



Chia Tai Enterprises International Limited  
正大企業國際有限公司

(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 : 3839

2020

ANNUAL REPORT 年報

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## Chairman's statement

### 董事長報告書

In 2020, while the global economy at large was severely hit by the continuous spread of COVID-19, China was able to effectively contain the epidemic and her economy rebounded relatively quickly. During the year, China's gross domestic product grew 2.3% versus the drastic slump seen by other major economies around the world. Against this backdrop, Chia Tai Enterprises International Limited (the "Company") and its subsidiaries (together "the Group") braved the challenges stemming from the difficult global economic environment and put in place effective operating strategies to gradually push forward with the overall transformation of the Group's business.

On the biochemical business front, the agri-food industry in China faced different assails, including COVID-19, the African swine fever and avian flu epidemic. Moreover, China's ban on antibiotics used as animal feed additives took effect on 1 July 2020. The farming industry in China is moving towards low-carbon animal farming – trending towards scale production and the integration of production, supply and sale. From the global perspective, while the American, Indian and European markets were harder hit by COVID-19, the Asian market was plagued by the African swine fever and avian flu, dealing a heavy blow to the farming industry. Countering such harsh challenges at home and abroad, the Group responded actively, embracing the quality control principle of focusing on technology, quality first and continuous innovation. With that dedication, the Group managed to raise the quality of its products and achieve better product differentiation. Also, the Group extended the reach of its sales channels from feed mills to farms and pushed at full strength for strategic transformation and sustainable development of its business.

During the year, the Group embarked on a series of innovation and reforms conducive to the overall transformation and business upgrade. To promote research and innovation, the Group continued to expand its research and development ("R&D") capacity and groom high-end R&D talent, as well as step up cooperation with different higher-education and research institutions. We kicked off different research projects and was able to convert the fruit of such efforts into practical value, thereby sharpened the Group's competitive edge. In operation and production, the Group continued to employ "Six Sigma" management, implementing a series of automation initiatives and optimizing operational flow to boost production efficiency. To raise production safety awareness across the Group, measures were taken to build a work safety ownership culture among employees. The Group also continued its pursuit of green and sustainable operation. Talent recruitment and development are of great importance for the Group. To support its sustainable development over time, the Group has been actively building a talent database and developing a human capital reserve.

二零二零年，在新型冠狀病毒（「新冠」）疫情持續蔓延的影響下，全球經濟受到沉重打擊，但中國疫情得到有效控制，其經濟恢復的速度較快。年內，中國國民生產總值增長率為2.3%，而全球其他主要經濟體表現則處於異常低迷狀態。在此背景下，正大企業國際有限公司（「本公司」）及其附屬公司（統稱「本集團」）積極應對來自全球艱鉅經濟環境的挑戰，並製定有效的經營策略，逐步推動企業全面轉型。

在生化業務方面，中國農牧食品產業除受到新冠疫情、非洲豬瘟及禽流感的三重夾擊，中國飼料行業禁抗也自二零二零年七月一日開始全面執行。中國國內養殖行業正趨向規模化、產供銷一體化，走向低碳養殖。綜觀全球來看，美洲、印度和歐洲市場受到新冠疫情較大的影響，亞洲則受到非洲豬瘟和禽流感的衝擊，為養殖行業造成頗大創傷。面臨國內外形勢的挑戰，本集團積極應對，明確科技引領、質量先行、持續創新的質量方針，實現了產品的品質升級和產品差異化，並推動銷售渠道從飼料廠到養殖場的下沉，全力推動及實現戰略轉型和業務可持續發展。

年內，在推動全面轉型和升級的過程中，本集團進行了大量的創新和變革。本著全力推動研發創新的策略，不斷的擴充研發實力及培養高端研發人才，以及與各方高校及研發機構深化合作；實現了多個產品項目的研發及成果轉化，增強集團競爭力。在經營和生產過程中，全面推行精益「六西格瑪管理」，推進生產自動化和流程優化，提高生產效率，全面落實主體安全責任意識，持續開展安全文化建設，並致力於綠色環保經營。本集團非常注重人才的引進和培養，積極建立人才信息庫，為集團的可持續發展儲備人力資源。

## Chairman's statement

董事長報告書

On the industrial business front, in addition to China effectively and quickly containing the COVID-19 spread, government commitment to infrastructural investments worth tens of billions of Renminbi had given a boost to sales of the construction machinery sector this year. However, despite the climb in sales for the entire industry this year, the Group's market share slipped relative to last year as a result of growing competition from rising local brands. As for China's automobile industry, at the government's increased efforts to drive domestic demand – fostering consumption and spending – the industry saw production and demand steadily increasing. Nevertheless, automobile and motorcycle sales still reported a slight decline for the year. Zhanjiang Deni will enhance its R&D capability, step up production automation and heighten overall operational efficiency, striving to upgrade its technology and seize opportunities brought about by new energy vehicles.

Looking ahead, upholding the principle of “benefiting the countries in which we operate, benefiting the people whose community we share and benefiting the enterprises for which we are responsible”, we will work hard to ensure the quality of our products and develop superior quality products, strictly abide by environmental laws and regulations, as well as proactively tackle uncertainties in the operating environment. We will also work towards the ends of realising the goal of achieving excellent development and be ready to take on the challenges and capture opportunities in 2021.

Finally, I would like to thank all employees for their hard work and contribution in 2020 and also shareholders for their trust and support.

**Soopakij Chearavanont**

*Chairman*

Hong Kong, 23 February 2021

工業業務方面，中國有效及快速控制新冠病毒的擴散和蔓延，加上政府確定推進規模總計達數十萬億人民幣的國內基建投資項目，拉動了今年的工程機械行業銷量。雖然今年的行業銷量有所增長但面對與國產品牌的競爭，本集團的市場佔有率和去年對比有所下降。至於中國汽車行業，雖然受惠國內持續推行擴大內需戰略及各項促進消費政策持續發力，全行業生產近期穩中有升，需求企穩回暖，但全年汽車和摩托車銷量還是輕微下降。湛江德利將拓展技術研發，提升自動化生產及整體營運效率，促進技術升級，同時抓好新能源汽車帶來的機會。

展望未來，本集團將秉承「利國、利民、利企業」的價值觀，全力確保產品質量、開發高品質產品，遵守環保相關法律法規，並積極應對經營環境中的不確定因素，落實高質量發展要求，迎向二零二一年的挑戰與機遇。

最後，衷心感謝所有員工在二零二零年的付出和貢獻，也感謝股東們對我們的信任與支持。

謝吉人

*董事長*

香港，二零二一年二月二十三日

# Financial Highlights

## 財務概要

(Unit: US\$'000)

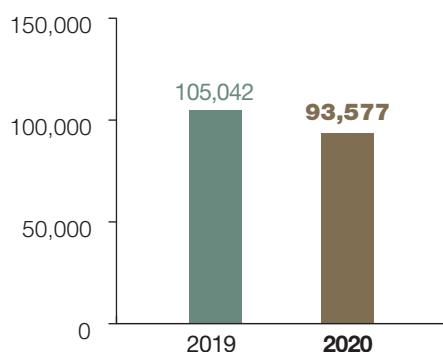
(單位：美元千元)

2020

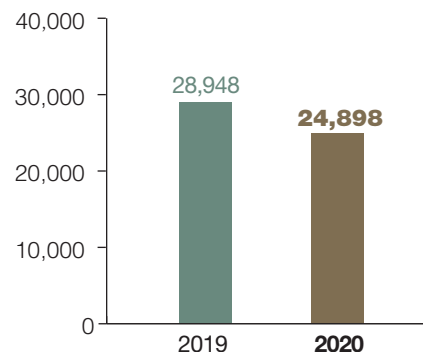
2019

Key Statement of Comprehensive Income Items	主要全面收益表項目		
Revenue	收入	93,577	105,042
Gross Profit	毛利	24,898	28,948
Profit Attributable to Shareholders of the Company	本公司股東應佔溢利	16,255	15,800
Basic and Diluted Earnings Per Share (US cents)*	每股基本及攤薄溢利(美仙)*	6.42	6.24
<b>Key Statement of Financial Position Items</b>	<b>主要財務狀況表項目</b>		
Property, Plant & Equipment	物業、廠房及設備	88,652	74,705
Total Assets	總資產	330,698	292,657
Total Bank Borrowings	總銀行借款	20,502	15,951
Issued Capital	已發行股本	25,333	25,333
Shareholders' Equity	股東應佔權益	227,999	199,189
Total Equity	權益總額	250,610	222,413

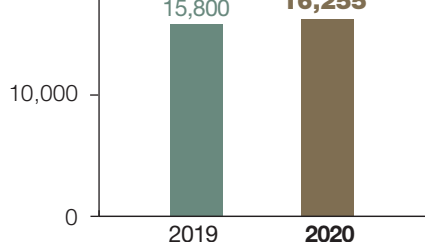
**Revenue** US\$'000  
收入 美元千元



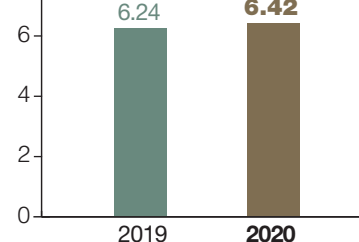
**Gross Profit** US\$'000  
毛利 美元千元



**Profit Attributable to Shareholders of the Company** US\$'000  
本公司股東應佔溢利 美元千元



**Basic and Diluted Earnings Per Share** US cents  
每股基本及攤薄溢利 美仙



## Remarks備註:

\* Based on the profit for the year attributable to shareholders of the Company and the weighted average number of ordinary shares and convertible preference shares in issue during the year.  
按本公司股東應佔本年溢利，及於本年內已發行普通股及可換股優先股之加權平均數計算。

# Management Discussion and Analysis

## 管理層討論及分析

### GROUP RESULTS

The Group has two lines of business: biochemical business and industrial business. The biochemical business focuses on the manufacture and/or sale of chlortetracycline (“CTC”) and other related products and is carried on by Group subsidiaries. This business segment accounts for all of the Group’s consolidated revenue. The industrial business comprises the Group’s interests in its joint venture ECI Metro Investment Co., Ltd. (together with its subsidiaries, “ECI Metro”) and its associate Zhanjiang Deni Vehicle Parts Co., Ltd. (together with its subsidiaries, “Zhanjiang Deni”). The results of the Group’s industrial business are incorporated in the consolidated statement of comprehensive income as share of profits of joint venture and associate.

For the year ended 31 December 2020, the Group’s revenue decreased 10.9% to US\$93.58 million (2019: US\$105.04 million). Overall, gross profit margin was 26.6% (2019: 27.6%).

Profit attributable to shareholders of the Company grew 2.9% to US\$16.26 million (2019: US\$15.80 million).

Basic and diluted earnings per share were both US 6.42 cents (2019: US 6.24 cents). The Board has resolved not to declare a final dividend for the year ended 31 December 2020 (2019: Nil).

### BUSINESS REVIEW

#### Biochemical

We generate a sizable portion of our revenue from the manufacture and sale of CTC products – CTC Premix and CTC HCL. CTC products are antibiotics used to prevent or cure animal diseases. The Group’s customers include pharmaceutical companies, trading companies, feed mills and farms.

In 2020, the Group’s revenue from the biochemical business decreased 10.9% to US\$93.58 million (2019: US\$105.04 million). Revenue contribution from China, Asia Pacific (excluding China), Americas, Europe and elsewhere were 39.2%, 30.2%, 18.4%, 8.5% and 3.7%, respectively.

### 集團業績

本集團從事生化業務及工業業務。生化業務專注製造及／或銷售金霉素及其他相關產品，並由本集團之附屬公司營運，乃佔本集團的所有綜合收入。工業業務包含本集團於易初明通投資有限公司（及其附屬公司，統稱「易初明通」）的合營企業權益及於湛江德利車輛部件有限公司（及其附屬公司，統稱「湛江德利」）的聯營公司權益。本集團工業業務的業績載列於綜合全面收益表內的應佔合營企業及聯營公司溢利。

截至二零二零年十二月三十一日止年度，本集團的收入下降10.9%至9,358萬美元（二零一九年：1億504萬美元），整體毛利率為26.6%（二零一九年：27.6%）。

本公司股東應佔溢利增長2.9%至1,626萬美元（二零一九年：1,580萬美元）。

每股基本及攤薄溢利為6.42美仙（二零一九年：6.24美仙）。董事會決議截至二零二零年十二月三十一日止年度不派付末期股息（二零一九年：無）。

### 業務回顧

#### 生化業務

我們的收入大部分來自製造及銷售金霉素產品—金霉素預混劑及鹽酸金霉素。金霉素產品為用作預防或治療禽畜疾病的抗生素。本集團的客戶包括製藥公司、貿易公司、飼料加工廠及養殖場。

二零二零年，本集團生化業務的收入下降10.9%至9,358萬美元（二零一九年：1億504萬美元）。其中，來自中國大陸、亞太地區（不包括中國大陸）、美洲、歐洲及其他地方的收入分別佔39.2%、30.2%、18.4%、8.5%和3.7%。

## Management Discussion and Analysis

管理層討論及分析

### BUSINESS REVIEW (continued)

#### Biochemical (continued)

For the year under review, our biochemical business faced multiple headwinds. For our overseas market, COVID-19 affected the demand for CTC products, causing order cancellations or delays. In China, the Ministry of Agriculture and Rural Affairs of the PRC banned the production of antibiotics for use as animal growth promoters as from 1 January 2020, reducing the domestic sales of our CTC products, as some of such sales were bought for such use in the past.

In 2020, pricing competition in the CTC industry intensified as a result of lower demand in China and overseas, putting pressure on our average selling price. Average selling price of CTC premix, our main revenue contributor, decreased by approximately 2.2% in 2020 when compared to 2019, and the average selling price of CTC HCL also declined 5.7%. Overall, gross profit margin reduced slightly from 27.6% in 2019 to 26.6% in 2020.

The Company previously announced the relocation of the production facilities of Zhumadian Huazhong Chia Tai Co., Ltd. The relocation is to comply with Zhumadian's urban development plans and is expected, at this stage, to be completed in the second half of 2021. A net gain attributable to shareholders of the Company of approximately US\$12.3 million, arising from government compensation, would be recorded upon completion of the relocation.

#### Industrial

The Group's industrial business is conducted through ECI Metro and Zhanjiang Deni.

ECI Metro is principally engaged in the sale, leasing and servicing of Caterpillar machinery equipment in western China. According to the National Bureau of Statistics of the PRC, fixed-asset investment growth in China was 2.9% in 2020 and that in western China itself was 4.4%. For the year ended 31 December 2020, our share of profits of joint venture was US\$12.35 million compared to US\$11.62 million in 2019.

Zhanjiang Deni is principally engaged in the manufacture and sale of automotive parts, which are mainly sold to automobile and motorcycle manufacturers. According to the China Association of Automobile Manufacturers, China motorcycle sales in 2020 was slightly down 0.4% year-on-year and automobile sales was 1.9% lower than 2019. For the year ended 31 December 2020, our share of profits of associate was US\$2.09 million (2019: US\$1.92 million).

### 業務回顧 (續)

#### 生化業務 (續)

回顧年內，我們的生化業務面臨多重壓力。海外市場方面，新冠疫情影響了金霉素產品的需求，導致訂單的取消或延誤。在中國，中華人民共和國農業農村部自二零二零年一月一日起禁止生產抗生素作為動物促生長用途，故國內的金霉素產品銷售有所下降，而集團此前某部份的銷售是客戶為此類用途而購買。

二零二零年，由於中國及海外需求下降使金霉素行業的價格競爭加劇，為我們的平均銷售價格增添壓力。我們的主要收入來源金霉素預混料的二零二零年平均銷售價格與二零一九年相比下降了約2.2%，而鹽酸金霉素的平均銷售價格也減少了5.7%。總體而言，毛利率從二零一九年的27.6%輕微下降至二零二零年的26.6%。

本公司於此前宣布駐馬店華中正大有限公司生產設施的搬遷。該搬遷是為配合駐馬店的城市建設規劃要求，而現階段預計將於二零二一年下半年完成。搬遷完成後，政府賠償將使本公司錄得約1,230萬美元的股東應佔淨收益。

#### 工業業務

本集團的工業業務透過易初明通及湛江德利經營。

易初明通主要在中國西部從事卡特彼勒機械設備的銷售、租賃及客戶服務。根據中華人民共和國國家統計局，二零二零年中國固定資產投資按年增長2.9%，其中中國西部錄得4.4%的增長。截至二零二零年十二月三十一日止年度，應佔合營企業溢利為1,235萬美元，而二零一九年為1,162萬美元。

湛江德利專注製造及銷售汽車零件，主要出售予汽車及摩托車製造商。根據中國汽車工業協會統計，中國摩托車銷售量於二零二零年按年輕微下降0.4%，而汽車銷售量則較二零一九年下降1.9%。截止二零二零年十二月三十一日止年度，應佔聯營公司溢利為209萬美元（二零一九年：192萬美元）。

## Management Discussion and Analysis

管理層討論及分析

## OUTLOOK

Uncertainties are expected to linger for the remainder of 2021. While there are positive developments on the vaccine front, the COVID-19 pandemic is likely to affect our biochemical business in overseas market in the short to medium term. The limitation on antibiotic use for animals around the world is also expected to broaden and affect our biochemical business.

For our industrial business, fixed-asset investment growth started to gradually recover in the second half of 2020 and is expected to continue into 2021. However, the Group also expects intense competition from domestic manufacturers in the construction machinery industry.

Overall, we remain cautious about our results in 2021.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2020, the Group had total assets of US\$330.7 million, an increase of 13.0% as compared to US\$292.7 million as at 31 December 2019.

As at 31 December 2020, the Group had net cash, being cash less bank borrowings, of US\$11.8 million (31 December 2019: US\$21.8 million).

All the borrowings of the Group are denominated in Renminbi (“RMB”) as at 31 December 2020 and 2019.

As at 31 December 2020, the Group’s fixed interest rate bank borrowings amounted to US\$7.7 million (31 December 2019: US\$2.9 million).

All domestic sales in mainland China are transacted in RMB and export sales are transacted in foreign currencies. The Group monitors exchange rate movements and determines appropriate hedging activities when necessary.

## CAPITAL STRUCTURE

The Group finances its working capital requirements through a combination of funds generated from operations and borrowings. The Group had cash and cash equivalents of US\$32.3 million as at 31 December 2020, a decrease of US\$5.5 million compared to US\$37.8 million as at 31 December 2019.

## 展望

在二零二一年的餘下日子，預計不確定性將持續存在。儘管疫苗方面錄得進展，但新冠疫情仍可能會為我們生化業務的海外市場帶來短期到中期的影響。全球對在動物中使用抗生素的限制預計也會持續擴大，並影響我們的生化業務。

工業業務方面，固定資產投資增長率在二零二零年下半年開始逐漸復甦，預計於二零二一年延續復甦勢頭，但是本集團預計國內工程機械行業製造商間的競爭會持續激烈。

總體而言，我們對二零二一年的業績保持謹慎態度。

## 資金流動性及財政資源

於二零二零年十二月三十一日，本集團之總資產為3.31億美元，較二零一九年十二月三十一日之2.93億美元，增加13.0%。

於二零二零年十二月三十一日，本集團之淨現金，即現金減銀行借款為1,180萬美元（二零一九年十二月三十一日：2,180萬美元）。

本集團於二零二零年及二零一九年十二月三十一日的借款全部按人民幣作為單位。

於二零二零年十二月三十一日，本集團按固定利率計息之借款為770萬美元（二零一九年十二月三十一日：290萬美元）。

於中國大陸所有國內銷售均以人民幣計算，而出口銷售則以外幣計算。本集團監控外匯變動，必要時考慮適當的對沖活動。

## 資本結構

本集團透過營運資金及借款應付其流動資金需求。於二零二零年十二月三十一日，本集團持有現金及現金等價物3,230萬美元（二零一九年十二月三十一日：3,780萬美元），減少550萬美元。



## Management Discussion and Analysis

管理層討論及分析

### CHARGES ON GROUP ASSETS

As at 31 December 2020, out of the total borrowings of US\$20.5 million (31 December 2019: US\$16.0 million) obtained by the Group, US\$15.1 million (31 December 2019: US\$13.1 million) was secured and accounted for 73.5% (31 December 2019: 82.0%) of the total borrowings. Certain of the Group's property, plant and equipment and land lease prepayments with an aggregate net book value of US\$11.3 million (31 December 2019: US\$11.0 million) were pledged as security.

### CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have any significant contingent liabilities.

### SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

Save for those disclosed in this annual report, there were no other significant investments held nor material acquisitions or disposals during the year.

### EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2020, the Group employed around 900 employees in the PRC and Hong Kong. The Group remunerates its employees based on their performance, experience and prevailing market conditions while performance bonuses are granted on a discretionary basis. Other employee benefits include, for example, medical insurance and training.

### 本集團資產抵押

於二零二零年十二月三十一日，本集團總借款為2,050萬美元(二零一九年十二月三十一日：1,600萬美元)，其中1,510萬美元(二零一九年十二月三十一日：1,310萬美元)借款需提供資產抵押，佔借款總額之73.5%(二零一九年十二月三十一日：82.0%)。本集團若干物業、廠房及設備及預付土地租賃費已用作抵押，賬面淨額合共1,130萬美元(二零一九年十二月三十一日：1,100萬美元)。

### 或有負債

本集團於二零二零年十二月三十一日並沒有任何重大或有負債。

### 持有的重大投資、重大收購及出售

除本年報所披露外，本集團在本年內沒有持有任何其他重大投資，亦沒有進行任何重大收購或出售。

### 僱員及酬金政策

於二零二零年十二月三十一日，本集團於中國及香港共聘用約900名僱員。本集團根據僱員的表現、經驗及現行的市場水平，釐訂其薪津，並酌情授予花紅。其他僱員福利包括例如：醫療保險及培訓。

# Corporate Governance Report

## 企業管治報告

Chia Tai Enterprises International Limited (the “Company” and together with its subsidiaries, the “Group”) is committed to maintaining strict corporate governance standards. The principles of these standards are to uphold a high standard of ethics, transparency, accountability and integrity in all aspects of business and to ensure that affairs are conducted in accordance with applicable laws and regulations.

正大企業國際有限公司(「本公司」)連同其附屬公司統稱「本集團」致力保持嚴格的企業管治水平。其原則旨在維護公司在各業務方面均能貫徹高水平的道德、透明度、責任及誠信操守，並確保所有業務運作符合適用法律和法規。

### CORPORATE GOVERNANCE CODE

The Company applied the principles and complied with the code provisions prescribed in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year 2020.

### 企業管治守則

於二零二零年，本公司已應用載於香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四之《企業管治守則》及《企業管治報告》的原則及遵守其守則條文。

### THE BOARD

#### (a) Board Composition

As at the date of this report, the board of directors of the Company (the “Board”) comprises nine members, including four executive directors, two non-executive directors and three independent non-executive directors.

The biographical details of the directors of the Company (the “Directors”) and the relationships among the Directors are set out in the Biographical Details of Directors section in the annual report.

#### (b) Chairman and Chief Executive

Mr. Soopakij Chearavanont is the Chairman of the Company. Mr. Thirayut Phityaisarakul and Mr. Thanakorn Seriburi are the Chief Executive Officers of the biochemical division and the industrial division respectively. The roles of the Chairman and the Chief Executive Officers are distinct and separate with a clear division of responsibilities. The Chairman is responsible for overseeing the function of the Board while the Chief Executive Officers are responsible for managing the Group’s business.

### 董事會

#### (a) 董事會的組成

於本報告書日期，本公司董事會(「董事會」)共有九名成員，包括四名執行董事、兩名非執行董事及三名獨立非執行董事。

本公司董事(「董事」)的履歷詳情及董事之間的關係載於年報「董事履歷詳情」一節。

#### (b) 董事長和行政總裁

謝吉人先生為本公司董事長。李紹慶先生及李紹祝先生分別為生化業務及工業業務的行政總裁。董事長與行政總裁的角色獨立分明、分工清晰。董事長負責監督董事會職能運作，行政總裁則負責管理本集團的業務。

## Corporate Governance Report

企業管治報告

**THE BOARD (continued)****(c) Roles and Responsibilities**

The Board, directly and through its committees, leads and provides direction for the management by laying down strategies and overseeing their implementation by the management, reviews the operational and financial performance, provides oversight to ensure that a sound system of risk management and internal control is in place, and performs corporate governance functions.

