed in consultation with the Group's insurers, legal counsels, historical experience and is based upon an analysis of potential results. In the opinion of the directors, these proceedings will not have a material adverse effect on the Group's consolidated financial statements. The product liability provisions are made for any present expected product liability claims as a result of the assessment at the end of the reporting period. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

38. SHARE OPTION SCHEME

At the annual general meeting held on 28 May 2014, the Company adopted a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants to contribute to the business development and growth of the Group and to enable the Group to recruit high-calibre employees and attract or retain human resources that are valuable to the Group. Since the adoption of the Scheme, no options have been granted, exercised, lapsed, cancelled or outstanding thereunder as at 31 December 2020.

Major terms of the Scheme include:

1. The purpose of the Scheme is to provide incentives to the participants.
2. The participants of the Scheme are any individual being employees, officers or consultants of the Company or any of its subsidiaries including any executive or non-executive directors thereof whether employed in Hong Kong or any part of the world.

37. 撥備及其他負債 (續)

本集團目前涉及與產品責任索賠有關的法律訴訟。作為產品索賠撥備，本集團已對該等索賠的可能成本作出估計。該項估計乃本集團在與本集團的保險公司及法律顧問協商後，根據過往經驗，並基於對潛在結果的分析作出。董事認為，該等訴訟程序不會對本集團的綜合財務報表造成重大不利影響。產品責任撥備乃針對報告期末評估的任何當前預期產品責任索賠而作出。本集團持續檢討該評估基準，並於適當時對其進行修訂。

38. 購股權計劃

於二零一四年五月二十八日舉行之股東週年大會上，本公司採納了一項購股權計劃（「該計劃」），目的為對本集團之業務發展及成長作出貢獻之合資格參與者提供激勵及獎勵，以使本集團能夠招攬優秀員工並吸引或挽留對本集團具有價值之人才。自採納該計劃以來，於二零二零年十二月三十一日，概無根據該計劃授出、行使、失效、註銷或尚未行使之購股權。

該計劃之主要條款包括：

1. 該計劃旨在向參與者提供激勵。
2. 該計劃之參與者為本公司或其任何附屬公司在香港或世界各地僱用之僱員、高級職員或顧問等個別人士，包括任何執行或非執行董事。

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38. SHARE OPTION SCHEME (continued)

3. The total number of shares of the Company (the "Shares") which may be issued upon exercise of all options to be granted under the Scheme, together with all options to be granted under any other share option schemes of any member of the Group, must not in aggregate represent more than 10% of the total number of the Shares in issue as at the date of adoption of the Scheme. The Company may refresh this 10% limit at any time subject to prior approval given by its shareholders at a general meeting. The overall limit on the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme, together with all outstanding options granted and yet to be exercised under any other share option schemes of any member of the Group, must not exceed 30% of the total number of the Shares in issue from time to time. No options may be granted under the Scheme and any other share option schemes of any member of the Group if such grant will result in the said 30% limit being exceeded. As at the date of this annual report, the total number of securities available for issue under the Scheme was 461,959,100 Shares, representing approximately 4.97% of the total number of the Shares in issue as at the date of this annual report.
4. The total number of Shares issued and to be issued upon exercise of the options (whether exercised, cancelled or outstanding) granted or to be granted under the Scheme and any other share option schemes of the Company to each eligible participant under the Scheme in any 12-month period shall not exceed 1% of the total number of the Shares in issue as at the proposed grant date.

38. 購股權計劃 (續)

3. 因行使根據該計劃授出之所有購股權，連同根據本集團任何成員公司的任何其他購股權計劃授出之所有購股權而可能發行之本公司股份（「股份」）總數，不得超過於該計劃採納當日已發行股份總數之10%。本公司可隨時更新該10%上限，惟須於股東大會上獲股東事先批准。因行使根據該計劃授出而尚未行使之所有尚未行使購股權，連同行使根據本集團任何成員公司的任何其他購股權計劃授出而尚未行使之所有尚未行使購股權而可能發行之股份總數，不得超過不時已發行股份總數之30%。倘根據該計劃及本集團任何成員公司的任何其他購股權計劃授出購股權將致令超出上述30%之上限，則不予授出購股權。於本年報日期，根據該計劃可供發行之證券總數為461,959,100股股份，相當於本年報日期已發行股份總數之約4.97%。
4. 於任何十二個月期間因行使根據該計劃及本公司任何其他購股權計劃已向或將向該計劃項下各合資格參與者授出之購股權（不論已行使、已註銷或尚未行使）而發行及將予發行之股份總數，不得超過建議授出日期已發行股份總數之1%。



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38. SHARE OPTION SCHEME (continued)

5. An option may be exercised in accordance with the terms of the Scheme at any time during a period of 10 years commencing on the date which the Board may determine at its discretion but such date shall not be earlier than three months after the date of the grant of such option is made.
6. An option granted shall remain open for acceptance by eligible participants for a period of 28 days from the date of the grant of such option together with a non-refundable payment of HK\$1.00.
7. The exercise price of an option shall be the highest of:
 - (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the option, which must be a business day;
 - (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the grant (subject to acceptance) of the option; and
 - (c) the nominal value of the Shares.
8. The Scheme shall be valid and effective for a period of 10 years commencing on 28 May 2014 and thereafter for as long as there are outstanding options granted and accepted pursuant thereto prior to the expiration of the said 10-year period and in order to give effect to the exercise of any such options.

38. 購股權計劃 (續)

5. 購股權可根據該計劃之條款於自董事會可酌情釐定的日期(惟相關日期不得早於相關購股權授出日期後三個月)起計十年期間內隨時行使。
6. 授出的購股權於授出日期後28日期間內維持可供合資格參與者接納,並須支付不可退回款項1.00港元。
7. 購股權之行使價須為下列之最高者:
 - (a) 於購股權授出日期(須為營業日)聯交所每日報價表所列之股份收市價;
 - (b) 於緊接購股權授出(須獲接納)日期前五個營業日於聯交所每日報價表所列之股份平均收市價;及
 - (c) 股份面值。
8. 該計劃由二零一四年五月二十八日起計十年期間有效及具效力,而於上述十年期屆滿前已授出及接納之尚未行使購股權仍可行使。

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38. SHARE OPTION SCHEME (continued)

Share options did not confer rights on the holders to dividends or to vote at shareholders' meetings.

At the end of the reporting period and at the date of approval of these financial statements, there were no (2019: Nil) share options outstanding.

39. DEFINED BENEFIT PLAN OBLIGATIONS

Continental Motors United Auto Workers Pension Plan ("UAW Pension Plan")

The Group has a defined benefit pension plan. It is a pension plan for the United States employees which require contributions to be made to a separately administered fund. This benefit pension plan is funded. Under the plan, the employees are entitled to monthly retirement benefits or early or postponed retirement benefits when they have early or postponed retirements subject to certain conditions.

Continental Motors Post-retirement Life & Health Plan ("Life & Health Plan")

The Group provides certain additional post-employment medical and life benefits to employees in the United States. These benefits are unfunded. Under the plan, the employees are entitled to receive post-employment medical benefits.

The actuarial valuations of the present value of the defined benefit plan obligations were carried out as at the end of the reporting period by Newport Group, Inc., a qualified actuary, using the projected unit credit actuarial valuation method.

The principal assumptions used at the end of the reporting period are as follows:

38. 購股權計劃 (續)

購股權並無賦予持有人享有股息或於股東大會上投票之權利。

於報告期末及本財務報表獲批准當日，並無(二零一九年：無)尚未行使之購股權。

39. 定額福利計劃責任

大陸發動機聯合汽車工人退休金計劃 (「UAW退休金計劃」)

本集團擁有定額福利退休金計劃。該計劃為針對美國僱員的退休金計劃，須向獨立管理賬戶作出供款。該福利退休金計劃已設立基金。根據該計劃，僱員有權按月收取退休福利，或倘彼等提早或推遲退休，有權按月收取提前或推遲退休福利，惟須達成若干條件。

大陸發動機退休後人壽健康計劃 (「人壽健康計劃」)

本集團向美國僱員提供若干額外退休後醫療及人壽福利。該等福利未設基金。根據該計劃，僱員有權收取退休後醫療福利。

定額福利計劃責任現值的精算估值乃由Newport Group, Inc. (合資格精算師)於報告期末使用預計單位信貸精算估值法進行。

於報告期末使用的主要假設載列如下：

		2020 二零二零年 %	2019 二零一九年 %
Discount rate	折現率		
UAW Pension Plan	UAW退休金計劃	2.00	2.80
Life & Health Plan	人壽健康計劃	1.88	2.44



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39. DEFINED BENEFIT PLAN OBLIGATIONS (continued)

A quantitative sensitivity analysis for significant assumptions at the end of the reporting period is shown below:

		Increase in rate 比率上升 %	Decrease in defined benefit obligations 定額福利 責任減少 HK\$'000 千港元	Decrease in rate 比率下降 %	Increase in defined benefit obligations 定額福利 責任增加 HK\$'000 千港元
As at 31 December 2020	於二零二零年 十二月三十一日				
Discount rate	折現率	1	(986)	(1)	1,219
As at 31 December 2019	於二零一九年 十二月三十一日				
Discount rate	折現率	1	(6,460)	(1)	7,869

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit plan obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit plan obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

The total expenses recognised as administrative expenses in the Group's profit or loss in respect of the plans are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current service cost	即期服務成本	2,826	6,395
Net interest expense	利息開支淨額	375	209
Net benefit expenses (note 9)	福利開支淨額(附註9)	3,201	6,604

39. 定額福利計劃責任 (續)

於報告期末有關重大假設的定量敏感度分析列示如下：

上述敏感度分析乃根據於報告期末主要假設發生之合理變動對定額福利計劃責任之影響作推斷而釐定。敏感度分析乃基於在所有其他假設不變的情況下就一項重大假設的改變而進行。敏感度分析未必代表定額福利計劃責任的實際改變，因該等假設的改變通常不會單獨發生。

就有關計劃於本集團損益內確認為行政管理費用的總開支如下：

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39. DEFINED BENEFIT PLAN OBLIGATIONS (continued)

The movements of the defined benefit plan obligations and the fair value of plan assets are as follows:

39. 定額福利計劃責任 (續)

定額福利計劃責任及計劃資產的公平價值變動如下：

		Defined benefit plan obligations 定額福利計劃責任		Fair value of plan assets 計劃資產的公平價值		Total 合計	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	52,456	36,317	(36,700)	(29,412)	15,756	6,905
Pension cost charged to profit or loss	扣除損益的退休金成本						
Current service cost	即期服務成本	2,826	6,395	-	-	2,826	6,395
Net interest expense (income)	利息開支(收入)淨額	1,427	1,513	(1,052)	(1,304)	375	209
Sub-total included in profit or loss	計入損益的小計	4,253	7,908	(1,052)	(1,304)	3,201	6,604
Remeasurement losses (gains) recognised in other comprehensive income	於其他全面收益內確認的重 新計量虧損(利潤)						
Returns on plan assets (excluding amounts included in net interest expense)	計劃資產回報(不包括計入利息開支淨額的金額)	-	1,345	(3,054)	(3,777)	(3,054)	(2,432)
Actuarial changes arising from changes in demographic assumptions	人口假設變動產生的精算變動	(416)	(1,278)	-	-	(416)	(1,278)
Actuarial changes arising from changes in financial assumptions	財務假設變動產生的精算變動	4,172	8,957	-	-	4,172	8,957
Sub-total included in other comprehensive income	計入其他全面收益的小計	3,756	9,024	(3,054)	(3,777)	702	5,247
Others	其他						
Contribution by employer	僱主供款	-	-	(2,886)	(3,000)	(2,886)	(3,000)
Benefits paid	已付福利	(1,351)	(793)	1,351	793	-	-
At 31 December	於十二月三十一日	59,114	52,456	(42,341)	(36,700)	16,773	15,756



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39. DEFINED BENEFIT PLAN OBLIGATIONS

(continued)

The major categories of the fair value of plan assets of the UAW Pension Plan are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Equity instruments	股本工具	21,627	18,135
Debt instruments	債務工具	18,745	16,417
Others	其他	1,969	2,148
		42,341	36,700

The Group expects to contribute HK\$2,790,000 (2019: HK\$3,246,000 for the year ending 31 December 2020) to pension plans for the year ending 31 December 2021.

Since Life & Health Plan is unfunded, there are no plan assets for the disclosure for the Life & Health Plan for the years ended 31 December 2020 and 2019.

The average duration of the UAW Pension Plan as at 31 December 2020 is 14 (2019: 14) years. The average duration of the Life & Health Plan as at 31 December 2020 is 8 (2019: 8) years.