The non-executive Directors (including the independent non-executive Directors) provide advisory as well as checks and balances for effective and constructive contribution to the Board to safeguard interests of the shareholders of the Company (the “Shareholders”) and the Company as a whole.

The management is responsible for execution of business strategies and dealing with day-to-day operations.

**(d) Independent Non-executive Directors**

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers that all independent non-executive Directors are independent.

**(e) Directors’ Securities Transactions**

The Company has adopted the Code of Conduct for Securities Transactions, which is based on the required standard set out in Appendix 10 of the Listing Rules – Model Code for Securities Transactions by Directors of Listed Issuers, as the code of conduct for dealings in the Company’s securities by its directors. All Directors responded to a specific enquiry by the Company and confirmed that they complied with the required standard set out in the Code of Conduct for Securities Transactions during 2020.

**董事會 (續)****(c) 角色及職責**

董事會(直接及透過其轄下的委員會)帶領並指導管理層,包括制定及監察管理層推行策略、檢討運作及財務表現,作出監督以確保設有良好的風險管理和內部監控系統,和履行企業管治職能。

非執行董事(包括獨立非執行董事)向董事會提供建議、核査和制衡,對維護本公司股東(「股東」)及本公司的整體利益作出有效及建設性的貢獻。

管理層負責執行業務策略及處理日常運作。

**(d) 獨立非執行董事**

本公司收到每位獨立非執行董事根據上市規則第3.13條就其獨立性而作出的年度確認函,並認為所有獨立非執行董事均屬獨立人士。

**(e) 董事的證券交易**

本公司已採納證券交易行為守則,其乃根據上市規則附錄十之上市發行人董事進行證券交易的標準守則所載的規定標準,作為其董事買賣本公司證券的行為守則。所有董事已回應本公司具體查詢並確認於二零二零年彼等遵守證券交易行為守則內所載的規定標準。

## Corporate Governance Report

企業管治報告

**THE BOARD (continued)****(f) Directors' Training**

During 2020, each of the Directors, being Mr. Soopakij Chearavanont, Mr. Thirayut Phityaisarakul, Mr. Thanakorn Seriburi, Mr. Nopadol Chiaravanont, Mr. Chawalit Na Muangtoun, Mr. Yoichi Ikezoe, Mr. Surasak Rounroengrom, Mr. Cheng Yuk Wo and Mr. Edward Ko Ming Tung, participated in continuous professional development through attending trainings organised by the Company and other professional organisations and/or e-training provided by the Stock Exchange.

**(g) General Meetings, Board Meetings and Board Committee Meetings**

During 2020, the Company held one annual general meeting, one special general meeting, six Board meetings, three Audit Committee meetings, two Remuneration Committee meetings, one Nomination Committee meeting and two Corporate Governance Committee meetings.

The Directors are expected to devote sufficient time and attention to perform their duties and responsibilities. According to the bye-laws of the Company, Directors can attend board meetings in person or by means of telephone, electronic or other communication facilities.

**董事會 (續)****(f) 董事的培訓**

於二零二零年，每位董事（即謝吉人先生、李紹慶先生、李紹祝先生、謝杰人先生、馬德壽先生、池添洋一先生、Surasak Rounroengrom先生、鄭毓和先生及高明東先生）透過出席本公司及其他專業機構舉辦的培訓及／或接受由聯交所提供的網上培訓參與持續專業發展。

**(g) 股東大會、董事會及董事會轄下的委員會會議**

於二零二零年，本公司舉行了一次股東周年大會、一次股東特別大會、六次董事會會議、三次審核委員會會議、兩次薪酬委員會會議、一次提名委員會會議和兩次企業管治委員會會議。

董事在履行其職責時須付出充分時間及關注。根據本公司細則，董事可親身出席或透過電話、電子或其他通訊設備參與董事會會議。

## Corporate Governance Report

企業管治報告

## THE BOARD (continued)

## 董事會(續)

## (g) General Meetings, Board Meetings and Board Committee Meetings (continued)

## (g) 股東大會、董事會及董事會轄下的委員會會議(續)

The attendance of each Director at the meetings held in 2020 is set out in the following table:

下表列載每位董事於二零二零年出席會議的出席率：

		No. of meetings attended/held 出席次數/會議舉行次數						Corporate Governance Committee 企業管治 委員會
		Annual General Meeting 股東 周年大會	Special General Meeting 股東 特別大會	Board	Audit Committee	Remuneration Committee	Nomination Committee	
<i>Chairman and Non-executive Director</i>	<i>董事長及 非執行董事</i>							
Mr. Soopakij Chearavanont	謝吉人先生	1/1	0/1	5/6	-	-	1/1	-
<i>Executive Directors</i>	<i>執行董事</i>							
Mr. Thirayut Phityaisarakul	李紹慶先生	0/1	0/1	6/6	-	-	-	-
Mr. Thanakorn Seriburi	李紹祝先生	1/1	0/1	6/6	-	1/2	-	-
Mr. Nopadol Chiaravanont	謝杰人先生	1/1	0/1	6/6	-	-	-	2/2
Mr. Chawalit Na Muangtoun	馬德壽先生	0/1	0/1	6/6	-	-	-	2/2
<i>Non-executive Director</i>	<i>非執行董事</i>							
Mr. Yoichi Ikezoe	池添洋一先生	1/1	0/1	6/6	-	-	-	-
<i>Independent Non-executive Directors</i>	<i>獨立非執行董事</i>							
Mr. Surasak Rounroengrom	Surasak Rounroengrom先生	1/1	0/1	6/6	3/3	2/2	1/1	-
Mr. Cheng Yuk Wo	鄭毓和先生	1/1	1/1	6/6	3/3	2/2	1/1	-
Mr. Edward Ko Ming Tung	高明東先生	1/1	1/1	6/6	3/3	2/2	-	2/2

## Corporate Governance Report

企業管治報告

**THE BOARD (continued)****(h) Accountability and Audit**

The Board is responsible for presenting a balanced, clear and understandable assessment of the Company's performance in the annual and interim reports.

The Directors acknowledge their responsibility for preparing the financial statements, which give a true and fair view of the financial position of the Group and the financial performance and cash flows of the Group in accordance with International Financial Reporting Standards and the disclosure requirements under Hong Kong Companies Ordinance. The statement of the auditor of the Company about responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report section in the annual report.

The Board considers that, in preparing the financial statements, the Group has applied appropriate accounting policies that are adopted consistently and made judgements and estimates that are reasonable, prudent and in accordance with the applicable accounting standards.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

**董事會 (續)****(h) 問責及審核**

董事會負責在年報及中期報告對本公司之表現作出平衡、清晰及容易理解的評估。

董事確認編制財務報表的責任，財務報表須按照《國際財務報告準則》及香港《公司條例》的披露要求真實而中肯地反映本集團的財務狀況、本集團財務表現及現金流量的狀況。本公司核數師就對本集團財務報表的責任之聲明載於年報「獨立核數師報告」一節。

董事會認為本集團在編制財務報表時已一貫地採納適當的會計政策，並根據適用的會計準則作出合理及審慎的判斷與估計。

董事確認經作出一切合理查詢後，就彼等所知、所悉及所信，彼等並不知悉任何重大不明朗之事件或情況，可能會對本公司持續經營能力造成重大疑慮。

## Corporate Governance Report

企業管治報告

**THE BOARD (continued)****(i) Dividend Policy**

The dividend policy adopted by the Company is set out below:

1. The dividend policy sets out the approach of the Company on the declaration and payment of dividends to the Shareholders.
2. The Board is responsible for considering and, if appropriate, declaring any interim dividend or recommending any final dividend to the Shareholders for approval every year. Any approved dividends must not exceed the amount recommended by the Board.
3. The declaration or recommendation of any dividend will take into consideration the Company's results of operations and financial conditions, business strategy and future development and any other factors that the Board may deem relevant. No dividend shall be declared or paid except out of the Company's profits and reserves lawfully available for distribution. The payment of dividend is also subject to applicable laws and regulations, including any applicable restrictions under the Company's bye-laws.
4. Future declarations or recommendations of dividends may or may not reflect the Company's historical declarations or recommendations of dividends and will be at the absolute discretion of the Board. In general, whilst the Company is in a growth stage, the Board does not expect, in the absence of special circumstances, to declare or recommend any dividend.
5. This dividend policy is subject to review by the Board and may be amended by the Board.

**董事會 (續)****(i) 股息政策**

本公司採納的股息政策載列如下：

1. 本股息政策制定本公司向股東宣派及支付股息的方針。
2. 董事會負責考慮及(如適用)宣派任何中期股息或每年向股東建議批准任何末期股息。任何批准的股息不得超過董事會建議的金額。
3. 任何股息的宣派或建議將會考慮本公司的經營業績和財務狀況、業務策略和未來發展以及董事會認為相關的任何其他因素。除本公司的利潤和儲備合法可供分配外，本公司不應宣派或支付任何股息。支付股息亦須遵守適用的法律和法規，包括本公司細則下任何適用的限制。
4. 未來股息的宣派或建議可能會或可能不會反映本公司過去股息的宣派或建議，並由董事會全權酌情決定。一般而言，本公司當處於成長階段時，在沒有特殊情況下，董事會並不預期會宣派或建議任何股息。
5. 本股息政策須經董事會審閱，並可由董事會修訂。

## BOARD DELEGATION

The Board has delegated authority to the following four committees which operate under defined terms of reference. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are available on the Company's website. The attendance of each committee member at the committee meetings held in 2020 is set out in the annual report.

### (i) Audit Committee

The Audit Committee consists of three independent non-executive Directors, Mr. Cheng Yuk Wo (Chairman), Mr. Surasak Rounroengrom and Mr. Edward Ko Ming Tung.

The Audit Committee is delegated by the Board with the primary responsibility to provide independent oversight of the Group's financial reporting, risk management and internal control systems. The Audit Committee is provided with sufficient resources, including support from the Internal Audit Department, external auditor and management, to perform its duties in reviewing the Group's financial results, material financial, operational and compliance controls.

The Audit Committee held three meetings during the year. The following is a summary of the work done by the Audit Committee in 2020:

- reviewed the annual results for year ended 31 December 2019 and recommended the Board to approve the 2019 annual results and the related financial information set out in the results announcement and the annual report;
- reviewed the report of the external auditor to the Audit Committee for the year ended 31 December 2019;
- approved the 2020 audit fee;
- reviewed the risk management update of the Group;
- reviewed the internal audit reports of the Group;
- reviewed the preliminary results for the three months ended 31 March 2020 and recommended the Board to approve the publication of the profit warning announcement;

## 董事會授權

董事會轄下授權下列四個委員會按照特定的職權範圍運作，審核委員會、薪酬委員會和提名委員會的職權範圍已載於本公司網站。每位委員會成員於二零二零年出席委員會會議的出席率列載於年報內。

### (i) 審核委員會

審核委員會由三名獨立非執行董事鄭毓和先生(主席)、Surasak Rounroengrom先生和高明東先生組成。

審核委員會由董事會授權，主要負責獨立監督本集團的財務匯報、風險管理及內部監控系統。審核委員會備有充足資源，包括由內部審計部門、外聘核數師與管理層提供所需支援，以執行其審閱本集團財務業績、重要財務、營運及合規的監控工作。

審核委員會於年內舉開了三次會議，以下為審核委員會於二零二零年的工作摘要：

- 審閱截至二零一九年十二月三十一日止年度業績和建議董事會批准二零一九年度業績和載於業績公告及年報內的相關財務資料；
- 審閱外聘核數師致審核委員會截至二零一九年十二月三十一日止年度的報告；
- 批准二零二零年審計費用；
- 審閱本集團的風險管理更新；
- 審閱本集團的內部審計報告；
- 審閱截至二零二零年三月三十一日止三個月的初步業績和建議董事會批准刊發盈利警告公告；



## Corporate Governance Report

企業管治報告

## BOARD DELEGATION (continued)

## (i) Audit Committee (continued)

- reviewed the interim results for six month ended 30 June 2020 and recommended the Board to approve the 2020 interim results and the related financial information set out in the results announcement and the interim report;
- reviewed the report of the external auditor to the Audit Committee for the six months ended 30 June 2020;
- reviewed the audit and non-audit services undertaken by the external auditor; and
- reviewed the effectiveness of the risk management and internal control systems.

Subsequent to the 2020 year end, the Audit Committee reviewed the annual results for the year ended 31 December 2020 and recommended the Board to approve the 2020 annual results and the related financial information set out in the results announcement and the annual report;

The Audit Committee is responsible for the appointment, re-appointment and removal of the external auditor, and the approval of the remuneration and terms of engagement of the external auditor. To ensure the external auditor's independence, the Audit Committee reviewed the audit and non-audit services undertaken by the external auditor in 2020.

During the year ended 31 December 2020, the remuneration paid by the Group to the external auditor is set out below:

## 董事會授權(續)

## (i) 審核委員會(續)

- 審閱截至二零二零年六月三十日止六個月業績和建議董事會批准二零二零中期業績和載於業績公告及中期報告內的相關財務資料；
- 審閱外聘核數師致審核委員會截至二零二零年六月三十日止六個月的報告；
- 審閱由外聘核數師所進行的審核及非審核服務；及
- 檢討風險管理和內部監控的成效。

於二零二零年度結束後，審核委員會審閱截至二零二零年十二月三十一日止年度業績和建議董事會批准二零二零年度業績和載於業績公告及年報內的相關財務資料；

審核委員會負責外聘核數師之委任、續聘和罷免及審批外聘核數師的酬金與聘用條款。為確保外聘核數師的獨立性，審核委員會已檢討於二零二零年由外聘核數師所進行的審核及非審核服務。

於截至二零二零年十二月三十一日止年度內，本集團支付外聘核數師的酬金如下：

Category of Services	服務類別	2020 二零二零年 (US\$'000) (美元千元)
Audit services	審核服務	146
Review engagements and agreed-upon procedures	審閱委聘及執行商定程序	51
		197
Other services	其他服務	2
		199
Total	總額	199

## Corporate Governance Report

企業管治報告

**BOARD DELEGATION (continued)****(ii) Remuneration Committee**

The Remuneration Committee consists of three independent non-executive Directors, Mr. Cheng Yuk Wo (Chairman), Mr. Surasak Rounroengrom and Mr. Edward Ko Ming Tung, and an executive Director, Mr. Thanakorn Seriburi.

The Remuneration Committee is delegated by the Board with the primary responsibilities to make recommendations to the Board on remuneration policy and structure for the directors as well as to consider and recommend to the Board the remuneration packages of the individual director.

The primary objective of the Remuneration Committee is to ensure that the Company is able to attract, retain and motivate high-caliber employees who are critical to the success of the Company, thereby enhancing the value of the Company to the Shareholders. The objective of the Company's remuneration policy is to maintain fair and competitive packages based on business requirements and industry practices.

During 2020, the Remuneration Committee held two meetings to consider and recommend to the Board the remuneration packages of the individual director and other remuneration matters.

Details of the remuneration of each Director are set out in note 9 to the financial statements in the annual report.

**(iii) Nomination Committee**

The Nomination Committee consists of a non-executive Director, Mr. Soopakij Chearavanont (Chairman) and two independent non-executive Directors, Mr. Surasak Rounroengrom and Mr. Cheng Yuk Wo.

The Nomination Committee is delegated by the Board with the primary responsibilities to formulate and implement the nomination policy and board diversity policy, make recommendations to the Board on the selection of any individual nominated for directorship and assess the independence of independent non-executive Directors.

The non-executive Directors and independent non-executive Directors are appointed for successive terms of one year and three years respectively. All Directors are subject to retirement by rotation, but may offer themselves for re-election at annual general meetings in accordance with the Company's bye-laws. According to the Company's bye-laws, at each annual general meeting of the Company, no less than one-third of the Directors for the time being shall retire from office by rotation, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

**董事會授權 (續)****(ii) 薪酬委員會**

薪酬委員會由三名獨立非執行董事鄭毓和先生(主席)、Surasak Rounroengrom先生和高明東先生及執行董事李紹祝先生組成。

薪酬委員會由董事會授權，主要負責向董事會就董事的薪酬政策及架構提出建議，並考慮及向董事會建議個別董事之薪酬待遇。

薪酬委員會主要目標是確保本公司能夠吸引、留住及激勵對本公司成功至關重要的優秀僱員，從而提升本公司對股東的價值。本公司的薪酬政策旨在根據業務所需及行業慣例，保持公平而具競爭力的僱員薪酬。

於二零二零年，薪酬委員會召開了兩次會議，以考慮及向董事會建議個別董事之薪酬待遇及其他薪酬事宜。

各董事的酬金詳情載於年報內財務報表附註9。

**(iii) 提名委員會**

提名委員會由非執行董事謝吉人先生(主席)及兩名獨立非執行董事Surasak Rounroengrom先生和鄭毓和先生組成。

提名委員會由董事會授權，主要負責制定及執行提名政策及董事會成員多元化政策、向董事會提供有關挑選提名任何人士出任董事的建議及評估獨立非執行董事的獨立性。

非執行董事及獨立非執行董事獲委任的任期分別為一年和三年可續任。所有董事須根據本公司細則輪值退任並可於股東周年大會上膺選連任。根據本公司細則，於本公司每屆股東周年大會上，應有不少於當時董事人數三分之一的董事輪值退任(各董事應至少每三年於股東周年大會輪值退任一次)。

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## BOARD DELEGATION (continued)

## (iii) Nomination Committee (continued)

During 2020, the Nomination Committee reviewed the independence of all independent non-executive Directors and recommended to the Board to propose the re-election of the retiring directors to the Shareholders at the annual general meeting in 2020.

Subsequent to the 2020 year end, the Nomination Committee reviewed the Board composition and the independence of all independent non-executive Directors and recommended to the Board to propose to the Shareholders the re-election of the retiring Directors at the annual general meeting in 2021.

The Board has adopted a board diversity policy to set out the approach to achieve diversity in the Board. The Company recognises and embraces the benefits of having a diverse board to strengthen its effectiveness and governance. Selection of candidates will be based on a range of diversity considerations, which include but are not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The Nomination Committee, in carrying out its duties, will also take into account the Company's corporate strategy and organisational needs.

## 董事會授權(續)

## (iii) 提名委員會(續)

於二零二零年，提名委員會已檢閱所有獨立非執行董事的獨立性及建議董事會於二零二零年股東周年大會上向股東提呈重選退任董事。

於二零二零年度結束後，提名委員會已檢討本公司董事會的組成和所有獨立非執行董事的獨立性及建議董事會於二零二一年股東周年大會上向股東提呈重選退任董事。

董事會已採納董事會成員多元化政策，以制定達致董事會成員多元化之方針。本公司明白並深信董事會成員多元化對提升公司效率和管治裨益良多。甄選人選將按一系列多元化考慮為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期。提名委員會在履行職責時亦考慮本公司企業策略和組織需要。

Board Diversity Profile  
董事會多元化概況

Gender 性別	Male 男性								
Designation 職銜	Executive Director 執行董事			Non-executive Director 非執行董事			Independent Non-executive Director 獨立非執行董事		
Age Group 年齡組別	50-59			60-69			≥70		
Expertise and Experience 專業知識和經驗	Management 管理						Accounting and Finance 會計和金融		Legal 法律
Number of Directors 董事人數	1	2	3	4	5	6	7	8	9

**BOARD DELEGATION (continued)****董事會授權 (續)****(iii) Nomination Committee (continued)****(iii) 提名委員會 (續)**

The nomination policy adopted by the Company is set out below:

本公司採納的提名政策載列如下：

**1 Purpose****1 目的**

1.1 The Nomination Committee of the Company has the primary responsibility of identifying and nominating suitably qualified candidates to become Directors (to fill casual vacancies and as new Board members).

1.1 本公司提名委員會主要負責物色及提名合適資格候選人成為董事以填補臨時空缺和成為新董事會成員。

1.2 This nomination policy sets out the approach with respect to the selection and nomination of candidates for directorship of the Company so as to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business for the Board to consider and, if appropriate, appoint as additional Directors or as Directors to fill casual vacancies, as the case may be, or make recommendations to the Shareholders for election as Directors at general meetings.

1.2 本提名政策制定有關甄選和提名候選人擔任本公司董事職位的方針，以確保董事會在技能、經驗和適合本公司業務要求多元化觀點方面取得平衡，由董事會（如適用）考慮增新董事或委任董事以填補臨時空缺（視乎情況而定），或於股東大會向股東提呈建議選舉為董事。

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**BOARD DELEGATION (continued)****(iii) Nomination Committee (continued)****2 Selection Criteria, Eligibility and Documentary Requirements**

2.1 The Nomination Committee may select suitably qualified candidates to nominate to the Board from such resources as the Nomination Committee considers appropriate, including through referrals by members of the Board, by the management of the Company and by external professional agencies and other resources.

2.2 The Nomination Committee shall consider the factors listed below, together with any other factors as the Nomination Committee may consider appropriate, in assessing the suitability of any candidate:

- character, reputation and integrity;
- qualifications, accomplishments and experience;
- capacity to devote sufficient time to discharge duties amidst other significant commitments;
- effect on the diversity of the Board, including but not limited to gender, age, cultural and educational background, professional and industry experience, skills and expertise knowledge;
- (where the proposed candidate is being considered as a candidate for an Independent Non-executive Director position) ability to fulfil the independence requirements under the Listing Rules; and
- potential contributions to the Board and any other relevant factors.

**董事會授權 (續)****(iii) 提名委員會 (續)****2 甄選準則、適任和文件要求**

2.1 提名委員會可從提名委員會認為適當的來源中 (包括董事會成員、本公司管理層以及外來專業機構和其他來源的轉介) 選出合適合資格候選人向董事會提名。

2.2 提名委員會在評估任何候選人的適合性時，須考慮下列因素 (連同提名委員會認為合適的任何其他因素)：

- 品格、聲譽和誠信；
- 資格、成就和經驗；
- 有能力在其他重要承諾中投入足夠時間履行職責；
- 董事會多元化的影響，包括但不限於性別，年齡，文化和教育背景，專業和行業經驗，技能和專業知識；
- (建議候選人被考慮成為獨立非執行董事職位的人選) 能達到上市規則的獨立性規定；和
- 對董事會潛在的貢獻和任何其他相關因素。

**BOARD DELEGATION (continued)****董事會授權 (續)****(iii) Nomination Committee (continued)****(iii) 提名委員會 (續)****2 Selection Criteria, Eligibility and Documentary Requirements (continued)****2 甄選準則、適任和文件要求 (續)****2.2 (continued)****2.2 (續)**

The list of factors stated above is for reference only and not intended to be exhaustive or definitive. The Nomination Committee shall assess all relevant factors with a view to achieve the Company's corporate strategy and organisational needs and has the discretion to nominate any person as it considers appropriate.

上述因素列表僅供參考，並非詳盡或具決定性。提名委員會應以實現公司的企業策略和組織需求評估所有相關因素和酌情提名其認為合適的任何人士。

2.3 The candidates shall timely provide such information and documents relating to their nomination as the Nomination Committee or the Board may request, including but not limited to any such information as is required for disclosure under the Listing Rules and their written consent to be elected as Directors and to the public disclosure of their information.

2.3 候選人應及時向提名委員會或董事會提供可能要求之有關其提名的資料和文件，包括但不限於根據上市規則需要披露的任何資料及其被選舉為董事及公開披露其資料之書面同意。

**3 Nomination Rules and Procedures****3 提名規則和程序**

3.1 The Secretary of the Nomination Committee shall call a meeting of the Nomination Committee and in advance of the meeting invite nomination of candidates from members of the Board, if any, for consideration by the Nomination Committee. The Nomination Committee may put forward other candidates irrespective of whether such candidates have been nominated by members of the Board.

3.1 提名委員會秘書須召開提名委員會會議，並於開會前邀請董事會成員提名候選人(如有)以供提名委員會考慮。提名委員會可提名其他候選人，不論該等候選人是否已獲董事會成員提名。

3.2 The Nomination Committee shall, upon receipt of all necessary information relating to the candidates, evaluate each of such candidates at the meeting based on the criteria set out in Section 2 above to determine whether to make a nomination to the Board.