39. 定額福利計劃責任 (續)

UAW退休金計劃的計劃資產的公平值之主要類別如下：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Equity instruments	21,627	18,135
Debt instruments	18,745	16,417
Others	1,969	2,148
	42,341	36,700

本集團預計於截至二零二一年十二月三十一日止年度向該等退休金計劃供款2,790,000港元(二零一九年：預期於截至二零二零年十二月三十一日止年度供款3,246,000港元)。

由於人壽健康計劃未設基金，故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有關人壽健康計劃的計劃資產披露。

於二零二零年十二月三十一日，UAW退休金計劃的平均期限為14年(二零一九年：14年)。於二零二零年十二月三十一日，人壽健康計劃的平均期限為8年(二零一九年：8年)。

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40. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Contracted, but not provided for:	已訂約但尚未撥備：		
Plant and machinery	廠房及機器	55,443	132,077

41. CAPITAL RISK 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 adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 31 December 2019.

40. 資本承擔

本集團於報告期末有以下資本承擔：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Contracted, but not provided for:		
Plant and machinery	55,443	132,077

41. 資本風險管理

本集團資本管理的首要目標，為確保本集團具備持續發展的能力，且維持穩健的資本比率，以支持其業務運作，為股東創造最大價值。

本集團根據經濟情況的變動及相關資產的風險特徵，管理其資本結構並作出調整。為維持或調整資本結構，本集團可能會調整向股東派發的股息、向股東退回資本或發行新股。本集團不會受制於任何外部施加之資本需求。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內，資本管理之目標、政策或程序並無改變。



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42. FINANCIAL INSTRUMENTS

42a. 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:

42. 金融工具

42a. 金融工具分類

於報告期末，各類別之金融工具賬面值如下：

		Financial assets at fair value through other comprehensive income 按公平值 計入其他全面 收益之 財務資產	Financial assets at fair value through profit or loss 按公平值 計入損益之 財務資產	Financial assets at amortised cost 按攤銷成本 列賬的 財務資產	Financial assets at fair value through profit or loss 按公平值 計入損益之 財務資產	Financial assets at fair value through other comprehensive income 按公平值 計入其他全面 收益之 財務資產	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2020	二零二零年						
Financial assets	財務資產						
Equity investments designated at fair value through other comprehensive income	按公平值計入其他全面收益之股本投資	-	-	389	-	389	389
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產	-	1,938	-	1,938	-	1,938
Trade receivables	應收貿易賬款	122,955	-	-	-	-	122,955
Amounts due from fellow subsidiaries	應收同系附屬公司款項	15,788	-	-	-	-	15,788
Loans to an associate	向聯營公司提供的貸款	11,135	-	-	-	-	11,135
Loans to a joint venture	向合營公司提供的貸款	1,046	-	-	-	-	1,046
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收賬款的財務資產	34,012	-	-	-	-	34,012
Cash and cash equivalents	現金及現金等值	914,072	-	-	-	-	914,072
		1,099,008	1,938	389	1,101,335		

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42. FINANCIAL INSTRUMENTS (continued)

42a. Financial instruments by category (continued)

42. 金融工具 (續)

42a. 金融工具分類 (續)

		Financial liabilities at amortised cost 按攤銷成本列賬的財務負債 HK\$'000 千港元	Financial liabilities at fair value through profit or loss 按公值計入損益之財務負債 HK\$'000 千港元	Total 合計 HK\$'000 千港元
2020	二零二零年			
Financial liabilities	財務負債			
Trade payables	應付貿易賬款	107,783	-	107,783
Other payables and accruals	其他應付賬款及應計費用	116,493	-	116,493
Bank borrowings	銀行借貸	252,902	-	252,902
Other financial liabilities	其他財務負債	-	47,897	47,897
Lease liabilities	租賃負債	314,897	-	314,897
Amounts due to intermediate holding companies	應付中間控股公司款項	26,456	-	26,456
		818,531	47,897	866,428



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42. FINANCIAL INSTRUMENTS (continued)

42a. Financial instruments by category (continued)

42. 金融工具 (續)

42a. 金融工具分類 (續)

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
	按攤銷成本列賬的財務資產	按公平值計入損益之財務資產	按公平值計入其他全面收益之財務資產	合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2019				
Financial assets				
Equity investments designated at fair value through other comprehensive income	–	–	34,430	34,430
Financial assets at fair value through profit or loss	–	1,938	–	1,938
Trade receivables	103,672	–	–	103,672
Amounts due from fellow subsidiaries	20,011	–	–	20,011
Loans to an associate	9,982	–	–	9,982
Financial assets included in prepayments, deposits and other receivables	19,818	–	–	19,818
Cash and cash equivalents	990,386	–	–	990,386
	1,143,869	1,938	34,430	1,180,237

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42. FINANCIAL INSTRUMENTS (continued)

42a. Financial instruments by category (continued)

		Financial liabilities at amortised cost 按攤銷成本列賬的財務負債 HK\$'000 千港元
2019	二零一九年	
Financial liabilities	財務負債	
Amounts due to intermediate holding companies	應付中間控股公司款項	27,846
Trade payables	應付貿易賬款	85,219
Other payables and accruals	其他應付賬款及應計費用	86,111
Bank borrowings	銀行借貸	225,161
Lease liabilities	租賃負債	320,610
		744,947

42b. Financial risk management objectives and policies

The Group's principal financial instruments include bank borrowings, lease liabilities and amounts due to intermediate holding companies. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk, liquidity risk and equity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

42b. 財務風險管理目標及政策

本集團的主要金融工具包括銀行借貸、租賃負債及應付中間控股公司款項。此等金融工具的主要用途是為本集團的營運提供財源。本集團亦有各樣的其他財務資產及負債，例如應收貿易賬款及應付貿易賬款，乃直接由營運而產生。

本集團的金融工具所產生的主要風險是外匯風險、利率風險、信貸風險、流動性風險及股價風險。董事會已審議並批准管理此等風險的政策，概述如下。



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42. FINANCIAL INSTRUMENTS (continued)

42b. Financial risk management objectives and policies (continued)

Foreign currency risk

The Group has intra-group balance denominated in foreign currency which expose the Group to foreign currency risk. The carrying amount of the intra-group asset is EUR19,500,000 (equivalent to HK\$180,863,000) as at 31 December 2020 (2019: EUR19,625,000, equivalent to HK\$171,326,000). An increase or decrease of 5% in HK\$ against EUR, will increase or decrease in the Group's loss before tax of HK\$9,043,000 (2019: HK\$8,566,000).