3.2 提名委員會在收到有關候選人所有必需的資料後，應在會議上根據上文第2節所列的準則評估每位候選人，以決定是否向董事會提名。

## Corporate Governance Report

企業管治報告

**BOARD DELEGATION (continued)****(iii) Nomination Committee (continued)****3 Nomination Rules and Procedures (continued)**

3.3 The number of candidates nominated by the Nomination Committee may exceed the number of casual vacancies or vacancies for Director's appointment by the Board or at the general meeting.

3.4 The Board shall have the final decision on all matters relating to the appointment of candidates as Directors and its recommendation of candidates to stand for election at any general meeting.

3.5 Any proposed candidate is entitled to withdraw his/her candidature at any time before the meeting of the Board at which his appointment is to be considered or the general meeting at which he/she is to stand for election by serving a notice in writing to the Company.

**4 Confidentiality**

Unless required by law or any regulatory authority, under no circumstances may a member of the Nomination Committee disclose any information to the public with regard to any nomination or candidature whilst such information has not been disclosed by the Company to the public.

**5 Review**

The Nomination Committee will review this nomination policy from time to time, as appropriate, and discuss any revisions that may be considered appropriate, including to ensure that it remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and recommend them to the Board for approval.

**董事會授權(續)****(iii) 提名委員會(續)****3 提名規則和程序(續)**

3.3 提名委員會提名的候選人人數可能超過臨時空缺或由董事會或於股東大會上任命董事的空缺數目。

3.4 董事會應就所有有關任命候選人為董事的事項和就其建議於任何股東大會上參選的候選人的事項作出最終決定。

3.5 任何建議候選人有權在審議其任命的董事會會議之前或在其參加競選的股東大會之前任何時間以書面形式通知本公司撤回其候選人資格。

**4 保密**

除非法律或任何監管機構要求，否則在任何情況下，提名委員會成員均不得向公眾披露有關任何提名或候選人的任何信息而公司尚未向公眾披露該信息。

**5 審查**

提名委員會將不時(如適合)審閱本提名政策，並討論可能認為是適合的任何修訂，包括確保政策與本公司需求保持相關及反映當前監管的要求和良好企業管治常規，並提呈給董事會審批。

**BOARD DELEGATION (continued)****(iii) Nomination Committee (continued)****6 Disclosure of Policy**

The nomination policy may be disclosed in such manner as the Board considers appropriate and in compliance with any applicable regulatory requirements or guidelines.

**(iv) Corporate Governance Committee**

The Corporate Governance Committee consists of an independent non-executive Director, Mr. Edward Ko Ming Tung (Chairman) and two executive Directors, Mr. Nopadol Chiaravanont and Mr. Chawalit Na Muangtoun.

The Corporate Governance Committee is delegated by the Board with the primary responsibilities to review the Company's corporate governance policies and practices, review and monitor the training and continuous professional development of directors, the Company's policies and practices on compliance with legal and regulatory requirements, the Company's compliance with the Code of Conduct for Securities Transactions, and its compliance with the Corporate Governance Code.

During 2020, the Corporate Governance Committee held two meetings to review the Company's compliance with the Corporate Governance Code for the year ended 31 December 2019 and for the six months ended 30 June 2020, respectively.

Subsequent to the 2020 year end, the Corporate Governance Committee reviewed the Company's compliance with the Corporate Governance Code for the year ended 31 December 2020 and the environmental, social and governance report.

**董事會授權 (續)****(iii) 提名委員會 (續)****6 披露政策**

本提名政策可根據董事會認為適當的方式和遵守任何適用監管的要求或指引作出披露。

**(iv) 企業管治委員會**

企業管治委員會由一名獨立非執行董事高明東先生 (主席) 和兩名執行董事謝杰人先生和馬德壽先生組成。

企業管治委員會由董事會授權，主要負責檢討本公司的企業管治政策及常規、檢討及監察董事培訓及持續專業發展、本公司在遵守法律及監管規定方面的政策及常規、本公司遵守《證券交易行為守則》的情況和其遵守《企業管治守則》的情況。

於二零二零年，企業管治委員會舉行了兩次會議，以審閱分別截至二零一九年十二月三十一日止年度內及截至二零二零年六月三十日止六個月內本公司遵守《企業管治守則》的情況。

於二零二零年度結束後，企業管治委員會審閱截至二零二零年十二月三十一日止年度本公司遵守《企業管治守則》的情況及環境、社會及管治報告。



## Corporate Governance Report

企業管治報告

## RISK MANAGEMENT AND INTERNAL CONTROL

### Our Approach

The Group has established and adopted a risk management policy which is designed to manage the risk of failure associated with the Group while achieving its business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. A risk appetite statement has been established to define the extent of risks that the Group is willing to take in pursuit of its strategies and business objectives.

Clear roles and responsibilities are assigned to different level of management within the Group. The Board acknowledges that it is responsible for the Group's risk management and internal control systems. The Board also (i) oversees the design, implementation and monitoring of the risk management and internal control systems and (ii) evaluates and determines the nature and extent of risks it is willing to take in achieving the Group's business objectives. The Board delegates the responsibility of reviewing the effectiveness of the Group's risk management and internal control systems to the Audit Committee, which monitors the Group's risk management and internal control systems through the Internal Audit Department. The Internal Audit Department carries out independent review of key business processes and controls, key findings and recommendations for improvement are regularly reported to the Audit Committee. The external auditor also reports any control issues which have been identified in the course of audit or review work to the Audit Committee. Management is responsible for designing, implementing and monitoring risk management and internal control systems, whereas risk owners appointed by the management are responsible for identifying, analysing and prioritising risk issues for further consideration by management, and ensuring that the risk monitoring and control system are working effectively and risk mitigation actions are implemented timely within business units.

### Effectiveness Review

In 2020, the Audit Committee, on behalf of the Board, conducted an annual review of the effectiveness of the Group's risk management and internal control systems. The Board considers that the risk management and internal control systems of the Group are effective and adequate. The Board also considers that the Group has adequate resources, staff qualifications and experience, training programmes and budget for accounting, internal audit and financial reporting functions.

## 風險管理及內部監控

### 我們的模式

董事會已制定和採納風險管理守則，旨在管理與本集團相關之未能達成業務目標的風險，並就不會有重大的失實陳述或損失作出合理但非絕對的保證。風險偏好聲明已制定，以訂立本集團在實踐其策略和業務目標時所願意承擔風險程度。

角色和責任清晰分配給本集團內不同級別的管理層。董事會確認負責本集團的風險管理和內部監控系統。董事會亦(i)監督風險管理和內部監控系統的設計、實施和監察；及(ii)評估和決定在實踐本集團業務目標時所願意承擔風險的性質和程度。董事會授權審核委員會檢討本集團風險管理及內部監控系統的成效，其透過內部審計部門以監察本集團之風險管理及內部監控系統。內部審計部門對主要業務流程和監控進行獨立審查，定期向審核委員會報告重要發現和改善建議。外聘核數師亦向審核委員會報告在審核或審閱過程中所識別的任何監控問題。管理層負責風險管理和內部監控系統的設計、實施和監察，而由管理層所指派的風險負責人負責識別、分析和為風險問題進行優先排序，以便管理層進一步考慮，並確保風險監察和監控系統有效運作，在業務單位內迅速實施風險緩解措施。

### 成效審閱

於二零二零年，審核委員會代表董事會就本集團風險管理和內部監控系統的成效進行年度檢討。董事會認為本集團的風險管理和內部監控系統有效和足夠。董事會亦認為本集團在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗、培訓課程及預算是足夠的。

## RISK MANAGEMENT AND INTERNAL CONTROL (continued)

### Continuous Improvement

We are committed to improve our risk management and internal control framework and will continue to enhance the integration of risk management and internal control into our business process.

For handling and dissemination of inside information, an inside information handling policy is in place to enable the Group to handle inside information in accordance with legal requirements and, where required, communicate with the Group's stakeholders in a timely manner.

## SHAREHOLDERS' RIGHTS

### Convening a Special General Meeting by Shareholders

In accordance with the Company's bye-laws, the Board may, whenever it thinks fit, convene a special general meeting, and special general meetings shall also be convened on requisition, as provided by the Companies Act 1981 of Bermuda (as the same may from time to time be amended) (the "Companies Act"), and, in default, may be convened by the requisitionists.

Pursuant to the Companies Act, at the date of the deposit of the requisition, members holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company can submit a written requisition to the Board for convening a special general meeting.

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.

If the Board fails to convene a meeting within twenty-one days from the date of the deposit of the requisition, 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 date of the written requisition.

Such meeting convened by the requisitionists shall be convened in the same manner as that in which meetings are to be convened by the Board. At least fourteen clear days' notice in writing (and not less than ten business days) shall be given to all members of the Company.

### To Make Enquiry to the Board

Shareholders can make enquiry to the Board by writing to the principal place of business of the Company in Hong Kong.

## 風險管理及內部監控(續)

### 持續改進

我們致力改進我們的風險管理和內部監控架構，並將繼續加強聯繫風險管理和內部監控於我們的業務流程中。

有關處理及發佈內幕消息，本公司已制定內幕消息處理守則，使本集團能適時根據法律要求處理內幕消息及如有需要與本集團持份者溝通。

### 股東權利

#### 由股東召開股東特別大會

根據本公司細則，董事會可在其認為適合時召開股東特別大會。根據百慕達《1981年公司法》(同樣經不時修訂)(「該公司法」)規定，股東亦可要求召開股東特別大會，並在請求不獲回應時由要求人士自行召開股東特別大會。

根據該公司法，於書面要求遞交日期時持有本公司繳足股本(有權於本公司股東大會上投票)不少於十分之一的股東，有權向董事會遞交書面要求，召開股東特別大會。

書面要求必須註明大會之目的，並必須由要求人士簽署，及交回本公司的註冊辦事處。

倘董事會沒有於書面要求遞交日期起計二十一日內正式召開會議，要求人士或其中代表全體要求人士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須於書面要求遞交日期起計三個月內舉行。

要求人士依此召開之會議須盡可能以接近本公司董事會召開會議之方式召開。須最少發出十四個整日(及不少於十個營業日)的書面通知予本公司所有股東。

#### 向董事會作出查詢

股東向董事會作出查詢，可以書面形式遞交至本公司於香港的主要營業地點。

## Corporate Governance Report

企業管治報告

### SHAREHOLDERS' RIGHTS (continued)

#### To Put Forward Proposals at General Meetings

Pursuant to the Companies Act, any number of members of the Company representing not less than one-twentieth of the total voting rights of all the members 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 members, can submit a written requisition to the Board for putting forward proposals at general meetings.

The requisition must state the resolution with a statement of not more than one thousand words with respect to the matter referred to in the proposed resolution or state the business to be dealt with at that meeting, and the requisition must be signed by the requisitionists.

The requisition must be deposited at the registered office of the Company no less than six weeks before the meeting in the case of the requisition requiring notice of a resolution or no less than one week before the meeting in case of any other requisition. The requisitionists must deposit a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement to all members of the Company.

#### To Propose a Person for Election as a Director

Members of the Company (other than the person to be proposed) who are qualified to attend and vote at general meetings of the Company can submit a written requisition to the Board to propose a person for election as a director of the Company at a general meetings.

The requisition must be signed by the requisitionists and deposited, with a notice signed by the nominated candidate of his/her willingness to be elected and the candidate's information required to be disclosed under Rule 13.51(2) of the Listing Rules and a written consent from the nominated candidate to the publication of his/her personal data, at the principal place of business of the Company in Hong Kong no earlier than the day after the despatch of the notice of the general meeting at which the candidate is proposed for election, and ending no later than seven days prior to the date of such general meeting.

Details of the procedures for proposing a person for election as a director are available on the Company's website.

### INVESTOR RELATIONS

The Board has established a shareholders' communication policy setting out the principles in relation to communication with the Shareholders, with the objective of maintaining full, open and timely communication with the Shareholders. Information would be communicated to Shareholders in a timely manner, mainly through the publication of the Company's corporate communications including interim and annual reports, announcements and circulars. These publications are available on the Company's website.

In 2020, the Company did not make any changes to its constitutional documents.

### 股東權利(續)

#### 於股東大會上提呈議案

根據該公司法，於書面要求遞交日期時持有所有股東總表決權不少於二十分之一的任何數目股東或不少於100名的股東，有權向董事會遞交書面要求，於股東大會上提呈議案。

書面要求必須註明決議案，並載有關於該大會上提呈的決議案所述事宜或註明將處理的事項不超過1,000字之陳述書，及必須由要求人士簽署。

書面要求(倘書面要求為須予通知的決議案)須在不少於大會舉行前六周或(倘為任何其他書面要求)在大會舉行前一周，交回本公司的註冊辦事處，並付上合理足以彌補本公司為決議案向本公司所有股東發出決議案的通知和陳述書的費用。

#### 提名個別人士參選董事

合資格出席本公司股東大會及於會上投票的本公司股東(獲提名人士除外)有權向董事會遞交書面要求，於股東大會上提名個別人士參選董事。

書面要求必須由要求人士簽署，連同一份由被提名人士簽署的通知表明願意參選和就上市規則第13.51(2)條規定披露候選人的資料及候選人同意公佈其私人資料的同意書，由候選人被建議參選之股東大會通告發送翌日起至該股東大會舉行日期前七日，交回本公司於香港的主要營業地點。

由股東提名個別人士參選董事程序的詳情已載於本公司網站。

#### 投資者關係

董事會已制定與股東通訊之股東通訊政策，旨在致力與股東保持充分、公開和適時的通訊。資訊主要透過本公司之企業傳訊(包括刊登中期報告、年報、公告及通函)向股東適時發佈。該等刊物已載於本公司網站。

於二零二零年，本公司並無對其組織章程文件作出任何改動。

## Biographical Details of Directors

### 董事履歷詳情

**Mr. Soopakij Chearavanont**, aged 56, has been the Chairman, a Non-executive Director and the Chairman of the Nomination Committee of the Company since September 2014. Mr. Chearavanont is also the chairman of Charoen Pokphand Group Company Limited. Mr. Chearavanont has extensive multinational investment and management experience in various industries. Mr. Chearavanont holds directorships in the following listed companies: a director and the chairman of CP ALL Public Company Limited and Charoen Pokphand Foods Public Company Limited (companies listed on the Stock Exchange of Thailand); an executive director and the chairman of C.P. Pokphand Co. Ltd. (a company listed on the Main Board of the Stock Exchange); and a non-executive director of Ping An Insurance (Group) Company of China, Ltd. (a company listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange). Mr. Chearavanont was previously a director of True Corporation Public Company Limited (a company listed on the Stock Exchange of Thailand). Mr. Chearavanont obtained a Bachelor of Science degree from the College of Business and Public Administration of New York University, USA.

**Mr. Thirayut Phityaisarakul**, aged 78, has been the Chief Executive Officer (Biochemical Division) and an Executive Director of the Company since September 2014. He is also a director of several subsidiaries of the Company and a senior vice chairman of Charoen Pokphand Group Company Limited. Mr. Phityaisarakul has extensive management experience in various industries.

**Mr. Thanakorn Seriburi**, aged 75, has been a Director of the Company since February 1988 and an Executive Director, Chief Executive Officer (Industrial Division) and a member of the Remuneration Committee since September 2014. He is a Director of several subsidiaries of the Company and a senior vice chairman of Charoen Pokphand Group Company Limited. Mr. Seriburi has been working on investment projects for Charoen Pokphand Group in the PRC since 1979 and has extensive experience in industrial operations in Asia and elsewhere.

**Mr. Nopadol Chiaravanont**, aged 59, has been a Director of the Company since July 2014, an Executive Director of the Company since September 2014 and a member of the Corporate Governance Committee since December 2017. He is a director of a subsidiary of the Company. Mr. Chiaravanont is also the assistant to chairman of Charoen Pokphand Group Company Limited, the vice chairman of the automotive and industrial business group (China) of Charoen Pokphand Group Company Limited and a director of CPPC Public Co., Ltd.

謝吉人先生，56歲，自二零一四年九月出任本公司之董事長、非執行董事和提名委員會主席。謝先生亦是Charoen Pokphand Group Company Limited之董事長。謝先生擁有跨國性投資及管理不同行業之資深經驗。謝先生於下列上市公司擔任董事職務：CP ALL Public Company Limited和Charoen Pokphand Foods Public Company Limited（兩家於泰國證券交易所上市之公司）之董事及董事長；卜蜂國際有限公司（於聯交所主板上市之公司）之執行董事及董事長；及中國平安保險（集團）股份有限公司（於聯交所主板及上海證券交易所上市之公司）之非執行董事。謝先生曾擔任True Corporation Public Company Limited（於泰國證券交易所上市之公司）之董事。謝先生持有美國紐約大學商業及公共管理學院之理學士學位。

李紹慶先生，78歲，自二零一四年九月出任本公司之行政總裁（生化部）及執行董事。彼亦是本公司若干附屬公司之董事，並擔任Charoen Pokphand Group Company Limited之資深副董事長職位。李先生擁有管理不同行業之資深經驗。

李紹祝先生，75歲，自一九八八年二月出任本公司之董事及自二零一四年九月出任本公司之執行董事、行政總裁（工業部）和薪酬委員會的成員。彼是本公司若干附屬公司之董事，並擔任Charoen Pokphand Group Company Limited之資深副董事長職位。李先生自一九七九年一直參與發展Charoen Pokphand Group於中國之投資項目，並擁有在亞洲及其他地區的工業營運方面之資深經驗。

謝杰人先生，59歲，自二零一四年七月出任本公司之董事、自二零一四年九月出任本公司之執行董事及自二零一七年十二月出任企業管治委員會的成員。彼是本公司一家附屬公司之董事。謝先生亦為Charoen Pokphand Group Company Limited的董事長助理、Charoen Pokphand Group Company Limited的中國汽車工業業務之副董事長以及CPPC Public Co., Ltd.之董事。

## Biographical Details of Directors

### 董事履歷詳情

**Mr. Chawalit Na Muangtoun**, aged 54, has been an Executive Director of the Company and a member of the Corporate Governance Committee since February 2019. He is currently a senior executive of the Group primarily responsible for the management of the Group's biochemical business in China. Mr. Na Muangtoun also holds directorships in several companies within the Group. Mr. Na Muangtoun has been working for the Group since 1992. Mr. Na Muangtoun received a Bachelor degree in Accounting from Payap University in Thailand in 1989.

**Mr. Yoichi Ikezoe**, aged 61, has been a Non-executive Director of the Company since October 2015. Mr. Ikezoe is also a non-executive director of C.P. Pokphand Co. Ltd. (a company listed on the Main Board of the Stock Exchange). Mr. Ikezoe is currently Deputy CEO for East Asia Bloc, Senior Officer of Asia and Oceania Bloc, CP and CITIC (Overseas Operation) of ITOCHU Corporation (a company listed on the Tokyo Stock Exchange) and Chairman of ITOCHU Hong Kong Ltd., ITOCHU Shanghai Ltd. and ITOCHU (China) Holding Co., Ltd. Mr. Ikezoe has been working for ITOCHU Corporation (formerly known as C.ITOH & Co., Ltd.) since 1983. He received his Bachelor of Arts degree from the Faculty of Foreign Studies, Osaka University in Japan in 1983.

**Mr. Surasak Rounroengrom**, aged 67, has been an Independent Non-executive Director of the Company and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee since September 2014. Mr. Rounroengrom is also an independent director and the chairman of Ekachai Medical Care Public Company Limited (a company listed on the Stock Exchange of Thailand). Mr. Rounroengrom had a long career with the Royal Thai Navy and was the 48th Commander-in-Chief of the Royal Thai Navy from October 2011 to September 2013 before he retired from the Thai armed forces. He was the Supreme Commander Advisor from January 2014 to September 2014 and was a National Legislative Assembly Member from August 2014 to May 2019. Mr. Rounroengrom obtained a Bachelor of Science degree from Royal Thai Naval Academy, Thailand, in February 1977.

**Mr. Cheng Yuk Wo**, aged 60, has been an Independent Non-executive Director of the Company, the chairman of the Audit Committee and of the Remuneration Committee and a member of Nomination Committee since September 2014. Mr. Cheng has over 30 years of expertise in accounting, finance and corporate advisory services. Mr. Cheng is currently also an independent non-executive director of the following companies listed on the Main Board of the Stock Exchange: CSI Properties Limited, HKC (Holdings) Limited, Chong Hing Bank Limited, Goldbond Group Holdings Limited, CPMC Holdings Limited, Top Spring International Holdings Limited,

馬德壽先生，54歲，自二零一九年二月出任本公司執行董事和企業管治委員會成員，彼現時為本集團的資深行政人員，主要於中國負責管理本集團的生化業務。馬先生亦擔任本集團若干公司之董事職位。馬先生自一九九二年起在本集團工作。馬先生於一九八九年獲泰國Payap大學頒授會計學學士學位。

池添洋一先生，61歲，自二零一五年十月出任本公司之非執行董事。池添先生亦為卜蜂國際有限公司（於聯交所主板上市之公司）之非執行董事。池添先生現為伊藤忠商事株式會社（於東京證券交易所上市之公司）東亞地區總代表代行、亞洲和大洋洲地區副總裁、CP和CITIC海外擔當並為伊藤忠香港公司會長、上海伊藤忠商事有限公司及伊藤忠（中國）集團有限公司之董事長。池添先生自一九八三年在伊藤忠商事株式會社（前稱C.ITOH & Co., Ltd.）工作。彼於一九八三年獲日本大阪大學國際學院頒授文學士學位。

Surasak Rounroengrom先生，67歲，自二零一四年九月出任本公司之獨立非執行董事、審核委員會、薪酬委員會和提名委員會的成員。Rounroengrom先生亦為Ekachai Medical Care Public Company Limited（於泰國證券交易所上市之公司）之獨立董事及主席。Rounroengrom先生在泰國皇家海軍有很長的職業生涯，彼於二零一一年十月至二零一三年九月為第48任泰國皇家海軍總司令，其後從泰國武裝部隊退休。彼於二零一四年一月至二零一四年九月曾為最高指揮官顧問及於二零一四年八月至二零一九年五月曾為國民立法會議委員。Rounroengrom先生於一九七七年二月取得泰國皇家海軍學院理學學士。

鄭毓和先生，60歲，自二零一四年九月出任本公司之獨立非執行董事、審核委員會主席、薪酬委員會主席及提名委員會成員。鄭先生擁有逾30年於會計、金融及企業顧問服務的專業知識。鄭先生現時亦在下列於聯交所主板上市之公司擔任獨立非執行董事：資本策略地產有限公司、香港建設（控股）有限公司、創興銀行有限公司、金榜集團控股有限公司、中糧包裝控股有限公司、萊蒙國際集團有限公司、廖創興企業有限公司、卓珈控股集團有限公司、凱知樂國際控股有限公司和卜蜂國際有限公

## Biographical Details of Directors

董事履歷詳情

Liu Chong Hing Investment Limited, Miricor Enterprises Holdings Limited, Kidsland International Holdings Limited and C.P. Pokphand Co. Ltd. Mr. Cheng is also an independent non-executive director of Somerley Capital Holdings Limited (a company listed on the GEM Board of the Stock Exchange). Mr. Cheng was previously an independent non-executive director of DTXS Silk Road Investment Holdings Company Limited (a company listed on the Main Board of the Stock Exchange). Mr. Cheng obtained a Bachelor of Arts (Honours) degree in Accounting from University of Kent, the United Kingdom in 1983 and a Master of Science (Economics) degree, majoring in Accounting and Finance from London School of Economics and Political Science, the United Kingdom in 1984. He is a Fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, and a member of the Institute of Chartered Professional Accountants of Canada.

**Mr. Edward Ko Ming Tung**, aged 60, has been an Independent Non-executive Director and a member of the Audit Committee and of the Remuneration Committee of the Company since September 2014 and the chairman of the Corporate Governance Committee since December 2017. Mr. Ko is the principal of Messrs. Edward Ko & Company and has been practising as a solicitor in Hong Kong for more than 29 years. Mr. Ko is currently also an independent non-executive director of the following companies listed on the Main Board of the Stock Exchange: Sinofert Holdings Limited, EverChina Int'l Holdings Company Limited and Sterling Group Holdings Limited. Mr. Ko was previously an independent non-executive director of Zioncom Holdings Limited (a company listed on the GEM Board of the Stock Exchange). More recently, Mr. Ko resigned as an independent non-executive director of Wai Chun Group Holdings Limited (a company listed on the Main Board of the Stock Exchange) on November 3, 2020. Mr. Ko obtained an external Bachelor of Laws Degree from the University of London in the United Kingdom in 1986 and is a member of The Law Society of Hong Kong.