In addition, as most of the Group's business transactions, assets and liabilities are principally denominated in the functional currencies of the operating units, the Group's other exposure to foreign currency risk is minimal.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowings, loans to an associate and lease liabilities. The Group is also exposed to cash flow interest rate risk relates bank balances and variable-rate bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on variable-rate borrowings. The Group mitigates the risk by monitoring closely the movements in interest rates and reviewing its banking facilities regularly.

42. 金融工具 (續)

42b. 財務風險管理目標及政策 (續)

外匯風險

本集團的集團內公司間結餘以外幣計值，令本集團承受外匯風險。於二零二零年十二月三十一日，集團內公司間資產的賬面值為19,500,000歐元（相當於180,863,000港元）（二零一九年：19,625,000歐元，相當於171,326,000港元）。港元兌歐元增加或減少5%，將使本集團的除稅前虧損增加或減少9,043,000港元（二零一九年：8,566,000港元）。

此外，由於本集團的大部分業務交易、資產及負債均主要以營運單位之功能貨幣結算，因此本集團所承受的其他外匯風險極微。

利率風險

本集團面臨與固定利率借貸、向聯營公司提供的貸款及租賃負債有關的公平值利率風險。本集團亦承受銀行結餘及浮息銀行借貸相關之現金流量利率風險。本集團之現金流量利率風險主要集中於浮息借貸之利率波動。本集團通過密切監察利率變動及定期審閱其銀行信貸融資來降低風險。

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42. FINANCIAL INSTRUMENTS (continued)

42b. Financial risk management objectives and policies (continued)

Interest rate risk (continued)

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowings at the end of the reporting period. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

42. 金融工具(續)

42b. 財務風險管理目標及政策(續)

利率風險(續)

以下敏感度分析乃按照於報告期末浮息銀行借貸的利率風險而釐定。編製有關分析時乃假設於報告期末未償還的負債金額於整個年度並未償還。內部向主要管理層成員匯報利率風險會採納增加或減少100基點為基準，此亦代表管理層所評估之利率的合理可能變動。

		Increase (decrease) in basis points 基點增加 (減少)	(Increase) decrease in loss before tax 除稅前虧損 (增加) 減少 HK\$'000 千港元
As at 31 December 2020	於二零二零年十二月三十一日		
LIBOR	倫敦銀行同業拆息	100	(1,953)
LIBOR	倫敦銀行同業拆息	(100)	1,953
As at 31 December 2019	於二零一九年十二月三十一日		
LIBOR	倫敦銀行同業拆息	100	(2,251)
LIBOR	倫敦銀行同業拆息	(100)	2,251

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.

信貸風險

本集團僅與經認可的及信譽良好的第三方進行交易。本集團的政策是所有有意進行信貸交易的客戶均需通過信貸驗證措施。再者，本集團持續監察應收款項的結餘，因此壞賬的風險並不重大。



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42. FINANCIAL INSTRUMENTS (continued)

42b. Financial risk management objectives and policies (continued)

Credit risk (continued)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

42. 金融工具 (續)

42b. 財務風險管理目標及政策 (續)

信貸風險 (續)

最高風險及年末的階段

下表列示於十二月三十一日，以本集團信貸政策為依據的信貸質素及承受的最高信貸風險，主要基於逾期資料，惟毋須繁雜成本或精力即可獲得的其他資料除外，以及年末的階段分類。

		External credit rating 外部 信貸評級	12-month ECLs 十二個月 預期信貸 虧損	Lifetime ECLs 全期預期信貸虧損			Total 合計 HK\$'000 千港元
			Stage 1 第一階段 HK\$'000 千港元	Stage 2 第二階段 HK\$'000 千港元	Stage 3 第三階段 HK\$'000 千港元	Simplified approach 簡化法 HK\$'000 千港元	
31 December 2020	二零二零年十二月三十一日						
Trade receivables*	應收貿易賬款*	N/A 不適用	-	-	-	131,392	131,392
Amounts due from fellow subsidiaries	應收同系附屬公司款項	N/A 不適用	15,788	-	-	-	15,788
Loans to an associate	向聯營公司提供的貸款	N/A 不適用	11,135	-	-	-	11,135
Loan to a joint venture	向合營公司提供的貸款	N/A 不適用	-	-	2,846	-	2,846
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他 應收賬款的財務資產						
- Low risk**	- 低風險**	N/A 不適用	29,375	-	-	-	29,375
- Credit-impaired**	- 已信貸減值**	N/A 不適用	-	-	16,926	-	16,926
Cash and cash equivalents	現金及現金等值						
- Not yet past due	- 尚未逾期	AA-AA+	914,072	-	-	-	914,072
			970,370	-	19,772	131,392	1,121,534

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42. FINANCIAL INSTRUMENTS (continued)

42b. Financial risk management objectives and policies (continued)

Credit risk (continued)

Maximum exposure and year-end staging
(continued)

42. 金融工具(續)

42b. 財務風險管理目標及政策(續)

信貸風險(續)

最高風險及年末的階段(續)

	External credit rating 外部 信貸評級	12-month ECLs 十二個月 預期信貸 虧損	Lifetime ECLs			Simplified approach	Total
			Stage 1	Stage 2	Stage 3		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
31 December 2019	二零一九年十二月三十一日						
Trade receivables*	應收貿易賬款*	N/A 不適用	-	-	-	108,066	108,066
Amounts due from fellow subsidiaries	應收同系附屬公司款項	N/A 不適用	20,011	-	-	-	20,011
Loans to an associate	向聯營公司提供的貸款	N/A 不適用	9,982	-	-	-	9,982
Loan to a joint venture	向合營公司提供的貸款	N/A 不適用	-	-	1,700	-	1,700
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收賬款的財務資產						
- Low risk**	- 低風險**	N/A 不適用	19,818	-	-	-	19,818
- Credit-impaired**	- 已信貸減值**	N/A 不適用	-	-	41,774	-	41,774
Cash and cash equivalents	現金及現金等值						
- Not yet past due	- 尚未逾期	AA-AA+	990,386	-	-	-	990,386
			1,040,197	-	43,474	108,066	1,191,737

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 22 to the consolidated financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "low risk" when they are not past and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. The credit quality of the financial assets is considered to be "credit-impaired" when they are in default or there is information indicating that the debtors are in severe financial difficulty.