## RELATIONSHIPS AMONG DIRECTORS

Mr. Soopakij Chearavanont is a cousin of Mr. Nopadol Chiaravanont. Mr. Thirayut Phityaisarakul and Mr. Thanakorn Seriburi are brothers. Save as disclosed above, there is no other material relationship among members of the Board.

## SENIOR MANAGEMENT

Various businesses and functions of the Company are respectively under the direct responsibilities of the Executive Directors who are regarded as senior management of the Company.

司。鄭先生亦擔任新百利融資控股有限公司(於聯交所創業板上市之公司)之獨立非執行董事。鄭先生曾出任大唐西市絲路投資控股有限公司(於聯交所主板上市之公司)之獨立非執行董事。鄭先生於一九八三年取得英國肯特大學會計系(榮譽)文學士學位及於一九八四年取得英國倫敦大學政治經濟學院科學(經濟)碩士(主修會計及金融)學位。彼乃英格蘭及威爾士特許會計師公會及香港會計師公會的資深會員,亦為加拿大特許專業會計師公會的會員。

高明東先生,60歲,自二零一四年九月出任本公司之獨立非執行董事、審核委員會和薪酬委員會成員及自二零一七年十二月出任企業管治委員會主席。高先生為高明東律師行之主管律師及在香港擁有逾29年執業律師經驗。高先生現時亦在下列於聯交所主板上市之公司擔任獨立非執行董事:中化化肥控股有限公司、潤中國際控股有限公司和美臻集團控股有限公司。高先生曾出任Zioncom Holdings Limited(於聯交所創業板上市之公司)之獨立非執行董事。最近,高先生於二零二零年十一月三日辭任為偉俊集團控股有限公司(於聯交所主板上市之公司)之獨立非執行董事。高先生於一九八六年以校外生的身份取得英國倫敦大學法律學士學位,現為香港律師會會員。

## 董事之間的關係

謝吉人先生與謝杰人先生乃堂兄弟關係。李紹慶先生及李紹祝先生乃兄弟關係。除上述披露者外,董事會成員之間沒有其他重大的關係。

## 高級管理人員

本公司各項業務及職責分別由執行董事直接負責,彼等被視為本公司之高級管理層。

# Report of the Directors

## 董事報告書

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

### PRINCIPAL ACTIVITIES

The Group is principally engaged in the manufacture and/or sale of chlortetracycline (“CTC”) and other related products. Additionally, the Group is also involved, through its joint venture and its associated company, in the trading of machinery and the manufacture and sale of automotive parts.

### BUSINESS REVIEW

A business review with financial key performance indicators analysis and future development of the Group is set out in the Chairman’s Statement section, Financial Highlights section and Management Discussion and Analysis section in the annual report.

The principal risks and uncertainties faced by the Group, a discussion on the environmental policies and performance, compliance with laws and regulations and the key relationships with stakeholders are set out below.

For further information about the environmental and social performance of the Group for this financial year, please refer to the Environmental, Social and Governance Report 2020 to be issued.

Save as disclosed herein, the Directors are not aware of any important event affecting the Group since the end of the financial year under review.

#### Principal Risks and Uncertainties

Principal risks and uncertainties faced by the Group are discussed below. Details of the Group’s financial risk management are set out in note 33 to the financial statements of the annual report.

#### *Reliance on Key Products*

Sales of CTC Premix account for a substantial portion of the Group’s revenue. Any factors adversely affecting the pricing of, demand for, consumer preferences for, regulatory requirements of, or market acceptance of CTC Premix, including any increase in competition, change in government regulatory requirements, negative findings or publicity on the effects of CTC Premix, could cause the Group’s revenue to decline and the Group’s business and future operating results to suffer.

董事謹提呈董事報告書及本集團截至二零二零年十二月三十一日止年度的經審核財務報表。

### 主要業務

本集團主要從事製造及／或銷售金霉素及其他相關產品。此外，本集團亦透過其合營企業及其聯營公司從事機械設備貿易及產銷汽車零部件。

### 業務審視

本集團的業務審視（包括財務關鍵表現指標分析）及未來發展載於年報「董事長報告書」、「財務概要」及「管理層討論及分析」三節。

本集團面對的主要風險及不確定因素、對環境政策及表現和遵守法律和法規的討論，以及與持份者的重要關係載列如下。

有關本集團於本財政年度在環境和社會表現的更多資料，請參閱將刊登的二零二零年環境、社會及管治報告。

除於年報內所披露外，自回顧財政年度結束，董事並不知悉有任何影響本集團的重大事件。

#### 主要風險及不確定因素

本集團面對的主要風險及不確定因素討論如下。本集團財務風險管理之詳情載於年報內財務報表附註33。

#### *依賴主要產品*

金霉素預混劑的銷售佔本集團收入一大部分。對金霉素預混劑的價格、需求、消費者偏好、監管規則、或市場認可有不利影響的任何因素，包括競爭加劇、政府監管規則改變、或有關本集團金霉素預混劑作用的負面發現或報道，均可能導致本集團的收入下降，本集團的業務及未來經營業績可能受損。

**BUSINESS REVIEW (continued)*****Volatility of Commodity Prices***

The principal raw materials used to manufacture CTC products are corn starch, yeast, peanut meal and soybean meal. The availability and prices of the necessary raw materials may be adversely affected by factors beyond the Group's control, such as weather conditions, natural disasters or a sudden surge in demand.

If the supply of raw materials is disrupted to a material degree or if there is a substantial increase in the prices of raw materials, and the Group is not able to purchase the same raw materials of the same quality from alternative suppliers at competitive prices or to transfer such material price increase to customers, the Group's financial condition and operating results may be materially and adversely affected. Management will set a safety stock level and continuously collect and analyse the commodity prices information when purchasing these raw materials.

***Market Competition***

The Group faces intense competition from other CTC producers. New players may also enter the market, competing with the Group's existing clients and negatively impacting the Group's market share.

***Product Liability***

If the Group's products fail to perform as expected, or prove to be defective or result in accidents, personal injuries, casualties or financial losses to customers, the Group may be subject to liability claims for damages. If products do not meet the specifications and requirements requested by customers, or if any of the Group's products are defective, such defects or any complaints or negative publicity resulting therefrom could result in decreased sales of the Group's products, and the Group may also be subject to product liability claims and litigation. The Group's internal quality control team oversees quality assurance controls and systems throughout the production process.

***Licenses and Permits***

In accordance with applicable PRC laws and regulations, the Group is required to obtain and maintain various licences and permits in order to commence and operate our business. In addition, in order to export and sell CTC products overseas, the Group needs to obtain various government approvals and comply with applicable standards in relation to production processes, premises and CTC products in the countries where the Group sell CTC products.

**業務審視 (續)*****商品價格變動***

用於製造金霉素產品的主要原材料為玉米澱粉、酵母粉、花生餅粉及黃豆餅粉。所需原材料的市場供應及價格可能因非本集團所能控制的因素，如天氣狀況、自然災害或需求突然上升而受到不利影響。

如果原材料供應遭重大程度中斷或如果原材料價格大幅上漲，及本集團無法以有競爭力的價格向其他供應商採購相同質量相同的原材料或將該大幅價格上漲轉嫁予顧客，本集團的財務狀況及經營業績可能受到重大不利影響。當採購這些原材料時，管理層會訂立一個安全的存貨水平並持續收集和分析此等原材料價格資訊。

***市場競爭***

本集團面臨來自其他金霉素生產商的激烈競爭。新進生產商亦可能進入市場，從而與我們競爭現有客戶及對本集團的市場份額造成不利影響。

***產品責任***

如果本集團的產品表現不如預期或被證實有缺陷或導致客戶遭受意外、人身傷害、傷亡或經濟損失，本集團可能因所造成的損失而面臨責任索償。如果產品不符合客戶所要求的規格和規定，或如本集團的任何產品有缺陷，有關缺陷或由其導致的任何投訴或負面報導可能會造成本集團的產品銷量下降，且本集團亦會面臨產品責任索償和訴訟。本集團的內部品質管理團隊監督生產過程中的品質保證控制及系統。

***牌照及許可證***

根據適用中國法律及法規，本集團取得及持有各種牌照及許可證後，方可開始經營我們的業務。此外，為出口及於海外銷售金霉素產品，本集團需在銷售產品的國家取得多項政府批准以及遵守有關生產過程、場所及金霉素產品的適用標準。



## Report of the Directors

董事報告書

### BUSINESS REVIEW (continued)

#### *Licenses and Permits (continued)*

Although the Group currently has the necessary licences and permits, the eligibility criteria for such licences and permits may change from time to time and may become more stringent. In addition, new requirements for the grant or renewal of such licences and permits may come into effect in the future. The introduction of any such new and/or more stringent laws or regulations may significantly escalate the compliance and maintenance costs or may limit or even prohibit the Group to continue its existing operations or expand its business. Management continuously keeps abreast of regulatory changes in the relevant laws and regulations on licenses and permits.

#### *Disease Outbreak*

Any animal disease outbreak, such as bird flu and African swine fever, may cause widespread animal death, and hence would affect demand for our products and results of the Group. Further, any human disease outbreak, such as COVID-19, may also disrupt the Group's business, including delay in raw material supply, workforce availability due to people movement restrictions and outbound logistical delays in our delivery of products to customers. The Group will monitor the situation and adopt appropriate measures to minimize the impact on the Group's business and operation.

#### *Environmental Compliance*

Our CTC production is required to comply with applicable environmental protection laws and regulations in the PRC which govern the standards of air pollution, waste water discharge and noise emissions. Local PRC government and authorities generally have the authority delegated by relevant laws and regulations to impose penalties on companies failing to comply with the relevant environmental protection laws and regulations.

In addition to the existing environmental protection laws and regulations, the PRC government may promulgate new and stricter environmental protection laws and regulations in the biochemical industry in the future which may apply to the Group. As a result, compliance with such legal requirements will become more burdensome and we may incur additional costs in production process and operations, which may ultimately adversely affect production and results of operations. The Safety, Health and Environmental Committee of the Group oversees relevant environmental policies affecting the Group's operations.

### 業務審視(續)

#### *牌照及許可證(續)*

儘管本集團目前已取得所需牌照及許可證，該等牌照和許可證的合格評定標準或會不時改變，並可能變得更為嚴格。此外，有關發出該等牌照及許可證的新規定可能於未來生效。任何有關新法律或法規出台及／或推行更為嚴格的法律或法規，將可能大幅增加我們的合規及維護成本，或將可能限制或禁止本集團繼續經營現有業務或擴張其業務。管理層會持續跟上牌照及許可證的相關法規之變更。

#### *疫病爆發*

任何動物疫病爆發(例如禽流感及非洲豬瘟)都可能會導致廣泛的動物死亡，因此會影響對我們產品的需求及本集團業績。再者，任何人類疫病爆發(例如新型冠狀病毒)都可能會干擾本集團的業務，其中包括原材料供應滯後、流動人口管理對勞動力的影響及運送予客戶的產品出庫物流上的延遲。本集團將審視局勢及採取適當措施以將對本集團業務和營運的影響減至最低。

#### *環境法規*

我們生產金霉素須遵守中國有關規管大氣污染、廢水排放及噪音污染的適用環保法律及法規。中國地方政府及機構通常擁有相關法律及法規賦予的權利對未遵守相關環保法律及法規的公司施加處罰。

除了現行的環保法律及法規外，中國政府日後可能會於生化行業頒佈適用於本集團新的及更嚴格的環保法律及法規。因此，我們遵守有關法律規定將增加負擔及於生產過程及營運中可能產生額外成本，從而或會對生產及經營業績造成不利影響。本集團之安全、健康及環境委員會管理影響營運的相關環境政策。

## BUSINESS REVIEW (continued)

### Environmental Policies and Performance

The Group cares about environmental protection. We have devoted significant operating and financial resources to ensure that our production complies with environmental protection laws and regulations in the PRC. In 2020, there was no incidence of non-compliance with the relevant environmental laws and regulations that have a significant impact on the Group.

### Compliance with Laws and Regulations

The Group strives to comply in all material aspects with the relevant laws and regulations which are regarded as having a significant impact on the Group, and has not come across incidence of material breach or non-compliance during 2020.

### Key Relationships with Stakeholders

#### Employees

We highly value our talents and are committed to providing a safe work environment to our employees. The Group remunerates its employees based on their performance, experience and prevailing market rates while performance bonuses are granted on a discretionary basis. Other employee benefits include, for example, medical insurance and training. We also ensure our recruitment policies are in compliance with national regulations in the areas of equal opportunity and anti-discrimination.

We have in place safety guidelines and operating manuals setting out safety measures for the production processes. In accordance with applicable laws and regulations in China, we provide our employees with training programs on work safety including trainings on safe usage of chemicals and machineries, accident prevention and management. We also conduct regular inspections on our machineries to ensure compliance with safety standards.

#### Customers

We strive to provide products of the highest quality to our customers. Our operations are certified with ISO 9001, GMP and we have stringent internal quality control procedures in place. We have set up our own laboratories to conduct product testing as part of our internal quality assurance. To monitor our customers' satisfaction, the Group's sales teams listen to customers' needs and opinions. With the continuous feedback of our customers, we will continue to improve our product and service qualities.

## 業務審視 (續)

### 環境政策及表現

本集團注重環境保護。我們投放了重大的經營及財務資源，以確保我們的生產符合中國環保法律及法規。於二零二零年，本集團沒有違反對其業務有重大影響的相關環境法律及規例。

### 遵守法律和規例

本集團致力遵守在各主要方面被視為對本集團有顯著影響之相關法律及規例，並於二零二零年概無重大違反或未能遵守之情況。

### 與持份者的重要關係

#### 僱員

我們高度重視我們的人才，並致力為我們的員工提供一個安全的工作環境。本集團根據僱員的表現、經驗及現行的市場水平釐訂其薪酬津貼，並酌情授予花紅，其他僱員福利包括醫療保險及培訓。我們亦確保招聘政策符合平等機會和反歧視方面的國家條例。

我們為生產流程制定安全指引和操作手則，並列明安全措施。根據適用中國的法律及法規，我們為員工提供工作安全培訓計劃，包括安全使用化學製品及機械、預防及管理意外的培訓。我們亦為我們的機械進行定期檢查，以確保符合安全標準。

#### 客戶

我們致力向顧客提供最高品質的產品。我們的業務擁有ISO 9001及GMP認證，並設有嚴格的內部質量控制程序。作為我們的內部質量保證的一部分，我們設有自己的實驗室進行產品測試。為了監督我們客戶的滿意度，本集團的銷售團隊會聽取客戶的需求和意見。隨著我們客戶的不斷反饋，我們將繼續改善我們的產品和服務質素。

## Report of the Directors

董事報告書

## BUSINESS REVIEW (continued)

### Key Relationships with Stakeholders (continued)

#### Suppliers

The Group has set up supplier management policies in accordance with the laws and regulations in the PRC to monitor the supplier selection process. The quality of incoming materials is ensured under a well-established control process in our production plants. We carefully choose suppliers that share the same commitment to product quality and work ethics with us. In our procurement process, suppliers are evaluated based on a number of assessment criteria, including their service quality, environmental and social performances, and ability to supply high-quality products on a consistent basis. We also perform on-site inspections of suppliers as and when necessary to ensure our requirements are met.

## RESULTS AND DIVIDENDS

The Group's financial performance for the year ended 31 December 2020 and the financial position of the Group at that date are set out in the financial statements of the annual report.

The Board has resolved not to declare a dividend for the year ended 31 December 2020.

The register of members holding ordinary shares of the Company will be closed from 8 June 2021 to 11 June 2021, both days inclusive, during which no transfer of ordinary shares of the Company will be registered. In order to ascertain the Shareholders' eligibility to attend and vote at the forthcoming annual general meeting of the Company to be held on 11 June 2021, all transfer forms for ordinary shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on 7 June 2021.

## 業務審視(續)

### 與持份者的重要關係(續)

#### 供應商

本集團根據中國法規訂立了供應商管理政策以監控挑選供應商的程序。我們的生產廠房擁有成熟的控制程序，以確保來貨物料的質量。我們謹慎地挑選與我們在產品質素及職業道德方面有共同追求的供應商。在採購過程中，我們選擇供應商乃基於多項評估標準，包括其服務質素、環境和社會表現，及供應穩定高品質產品的能力。我們於有需要時對供應商進行現場檢查，以確保符合我們的標準。

## 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的財務表現及本集團於該日的財務狀況載於年報的財務報表。

董事會決議截至二零二零年十二月三十一日止年度不派付股息。

本公司將於二零二一年六月八日至二零二一年六月十一日期間內(首尾兩天包括在內)暫停辦理本公司普通股股份過戶登記手續，為確定股東有權出席本公司將於二零二一年六月十一日舉行的應屆股東周年大會並於會上投票的資格，務請將所有普通股股份過戶文件連同有關股票，於二零二一年六月七日下午四時三十分前，送達本公司於香港之股份過戶登記分處，香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716號舖，辦理登記手續。

**SUMMARY FINANCIAL INFORMATION****財務資料概要**

The consolidated assets, liabilities and results of the Group for the five years ended 31 December 2020, as extracted from the published audited financial statements, are as follows:

本集團截至二零二零年十二月三十一日止五個年度的綜合資產、負債和業績(摘錄自己刊發的經審核財務報告)如下:

		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
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		美元千元	美元千元	美元千元	美元千元	美元千元
Total assets	總資產	330,698	292,657	267,712	229,701	200,043
Total liabilities	總負債	80,088	70,244	58,166	32,675	31,308
Non-controlling interests	非控制性權益	22,611	23,224	23,784	23,047	20,219
Equity attributable to shareholders of the Company	本公司股東應佔權益	227,999	199,189	185,762	173,979	148,516
		330,698	292,657	267,712	229,701	200,043
Profit for the year attributable to shareholders of the Company	本公司股東應佔溢利	16,255	15,800	21,164	16,347	8,058

**PROPERTY, PLANT AND EQUIPMENT****物業、廠房及設備**

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2020 are set out in note 14 to the financial statements of the annual report.

於截至二零二零年十二月三十一日止年度內，本集團的物業、廠房及設備變動的詳情載於年報內財務報表附註14。

**SHARE CAPITAL****股本**

Details of the movements in issued shares of the Company during the year ended 31 December 2020 are set out in note 29 to the financial statements of the annual report.

於截至二零二零年十二月三十一日止年度內，本公司已發行的股份的變動詳情載於年報內財務報表附註29。

**PRE-EMPTIVE RIGHTS****優先購股權**

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.

本公司細則或百慕達法例並無優先購股權之條款，本公司無須按比例向現有股東配售新股份。

## Report of the Directors

董事報告書

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

During 2020, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

### **RESERVES**

Details of movements in the reserves of the Company and the Group during the year are set out in note 34 to the financial statements and in the consolidated statement of changes in equity of the annual report, respectively.

### **DISTRIBUTABLE RESERVES**

At 31 December 2020, the Company's reserves available for distribution amounted to US\$17,248,000 (2019: US\$18,626,000).

### **DONATIONS**

During the year, the Group made donations for charitable and other purposes amounting to US\$373,000 (2019: US\$220,000).

### **MAJOR CUSTOMERS AND SUPPLIERS**

Revenue attributable to the five largest customers accounted for less than 30% of the Group's revenue for the year ended 31 December 2020.

Purchases attributable to the largest supplier and the five largest suppliers accounted for 10.8% and 32.2%, respectively, of the Group's purchases for the year ended 31 December 2020.

None of the Directors, their close associates or the 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.

### **購買、出售或贖回本公司的上市證券**

於二零二零年，本公司或其任何附屬公司概無購買、出售或贖回任何本公司的上市證券。

### **儲備**

於年內，本公司及本集團儲備變動的詳情分別載於年報內財務報表附註34及綜合權益變動表內。

### **可供分配儲備**

於二零二零年十二月三十一日，本公司可供分派的儲備為1,724.8萬美元(二零一九年：1,862.6萬美元)。

### **捐款**

於年內，本集團的慈善及其他捐款總額為37.3萬美元(二零一九年：22萬美元)。

### **主要客戶及供應商**

五大客戶的收入佔截至二零二零年十二月三十一日止年度本集團收入少於30%。

最大供應商及五大供應商的購貨額分別佔截至二零二零年十二月三十一日止年度本集團購貨額的10.8%及32.2%。

概無董事、彼等緊密聯繫人士或股東(據董事所知擁有本公司已發行股本5%以上者)於本集團的五大供應商擁有任何權益。

**DIRECTORS**

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

**CHAIRMAN AND NON-EXECUTIVE DIRECTOR:**

Mr. Soopakij Chearavanont

**EXECUTIVE DIRECTORS:**

Mr. Thirayut Phityaisarakul  
Mr. Thanakorn Seriburi  
Mr. Nopadol Chiaravanont  
Mr. Chawalit Na Muangtoun

**NON-EXECUTIVE DIRECTOR:**

Mr. Yoichi Ikezoe

**INDEPENDENT NON-EXECUTIVE DIRECTORS:**

Mr. Surasak Rounroengrom  
Mr. Cheng Yuk Wo  
Mr. Edward Ko Ming Tung

The non-executive Directors and independent non-executive Directors are appointed for successive terms of one year and three years respectively. All Directors are subject to retirement by rotation, but may offer themselves for re-election, at annual general meetings in accordance with the Company's bye-laws.

In accordance with the Company's bye-law 99, Mr. Soopakij Chearavanont (Chairman and Non-executive Director), Mr. Yoichi Ikezoe (Non-executive Director) and Mr. Chawalit Na Muangtoun (Executive Director) will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company. Details of each of the above retiring Directors proposed for re-election at the forthcoming annual general meeting are set out in the circular to the Shareholders.

**董事**

於年內及至本報告書日期，本公司董事名單如下：

**董事長及非執行董事：**

謝吉人先生

**執行董事：**

李紹慶先生  
李紹祝先生  
謝杰人先生  
馬德壽先生

**非執行董事：**

池添洋一先生

**獨立非執行董事：**

Surasak Rounroengrom先生  
鄭毓和先生  
高明東先生

非執行董事及獨立非執行董事獲委任的任期分別為一年和三年可續任。所有董事須根據本公司細則輪值退任並可於股東周年大會上膺選連任。

根據本公司細則第99條，謝吉人先生（董事長及非執行董事）、池添洋一先生（非執行董事）及馬德壽先生（執行董事）將於本公司應屆股東周年大會上輪值退任，惟符合資格並願意膺選連任。建議於應屆股東周年大會上膺選連任的上述各退任董事詳情載於股東通函。

## Report of the Directors

董事報告書

### DIRECTORS' SERVICE CONTRACTS

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

### DIRECTORS' EMOLUMENTS

Details of the Directors' emoluments are set out in note 9 to the financial statements of the annual report.

The emoluments of the Directors are determined with reference to Directors' duties, responsibilities and performance and the results of the Group.

### DIRECTORS' MATERIAL INTERESTS IN TRANSACTION, ARRANGEMENT AND CONTRACT

Save for the transactions as disclosed in the section headed "Continuing Connected Transactions" below and the related party disclosures as disclosed in note 32 to the financial statements of the annual report, none of the Directors or his/her connected entity had any material interests, either directly or indirectly, in any transaction, arrangement and contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries and fellow subsidiaries was a party during or at the year ended 31 December 2020.

### CONTRACT OF SIGNIFICANCE

Save for the transactions as disclosed in the section headed "Continuing Connected Transactions" below and the related party disclosures as disclosed in note 32 to the financial statements of the annual report, there had been no contract of significance between the Company or any of its subsidiaries and a controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries during the year ended 31 December 2020.

### 董事服務合約

建議於本公司應屆股東周年大會上膺選連任的董事，與本公司或其任何附屬公司概無由本集團可決定於一年內終止而須作出任何賠償（法定賠償除外）的服務合約。

### 董事酬金

董事酬金的詳情載於年報內財務報表附註9。

董事酬金經參考董事之職務、責任及表現以及本集團業績而釐定。

### 董事在交易、安排或合約中的重大權益

除下文「持續關連交易」一節所披露之交易及年報內財務報表附註32披露之關連人士披露外，於截至二零二零年十二月三十一日止年度內或結束時，概無董事或其有關連實體於本公司或其任何控股公司、附屬和同系附屬公司所訂立的任何對本集團業務而言的交易、安排或重大合約中直接或間接擁有重大權益。

### 重大合約

除下文「持續關連交易」一節所披露之交易及年報內財務報表附註32披露之關連人士披露外，於截至二零二零年十二月三十一日止年度內，本公司或其任何附屬公司概無與本公司或其任何附屬公司的控股股東（定義見上市規則）訂立重大合約。

## Report of the Directors

董事報告書

## ARRANGEMENT TO PURCHASE SHARES

Save as disclosed in the section headed “Share Option Scheme” in the annual report, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

## TAX RELIEF AND EXEMPTION

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

## DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2020, the interests and short positions of the directors and chief executives of the Company in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Appendix 10 of the Listing Rules – Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) are set out below:

## (a) Directors’ interests in shares of the Company (Long Positions)

Number of ordinary	Capacity	Name of director shares held	Approximate percentage of the issued ordinary share capital of the Company
董事名稱	身分	所持普通股股份數目	佔本公司已發行普通股股本概約百分比
Mr. Thirayut Phityaisarakul 李紹慶先生	Beneficial owner 實益擁有人	410,000	0.17%
Mr. Thanakorn Seriburi 李紹祝先生	Beneficial owner 實益擁有人	625,848	0.26%

## 購買股份之安排

除於年報「購股權計劃」一節所披露外，於年內任何時間，本公司、其控股公司或其任何附屬公司概無作為任何安排下之一方，而令本公司之董事可透過收購本公司或任何其他法人團體之股份而獲得利益。

## 稅務減免

董事並不知悉任何因股東持有本公司證券而享有的稅務減免。

## 董事及主要行政人員持有本公司及其相聯法團的股份及相關股份的權益及淡倉

於二零二零年十二月三十一日，根據證券及期貨條例第352條規定由本公司備存之登記冊的記錄，又或根據上市規則附錄十之上市發行人董事進行證券交易的標準守則（「標準守則」）向本公司及聯交所發出的通知，各董事及主要行政人員持有本公司及其相聯法團的股份及相關股份的權益及淡倉（按證券及期貨條例第XV部所界定者）載列如下：

## (a) 董事於本公司的權益（好倉）



## Report of the Directors

董事報告書

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (continued)**

董事及主要行政人員持有本公司及其相聯法團的股份及相關股份的權益及淡倉(續)

**(b) Directors' interests in shares of associated corporations of the Company (Long Positions)**

(b) 董事於本公司的相聯法團的權益(好倉)

*C. P. Pokphand Co. Ltd.*

卜蜂國際有限公司

Name of director	Capacity	Number of shares held	Approximate percentage of the issued share capital of the associated corporation
董事名稱	身分	所持股份數目	估相聯法團已發行股本概約百分比
Mr. Thirayut Phityaisarakul 李紹慶先生	Beneficial owner 實益擁有人	41,000,000	0.17%
Mr. Thanakorn Seriburi 李紹祝先生	Beneficial owner 實益擁有人	62,584,807	0.26%

Save as disclosed above, as at 31 December 2020, none of the directors or chief executives of the Company had any interests or short positions in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上述披露者外，於二零二零年十二月三十一日，根據證券及期貨條例第352條規定由本公司備存之登記冊的記錄，又或根據標準守則向本公司及聯交所發出的通知，概無任何本公司董事或主要行政人員在本公司或其相聯法團(按證券及期貨條例第XV部所界定者)的股份及相關股份中擁有任何權益或淡倉。

## SUBSTANTIAL SHAREHOLDERS AND PERSONS WHO HAVE INTERESTS OR SHORT POSITIONS WHICH ARE DISCLOSEABLE UNDER THE SECURITIES AND FUTURES ORDINANCE

## 主要股東及根據證券及期貨條例規定須予披露擁有權益或淡倉的人士

As at 31 December 2020, the following persons (not being a director or chief executive of the Company) had the following interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

於二零二零年十二月三十一日，根據證券及期貨條例第336條規定由本公司備存之登記冊的記錄，下列人士（非本公司的董事或主要行政人員）於本公司的股份及相關股份擁有的權益及淡倉如下：

Name of shareholder	Notes	Capacity	Number of shares and underlying shares held	Approximate percentage of the issued ordinary share capital of the Company
股東名稱	附註	身分	持有股份及相關股份數目 (Note 1) (附註1)	本公司已發行普通股股本概約百份比 (Note 1) (附註1)
Charoen Pokphand Group Company Limited	(2)	Interest of controlled corporation 控制法團權益	127,748,147 (L)	53.1 (L)
Charoen Pokphand Foods Public Company Limited	(2)	Beneficial owner and interest of controlled corporation 實益擁有人及控制法團權益	127,748,147 (L)	53.1 (L)
CPF Investment Limited	(2)	Beneficial owner 實益擁有人	115,137,370 (L)	47.8 (L)
ITOCHU Corporation 伊藤忠商事株式會社		Beneficial owner 實益擁有人	60,179,593 (L)	25.0 (L)

Notes:

附註：

- (1) The letter “L” denotes a long position.
- (2) Charoen Pokphand Foods Public Company Limited (“CPF”) held 127,748,147 shares and underlying shares of the Company, which included (i) 12,610,777 preference shares beneficially owned by CPF and (ii) 115,137,370 ordinary shares beneficially owned by CPF’s wholly-owned subsidiary, CPF Investment Limited. Charoen Pokphand Group Company Limited also declared its interest in these shares by virtue of its shareholding interest in CPF.

- (1) 「L」代表好倉。
- (2) Charoen Pokphand Foods Public Company Limited (「CPF」) 持有127,748,147股本公司股份及相關股份，其中包括(i)CPF實益擁有的12,610,777股優先股及(ii)CPF全資附屬公司CPF Investment Limited實益擁有的115,137,370股普通股。Charoen Pokphand Group Company Limited亦申報因擁有CPF的股權，故同樣擁有該等股份的權益。

Save as disclosed above, as at 31 December 2020, no person (not being a director or chief executive of the Company) had an interest or a short position in shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

除上述披露者外，於二零二零年十二月三十一日，根據證券及期貨條例第336條規定由本公司備存之登記冊的記錄，概無人士（非本公司董事或主要行政人員）在本公司的股份或相關股份中擁有權益或淡倉。

## Report of the Directors

董事報告書

### SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) on 18 March 2015. The Share Option Scheme will remain in force for ten years from the date of listing on 3 July 2015.

The Share Option Scheme was established for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group’s operations. Eligible persons of the Share Option Scheme include the Company’s directors, senior executives, employees of the Group and those persons that, in the opinion of the Directors, have contributions or potential contributions to the Group.

The total number of ordinary shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 24,071,831 shares, being 10% of the total number of ordinary shares of the Company in issue on the date of listing on 3 July 2015.

The maximum number of ordinary shares issuable upon exercise of share options granted under the Share Option Scheme was 24,071,831 ordinary shares, representing 10% of the issued ordinary shares of the Company as at the date of this report.

The maximum number of ordinary shares issuable upon exercise of the share options granted to each eligible person under the Share Option Scheme within any 12-month period is limited to 1% of the ordinary shares of the Company in issue. Any further grant of share options in excess of this limit is subject to the Shareholders’ approval in advance in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the ordinary shares of the Company in issue and with an aggregate value (based on the price of the Company’s ordinary shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to the Shareholders’ approval in advance in a general meeting.

The exercise period of the share options granted is determinable by the Directors but shall commence after the grant and end on a date which is not later than ten years from the date of grant of the share options.

### 購股權計劃

本公司於二零一五年三月十八日採納購股權計劃（「該購股權計劃」）。該購股權計劃自上市日期二零一五年七月三日起持續有效十年。

該購股權計劃成立之目的為鼓勵及獎勵對本集團運作具貢獻之人士。合資格參與購股權計劃之人士包括本公司之董事、高級行政人員、本集團僱員及董事認為對本集團具貢獻或潛在貢獻之人士。

根據該購股權計劃將予授出的全部購股權獲行使時可予發行的股份總數合共不得超過24,071,831股，相當於本公司於上市日期二零一五年七月三日已發行普通股股份總數的10%。

於本報告書日期，根據該購股權計劃授出之購股權在悉數行使時可予發行本公司普通股之最高數目為24,071,831股普通股，即為本公司已發行普通股股份10%。

在任何12個月內就每名該購股權計劃的合資格參與人士獲授的購股權可發行的普通股股份不得超過本公司已發行股份的1%。若再授出購股權超過此限額，則須預先獲股東於股東大會上批准。

凡向本公司董事、主要行政人員或主要股東或彼等各自之聯繫人士授予購股權必須事先獲得獨立非執行董事之批准。此外，倘向本公司之主要股東或獨立非執行董事或彼等各自之聯繫人士獲授予購股權，如任何12個月內行使時須發行及將發行之普通股股份合共超過本公司已發行普通股股份之0.1%及按普通股股份於每次授出購股權當日之市價計算之總值超逾500萬港元，則須預先取得股東於股東大會上之批准。

授予之購股權行使期由董事決定，並以授予購股權日起至授予日後之十年內。

## SHARE OPTION SCHEME (continued)

The exercise price of the share options is determinable by the Board, but shall be at least the highest of (i) the Stock Exchange closing price of the Company's ordinary shares on the date of grant of the share options; and (ii) the average Stock Exchange closing price of the Company's ordinary shares for the five trading days immediately preceding the date of grant and (iii) the nominal value of the ordinary share of the Company. Share options do not confer rights on the holders to dividends or to vote at a general meeting.

As at the date of this report, no option had been granted, exercised, cancelled or lapsed under the Share Option Scheme.

## CONNECTED TRANSACTION

During the year ended 31 December 2020, the Group had the following connected transaction that is subject to the Listing Rules' reporting requirement for disclosure in the annual report.

### Framework Agreement

On 24 December 2020, Chia Tai Pucheng Biochemistry Limited and Chia Tai Huazhong Biochemistry Limited (collectively the "Purchasers", subsidiaries of the Company holding in aggregate 69.74% equity interests in Pucheng Chia Tai Biochemistry Co., Ltd. ("Pucheng CT Biochem")) entered into a framework agreement with Local State-owned Fujian Province Pucheng County Biochemical Factory and Pucheng County Xinglv Arts & Craft Co. Ltd. (collectively the "Vendors", holding 15.27% and 0.53% of the equity interests respectively in Pucheng CT Biochem) under which the Vendors agreed to initiate the procedure under the prescribed requirements for the transfer of the state-owned assets in the PRC for the sale of their equity interests in Pucheng CT Biochem. Subject to the Vendors having obtained the governmental approval for the transactions under the framework agreement, the Purchasers would pay the Vendors RMB20 million as earnest money in accordance with the terms of the framework agreement.

As at 24 December 2020, being the date of the Company's announcement, Local State-owned Fujian Province Pucheng County Biochemical Factory was a substantial shareholder of Pucheng CT Biochem and was therefore a connected person of the Company at the subsidiary level. The payment of RMB20 million as earnest money contemplated under the framework agreement constituted a connected transaction of the Company under Chapter 14A of the Listing Rules and was subject to the reporting and announcement requirements but was exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

## 購股權計劃(續)

購股權之行使價由董事會釐定，惟至少高於(i)本公司股份於購股權授予當日於聯交所之普通股收市價；及(ii)本公司股份於授予當日前五個交易日於聯交所之普通股平均收市價；及(iii)本公司普通股股份之面值。購股權持有人並不享有股息或於股東大會上投票之權利。

於本報告書日期，概無根據該購股權計劃已授出、行使、註銷或失效的購股權。

## 關連交易

於截至二零二零年十二月三十一日止年度內，本集團已進行下列關連交易並須根據上市規則的申報規定於年報內披露。

### 框架協議

於二零二零年十二月二十四日，正大浦城生化有限公司和正大華中生化有限公司(統稱「買家」，本公司之附屬公司在浦城正大生化有限公司(「浦城正大」)合共持有69.74%股權)與地方國營福建省浦城縣生物化學廠和浦城縣興旅工藝品有限公司(統稱「賣方」，在浦城正大分別持有15.27%和0.53%股權)簽訂框架協議，據此賣方同意根據在中國轉讓國有資產規定的程序啟動出售彼等在浦城正大的股權及待賣方取得政府批准該框架協議項下的交易，買方將根據該框架協議的條款向賣方支付2,000萬元人民幣作為收購誠意金。

於二零二零年十二月二十四日即本公司公告日期，地方國營福建省浦城縣生物化學廠為浦城正大的主要股東並因此為本公司於附屬公司層面的關連人士。根據上市規則第十四A章，根據框架協議項下擬支付2,000萬元人民幣作為收購誠意金構成本公司的關連交易，並須遵守上市規則第14A.101條申報和公告規定，惟豁免遵守通函、獨立財務意見及股東批准規定。

## Report of the Directors

董事報告書

## CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2020, the Group had entered into the following continuing connected transactions that are subject to the Listing Rules' reporting requirement for disclosure in the annual report.

**2020 Supplemental CPP Purchase Agreement and 2020 Master CPP Purchase Agreement**

Prior to the reporting period, on 30 October 2017, the Company entered into a master purchase agreement with C.P. Pokphand Co. Ltd. ("CPP") (the "2017 Master CPP Purchase Agreement") for the supply of various chlortetracycline and such animal drugs (including any antibiotics) by the Group to CPP and its subsidiaries (the "CPP Group") from 1 January 2018 to 31 December 2020. The 2017 Master CPP Purchase Agreement and the annual caps were approved by the independent shareholders of the Company on 8 December 2017.

On 30 July 2020, the Company entered into a supplemental purchase agreement (the "2020 Supplemental CPP Purchase Agreement") with CPP to revise the categories of products which may be supplied by the Group to the CPP Group under the 2017 Master CPP Purchase Agreement to various chlortetracycline products, animal drugs, animal health products and other related products produced and/or sold by the Group (the "Revised CTEI Products"). The Company also proposed to revise the annual cap for the year 2020 from US\$4.4 million to US\$5.5 million. The 2020 Supplemental CPP Purchase Agreement and the revised annual cap for the year 2020 were approved by the independent shareholders of the Company on 4 September 2020.

On 30 July 2020, the Company also entered into a master purchase agreement (the "2020 Master CPP Purchase Agreement") with CPP to renew the existing arrangement for the sale and supply of the Revised CTEI Products by the Group to the CPP Group for a term of three years commencing from 1 January 2021. The 2020 Master CPP Purchase Agreement and the annual caps were also approved by the independent shareholders of the Company on 4 September 2020.

## 持續關連交易

於二零二零年十二月三十一日止年度內，本集團已進行下列持續關連交易並須根據上市規則的申報規定於年報內披露。

**2020年CPP購買補充協議和2020年CPP購買總協議**

報告期間前，於二零一七年十月三十日，本公司與卜蜂國際有限公司（「CPP」）簽訂一份購買總協議（「2017年CPP購買總協議」），由本集團向CPP及其附屬公司（「CPP集團」）於二零一八年一月一日至二零二零年十二月三十一日供應各類金霉素和動物藥品（包括所有抗生素）。2017年CPP購買總協議及年度上限於二零一七年十二月八日獲本公司獨立股東批准。

於二零二零年七月三十日，本公司與CPP簽訂一份購買補充協議（「2020年CPP購買補充協議」）修訂根據2017年CPP購買總協議本集團向CPP集團供應的產品種類為由本集團所生產及／或銷售的各類金霉素產品、動物藥品、動物保健產品和其他相關產品（「經修訂CTEI產品」）。本公司亦建議將2020年度上限由440萬美元修改為550萬美元。該2020年CPP購買補充協議及經修訂2020年度上限已於二零二零年九月四日獲本公司獨立股東批准。

於二零二零年七月三十日，本公司亦與CPP簽訂一份購買總協議（「2020年CPP購買總協議」）重續本集團向CPP集團現時銷售和供應經修訂CTEI產品的安排為期三年由二零二一年一月一日起開始。該2020年CPP購買總協議及年度上限亦已於二零二零年九月四日獲本公司獨立股東批准。

## CONTINUING CONNECTED TRANSACTIONS (continued)

### 2020 Supplemental CPP Purchase Agreement and 2020 Master CPP Purchase Agreement (continued)

As at 30 July 2020, being the date of the Company's announcement, Charoen Pokphand Foods Public Company Limited ("CPF") was interested in approximately 47.8% of the issued ordinary shares of the Company and was the controlling shareholder of the Company. CPF was also interested in approximately 49.7% of the issued share capital of CPP. Companies in the CPP Group were associates of CPF and connected persons of the Company under the Listing Rules. The transactions contemplated under the 2020 Supplemental CPP Purchase Agreement and the 2020 Master CPP Purchase Agreement therefore constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

For the year ended 31 December 2020, the approved annual cap for the transactions contemplated under the 2020 Supplemental CPP Purchase Agreement was US\$5,500,000 and the actual sales recorded amounted to US\$4,852,000.

### 2020 Supplemental HOEL Purchase Agreement and 2020 Master HOEL Purchase Agreement

Prior to the reporting period, on 30 October 2017, the Company entered into a master purchase agreement with High Orient Enterprises Limited ("HOEL") (the "2017 Master HOEL Purchase Agreement") for the supply of various chlortetracycline and such animal drugs (including any antibiotics) by the Group to HOEL and its subsidiaries (the "HOEL Group") from 1 January 2018 to 31 December 2020. The 2017 Master HOEL Purchase Agreement and the annual caps were approved by the independent shareholders of the Company on 8 December 2017.

On 30 July 2020, the Company entered into a supplemental purchase agreement (the "2020 Supplemental HOEL Purchase Agreement") with HOEL to revise the categories of products which may be supplied by the Group to the HOEL Group under the 2017 Master HOEL Purchase Agreement to the Revised CTEI Products. The Company also proposed to revise the annual cap for the year 2020 from US\$3.8 million to US\$7.8 million. The 2020 Supplemental HOEL Purchase Agreement and the revised annual cap for the year 2020 were approved by the independent shareholders of the Company on 4 September 2020.

## 持續關連交易 (續)

### 2020年CPP購買補充協議和2020年CPP購買總協議 (續)

於二零二零年七月三十日，即本公司公告日期，Charoen Pokphand Foods Public Company Limited (「CPF」) 持有本公司已發行普通股股份約47.8%並為本公司之控股股東。CPF亦持有CPP已發行股本總額約49.7%。CPP集團內的公司根據上市規則為CPF之聯繫人及本公司之關連人士。因此根據該2020年CPP購買補充協議及該2020年CPP購買總協議項下的交易根據上市規則第十四A章構成本公司之持續關連交易。

根據該2020年CPP購買補充協議項下的交易於截至二零二零年十二月三十一日止年度批准的年度上限為550萬美元而實際銷售記錄總額為485.2萬美元。

### 2020年HOEL購買補充協議和2020年HOEL購買總協議

報告期間前，於二零一七年十月三十日，本公司與High Orient Enterprises Limited (「HOEL」) 簽訂一份購買總協議 (「2017年HOEL購買總協議」)，由本集團向HOEL及其附屬公司 (「HOEL集團」) 於二零一八年一月一日至二零二零年十二月三十一日供應各類金霉素和動物藥品 (包括所有抗生素)。2017年HOEL購買總協議及年度上限於二零一七年十二月八日獲本公司獨立股東批准。

於二零二零年七月三十日，本公司與HOEL簽訂一份購買補充協議 (「2020年HOEL購買補充協議」) 修訂根據2017年HOEL購買總協議本集團向HOEL集團供應的產品種類為經修訂CTEI產品。本公司亦建議將2020年度上限由380萬美元修改為780萬美元。該2020年HOEL購買補充協議及經修訂2020年度上限已於二零二零年九月四日獲本公司獨立股東批准。

## Report of the Directors

董事報告書

**CONTINUING CONNECTED TRANSACTIONS  
(continued)****2020 Supplemental HOEL Purchase Agreement and 2020 Master HOEL Purchase Agreement (continued)**

On 30 July 2020, the Company also entered into a master purchase agreement (the “2020 Master HOEL Purchase Agreement”) with HOEL to renew the existing arrangement for the sale and supply of the Revised CTEI Products by the Group to the HOEL Group for a term of three years commencing from 1 January 2021. The 2020 Master HOEL Purchase Agreement and the annual caps were also approved by the independent shareholders of the Company on 4 September 2020.

As at 30 July 2020, being the date of the Company’s announcement, HOEL was an indirect wholly-owned subsidiary of CPG and CPG held 48.4% of CPF’s issued share capital. Due to CPG’s near majority shareholding in CPF, the Company and CPG have agreed to treat CPG as a substantial shareholder of the Company and its subsidiaries and their respective associates as connected persons of the Company within the meaning of the Listing Rules. Accordingly, the transactions under the 2020 Supplemental HOEL Purchase Agreement and the 2020 Master HOEL Purchase Agreement were treated as if they were continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

For the year ended 31 December 2020, the approved annual cap for the transactions contemplated under the 2020 Supplemental HOEL Purchase Agreement was US\$7,800,000 and the actual sales recorded amounted to US\$8,461,000. On 5 March 2021 following the discovery of the non-compliance, the Company made the announcement of the actual transaction having exceeded the annual cap of 2020 and also proposed to increase the annual caps for 2021 to 2023, and convened a special general meeting on 23 April 2021 to rectify the transactions under the 2020 Supplemental HOEL Purchase Agreement and the actual transaction amount thereunder and approve the increased annual caps for 2021 to 2023. These matters were subsequently approved by independent shareholders at the special general meeting.

**持續關連交易 (續)****2020年HOEL購買補充協議和2020年HOEL購買總協議 (續)**

於二零二零年七月三十日，本公司亦與HOEL簽訂一份購買總協議（「2020年HOEL購買總協議」）重續本集團向HOEL集團現時銷售和供應經修訂CTEI產品的安排為期三年由二零二一年一月一日起開始。該2020年HOEL購買總協議及年度上限亦已於二零二零年九月四日獲本公司獨立股東批准。

於二零二零年七月三十日，即本公司公告日期，HOEL是CPG的間接全資擁有附屬公司和CPG持有CPF的已發行股份48.4%。由於CPG持有CPF接近半數股權，本公司與CPG同意視CPG為本公司之主要股東及其附屬公司和彼等的聯繫人就上市規則而言為本公司之關連人士。據此，該2020年HOEL購買補充協議和該2020年HOEL購買總協議項下的交易被視為猶如根據上市規則第十四A章本公司之持續關連交易。

根據該2020年HOEL購買補充協議項下的交易於截至二零二零年十二月三十一日止年度批准的年度上限為780萬美元而實際銷售記錄總額為846.1萬美元。發現違規後於二零二一年三月五日，本公司已公告實際交易已超過2020年度上限並建議增加2021至2023年度上限，以及於二零二一年四月二十三日召開股東特別大會，以修正2020年HOEL購買補充協議項下的交易和實際交易金額並批准增加2021至2023年度上限。該等事宜隨後在股東特別大會上已獲得獨立股東的批准。

## CONTINUING CONNECTED TRANSACTIONS (continued)

### Listing Rules Compliance

The Internal Audit Department has reviewed the above continuing connected transactions and had no material findings of non-compliance to report to the independent non-executive Directors, except for the continuing connected transactions with the HOEL Group in 2020 exceeding the approved annual cap.

The independent non-executive Directors have also reviewed the Group's continuing connected transactions and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group, (ii) on normal commercial terms or better, and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

In respect of the continuing connected transactions with the HOEL Group in 2020 exceeding the approved annual cap, the Company has made the announcement on 5 March 2021 and convened a special general meeting on 23 April 2021 to rectify the transactions under the 2020 Supplemental HOEL Purchase Agreement and the actual transaction amount thereunder. Save as disclosed above, the Company has complied with the relevant announcement, circular and shareholders' approval requirements under Chapter 14A of the Listing Rules from time to time in respect of the continuing connected transactions of the Group disclosed above.

KPMG, the Company's auditor, was 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. KPMG has issued a letter containing the findings and conclusions in respect of the continuing connected transactions of the Group as disclosed above in accordance with Rule 14A.56 of the Listing Rules, which is qualified by the continuing connected transactions with the HOEL Group in 2020 exceeding the approved annual cap. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Transaction with other related entities with the same shareholders as CPG, which is disclosed as related party disclosures in note 32 to the financial statements of the annual report, does not fall under the definition of connected transaction or continuing connected transaction, or is fully exempt under Chapter 14A of the Listing Rules and thus is not disclosed above.