* 就本集團使用簡化法計算減值的應收貿易賬款而言，以撥備矩陣為依據的資料於綜合財務報表附註22披露。

** 計入預付款項、按金及其他應收賬款的財務資產的信貸質素於彼等既未逾期且無資料表明財務資產的信貸風險明顯增加時被視為「低風險」。當財務資產出現違約或有資料顯示債務人處於嚴重的財務困難時，該財務資產的信貸質素被視為「已信貸減值」。



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42. FINANCIAL INSTRUMENTS (continued)

42b. Financial risk management objectives and policies (continued)

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 loans and loans from intermediate holding companies.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

42. 金融工具 (續)

42b. 財務風險管理目標及政策 (續)

流動性風險

本集團利用經常性流動規劃工具監控資金短缺風險。該工具考慮金融工具及財務資產(如應收貿易賬款)的到期日及營運產生的預計現金流量。

本集團的目標乃是透過利用銀行貸款以及來自中間控股公司之貸款,以保持融資的持續性和靈活性的平衡。

於報告期末,本集團基於已訂約但未折現付款之財務負債到期情況如下:

		On demand	Less than 3 months	3 to less than 12 months 三至少於 十二個月	1 to 5 years 一至五年	Over 5 years 五年以後	Total
		於要求時 HK\$'000 千港元	少於三個月 HK\$'000 千港元	十二個月 HK\$'000 千港元	一至五年 HK\$'000 千港元	五年以後 HK\$'000 千港元	合計 HK\$'000 千港元
2020	二零二零年						
Non-derivative financial instruments	非衍生金融工具						
Amounts due to intermediate holding companies	應付中間控股公司款項	26,456	-	-	-	-	26,456
Trade payables	應付貿易賬款	-	107,783	-	-	-	107,783
Other payables and accruals	其他應付賬款及應計費用	-	116,493	-	-	-	116,493
Bank borrowings	銀行借貸	-	197,757	-	60,437	-	258,194
Lease liabilities	租賃負債	-	4,956	14,410	97,683	425,546	542,595
		26,456	426,989	14,410	158,120	425,546	1,051,521
Derivative-net settlement	衍生工具-淨額結算						
Other financial liabilities	其他財務負債	-	2,299	7,924	30,721	7,206	48,150

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42. FINANCIAL INSTRUMENTS (continued)

42b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
	於要求時	少於三個月	三至少於十二個月	一至五年	五年以後	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
2019						
Non-derivative financial instruments	二零一九年 非衍生金融工具					
Amounts due to intermediate holding companies	27,846	-	-	-	-	27,846
Trade payables	-	85,219	-	-	-	85,219
Other payables and accruals	-	86,111	-	-	-	86,111
Bank borrowings	-	1,039	229,873	-	-	230,912
Lease liabilities	-	4,112	16,298	97,337	445,288	563,035
	27,846	176,481	246,171	97,337	445,288	993,123

Equity price risk

The Group is exposed to equity securities price risk of its equity investments which are classified on the consolidated statement of financial position as equity investments designated at fair value through other comprehensive income (note 21).

The following table demonstrates the sensitivity to every 1% change in the fair values of equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, regarding the equity investments designated at fair value through other comprehensive income, the impact is on the fair value reserve.

42. 金融工具 (續)

42b. 財務風險管理目標及政策 (續)

流動性風險 (續)

股價風險

本集團承受綜合財務狀況表內分類為按公平值計入其他全面收益之股本投資所產生之股本證券價格風險(附註21)。

下表呈列，在所有其他可變因素維持不變且不計稅項影響的條件下，基於報告期末股本投資之賬面值，其公平值每改變1%的敏感度。就本分析的目的而言，對於按公平值計入其他全面收益之股本投資，影響為對公平值儲備的影響。



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42. FINANCIAL INSTRUMENTS (continued)

42b. Financial risk management objectives and policies (continued)

Equity price risk (continued)

		Carrying amount of equity investments 股本投資之賬面值 HK\$'000 千港元	Increase (decrease) in equity 權益增加(減少) HK\$'000 千港元
2020	二零二零年		
Unlisted investment at fair value	按公平值列賬的非上市投資		
– Equity investment at fair value through other comprehensive income	– 按公平值計入其他全面收益之股本投資	389	4/(4)
2019	二零一九年		
Investments listed in Hong Kong	於香港上市之投資		
– Equity investments designated at fair value through other comprehensive income	– 按公平值計入其他全面收益之股本投資	34,041	340/(340)
Unlisted investment at fair value	按公平值列賬的非上市投資		
– Equity investment at fair value through other comprehensive income	– 按公平值計入其他全面收益之股本投資	389	4/(4)

42c. Fair value and fair value hierarchy of financial instruments

Management has assessed that the fair values of trade receivables, balances with fellow subsidiaries, intermediate holding companies, an associate and a joint venture, financial assets included in prepayments, deposits and other receivables, cash and cash equivalents, trade payables, other payables and accruals and bank borrowings and considers the carrying amounts of these financial instruments at amortised cost are reasonably approximate to fair values.

42. 金融工具 (續)

42b. 財務風險管理目標及政策 (續)

股價風險 (續)

42c. 金融工具之公平值及公平值等級制度

管理層已評估應收貿易賬款、與同系附屬公司、中間控股公司、聯營公司及合營公司之結餘、計入預付款項、按金及其他應收賬款的財務資產、現金及現金等值、應付貿易賬款、其他應付賬款及應計費用、以及銀行借貸之公平值，並認為該等按攤銷成本計量的金融工具的賬面值與公平值合理相若。

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42. FINANCIAL INSTRUMENTS (continued)

42c. Fair value and fair value hierarchy of financial instruments (continued)

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of listed equity investments are categorised into Level 1 based on quoted market prices. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invested in certain unlisted investments. The Group has estimated the fair value of these unlisted equity investments with reference to the recent transaction prices with reasonable adjustment.