## 持續關連交易 (續)

### 上市規則的合規

內部審計部門已審閱以上持續關連交易，並向獨立非執行董事報告沒有重大不合規發現除了於2020年與HOEL集團的持續關連交易超過批准的年度上限。

獨立非執行董事亦已審閱本集團的持續關連交易及確認該等持續關連交易(i)在本集團的日常業務中訂立，(ii)按照一般商務條款或更佳條款進行，及(iii)根據有關交易的協議進行，條款公平合理，並且符合股東的整體利益。

有關於2020年與HOEL集團的持續關連交易超過批准的年度上限，本公司已於二零二一年三月五日刊發有關公告及於二零二一年四月二十三日召開股東特別大會以修正2020年HOEL購買補充協議項下交易和實際交易金額。除上述披露者外，有關上述披露本集團的持續關連交易本公司已遵守不時生效的上市規則第十四A章有關公告、通函及股東批准的規定。

本公司核數師畢馬威會計師事務所獲委聘，按照香港會計師公會頒佈的《香港審驗應聘服務準則3000》(經修訂)的歷史財務資料審計或審閱以外的審驗應聘，及參照《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。畢馬威會計師事務所已發出函件，當中載有有關本集團根據上市規則第14A.56條所披露之持續關連交易的結果及結論，由於2020年與HOEL集團的持續關連交易超過批准的年度上限具有保留意見。本公司已經向聯交所提交核數師函件之副本。

披露於年報內財務報表附註32的關連人士披露，其中與CPG有相同股東之其他關連企業進行的交易，根據《上市規則》第十四A章並不符合關連交易或持續關連交易之定義，或符合全面豁免，故無須在文中作出披露。



## Report of the Directors

董事報告書

### CONTINUING CONNECTED TRANSACTIONS (continued)

#### Listing Rules Compliance (continued)

Save as disclosed above, there are no other transactions of the Company which require disclosure in the annual report in accordance with the Listing Rules.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

The Directors were not aware that during the year ended 31 December 2020, any of the Directors had interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group which falls to be disclosed under the Listing Rules.

### PERMITTED INDEMNITY PROVISION

Pursuant to the Company's bye-law 178, every Director shall be indemnified and secured harmless out of the assets of the Company.

The Company has arranged appropriate directors' and officers' liability insurance for its Directors and officers.

### EQUITY-LINKED AGREEMENTS

No equity-linked agreement was entered into by the Group, or existed during the year.

### MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

### CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with the code provisions prescribed in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules throughout the year 2020.

### 持續關連交易(續)

#### 上市規則的合規(續)

除上述披露者外，本公司並無其他交易須根據上市規則於年報內披露。

### 董事在競爭業務的權益

董事概不知悉於二零二零年十二月三十一日止年度內任何董事持有任何可與本集團業務直接或間接或有可能存在競爭業務(根據上市規則須作出披露)的權益。

### 獲准許的彌償條文

根據本公司細則第178條，每位董事將獲以本公司資產的彌償保證及獲得擔保免受損害。

本公司已為董事和高級人員購買合適的董事及高級人員責任保險。

### 股票掛鈎協議

於年內，本集團並無訂立或存有任何股票掛鈎協議。

### 管理合約

於年內，本公司並無就全部或任何重大部份業務簽訂或存有管理及行政合約。

### 企業管治守則

於二零二零年，本公司已應用載於上市規則附錄十四之《企業管治守則》及《企業管治報告》的原則及遵守其守則條文。

## Report of the Directors

董事報告書

**SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained the amount of public float as required under the Listing Rules during the year ended 31 December 2020 and up to the date of this report.

**AUDITOR**

KPMG will retire and a resolution for its re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

**ON BEHALF OF THE BOARD****Thanakorn Seriburi***Director*

Hong Kong

23 February 2021

**足夠公眾持股量**

根據本公司所得公開資料，並據董事所知，董事確認於截至二零二零年十二月三十一日止年度內及直至本報告日期為止本公司已維持上市規則規定的公眾持股量。

**核數師**

畢馬威會計師事務所將任滿告退，一項有關其續聘為本公司核數師的決議案將於應屆股東周年大會上提呈。

**承董事會命****董事****李紹祝**

香港

二零二一年二月二十三日

# Independent Auditor's Report

## 獨立核數師報告



Independent auditor's report to the shareholders of  
Chia Tai Enterprises International Limited  
(Incorporated in Bermuda with limited liability)

### Opinion

We have audited the consolidated financial statements of Chia Tai Enterprises International Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 50 to 56, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### Basis for opinion

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

獨立核數師報告書  
致正大企業國際有限公司全體股東  
(於百慕達註冊成立之有限公司)

### 意見

本核數師(以下簡稱「我們」)已審計列載於第50至第56頁正大企業國際有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)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和截至該日止年度的綜合全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據國際會計準則委員會頒布的《國際財務報告準則》真實而中肯地反映了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綜合現金流量,並已遵照香港《公司條例》的披露要求妥為擬備。

### 意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會的《專業會計師道德守則》(以下簡稱「守則」)以及與我們對百慕達綜合財務報表的審計相關的道德要求,我們獨立於貴集團,並已履行這些道德要求以及守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審核意見提供基礎。

## Independent Auditor's Report

獨立核數師報告

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current year. 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，認為對本年綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

Revenue recognition	
Refer to note 5 to the consolidated financial statements and the accounting policies in note 2.4(n).	
The key audit matter	How the matter was addressed in our audit
<p>The Group's revenue is mainly derived from the sale of biochemical products. The Group generally recognises revenue when products are delivered to the customer's premises for domestic sales or in accordance with the terms and conditions of sale for export sales.</p> <p>The terms set out in the Group's sales contracts relating to goods acceptance by customers are varied. Accordingly, the terms and conditions of sales contracts may affect the timing of recognition of sales to customers as each sales contract could have different terms relating to customer acceptance of the goods sold.</p> <p>We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and is, therefore, subject to an inherent risk of manipulation by management to meet targets or expectations and because errors in the recognition of revenue could have a material impact on the Group's profit for the year.</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none"> <li>evaluating the design, implementation and operating effectiveness of key internal controls over the existence, accuracy and timing of revenue recognition;</li> <li>challenging the revenue recognition policies adopted by the Group by making inquiries of management and inspecting a sample of sales contracts to understand the delivery terms of the transactions and to assess the Group's timing of revenue recognition with reference to the requirements of the prevailing accounting standards;</li> <li>inspecting manual adjustments to revenue raised during the reporting period which met specific risk-based criteria, enquiring of management the reasons for such adjustments and comparing the details of the adjustments with relevant underlying documentation;</li> <li>assessing whether revenue had been recognised in the appropriate accounting period by comparing a sample of sales transactions around the year end with relevant underlying documents, which included customers' signed acknowledgement of receipt (for domestic sales) and bills of lading (for export sales); and</li> <li>identifying significant sales returns from the sales ledger after the year end and inspecting the underlying documentation to assess if the related adjustments to revenue had been accounted for in the appropriate accounting period.</li> </ul>

## Independent Auditor's Report

獨立核數師報告

收入確認	
請參閱綜合財務報表附註5及附註2.4(n)的會計政策。	
關鍵審計事項	我們的審計如何處理該事項
<p>貴集團的收入主要來源於銷售生化產品。貴集團一般在貨品送達客戶場地時確認國內銷售的收入，或按照出口銷售的銷售條款和條件確認出口銷售的收入。</p> <p>貴集團的銷售合同中有關客戶接收貨品的條款各不相同。由於各項銷售合同對客戶接收貨品的相關條款不同，因此銷售合同的條件和條款可能會影響客戶銷售收入的確認時點。</p> <p>我們把收入確認為關鍵審計事項，因為收入是貴集團的關鍵績效指標之一，因而存在管理層為達到目標或期望而進行人為操縱的固有風險，並且因為收入確認的錯誤可能會對貴集團本年度溢利構成重大影響。</p>	<p>我們評估收入確認的審計程序包括：</p> <ul style="list-style-type: none"> <li>• 評估對收入存在性，準確性和確認時點的關鍵內部控制設計，實施和操作有效性；</li> <li>• 通過詢問管理層對貴集團採用的收入確認政策，檢查銷售合同之樣本以了解交易的交付條款，並參照現行會計準則的要求，評估貴集團確認收入的時點；</li> <li>• 檢查於報告期內對收入作出並符合特定風險標準的手工調整，詢問管理層作出調整的原因，並將調整的細節與相關基礎文件進行核對；</li> <li>• 選取接近年末的銷售交易樣本，檢查相關基礎文件（包括客戶簽署的交貨確認書（國內銷售）和提單（出口銷售））的樣本，評估收入是否在適當的報告期內確認；及</li> <li>• 從年末後銷售分類賬中識別重大銷售退貨，並檢查相關文件紀錄以評估相關收入調整是否在適當的報告期內列賬。</li> </ul>

## Independent Auditor's Report

獨立核數師報告

**Information other than the consolidated financial statements and auditor's report thereon**

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

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.

**Responsibilities of the directors for the consolidated financial statements**

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

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

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

**綜合財務報表及其核數師報告以外的信息**

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，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信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

**董事就綜合財務報表須承擔的責任**

董事須負責根據國際會計準則委員會頒布的《國際財務報告準則》及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為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。

審計委員會協助董事履行監督 貴集團的財務報告過程的責任。

## Independent Auditor's Report

獨立核數師報告

### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照百慕達1981年《公司法案》第90條的規定，僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

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滙總起來可能影響綜合財務報表使用者依賴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。

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。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

## Independent Auditor's Report

獨立核數師報告

**Auditor's responsibilities for the audit of the consolidated financial statements (continued)****核數師就審計綜合財務報表承擔的責任 (續)**

- 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，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，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信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及為消除對獨立性的威脅所採取的行動或防範措施（若適用）。



## Independent Auditor's Report

獨立核數師報告

### Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

The engagement partner on the audit resulting in this independent auditor's report is Yip Ka Ming, Alice.

KPMG  
Certified Public Accountants  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

23 February 2021

### 核數師就審計綜合財務報表承擔的責任 (續)

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

出具本獨立核數師報告的審計項目合夥人是葉嘉明。

畢馬威會計師事務所  
執業會計師  
香港中環  
遮打道10號  
太子大廈8樓

二零二一年二月二十三日

## Consolidated Statement of Comprehensive Income

## 綜合全面收益表

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

		Note	2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
		附註		
REVENUE	收入	5	93,577	105,042
Cost of sales	銷售成本		(68,679)	(76,094)
<b>Gross profit</b>	<b>毛利</b>		<b>24,898</b>	<b>28,948</b>
Other income, net	其他收入淨額	6	3,438	2,643
Selling and distribution costs	銷售及分銷成本		(8,610)	(9,123)
General and administrative expenses	行政及管理費用		(14,994)	(16,138)
Finance costs	財務成本	7	-	-
Share of profits and losses of:	應佔溢利及虧損：			
Joint venture	合營企業		12,348	11,616
Associate	聯營公司	18(b)	2,085	1,917
<b>PROFIT BEFORE TAX</b>	<b>除稅前溢利</b>	8	<b>19,165</b>	<b>19,863</b>
Income tax	所得稅	11	(1,162)	(1,841)
<b>PROFIT FOR THE YEAR</b>	<b>本年溢利</b>		<b>18,003</b>	<b>18,022</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>其他全面收益</b>			
Items that may be reclassified subsequently to profit or loss:	其後可能會重新分類至損益之項目：			
Exchange differences related to translation of foreign operations	與外地業務於換算時相關之匯兌差額		4,775	(1,071)
Share of other comprehensive income of:	應佔其他全面收益：			
Joint venture	合營企業		7,823	(1,383)
Associate	聯營公司	18(b)	1,353	(258)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>本年其他全面收益</b>		<b>13,951</b>	<b>(2,712)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>本年全面收益總額</b>		<b>31,954</b>	<b>15,310</b>

## Consolidated Statement of Comprehensive Income

綜合全面收益表

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 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
	Note 附註		
<b>Profit attributable to:</b>	<b>溢利歸屬予：</b>		
Shareholders of the Company	本公司股東	16,255	15,800
Non-controlling interests	非控制性權益	1,748	2,222
		<b>18,003</b>	<b>18,022</b>
<b>Total comprehensive income attributable to:</b>	<b>全面收益總額歸屬予：</b>		
Shareholders of the Company	本公司股東	28,810	13,427
Non-controlling interests	非控制性權益	3,144	1,883
		<b>31,954</b>	<b>15,310</b>
		<i>US cents</i> 美仙	<i>US cents</i> 美仙
<b>EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	<b>本公司股東應佔之每股溢利</b>		
Basic and diluted	基本及攤薄	13	6.24

Details of dividend for the year are disclosed in note 12 to the financial statements. 本年度之股息詳情於財務報表附註12內披露。

## Consolidated Statement of Financial Position

## 綜合財務狀況表

31 December 2020 於二零二零年十二月三十一日

			2020	2019
			二零二零年	二零一九年
		Note	US\$'000	US\$'000
		附註	美元千元	美元千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	88,652	74,705
Land lease prepayments	預付土地租賃費	15	5,910	6,418
Investments in joint venture	於合營企業的投資	17	120,963	100,792
Investments in associate	於聯營公司的投資	18	20,197	19,227
Other non-current assets	其他非流動資產	19	251	235
<b>Total non-current assets</b>	<b>總非流動資產</b>		<b>235,973</b>	<b>201,377</b>
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	20	27,423	23,868
Trade and bills receivables	應收貿易賬款及票據	21	19,725	20,502
Prepayments, deposits and other receivables	預付賬款、按金及其他應收賬款	22	15,319	9,136
Cash and cash equivalents	現金及現金等價物	23	32,258	37,774
<b>Total current assets</b>	<b>總流動資產</b>		<b>94,725</b>	<b>91,280</b>
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade payables	應付貿易賬款	24	8,923	4,651
Other payables and accruals	其他應付賬款及預提費用	25	19,893	16,321
Bank borrowings	銀行借款	26	11,333	9,012
Income tax payables	應付所得稅		1,564	1,023
<b>Total current liabilities</b>	<b>總流動負債</b>		<b>41,713</b>	<b>31,007</b>
<b>NET CURRENT ASSETS</b>	<b>淨流動資產</b>		<b>53,012</b>	<b>60,273</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>288,985</b>	<b>261,650</b>

## Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2020 於二零二零年十二月三十一日

			2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
		Note 附註		
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Bank borrowings	銀行借款	26	9,169	6,939
Other non-current liabilities	其他非流動負債	27	25,872	28,569
Deferred tax liabilities	遞延稅項負債	28	3,334	3,729
<b>Total non-current liabilities</b>	<b>總非流動負債</b>		<b>38,375</b>	<b>39,237</b>
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>250,610</b>	<b>222,413</b>
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to shareholders of the Company</b>	<b>本公司股東應佔權益</b>			
Issued capital	已發行股本	29	25,333	25,333
Reserves	儲備	30	202,666	173,856
			<b>227,999</b>	<b>199,189</b>
Non-controlling interests	非控制性權益		22,611	23,224
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>250,610</b>	<b>222,413</b>

Approved and authorised for issue by the board of directors of the Company on 23 February 2021.

於二零二一年二月二十三日經本公司董事會批准及授權予以刊發。

Thanakorn Seriburi 李紹祝  
Director 董事

Thirayut Phityaisarakul 李紹慶  
Director 董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

		Attributable to shareholders of the Company 本公司股東應佔							
		Issued capital 已發行 股本 US\$'000 美元千元 (note 29) (附註29)	Capital reserve 資本 儲備 US\$'000 美元千元 (note 30(b)) (附註30(b))	PRC reserve funds 中國 儲備基金 US\$'000 美元千元 (note 30(c)) (附註30(c))	Exchange fluctuation reserve 外匯 波動儲備 US\$'000 美元千元 (note 30(d)) (附註30(d))	Retained profits 未分配 利潤 US\$'000 美元千元	Total	Non- controlling interests 非控制性 權益 US\$'000 美元千元	Total equity 權益 總額 US\$'000 美元千元
At 1 January 2020	於二零二零年一月一日	25,333	10,845	14,586	(1,258)	149,683	199,189	23,224	222,413
Profit for the year	本年溢利	-	-	-	-	16,255	16,255	1,748	18,003
Other comprehensive income for the year:	年內其他全面收益：								
Exchange differences related to translation of foreign operations	與外地業務於換算時之相關匯兌差額	-	-	-	3,379	-	3,379	1,396	4,775
Share of other comprehensive income of:	應佔其他全面收益：								
Joint venture	合營企業	-	-	-	7,823	-	7,823	-	7,823
Associate	聯營公司	-	-	-	1,353	-	1,353	-	1,353
Total comprehensive income for the year	年內全面收益總額	-	-	-	12,555	16,255	28,810	3,144	31,954
Transfer in/(out)	轉入/(出)	-	-	2,841	-	(2,841)	-	-	-
Dividend declared to non-controlling equity holders	宣派予非控制性權益股東股息	-	-	-	-	-	-	(3,757)	(3,757)
At 31 December 2020	於二零二零年十二月三十一日	25,333	10,845	17,427	11,297	163,097	227,999	22,611	250,610

## Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to shareholders of the Company 本公司股東應佔					Non-controlling interests		Total equity
		Issued capital 已發行股本 US\$'000 美元千元 (note 29) (附註29)	Capital reserve 資本儲備 US\$'000 美元千元 (note 30(b)) (附註30(b))	PRC reserve funds 中國儲備基金 US\$'000 美元千元 (note 30(c)) (附註30(c))	Exchange fluctuation reserve 外匯波動儲備 US\$'000 美元千元 (note 30(d)) (附註30(d))	Retained profits 未分配利潤 US\$'000 美元千元	Total	Non-controlling interests 非控制性權益 US\$'000 美元千元	Total equity 權益總額 US\$'000 美元千元
At 1 January 2019	於二零一九年一月一日	25,333	10,845	14,168	1,115	134,301	185,762	23,784	209,546
Profit for the year	本年溢利	-	-	-	-	15,800	15,800	2,222	18,022
Other comprehensive income for the year:	年內其他全面收益：								
Exchange differences related to translation of foreign operations	與外地業務於換算時之相關匯兌差額	-	-	-	(732)	-	(732)	(339)	(1,071)
Share of other comprehensive income of:	應佔其他全面收益：								
Joint venture	合營企業	-	-	-	(1,383)	-	(1,383)	-	(1,383)
Associate	聯營公司	-	-	-	(258)	-	(258)	-	(258)
Total comprehensive income for the year	年內全面收益總額	-	-	-	(2,373)	15,800	13,427	1,883	15,310
Transfer in/(out)	轉入/(出)	-	-	418	-	(418)	-	-	-
Dividend declared to non-controlling equity holders	宣派予非控制性權益股東股息	-	-	-	-	-	-	(2,443)	(2,443)
At 31 December 2019	於二零一九年十二月三十一日	25,333	10,845	14,586	(1,258)	149,683	199,189	23,224	222,413

## Consolidated Statement of Cash Flows

## 綜合現金流量表

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 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
	Note 附註			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>經營活動之現金流量</b>		
Profit before tax		除稅前溢利	19,165	19,863
Adjustments for:		經調整：		
Bank and other interest income	6	銀行及其他利息收入	(327)	(603)
Amortisation of government grant		政府補助攤銷	(159)	(100)
Finance costs	7	財務成本	-	-
Depreciation of property, plant and equipment	8	物業、廠房及設備之折舊	4,526	4,492
Amortisation of land lease prepayments	8	預付土地租賃費之攤銷	148	170
(Gain)/loss on disposal of property, plant and equipment, net	6	出售物業、廠房及設備 (溢利)/虧損淨額	(43)	24
Gain on disposal of land lease prepayments, net	6	出售預付土地租賃費 溢利淨額	(69)	-
Share of profits and losses of:		應佔溢利及虧損：		
Joint venture		合營企業	(12,348)	(11,616)
Associate	18(b)	聯營公司	(2,085)	(1,917)
			8,808	10,313
Increase in inventories		存貨增加	(1,852)	(10,902)
Decrease/(increase) in trade and bills receivables		應收貿易賬款及票據 減少/(增加)	2,031	(4,128)
Increase in prepayments, deposits and other receivables		預付賬款、按金及 其他應收賬款增加	(4,518)	(1,293)
Increase in trade payables		應付貿易賬款增加	3,746	776
Decrease in other payables and accruals		其他應付賬款及預提費用減少	(2,274)	(155)
<b>Cash generated from/(used in) operations</b>		<b>經營所得/(所用)之現金</b>	<b>5,941</b>	<b>(5,389)</b>
Interest paid		已付利息	(656)	(699)
Income tax paid		已付所得稅	(1,251)	(1,252)
<b>Net cash flows generated from/(used in) operating activities</b>		<b>經營活動所得/(所用)之 現金流量淨額</b>	<b>4,034</b>	<b>(7,340)</b>



## Consolidated Statement of Cash Flows

綜合現金流量表

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 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
		Note 附註		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資活動之現金流量</b>			
Purchases of property, plant and equipment	購買物業、廠房及設備		(13,266)	(19,092)
Government grant received	已收政府補助		-	5,814
Decrease in other non-current liabilities	其他非流動負債減少		(1,737)	(37)
Dividends received from associate	收取聯營公司股息		1,541	1,312
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		1,462	41
Proceeds from disposal of land lease prepayments	出售預付土地租賃費所得款項		801	-
Interest received	已收利息		327	603
<b>Net cash flow used in investing activities</b>	<b>投資活動所用之現金流量淨額</b>		<b>(10,872)</b>	<b>(11,359)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動之現金流量</b>			
Proceeds from bank borrowings	銀行借款所得款項	23(c)	12,387	6,548
Repayment of bank borrowings	償還銀行借款	23(c)	(9,093)	(2,050)
Dividend paid to non-controlling interests	已付非控制性權益股息		(3,045)	(1,238)
<b>Net cash flows from financing activities</b>	<b>融資活動所得之現金流量淨額</b>		<b>249</b>	<b>3,260</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物減少淨額</b>		<b>(6,589)</b>	<b>(15,439)</b>
Cash and cash equivalents at beginning of year	年初之現金及現金等價物		37,774	53,418
Effect of foreign exchange rate changes, net	外匯率變動之影響淨額		1,073	(205)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>年末之現金及現金等價物</b>	23	<b>32,258</b>	<b>37,774</b>

## Notes to the Financial Statements

## 財務報表附註

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**

Chia Tai Enterprises International Limited (the “Company”) is a limited liability company incorporated in Bermuda. The Company and its subsidiaries hereinafter are collectively referred to as the “Group”. The Group and its joint venture and associate are principally involved in (i) manufacturing and/or sale of chlortetracycline and other related products; (ii) trading of machinery; and (iii) manufacturing and sale of automotive parts respectively.

At 31 December 2020, the directors consider the immediate holding company of the Company to be Charoen Pokphand Foods Public Company Limited (“CPF”), which is incorporated in the Kingdom of Thailand and shares of which are listed on the Stock Exchange of Thailand, and remains to be as such as at the date of approval of these financial statements. CPF is a significantly owned company of Charoen Pokphand Group Company Limited (“CPG”), which is incorporated in the Kingdom of Thailand.

**2.1 BASIS OF PREPARATION**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and interpretations) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

**Basis of measurement**

These financial statements are presented in United States dollars (“US\$”), and all values are rounded to the nearest thousand (“US\$’000”) except when otherwise indicated. The functional currency of the Company is United States dollars.

**1 一般資料**

正大企業國際有限公司(「本公司」)為一家於百慕達註冊成立之有限公司。本公司及其附屬公司以下統稱為「本集團」。本集團及其合營企業及聯營公司主要分別從事(i)製造及／或銷售金霉素及其他相關產品；(ii)機械設備貿易；及(iii)產銷汽車零部件。

於二零二零年十二月三十一日，董事認為，本公司之直接控股公司為於泰國註冊成立的Charoen Pokphand Foods Public Company Limited(「CPF」)，其股份於泰國證券交易所上市，並於截至本財務報告獲批當日仍然為本公司的直接控股公司。CPF為一家於泰國註冊成立的Charoen Pokphand Group Company Limited(「CPG」)重大持有之公司。

**2.1 編製基準**

本財務報表乃根據國際會計準則委員會頒佈之國際財務報告準則(亦包括國際財務報告準則、國際會計準則及詮釋)及香港公司條例之披露規定而編製。此等財務報表亦遵從聯交所證券上市規則(「上市規則」)中適用的披露規定。附屬公司之財務報表採用與本公司一致的報告期及統一的會計政策編制。

**計量基準**

本財務報表以美元列報。除另有指明外，所有金額均調整至最接近的美元千元計算。本公司的功能貨幣為美元。

## Notes to the Financial Statements

財務報表附註

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

## 2.1 BASIS OF PREPARATION (continued)

## Use of estimates and judgements

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

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

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

## 2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The IASB has issued a number of new standards, amendments to IFRSs and interpretation that are first effective for the current year. Of these, the following new standards, amendments and interpretation may be relevant to the Group:

Amendments to IFRS 3	Amendments to IFRS 3 <i>Definition of a Business</i>
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Amendments to IAS 1 and IAS 8	Amendments to IAS 1 and IAS 8 <i>Definition to Material</i>
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The adoption of these new standards, amendments and interpretation that are effective from 1 January 2020 do not have significant financial impact to the Group.

The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current year.

## 2.1 編製基準(續)

## 使用估算及判斷

按照國際財務報告準則編製之本財務報表需要管理層作出判斷、估算及假設，該等判斷、估算及假設會影響政策應用以及所呈報的資產、負債、收入及費用之金額。該等估算及假設乃基於過往經驗及在有關情況下相信為合理的各項其他因素而作出，所得之結果構成用作判斷明顯無法通過其他來源獲得資產及負債賬面值的基準。實際結果可能有別於此等估算。

本集團會將持續地對該等估算及假設進行覆核。倘會計估算的修訂僅對作出估算修訂的期間產生影響，則有關修訂於該期間內確認；倘修訂對現時及未來期間均產生影響，則會在作出該修訂期間及未來期間內確認。

管理層在應用國際財務報告準則時所作出對本財務報表有重大影響及估算的主要來源存在不確定性的判斷，於附註3中論述。

## 2.2 會計政策及披露之更改

國際會計準則委員會已頒佈若干國際財務報告準則的新準則、修訂及詮釋，並於本年首次生效。下列為當中可能與本集團有關之新準則、修訂及詮釋：

國際財務報告準則第3號的修訂	修訂國際財務報告準則第3號業務的定義
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國際會計準則第1號及國際會計準則第28號的修訂	修訂國際會計準則第1號及國際會計準則第8號重大的定義
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採納於二零二零年一月一日起生效的新準則、修訂及詮釋不會對本集團構成重大財務影響。

本集團於本年度並無採納任何尚未生效的新準則、修訂或詮釋。

## Notes to the Financial Statements

財務報表附註

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

## 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

Up to the date of issue of these financial statements, the IASB issued a number of new standards and amendments which are not yet effective for the year ended 31 December 2020 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group:

Annual Improvements to IFRSs 2018-2020 Cycle	Amendment to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> , IFRS 9 <i>Financial Instruments</i> , IFRS 16 <i>Leases</i> and IAS 41 <i>Agriculture</i> <sup>1</sup>
Amendments to IFRS 3	Amendments to IFRS 3 <i>Reference to the conceptual framework</i> <sup>1</sup>
Amendments to IAS 16	Amendments to IAS 16 <i>Property, Plant and Equipment: Proceeds before Intended Use</i> <sup>1</sup>
Amendments to IAS 37	Amendments to IAS 37 <i>Onerous contracts – cost of fulfilling a contract</i> <sup>1</sup>
Amendments to IAS 1	Amendments to IAS 1 <i>Classification of Liabilities as Current or Non-current</i> <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Amendments to IFRS 10 and IAS 28 <i>Sale or contribution of assets between an investor and its associate or joint venture</i> <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>3</sup> No mandatory effective date yet determined but available for adoption.

The Group is in the process of making an assessment of the impact of these amendments upon initial application. So far, the Group considers that the impact of adopting the amendments will have on the consolidated financial statements are unlikely to be significant.

## 2.3 已頒佈但尚未生效的國際財務報告準則

截至本財務報表刊發日，國際會計準則委員會已頒佈數項新準則及修訂。該修訂及新準則於截至二零二零年十二月三十一日止年度尚未生效且並未於本財務報表採納。下列包括可能與本集團有關的新準則、修訂及詮釋：

國際財務報告準則 2018-2020週期年度改進	修訂國際財務報告準則第1號首次採用國際財務報告準則、修訂國際財務報告準則第9號金融工具、修訂國際財務報告準則第16號租賃、修訂國際會計準則第41號農業 <sup>1</sup>
國際財務報告準則第3號的修訂	修訂國際財務報告準則第3號引用國際財務報告準則概念框架 <sup>1</sup>
國際會計準則第16號的修訂	修訂國際會計準則第16號物業、廠房及設備：達到預定用途前所獲收入 <sup>1</sup>
國際會計準則第37號的修訂	修訂國際會計準則第37號虧損合同 – 履行合同的成本 <sup>1</sup>
國際會計準則第1號的修訂	修訂國際會計準則第1號流動或非流動負債的分類 <sup>2</sup>
國際財務報告準則第10號及國際會計準則第28號的修訂	修訂國際財務報告準則第10號及國際會計準則第28號投資者及聯營公司或合營企業間之資產出售或貢獻 <sup>3</sup>

<sup>1</sup> 於二零二二年一月一日或之後開始之年度期間生效。

<sup>2</sup> 於二零二三年一月一日或之後開始之年度期間生效。

<sup>3</sup> 未有強制性生效日期但可供採納。

本集團現正評估首次採納該等修訂之影響。截至目前，本集團認為採用該等修訂不會對本集團綜合財務報表構成重大影響。

## Notes to the Financial Statements

財務報表附註

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

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Subsidiaries and non-controlling interests**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into these financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing these financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

**2.4 主要會計政策概要****(a) 附屬公司及非控制性權益**

附屬公司乃指由本集團控制的實體。當本集團能透過其於該實體的參與而獲取或有權利獲取各種回報，及有能力透過其對該實體的權力影響該等回報，則本集團能控制該實體。當評估本集團是否有權力時，只考慮具體權利（由本集團及其他人士持有）。

附屬公司的投資由取得控制權當日起併入綜合財務報表內直至失去該控制權為止。集團內公司間的結餘、交易及現金流量以及集團內公司間交易所產生的任何未變現溢利，在編製財務報表時均全數抵銷。集團內公司間交易所產生的未變現虧損的抵銷方式與未變現收入相同，但僅以沒有證據顯示已出現減值為限。

非控制性權益是指並非由本公司直接或間接應佔的附屬公司權益，且本集團並無與相關權益持有人另行訂立條款，而導致本集團整體須就該等權益承擔符合財務負債定義的合同責任。就各項業務合併而言，本集團可選擇按公允值或按非控制性權益應佔附屬公司可識別淨資產的比例，計量任何非控制性權益。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(a) Subsidiaries and non-controlling interests (continued)**

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2.4(h) or (i) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 2.4(b)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2.4(e)(ii)).

**2.4 主要會計政策概要(續)****(a) 附屬公司及非控制性權益(續)**

非控制性權益乃於綜合財務狀況表的權益項目呈列，與本公司權益持有人應佔權益分開呈列。非控制性權益所佔本集團的業績，會按照該年度損益總額及全面收益總額，在非控制性權益與本公司權益持有人之間分配，並在綜合全面收益表呈列。來自非控制性權益持有人的貸款及對該等持有人的其他合約責任，會視乎負債的性質，按照附註2.4(h)或(i)於綜合財務狀況表中呈列為金融負債。

本集團於附屬公司的權益如發生不會造成失去控制權的變動，會入賬列作權益交易，並據此調整綜合權益內的控股及非控制性權益金額，以反映相關權益的變動，惟不會調整商譽，亦不會確認收入或虧損。

當本集團失去一家附屬公司的控制權，則作為出售該附屬公司的全部權益入賬，而所產生的收入或虧損將於損益確認。於失去控制權當日仍保留於前附屬公司的任何權益乃按公允值確認，而該金額將被視為一項金融資產首次確認的公允值，或(如適用)於聯營公司或合營企業投資首次確認的成本(見附註2.4(b))。

於本公司財務狀況表中，附屬公司的投資按成本減減值虧損入賬(見附註2.4(e)(ii))。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(b) Associate and joint venture**

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

A joint venture is an arrangement whereby the Group or Company has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

An investment in an associate or a joint venture is accounted for in these financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2.4(e)(ii)). At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised as other comprehensive income.

**2.4 主要會計政策概要(續)****(b) 聯營公司及合營企業**

聯營公司乃指一家本集團或本公司對其管理(包括參與財務及營運政策制定)有重大影響力(但非控制或共同控制其管理)之公司。當本集團持有其他實體的20%至50%投票權時,將被假定為擁有重大影響力。

合營企業乃指本集團或本公司擁有共同控制權的安排,並由契約建立及能對該安排的活動之回報有重大影響的決定需獲一致同意。

聯營公司或合營企業的投資使用權益法於財務報表中列賬,除非其分類為持作出售(或計入分類為持作出售的出售組別)。根據權益法,投資先以成本入賬,並就本集團於收購日應佔被投資企業可辨認淨資產的公允值超越任何投資成本的部分(如有)作出調整。其後就本集團所佔被投資企業淨資產在收購後的變動及有關投資之任何減值虧損作出調整(見附註2.4(e)(ii))。於每個報告日,本集團評估是否有客觀證據表明該投資發生減值。任何於收購日之超越成本、本集團所佔被投資企業於收購後之除稅後年度業績及任何年內減值虧損會於損益中確認,而本集團所佔被投資企業於收購後之除稅後其他全面收益,則確認為其他全面收益。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 主要會計政策概要 (續)****(b) Associate and joint venture (continued)****(b) 聯營公司及合營企業(續)**

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

倘若本集團應佔聯營公司或合營企業之虧損超越其所佔權益，則本集團的權益將減至零，並會停止確認進一步虧損，惟本集團已產生法定或推定責任或替被投資企業付款除外。就此目的而言，本集團持有之權益為按權益法計算之投資賬面值，連同實質上構成本集團於聯營公司或合營企業之投資淨值之其他長期權益。

Unrealised profits and losses resulting from transactions between the Group and its associate and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

本集團與聯營公司及合營企業之間交易所產生之未變現損益撇銷至本集團在被投資企業所佔之權益，但假如未變現虧損證實是由已轉讓資產減值而產生，則這些未變現虧損會即時在損益內確認。

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

倘於聯營公司之投資變為於合營企業之投資或出現相反情況，則不會重新計量保留權益。反之，該投資繼續根據權益法入賬。

In all other cases, 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 that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

於所有其他情況下，當本集團失去對聯營公司之重大影響力或對合營企業之共同控制權，於該被投資公司之全部權益會入賬列作出售，其導致之盈虧於損益內確認。任何於失去重大影響力或共同控制權日保留於該前被投資企業之權益以公允值確認，而該金額被視為首次確認金融資產之公允值。



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(c) Property, plant and equipment and depreciation***Property, plant and equipment*

Items of property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and impairment losses (see note 2.4(e)(ii)):

- (i) buildings held for own use which are situated on leasehold land; and
- (ii) other items of plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2.4(p)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated on the straight-line basis to write off the cost of items of property, plant and equipment to their estimated residual value over the estimated useful life. The principal annual rates used for this purpose are as follows:

Industrial buildings	2% to 4.5%
Plant and machinery	6% to 15%
Furniture, fixtures and office equipment	10% to 33.33%
Motor vehicles and transport facilities	9% to 33.33%

**2.4 主要會計政策概要(續)****(c) 物業、廠房及設備及折舊***物業、廠房及設備*

物業、廠房及設備項目(在建工程除外)按成本減累計折舊及減值虧損列賬(見附註2.4(e)(ii)):

- (i) 位於租賃土地的持作自用樓宇;及
- (ii) 其他廠房及設備項目。

自建物業、廠房及設備項目的成本包括材料成本、直接勞工成本、拆卸及搬遷項目以及恢復項目所在地原貌的初步估計成本(如適用)以及適當部分的生產成本及借款成本(見附註2.4(p))。

報廢或出售物業、廠房及設備項目所產生的收入或虧損按出售所得款項淨額與該項目賬面值之間的差額釐定,並於報廢或出售日期在損益表內確認。

折舊按物業、廠房及設備項目的預計可使用年期以直線法撇銷該等項目的成本至估計殘值計算。就此使用的主要年折舊率如下:

工業樓宇	2%至4.5%
廠房及機器	6%至15%
傢俱、裝置及辦公設備	10%至33.33%
汽車及運輸設施	9%至33.33%

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 主要會計政策概要(續)****(c) Property, plant and equipment and depreciation (continued)****(c) 物業、廠房及設備及折舊(續)***Property, plant and equipment (continued)**物業、廠房及設備(續)*

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

倘物業、廠房及設備項目各部份的可使用年期不同，則該項目的成本按合理基準於各部份之間分配，每部份分開折舊。資產的可使用年期及其殘值(如有)將每年檢討。

*Construction in progress**在建工程*

Construction in progress represents the silos, factories and warehouses under construction. Construction in progress is stated at cost less any accumulated impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

在建工程指尚在興建中的筒倉、工廠及倉庫。在建工程按成本減去任何累計減值虧損入賬，並不計提折舊。成本包括直接建造成本及於工程建造期間被資本化的相關借款的借貸成本。當在建工程完成及已能投入使用时，在建工程會被重新分類至物業、廠房及設備中的合適分類。

**(d) Leased assets****(d) 租賃資產**

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

本集團會於合約初始生效時評估合約是否屬於或包含租賃。倘合約給予在一段時間內控制可識別資產使用的權利以換取代價，則該合約屬於或包含租賃。倘客戶有權主導可識別資產的使用及從該使用中獲取絕大部份經濟利益，則表示已獲得控制權。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(d) Leased assets (continued)**

Where the contract contains lease components and non-lease components, the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received.

**2.4 主要會計政策概要(續)****(d) 租賃資產(續)**

倘若合同包含租賃部分及非租賃部分，本集團選擇不單獨分列非租賃部分及將所有租賃之每個租賃部分及任何其相關非租賃部分視為單個租賃部分。

於租賃開始日期，本集團確認使用權資產及租賃負債，惟租賃期為12個月或更短的短期租賃及低價值資產的租賃除外。當本集團就低價值資產訂立租賃時，本集團按每項租賃情況決定是否將租賃資本化。與該等不作資本化租賃相關的租賃付款在租賃期內有系統地確認為費用。

當租賃資本化時，租賃負債最初以租賃期內應付款的現值確認，並使用租賃中隱含的利率或倘不可直接釐定該利率，則使用相關的遞增借款利率貼現。首次確認後，租賃負債以攤銷成本計量，而利息開支則採用實際利率法計算。不取決於某一指數或比率的可變租賃付款不包括在租賃負債計量，因此於其產生之會計期間計入損益。

於租賃資本化時確認的使用權資產最初以成本計量，包括租賃負債的初始金額加上在開始日期或之前支付的任何租賃付款，以及產生的任何最初直接成本。在適用情況下，使用權資產的成本亦包括拆除及移除相關資產或還原相關資產或該資產所在地而產生的估計成本，該成本須貼現至其現值並扣除任何收取的租賃優惠。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## 2.4 主要會計政策概要(續)

## (d) Leased assets (continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## (d) 租賃資產(續)

當未來租賃付款因某一指數或比率變動而變更，或當本集團預期根據殘值擔保估計預期應付的金額有變，或因重新評估本集團是否合理地確定將行使購買，續租或終止選擇權而產生變動，則會重新計量租賃負債。按此方式重新計量租賃負債時，使用權資產的賬面值將作相應調整，或倘使用權資產的賬面值已減至零，則於損益內列賬。

## (e) Impairment of assets

(i) *Impairment of trade and bills receivables and other receivables*

The Group recognises a loss allowance for ECLs on financial assets measured at amortised cost (including cash and cash equivalents and trade and other receivables).

*Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

## (e) 資產減值

(i) *應收貿易賬款及票據及其他應收賬款的減值*

本集團為以攤銷成本列賬之金融資產(包括現金及現金等價物和應收貿易及其他應收賬款)確認預期信貸虧損之虧損撥備。

*預期信貸虧損計量*

預期信貸虧損為信貸虧損之概率加權估計值。信貸虧損按所有預期現金缺口(即根據合約應付予本集團的現金流量與本集團預計收取的現金流量之間的差額)的現值計量。

倘貼現影響重大，則預期現金缺口將採用以下貼現率貼現：

- 固定利率金融資產、應收貿易及其他應收賬款：於首次確認時釐定之實際利率或其近似值；及
- 浮動利率財務資產：當期實際利率。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(e) Impairment of assets (continued)****(i) Impairment of trade and bills receivables and other receivables (continued)****Measurement of ECLs (continued)**

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

**2.4 主要會計政策概要(續)****(e) 資產減值(續)****(i) 應收貿易賬款及票據及其他應收賬款的減值(續)****預期信貸虧損計量(續)**

估計預期信貸虧損時所考慮的最長期間為本集團面對信貸風險的最長合約期。

於計量預期信貸虧損時，本集團考慮合理、有證據而又不會太難獲得或要花費太多才可獲得的資料。此項包括有關過往事件、當前狀況及未來經濟狀況預測的資料。

預期信貸虧損按以下其中一項基準計量：

- 12個月預期信貸虧損：報告期後12個月內可能發生的違約事件預計造成的損失；及
- 全期預期信貸虧損：應用預期信貸虧損模型的項目預計年期內所有可能發生的違約事件預計造成的損失。

應收貿易賬款的虧損撥備一直按等同全期預期信貸虧損的金額計量。於報告日，該等財務資產的預期信貸虧損乃根據本集團的過往信貸虧損經驗使用撥備矩陣進行估算，根據債務人的特定因素進行調整及對當前及預計一般經濟狀況進行評估。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## 2.4 主要會計政策概要(續)

## (e) Impairment of assets (continued)

## (e) 資產減值(續)

(i) *Impairment of trade and bills receivables and other receivables (continued)*(i) *應收貿易賬款及票據及其他應收賬款的減值(續)**Measurement of ECLs (continued)**預期信貸虧損計量(續)*

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

就所有其他金融工具而言，本集團確認相等於12個月預期信貸虧損的虧損撥備，除非該金融工具之信貸風險自首次確認後大幅上升，在此情況下，虧損撥備乃等同全期預期信貸虧損的金額計量。

*Significant increases in credit risk**信貸風險大幅上升*

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

於評估金融工具的信貸風險自首次確認以來有否大幅上升時，本集團比較於報告日評估及於首次確認日期評估的金融工具違約風險。於重新評估時，本集團倘認為債務人不大可能完全償還其信貸責任，並且本集團並未能透過任何行動追索，例如變現抵押品(如持有)時，則構成違約事件。本集團考慮合理及有證據的定量及定性資料，包括過往經驗及不會太難獲得或要花費太多才可獲得的前瞻性資料。

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

具體而言，評估信貸風險自首次確認以來有否大幅上升時會考慮以下資料：

- failure to make payments of principal or interest on their contractually due dates;

- 未能按合約到期日期支付本金或利息；

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(e) Impairment of assets (continued)****(i) Impairment of trade and bills receivables and other receivables (continued)****Significant increases in credit risk (continued)**

- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

**2.4 主要會計政策概要(續)****(e) 資產減值(續)****(i) 應收貿易賬款及票據及其他應收賬款的減值(續)****信貸風險大幅上升(續)**

- 實際或預期金融工具外部或內部的信貸評級(如適用)顯著惡化；
- 實際或預期債務人的經營業績顯著惡化；及
- 目前或預期科技、市場、經濟或法律環境的變動對債務人履行其對本集團責任的能力有重大不利影響。

視乎金融工具的性质而定，信貸風險大幅上升的評估乃按個別基準或共同基準進行。當評估按共同基準進行，金融工具則按共同的信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## 2.4 主要會計政策概要(續)

## (e) Impairment of assets (continued)

## (e) 資產減值(續)

(i) *Impairment of trade and bills receivables and other receivables (continued)*

## (i) 應收貿易賬款及票據及其他應收賬款的減值(續)

*Significant increases in credit risk (continued)*

## 信貸風險大幅上升(續)

ECLs are remeasured at each reporting date to reflect changes in the financial instruments' credit risk since initial recognition. Any change in the ECLs amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

預期信貸虧損於各報告日期進行重新計量以反映金融工具自首次確認以來的信貸風險變動。預期信貸虧損金額的任何變動均於損益確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並通過虧損撥備賬對彼等之賬面值作出相應調整。

*Write-off policy*

## 撤銷政策

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

倘實際上並無收回的可能，金融資產的總賬面值會被撤銷(部分或全部)。該情況通常出現在本集團確定債務人沒有資產或收入來源可產生足夠現金流量以償還應撤銷的金額。

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

隨後收回先前撤銷的資產於收回期間在損益內確認為減值撥回。



## Notes to the Financial Statements

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(e) Impairment of assets (continued)***(ii) Impairment of other assets*

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- land lease prepayments; and
- investments in subsidiaries in the Company's statement of financial position

If any such indication exists, the asset's recoverable amount is estimated.

*Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

**2.4 主要會計政策概要(續)****(e) 資產減值(續)***(ii) 其他資產減值*

本集團會在各報告期末審閱內部及外界資料，以識別下列資產是否出現減值跡象或(屬商譽除外)過往確認的減值虧損是否已不再存在或可能減少：

- 物業、廠房及設備；
- 預付土地租賃費；及
- 本公司財務狀況表所載於附屬公司的投資。

若有上述任何跡象出現，將會估計有關資產的可收回金額。

*計算可收回金額*

資產可收回金額為其公允值減處置成本與使用價值兩者中的較高額。在評估使用價值時，估計未來現金流量會按照可以反映當時市場對貨幣時間值及資產特定風險的評估的稅前貼現率，貼現至其現值。倘資產所產生現金流入基本上並非獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產組別(即現金產生單位)釐定可收回金額。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 主要會計政策概要 (續)****(e) Impairment of assets (continued)****(e) 資產減值 (續)***(ii) Impairment of other assets (continued)**(ii) 其他資產減值 (續)****Recognition of impairment losses******確認減值虧損***

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

倘資產或其所屬現金產生單位的賬面值超過其可收回金額時，減值虧損於損益確認。就現金產生單位確認的減值虧損會首先分配至減少該現金產生單位(或該組單位)所獲分配之商譽的賬面值，其後按比例減少該單位(或該組單位)內其他資產的賬面值，惟資產賬面值不會減至低於其本身個別的公允值減去處置成本(如可計量)或使用價值(如能釐定)。

***Reversals of impairment losses******回撥減值虧損***

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

關於商譽以外的資產，倘用作釐定可收回金額的估計數字出現正面變化，減值虧損便會回撥。商譽減值虧損不會撥回。

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

回撥的減值虧損僅限於過往年度並未確認減值虧損而應釐定的資產賬面值。回撥的減值虧損在確認回撥的年度計入損益。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(f) Inventories**

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

**(g) Trade and other receivables**

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for credit losses (see note 2.4(e)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for credit losses.