42. 金融工具 (續)

42c. 金融工具之公平值及公平值等級制度 (續)

由財務總監領導之本集團之財務部門負責釐定金融工具公平值計量之政策及程序。於每個報告日期，財務部門分析金融工具的價值變動並釐定估值中適用的主要參數。估值由財務總監審核及批准。

財務資產及負債之公平值計入自願（而非強迫或清盤出售）交易雙方於當前交易中可互換工具之金額內。

於估計公平值時，會使用下列方式及假設：

上市股本投資之公平值乃以所報市價作為基礎分類至第一級。董事認為，綜合財務狀況表記錄之按估值技術所估量之公平值以及其他全面收益內記錄之公平值相關變動乃屬合理，於報告期末，其價值最為恰當。

本集團投資若干非上市投資。本集團參考經合理調整的近期交易價格對該等非上市股本投資的公平值作估計。



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42. FINANCIAL INSTRUMENTS (continued)

42c. Fair value and fair value hierarchy of financial instruments (continued)

Below is a summary of significant inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2020 and 2019:

42. 金融工具 (續)

42c. 金融工具之公平值及公平值等級制度 (續)

以下為於二零二零年及二零一九年十二月三十一日金融工具估值之重大輸入數據連同定量敏感度之分析概要：

Financial instruments 金融工具	Fair value as at 於以下日期之公平值		Fair value hierarchy 公平值等級	Valuation techniques 估值技術	Key unobservable inputs and sensitivity analysis 重大不可觀察輸入數據及敏感度分析
	31/12/2020 二零二零年 十二月三十一日	31/12/2019 二零一九年 十二月三十一日			
Listed equity investment 上市股本投資	-	Assets - HK\$34,041,000 資產 - 34,041,000 港元	Level 1 第一級	Quoted bid prices in an active market. 於活躍市場的報價	N/A 不適用
Interest rate swaps 利率掉期	Liabilities - HK\$47,897,000 負債 - 47,897,000 港元	-	Level 2 第二級	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties. 折現現金流量。 未來現金流量根據遠期利率(來自於報告期末之可觀察收益曲線)及約定利率估計，並按反映各交易對手信貸風險的折現率進行折現。	N/A 不適用

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

42c. Fair value and fair value hierarchy of financial instruments (continued)

Financial instruments	Fair value as at		Fair value hierarchy	Valuation techniques	Key unobservable inputs and sensitivity analysis
金融工具	於以下日期之公平值		公平值等級	估值技術	重大不可觀察輸入數據及敏感度分析
	31/12/2020 二零二零年 十二月三十一日	31/12/2019 二零一九年 十二月三十一日			
Unlisted equity investment	Assets – HK\$389,000	Assets – HK\$389,000	Level 3	Market approach using issued prices of transactions.	Recent transaction prices 1% (2019: 1%) increase/decrease in issued prices of transactions would result in increase/decrease in fair value by HK\$4,000 (2019: HK\$4,000).
非上市股本投資	資產— 389,000港元	資產— 389,000港元	第三級	使用交易發行價的市場法。	最近期交易價格交易的發行價增加/減少1% (二零一九年：1%) 將導致公平值增加/減少4,000港元 (二零一九年：4,000港元)。
Unlisted debt investment	Assets – HK\$1,938,000	Assets – HK\$1,938,000	Level 3	Discounted cash flow method was used to capture the present value based on the expected yield rate.	Yield rate 1% (2019: 1%) increase/decrease in yield rate would result in decrease/increase in fair value by HK\$124,000/HK\$134,000 (2019: HK\$169,000/HK\$185,000).
非上市債務投資	資產— 1,938,000港元	資產— 1,938,000港元	第三級	使用折現現金流量法根據預期收益率獲取現值。	收益率 收益率增加/減少1% (二零一九年：1%) 將導致公平值減少/增加124,000港元/134,000港元 (二零一九年：169,000港元/185,000港元)。



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42. FINANCIAL INSTRUMENTS (continued)

42c. Fair value and fair value hierarchy of financial instruments (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

42. 金融工具 (續)

42c. 金融工具之公平值及公平值等級制度 (續)

公平值等級制度

下表列示本集團金融工具之公平值計量等級：

		Fair value measurement using 使用以下各項進行公平值計量			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 31 December 2020	於二零二零年 十二月三十一日				
Equity investments designated at fair value through other comprehensive income	按公平值計入其他全面收益之股本投資	-	-	389	389
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產	-	-	1,938	1,938
		-	-	2,327	2,327
Other financial liabilities	其他財務負債	-	47,897	-	47,897
As at 31 December 2019	於二零一九年 十二月三十一日				
Equity investments designated at fair value through other comprehensive income	按公平值計入其他全面收益之股本投資	34,041	-	389	34,430
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產	-	-	1,938	1,938
		34,041	-	2,327	36,368

During both years, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

於兩個年度內，公平值計量並無在第一級及第二級之間轉移，亦無轉入或轉出第三級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

42c. Fair value and fair value hierarchy of financial instruments (continued)

Fair value hierarchy (continued)

The movements in fair value measurements within Level 3 during the year are as follows:

42. 金融工具(續)

42c. 金融工具之公平值及公平值等級制度(續)

公平值等級制度(續)

年內，第三級公平值計量的變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Equity investments designated at fair value through other comprehensive income – unlisted:	按公平值計入其他全面收益之股本投資－非上市：		
At 1 January	於一月一日	389	389
Gains in other comprehensive income	其他全面收益中之利潤	3,889	–
Disposal	出售	(3,889)	–
At 31 December	於十二月三十一日	389	389
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產：		
At 1 January	於一月一日	1,938	–
Addition	增加	–	1,938
At 31 December	於十二月三十一日	1,938	1,938



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

43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

2020

		Bank borrowings	Lease liabilities	Amounts due to intermediate holding companies	Dividend payable	Total
		銀行借貸	租賃負債	應付中間控股公司款項	應付股息	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2020	於二零二零年一月一日	225,161	320,610	27,846	-	573,617
Changes from financing cash flows	融資現金流量變動	23,490	(5,934)	-	-	17,556
New leases	新租賃	-	202	-	-	202
Exchange realignment	匯兌調整	-	19	(1,390)	-	(1,371)
Interest expense	利息支出	4,251	14,500	-	-	18,751
Interest paid classified as operating cash flow	分類為經營現金流量的已付利息	-	(14,500)	-	-	(14,500)
At 31 December 2020	於二零二零年十二月三十一日	252,902	314,897	26,456	-	594,255

43. 融資活動產生之負債之對賬

下表詳列本集團融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債為其現金流量或未來現金流量於本集團之綜合現金流量表分類為融資活動之現金流量。

二零二零年

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

2019

		Bank borrowings	Lease liabilities	Amounts due to intermediate holding companies	Dividend payable	Total
		銀行借貸	租賃負債	應付中間控股公司款項	應付股息	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2019	於二零一九年一月一日	121,249	35,091	28,815	-	185,155
Changes from financing cash flows	融資現金流量變動	100,146	(5,295)	812	(93,034)	2,629
New leases	新租賃	-	290,824	-	-	290,824
Exchange realignment	匯兌調整	-	(10)	(1,781)	-	(1,791)
Interest expense	利息支出	3,766	7,014	-	-	10,780
Interest paid classified as operating cash flow	分類為經營現金流量的已付利息	-	(7,014)	-	-	(7,014)
Dividend paid	已付股息	-	-	-	93,034	93,034
At 31 December 2019	於二零一九年十二月三十一日	225,161	320,610	27,846	-	573,617

43. 融資活動產生之負債之對賬 (續)

二零一九年

44. MAJOR NON-CASH TRANSACTIONS

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$202,000 (2019: HK\$290,824,000) in respect of lease arrangements for motor vehicles (2019: land and buildings).

44. 主要非現金交易

年內，本集團有關汽車(二零一九年：土地及樓宇)租賃安排之使用權資產及租賃負債的非現金增加為202,000港元(二零一九年：290,824,000港元)。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

45. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions described elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the year:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest income on loans to an associate*	向聯營公司提供的貸款之利息收入*	550	541
Fellow subsidiaries:	同系附屬公司：		
Sales	銷售	165,965	186,285
Purchases	採購	-	256
Short term lease payment to an intermediate holding company	向中間控股公司作出的短期租賃付款	1,468	-

* Details of the loans to an associate are set out in note 18 to the consolidated financial statements.

- (b) Compensation of key management personnel of the Group:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	2,394	2,561
Post-employment benefits	僱用後福利	36	24
Total compensation paid to key management personnel	支付主要管理層成員之報酬總額	2,430	2,585

Further details of directors' emoluments are included in note 10 to the consolidated financial statements.

45. 關聯方交易

- (a) 除財務報表另有所述之交易外，本集團於年內曾進行以下關聯方交易：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest income on loans to an associate*	550	541
Fellow subsidiaries:		
Sales	165,965	186,285
Purchases	-	256
Short term lease payment to an intermediate holding company	1,468	-

* 向聯營公司提供的貸款之詳情載於綜合財務報表附註18。

- (b) 本集團主要管理層成員之報酬：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Short term employee benefits	2,394	2,561
Post-employment benefits	36	24
Total compensation paid to key management personnel	2,430	2,585

有關董事酬金之進一步詳情載於綜合財務報表附註10。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the principal subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

46. 本公司主要附屬公司之詳情

本公司於報告期末直接及間接持有之主要附屬公司之詳情載於下文。

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行 普通股/ 註冊股本	Percentage of equity attributable to the Company 2020 and 2019 二零二零年及二零一九年 本公司應佔股本權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Billirich Investment Limited*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1,000 1,000美元	100	-	Investment holding 投資控股
Motto Investment Limited ("Motto")*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$68,200,000 68,200,000美元	100	-	Investment holding 投資控股
Continental Motors Deutschland Limited*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	-	100	Investment holding 投資控股
CMI	USA 美國	US\$10 10美元	-	100	Design, development and production of general aviation aircraft piston engines and spare parts and provision of aftermarket services and support for piston engines 設計、開發及生產通用航空飛機 活塞發動機及備件以及為活塞 發動機提供售後服務及支持
CG	Germany 德國	EUR25,000 25,000歐元	-	100	Design, development and production of general aviation aircraft piston engines and spare parts and provision of aftermarket services and support for piston engines 設計、開發及生產通用航空飛機 活塞發動機及備件以及為活塞 發動機提供售後服務及支持
Continental Motors (Beijing) Co., Ltd.* 大陸發動機(北京)有限責任公司	PRC/Mainland China 中國/中國內地	US\$4,000,000 4,000,000美元	100	-	Sale of aircraft engines and parts 銷售航空發動機及部件
Kingspot Investment Limited*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	HK\$1 1港元	100	-	Investment holding 投資控股
CATIC Helicopter (H.K.) Limited*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$2 2美元	100	-	Investment holding 投資控股

* The statutory financial statements of these subsidiaries were not audited by Deloitte's members firm.

* 所有此等附屬公司的法定財務報表均並無經德勤之成員公司審核。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

The above tables list 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.

None of the subsidiaries had issued any debt securities during both years.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong. The principal activities of these subsidiaries are summarised as follows:

Principle activities 主要業務	Principle place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2020/12/31 二零二零年 十二月三十一日	2019/12/31 二零一九年 十二月三十一日
Investment holding 投資控股	Hong Kong 香港	6	7
	Mainland China 中國內地	1	1
		7	8

47. COMPARATIVE FIGURES

Certain comparative financial information has been reclassified in order to conform with current period's presentation.

46. 本公司主要附屬公司之詳情 (續)

上表列出董事認為對本集團的本年度業績有主要影響或佔本集團資產淨值重大部份的本公司附屬公司。董事認為，倘將其他附屬公司的資料列出，會令內容過於冗長。

於兩個年度內，概無任何附屬公司發行任何債務證券。

於報告期末，本公司擁有對本集團而言並非重大的其他附屬公司。該等附屬公司大部分在香港經營。該等附屬公司的主要業務概述如下：

47. 比較數字

若干比較財務資料已重新分類以符合本期呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

48. 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:

48. 本公司財務狀況表

有關本公司於報告期末的財務狀況表的資料載列如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (Restated) (重列)
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房和設備	46	57
Investment property	投資物業	128,200	151,500
Investments in subsidiaries	附屬公司之投資	1,887,555	2,603,533
Total non-current assets	非流動資產總值	2,015,801	2,755,090
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	322	2,828
Cash and cash equivalents	現金及現金等值	675,945	854,540
Amounts due from subsidiaries	應收附屬公司款項	253,198	248,532
Total current assets	流動資產總值	929,465	1,105,900
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付賬款及應計費用	2,973	3,191
Tax payable	應付稅項	-	6,060
Amounts due to subsidiaries	應付附屬公司款項	606,465	602,361
Total current liabilities	流動負債總值	609,438	611,612
NET CURRENT ASSETS	流動資產淨值	320,027	494,288
Net assets	資產淨值	2,335,828	3,249,378
EQUITY	權益		
Issued capital	已發行股本	930,337	930,337
Reserves*	儲備*	1,405,491	2,319,041
Total equity	權益總值	2,335,828	3,249,378



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

* A summary of the Company's reserves is as follows:

		Share premium account 溢價賬 HK\$'000 千港元	Asset revaluation reserve 資產重估儲備 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Retained profits (accumulated loss) 留存溢利 (累積虧損) HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	1,857,729	-	5,243	370,582	2,233,554
Profit and total comprehensive income for the year	溢利及本年全面收益總額	-	130,615	-	47,906	178,521
2018 special dividend	二零一八年特別股息	-	-	-	(93,034)	(93,034)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	1,857,729	130,615	5,243	325,454	2,319,041
Loss and total comprehensive expense for the year	虧損及本年全面支出總額	-	-	-	(913,550)	(913,550)
At 31 December 2020	於二零二零年十二月三十一日	1,857,729	130,615	5,243	(588,096)	1,405,491

48. 本公司財務狀況表 (續)

* 本公司儲備概述如下：

The contributed surplus of the Company represents the excess of the consolidated net asset value of a subsidiary at the date of its acquisition by the Company in a previous year pursuant to a group reorganisation, over the nominal amount of the Company's shares issued in consideration for such acquisition, net of accumulated losses of the Company set off in the prior years. Under the Companies Act of 1981 of Bermuda, the contributed surplus of the Company is distributable to shareholders under certain circumstances.

本公司之繳入盈餘為本公司根據集團重組安排於過往年度收購一間附屬公司時，該附屬公司於收購日期之綜合資產淨值超逾本公司作為收購代價而發行之股份面值之金額，並已扣除於過往年度抵銷之本公司累積虧損。根據百慕達一九八一年公司法，本公司之繳入盈餘在若干情況下可供分派予各股東。

FIVE YEAR FINANCIAL SUMMARY 五年財務概要

31 December 2020 二零二零年十二月三十一日

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below. This summary is not part of the audited financial statements.

本集團過去五個財政年度的業績及資產、負債和非控股權益概述如下，乃摘錄自己刊發經審核財務報表，並已作適當重列／重新分類。此等概要並非經審核財務報表的部份。

		Year ended 31 December 截至十二月三十一日止年度				
		2020	2019	2018	2017	2016
		二零二零年	二零一九年	二零一八年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
			(Restated)			
			(重列)			
RESULTS	業績					
CONTINUING OPERATIONS	持續經營業務					
Revenue	收益	1,246,809	1,458,003	1,341,223	-	-
LOSS BEFORE TAX	除稅前虧損	(808,530)	(83,833)	(159,025)	(69,434)	(688,853)
Income tax credit/(expense)	所得稅抵免／(開支)	51,792	29,817	31,893	724	(382)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	來自持續經營業務之本年虧損	(756,738)	(54,016)	(127,132)	(68,710)	(689,235)
DISCONTINUED OPERATION	已終止經營業務					
Profit/(loss) for the year from a discontinued operation	來自已終止經營業務之本年溢利／(虧損)	-	-	507,569	(267,833)	(19,696)
(LOSS)/PROFIT FOR THE YEAR	本年(虧損)／溢利	(756,738)	(54,016)	380,437	(336,543)	(708,931)
Attributable to:	下列人士應佔：					
Owners of the parent	母公司所有者	(756,738)	(54,016)	398,968	(288,481)	(685,842)
Non-controlling interests	非控股權益	-	-	(18,531)	(48,062)	(23,089)
		(756,738)	(54,016)	380,437	(336,543)	(708,931)
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS	資產、負債及非控股權益					
Total assets	資產總值	4,178,556	4,772,624	4,514,263	4,384,075	5,703,073
Total liabilities	負債總值	(1,332,416)	(1,198,930)	(895,095)	(2,112,143)	(3,176,320)
Non-controlling interests	非控股權益	-	-	-	(539,427)	(553,481)
		2,846,140	3,573,694	3,619,168	1,732,505	1,973,272



PARTICULARS OF INVESTMENT PROPERTY 投資物業詳情

31 DECEMBER 2020

二零二零年十二月三十一日

Location 地點	Use 用途	Tenure 租期	Attributable interest of the Group 本集團 應佔權益
Unit B, 15/F, United Centre, 95 Queensway, Hong Kong 香港 金鐘道95號 統一中心 15樓B室	Office 辦公室	Vacant 空置	100%

Corporate Information 公司資料

DIRECTORS

Lai Weixuan (*Chairman*)
Fu Fangxing (*resigned on 25 January 2021*)
Huang Yongfeng (*appointed on 25 January 2021*)
Zhang Zhibiao
Yu Xiaodong
Zhao Yang (*Chief Executive Officer*)
Chow Wai Kam *
Chu Yu Lin, David**
Li Ka Fai, David**
Zhang Ping**

* *Non-executive Director*

** *Independent Non-executive Directors*

AUDIT COMMITTEE

Chu Yu Lin, David (*Chairman*)
Li Ka Fai, David
Zhang Ping

REMUNERATION COMMITTEE

Chu Yu Lin, David (*Chairman*)
Lai Weixuan
Li Ka Fai, David

NOMINATION COMMITTEE

Zhang Ping (*Chairman*)
Fu Fangxing (*resigned on 25 January 2021*)
Huang Yongfeng (*appointed on 25 January 2021*)
Chu Yu Lin, David

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

AUDITORS

Deloitte Touche Tohmatsu

董事

賴偉宣 (*主席*)
傅方興 (*於二零二一年一月二十五日辭任*)
黃勇峰 (*於二零二一年一月二十五日獲委任*)
張志標
于曉東
趙揚 (*行政總裁*)
周偉淦*
朱幼麟**
李家暉**
張平**

* *非執行董事*

** *獨立非執行董事*

審核委員會

朱幼麟 (*主席*)
李家暉
張平

薪酬委員會

朱幼麟 (*主席*)
賴偉宣
李家暉

提名委員會

張平 (*主席*)
傅方興 (*於二零二一年一月二十五日辭任*)
黃勇峰 (*於二零二一年一月二十五日獲委任*)
朱幼麟

主要銀行

香港上海滙豐銀行有限公司

核數師

德勤•關黃陳方會計師行



Corporate Information 公司資料

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit A, 20/F, Tower 2, Admiralty Centre
18 Harcourt Road, Admiralty, Hong Kong

SHARE REGISTRARS

Principal registrars

MUFG Fund Services (Bermuda) Limited
4th floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12, Bermuda

Hong Kong registrars

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong

WEBSITE

www.avic.com.hk

STOCK CODE

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註冊辦事處

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10, Bermuda

總辦事處及主要營業地點

香港金鐘夏愨道18號
海富中心第二座20樓A室

股份過戶登記處

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
4th floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12, Bermuda

香港股份過戶登記處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓1712-1716室

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股份代號

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AVIC International Holding (HK) Limited
中國航空工業國際控股(香港)有限公司