**2.4 主要會計政策概要(續)****(f) 存貨**

存貨以成本及可變現淨值兩者中的較低者入賬。

成本以加權平均成本法計算，包括所有採購成本、加工成本及將存貨運往現時位置及變成現狀所涉及的其他成本。

可變現淨值是以日常業務過程中的估計售價減去估計完工成本及銷售所需的估計成本。

所出售存貨的賬面值在確認相關收入期間內確認為支出。存貨撥備減至可變現淨值及所有存貨虧損均在撥備或虧損產生期間確認為支出。存貨的任何撥備回撥金額，均在回撥期間確認為已確認為支出的存貨數額中減少。

**(g) 貿易及其他應收賬款**

貿易及其他應收賬款首次按公允值確認，而其後使用實際利率法按攤銷成本減信用虧損(見附註2.4(e))入賬，惟作為授予關連方的免息且無固定還款期的貸款或貼現影響並不重大的應收賬款除外。在此情況下，應收賬款按成本減呆賬信用虧損。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 主要會計政策概要 (續)****(h) Interest-bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

**(h) 計息借款**

計息借款首次按公允值減應佔交易成本確認。於首次確認後，計息借款按攤銷成本入賬，首次確認金額與贖回價值的任何差額（連同任何應付利息及費用）會在借款期間內以實際利率法於損益內確認。

**(i) Trade and other payables**

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

**(i) 貿易及其他應付賬款**

貿易及其他應付賬款首次按公允值確認。貿易及其他應付賬款其後按攤銷成本列值，除非貼現影響並不重大，否則按成本入賬。

**(j) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

**(j) 現金及現金等價物**

現金及現金等價物包括銀行及手頭現金、存放於銀行的活期存款，以及高度流通短期的投資，該等投資可隨時變現為已知現金數額及無重大價值轉變的風險，並於購入後三個月內到期。就綜合現金流量表而言，現金及現金等價物亦包括須於接獲通知時償還並構成本集團現金管理一部分的銀行透支。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 主要會計政策概要(續)****(k) Employee benefits****(k) 僱員福利****(i) Short term employee benefits****(i) 短期僱員福利**

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

薪金、年度花紅、帶薪年假及非貨幣性福利成本於僱員提供相關服務的年度入賬。倘延期支付或清償該等成本且其影響重大，則該等金額以現值列值。

**(ii) Termination benefits****(ii) 合約終止補償**

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

合約終止補償會在本集團不再能夠撤回所提供的合約終止補償及確認涉及合約終止補償付款的重組成本(以較早者為準)時確認。

**(iii) Retirement benefit schemes****(iii) 退休福利計劃**

The Group operates a defined contribution Mandatory Provident Fund 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 profit or loss as they become payable in accordance with the rules of the MPF Scheme in Hong Kong. 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.

根據強制性公積金計劃條例，本集團為所有合資格參與強積金計劃之香港員工，提供強制性公積金退休保障計劃(「強積金計劃」)定義性供款。按強積金計劃規定，公司需按員工薪金之百分比作供款，並於應付時在損益中入賬。強積金計劃之資產存放於獨立管理的基金中，與本集團之資產分開。當本集團作為僱主向強積金計劃供款時，該款項全數歸於僱員。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 主要會計政策概要 (續)****(k) Employee benefits (continued)****(k) 僱員福利 (續)****(iii) Retirement benefit schemes (continued)****(iii) 退休福利計劃 (續)**

As stipulated by the regulations of the PRC government, subsidiaries of the Group in mainland China are required to make specific contributions to the state-controlled retirement plan at rates not more than 16% (before 1 May 2019: 20%) (the percentage to be determined by each of the government of the provinces, autonomous regions or municipalities) of the total salaries of the employees in mainland China. Certain provinces, autonomous regions or municipalities are overburdened by the pension insurance due to higher number of retired people, it is required to make specific contributions at rates higher than 16% (before 1 May 2019: 20%) (the percentage to be determined by each of the government of the provinces, autonomous regions or municipalities) of the total salaries of the employees upon approval of the ministry of labour and the ministry of finance. The PRC government is responsible for the pension liability to the retired employees. The employees of the subsidiaries are entitled to a monthly pension at their retirement dates. The subsidiaries have no further obligation for post-retirement benefits beyond the annual contributions.

按中國政府法規，本集團於中國大陸之附屬公司須按中國大陸員工工資之總額不超過16%（於二零一九年五月一日前：20%）（具體百分比由各省、自治區或直轄市人民政府確定）作為就國家管理退休計畫作出的指定供款。少數省、自治區或直轄市因退休人數較多，養老保險負擔過重，經勞動部及財政部審批後須按超過員工工資總額之超過16%（於二零一九年五月一日前：20%）（具體百分比由各省、自治區或直轄市人民政府確定）作出該指定供款。中國政府會為退休員工發放退休金。附屬公司員工於退休日後能按月收取退休金。除周年供款外，附屬公司對退休後之福利概無其他承擔。

**(l) Income tax****(l) 所得稅**

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

年內所得稅包括當期稅項及遞延稅項資產與負債的變動。當期稅項及遞延稅項資產與負債的變動均在損益確認，惟倘變動與在其他全面收益或直接於權益中確認的項目有關，則有關稅項金額分別於其他全面收益或直接於權益中確認。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(l) Income tax (continued)**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are:

- (i) the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination); and

**2.4 主要會計政策概要(續)****(l) 所得稅(續)**

當期稅項為年內應課稅收入的預期應付稅項，採用於報告期末已生效或實質已生效的稅率計算，以及就過往年度應付稅項作出的調整。

遞延稅項資產及負債分別產生自可扣減及應課稅的暫時性差額，即資產及負債的賬面值(就財務報告而言)與計稅基準之間的差額。遞延稅項資產亦會因未動用稅項虧損及未動用稅項抵免而產生。

除若干少數例外情況外，所有遞延稅項負債及遞延稅項資產(只限於日後可能有應課稅溢利用以抵銷可動用資產時)均獲確認。可支持確認源自可扣稅暫時差額的遞延稅項資產的日後應課稅溢利，包括該等源自回撥現有應課稅暫時性差額，惟該等差額須與相同稅務機關及相同應課稅實體有關，並預期於回撥可扣減暫時性差額的同一期間或源自遞延稅項資產的稅項虧損可退算或結轉的期間回撥。在評定現有應課稅暫時性差額是否支持確認因未動用稅項虧損及抵免產生的遞延稅項資產時採用相同的標準(即倘該等暫時性差額與相同稅務機關及相同應課稅實體有關，且預期在可使用稅項虧損或抵免期間內回撥，則會計入該等暫時性差額)。

確認遞延稅項資產及負債的少數例外情況是：

- (i) 首次確認不影響會計溢利及應課稅溢利的資產或負債(惟其不屬於企業合併的一部份)；及

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 主要會計政策概要 (續)****(I) Income tax (continued)**

- (ii) temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantially enacted at the end of each reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- (i) in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- (ii) in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either; or

**(I) 所得稅 (續)**

- (ii) 與於附屬公司投資有關的暫時性差額 (如為應課稅差額, 只限於本集團控制回撥時間, 並且不大可能在可見未來回撥的差額, 如為可予扣減差額, 則只限於可能在未來回撥的差額)。

已確認遞延稅項金額乃根據資產及負債賬面值變現或結算之預期方式按各報告期末頒佈或實際頒佈的稅率計量。遞延稅項資產及負債並無貼現。

遞延稅項資產的賬面值於各報告期末審閱, 並減至不再可能取得足夠應課稅溢利以動用有關稅務利益時為止。任何此等減幅會於可能取得足夠應課稅溢利時撥回。

宣派股息產生的額外所得稅在支付相關股息的責任確認時確認。

當期稅項結餘及遞延稅項結餘, 及其變動額單獨列示, 並不予抵銷。當期稅項資產及當期稅項負債, 及遞延稅項資產及遞延稅項負債只會在本公司或本集團有法定執行權以當期稅項資產抵銷當期稅項負債, 並在符合下列附帶條件的情況下, 才可互相抵銷:

- (i) 當期稅項資產及負債方面, 本公司或本集團計劃按淨額基準結算, 或同時變現該資產及清償該負債; 或
- (ii) 遞延稅項資產及負債方面, 如該資產及負債與相同稅務機關徵收的所得稅就以下其中一項有關; 或



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(l) Income tax (continued)**

(ii) (continued)

- the same taxable entity; or
- different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

**(m) Other provisions and contingent liabilities**

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**(n) Revenue recognition**

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

**2.4 主要會計政策概要 (續)****(l) 所得稅 (續)**

(ii) (續)

- 相同應課稅實體；或
- 不同應課稅實體，計劃在每個未來期間預期有重大金額的遞延稅項負債或資產須予清償或收回，按淨額基準變現當期稅項資產及清償當期稅項負債，或同時變現當期稅項資產及清償當期稅項負債。

**(m) 其他撥備及或有負債**

當本集團或本公司須就過往事件承擔法定或推定責任，且履行責任可能須流出經濟利益並可作出可靠估計時，便會就尚未肯定時間或金額之其他負債確認撥備。倘貨幣的時間價值重大，則按預計履行該責任所需支出之現值計提撥備。

倘不大可能須流出經濟利益，或有關數額無法可靠估計，則該責任披露為或有負債，惟流出經濟利益之可能性極低則除外。須視乎一宗或多宗未來事件是否發生才能確定存在與否的可能責任亦披露為或有負債，惟流出經濟利益之可能性極低則除外。

**(n) 收入確認**

收入於產品或服務的控制權已轉移至客戶並按本集團預期有權獲得的承諾代價(不包括代表第三方收取的金額)時確認。收入不包括增值稅或其他銷售稅及經扣除貿易折扣。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 主要會計政策概要 (續)****(n) Revenue recognition (continued)****(n) 收入確認 (續)**

Further details of the Group's revenue recognition policies are as follows:

有關本集團收入確認政策之詳情如下：

**(i) Sale of goods****(i) 貨品銷售**

Revenue is recognised when the customer takes possession of and accepts the products. Sales returns are allowed only when the products are damaged or defective. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, applying the practical expedient in paragraph 63 of IFRS 15. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis. As the remaining performance obligations (if any) is part of a contract that has an original expected duration of one year or less, the Group has applied the practicable expedient in paragraph 121 of IFRS 15 and such information is not disclosed. Besides, the Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is within one year or less, applying the practical expedient in paragraph 94 of IFRS 15.

收入於客戶佔有並接受產品時確認。只有產品受損或有缺陷時才可退貨。對於客戶付款與轉移承諾的商品或服務之間為一年或以下之合同，應用國際財務報告準則第15號段落63之實際權宜之計，並無調整價格中重大融資成分之影響。如該產品為部分履行涵蓋其他貨品及／或服務的合同，則按相對獨立銷售價格基準將收入金額分配至合同承諾的所有貨品和服務之間，按總合同交易價格的合適比例確認。由於剩餘的履約責任為原預定期限一年或以下合同的一部分，本集團應用國際財務報告準則第15號段落121之實際權宜之計，並無披露該資料。此外，倘若本集團本應確認之獲取合約增量成本資產的攤銷期為一年或以下，本集團則應用國際財務報告準則第15號段落94之實際權宜之計於產生時確認該成本。

**(ii) Dividends****(ii) 股息**

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

來自非上市投資的股息收入在股東收取款項的權力設立時確認。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(n) Revenue recognition (continued)***(iii) Interest income*

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income (“FVOCI”) (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

*(iv) Government grants*

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

**2.4 主要會計政策概要 (續)****(n) 收入確認 (續)***(iii) 利息收入*

利息收入使用實際利率法於產生時確認，其利率為按金融資產的預計年限內之估計未來現金收入準確折現至金融資產的賬面總額之利率。以攤銷成本列賬之金融資產或按公允值透過其他全面收益計量(可循環至損益)之金融資產且無信貸減值，其實際利率應用於賬面總額。已信貸減值的金融資產，實際利率則應用於該資產之攤銷成本(即賬面總額減虧損撥備)。

*(iv) 政府補貼*

政府補貼於倘可合理保證本集團能收取政府補貼且符合有關補貼所附條件等則首次於財務狀況表確認。用於補償本集團所涉費用之補貼於費用產生的同期有系統地於損益確認為收入。補償本集團資產成本之補貼從資產賬面值中扣除，並其後於該項資產之可使用期間以減少折舊費用之方式於損益中實際確認。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 主要會計政策概要(續)****(o) Translation of foreign currencies**

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

For the purpose of presenting these financial statements, the assets and liabilities of the entities now comprising the Group denominated in currencies other than US\$ are translated into US\$, the presentation currency of the Group, using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the weighted average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and in equity in exchange fluctuation reserve.

**(o) 外幣換算**

年內之外幣交易按交易當日之匯率換算。以外幣計值之貨幣資產及負債按報告期末之匯率換算。匯兌盈虧於損益內確認，惟該等於其他全面收益確認並用於對沖海外業務營運淨投資之外幣借款除外。

以外幣按歷史成本計量的非貨幣資產及負債使用交易日的通行外匯匯率換算。交易日為本集團首次確認該非貨幣資產或負債之日期。以外幣計值並按公允值計量的非貨幣資產及負債使用計量公允值當日的通行外匯匯率換算。

就呈列財務資料而言，本集團現時旗下實體以美元以外貨幣計值的資產及負債按各報告期末現行的匯率換算為本集團呈列貨幣美元。收支項目按年內加權平均匯率換算。由此而產生之匯兌差額(如有)於其他全面收益中確認，並於外匯波動儲備中確認。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(p) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

**(q) Related parties**

(i) A person, or a close member of that person's family, is related to the Group if that person:

- (a) has control or joint control over the Group; or
- (b) has significant influence over the Group; or
- (c) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

- (a) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

**2.4 主要會計政策概要(續)****(p) 借款成本**

直接用於收購、建造或生產需要長時間才可以投入擬定用途的資產之借款成本會被資本化以計入資產成本一部份。其他借款成本則於產生期間支銷。

當已產生資產有關之費用，已產生借款成本及正進行籌備資產作擬定用途或出售的必要工作時，開始將借款成本資本化為合資格資產成本的一部分。當籌備合資格資產作擬定用途或出售的必要工作絕大部分中斷或完成時，會暫停或終止將借款成本資本化。

**(q) 關連人士**

(i) 任何個人或個人之近親倘符合下列情況，即視為本集團的關連人士：

- (a) 控制或共同控制本集團；或
- (b) 對本集團有重大影響力；或
- (c) 為本集團或本集團母公司的主要管理層人員。

(ii) 如實體符合任何下列條件，即視為本集團有的關連人士：

- (a) 該實體與本集團為同一集團（即各母公司、附屬公司及同系附屬公司與彼等相關連）。

## Notes to the Financial Statements

財務報表附註

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

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 主要會計政策概要 (續)****(q) Related parties (continued)****(q) 關連人士 (續)**

(ii) (continued)

(ii) (續)

- (b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (c) both entities are joint ventures of the same third party.
- (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (e) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (f) the entity is controlled or jointly controlled by a person identified in (i).
- (g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (h) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

- (b) 一實體為另一實體之聯營公司或合營企業(或另一實體所屬集團旗下成員公司之聯營公司或合營企業)。
- (c) 兩實體均為同一第三方之合營企業。
- (d) 一實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
- (e) 該實體為本集團或與本集團有關連之實體為僱員而設立之退職福利計劃。
- (f) 該實體受(i)所指人士控制或共同控制。
- (g) (i)(a)所指人士對實體有重大影響力或屬該實體(或該實體的母公司)的主要管理層人員。
- (h) 該實體或任何集團旗下成員，為本集團或本集團母公司提供主要管理層人員服務。

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

個人家庭近親指該等家庭成員與實體來往時可能預期影響該個人或受該個人影響。

## Notes to the Financial Statements

財務報表附註

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

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(r) Segment reporting**

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

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

**(s) Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). The Group receives a certain percentage of the contract value as a deposit from certain customers, which is recognised as a contract liability. Contract liabilities are recognised as revenue when the Group performs under the contract.

**2.4 主要會計政策概要(續)****(r) 分類報告**

經營分類及每一個呈列在財務報表中的分類項目金額乃從財務資料中識別，並向本集團管理層有規律地提供及用作分配及評估本集團的各業務及地區之資源及表現。

除非分類具有類似的經濟性質，以及產品與服務的性質、生產工序的性質、客戶類型及類別、用於分派產品或提供服務的方法以及監管環境的性質相似的情況外，個別重大經營分類不會因財務匯報而進行合算。如果各經營分類共享以上大部份條件，個別不重大的經營分類可累積計算。

**(s) 合約負債**

合約負債是指本集團因已從客戶收取代價(或代價到期)而須向客戶轉移貨品或服務的責任。若客戶在本集團向客戶轉移貨品或服務之前支付代價，則在付款或到期付款時(以較早者為準)確認合約負債。本集團從若干客戶收取合約價值之若干百分比作為訂金，則確認為合約負債。當本集團根據合同履行時，合約負債被確認為收入。

## Notes to the Financial Statements

財務報表附註

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

### 3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, management has made the following accounting judgments and estimates:

#### Impairment of property, plant and equipment

As explained in note 2.4(e)(ii), the impairment loss for property, plant and equipment is recognised for the amount by which the carrying amount exceeds its recoverable amount when events or changes in circumstance indicate the carrying amounts may not be recoverable. The recoverable amount of the assets, or, where appropriate, the cash generating unit to which they belong, is the higher of its fair value less costs of disposal and value in use. The recoverable amounts are determined based on fair value less costs of disposal which are based on the best information available to reflect the amount obtainable at the reporting date, from the disposal of the asset in an arm's length transaction between knowledgeable and willing parties, after deducting the costs of disposal. For the estimation of value in use, the Group's management estimates future cash flows from the cash-generating units and chooses a suitable discount rate in order to calculate the present value of those cash flows.

### 3 重大會計判斷及估算

管理層在應用本集團會計政策時，曾作出下列會計判斷、假設及估算：

#### 物業、廠房及設備減值

倘有事項或狀況改變顯示物業、廠房及設備之賬面值可能不能收回，其賬面值高於可收回金額便須確認減值虧損。資產或（倘適用）其所屬的現金產生單位的可收回金額為資產或現金產生單位的公允值減處置成本與使用價值兩者中的較高者。按公允值減處置成本而釐定的可收回金額乃根據於報告日所得到的最佳資料來反映其金額，乃按公平原則出售資產予有知識及自願人士及扣除處置成本。至於估計使用價值，本集團之管理層估計現金產生單位之未來現金流及選擇合適的貼現率計算該現金流現值，詳情載於附註2.4(e)(ii)。



## Notes to the Financial Statements

財務報表附註

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

## 4 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments:

- the biochemical segment is mainly engaged in the manufacture and/or sale of chlortetracycline and other related products; and
- the industrial segment is engaged in trading of machinery and the manufacture and sale of automotive parts, through the Group's joint venture and associate.

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 profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that bank interest income, finance costs and items not specifically attributed to individual segments, such as head office or corporate administration expenses are excluded from such measurements.

Segment assets exclude unallocated corporate assets. Unallocated corporate assets include cash and cash equivalents, income tax receivable and other assets that are managed on a group basis.

Segment liabilities exclude unallocated corporate liabilities. Unallocated corporate liabilities include bank borrowings, income tax payables, deferred tax liabilities and other liabilities that are managed on a group basis.

All revenue from contracts with customers is recognised at the point in time when our customer obtains control of the promised goods, i.e. when products are delivered to the customers' premises for domestic sales or in accordance with the terms and conditions of sale for export sales. The major product line of the Group is the manufacture and/or sale of chlortetracycline and other related products in biochemical segment as disclosed in note 4(a).

Disaggregation of revenue from contracts with customers by geographical location of customers is disclosed in note 4(b)(i).

## 4 經營分類資料

按管理所需，本集團將業務按產品及服務分成兩個可呈報經營分類：

- 生化分類代表主要製造及／或銷售金霉素及其他相關產品；及
- 工業分類代表機械設備貿易及產銷汽車零部件（透過本集團之合營企業及聯營公司）。

管理層會獨立監察本集團經營分類之業績而作出資源分配之決定及評定其表現。分類表現評估乃根據可呈報分類之溢利，即以經調整稅前溢利計算。經調整稅前溢利之計算與本集團稅前溢利之計算一致，除銀行利息收入、財務成本及不屬於個別分類之項目，如總部或企業行政開支不包括在其計算當中。

分類資產不包括未分配企業資產。未分配企業資產包括現金及現金等價物、預付所得稅及其他在集團層面管理之資產。

分類負債不包括未分配企業負債。未分配企業負債包括銀行借款、應付所得稅、遞延稅項負債及其他在集團層面管理之負債。

所有源自與客戶的合約收入於客戶獲得承諾產品之控制權之時點確認，即於產品送達客戶場地時（國內銷售）或按照銷售條款和條件（出口銷售）。本集團主要的產品線為生化分類之製造及／或銷售金霉素及其他有關產品，如附註4(a)披露。

源自與客戶的合約收入按客戶所在地分類，並於附註4(b)(i)披露。

## Notes to the Financial Statements

財務報表附註

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

4 OPERATING SEGMENT INFORMATION  
(continued)

## 4 經營分類資料(續)

## (a) Reportable operating segments

## (a) 可呈報經營分類

The following tables present revenue, profit or loss and certain assets, liabilities and expenditure information for the Group's reportable operating segments for the years ended 31 December 2020 and 2019.

以下報表為本集團各可呈報經營分類於截至二零二零年及二零一九年十二月三十一日止年度內之收入、損益及若干資產、負債及開支資料。

Year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		Biochemical operations 生化業務 US\$'000 美元千元	Industrial operations 工業業務 US\$'000 美元千元	Total 總額 US\$'000 美元千元
<b>Segment revenue</b>	<b>分類收入</b>			
Sales to external customers	銷售予外來客戶	93,577	–	93,577
<b>Segment results</b>	<b>分類業績</b>			
The Group	本集團	7,136	(1,170)	5,966
Share of profits and losses of:	應佔溢利及虧損：			
Joint venture	合營企業	–	12,348	12,348
Associate	聯營公司	–	2,085	2,085
		7,136	13,263	20,399
Reconciliation:	調節項目：			
Bank interest income	銀行利息收入			327
Unallocated head office and corporate expenses	未分配總部及企業開支			(1,561)
Profit before tax	除稅前溢利			19,165
<b>Other segment information</b>	<b>其他分類資料</b>			
Depreciation and amortisation	折舊及攤銷	4,657	17	4,674
Capital expenditure*	資本開支*	16,379	–	16,379

\* Including additions to property, plant and equipment.

\* 包括物業、廠房及設備之新增。

## Notes to the Financial Statements

財務報表附註

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

#### 4 OPERATING SEGMENT INFORMATION (continued) 4 經營分類資料(續)

## (a) Reportable operating segments (continued)

## (a) 可呈報經營分類(續)

At 31 December 2020

於二零二零年十二月三十一日

		Biochemical operations 生化業務 US\$'000 美元千元	Industrial operations 工業業務 US\$'000 美元千元	Total 總額 US\$'000 美元千元
<b>Segment assets</b>	<b>分類資產</b>	<b>151,962</b>	<b>146,279</b>	<b>298,241</b>
Reconciliation: Unallocated corporate assets	調節項目： 未分配企業資產			<u>32,457</u>
<b>Total assets</b>	<b>總資產</b>			<u><b>330,698</b></u>
<b>Segment liabilities</b>	<b>分類負債</b>	<b>54,218</b>	<b>23</b>	<b>54,241</b>
Reconciliation: Unallocated corporate liabilities	調節項目： 未分配企業負債			<u>25,847</u>
<b>Total liabilities</b>	<b>總負債</b>			<u><b>80,088</b></u>
<b>Other segment information</b>	<b>其他分類資料</b>			
Investments in joint venture	於合營企業的投資	-	120,963	120,963
Investments in associate	於聯營公司的投資	-	20,197	20,197

## Notes to the Financial Statements

財務報表附註

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

4 OPERATING SEGMENT INFORMATION  
(continued)

## 4 經營分類資料(續)

## (a) Reportable operating segments (continued)

## (a) 可呈報經營分類(續)

Year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		Biochemical operations 生化業務 US\$'000 美元千元	Industrial operations 工業業務 US\$'000 美元千元	Total 總額 US\$'000 美元千元
<b>Segment revenue</b>	<b>分類收入</b>			
Sales to external customers	銷售予外來客戶	105,042	–	105,042
<b>Segment results</b>	<b>分類業績</b>			
The Group	本集團	8,380	(1,215)	7,165
Share of profits and losses of:	應佔溢利及虧損：			
Joint venture	合營企業	–	11,616	11,616
Associate	聯營公司	–	1,917	1,917
		8,380	12,318	20,698
Reconciliation:	調節項目：			
Bank interest income	銀行利息收入			603
Unallocated head office and corporate expenses	未分配總部及企業開支			(1,438)
Profit before tax	除稅前溢利			19,863
<b>Other segment information</b>	<b>其他分類資料</b>			
Depreciation and amortisation	折舊及攤銷	4,645	17	4,662
Capital expenditure*	資本開支*	19,851	–	19,851

\* Including additions to property, plant and equipment.

\* 包括物業、廠房及設備之新增。

## Notes to the Financial Statements

財務報表附註

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

#### 4 OPERATING SEGMENT INFORMATION (continued) 4 經營分類資料(續)

## (a) Reportable operating segments (continued)

At 31 December 2019

## (a) 可呈報經營分類(續)

於二零一九年十二月三十一日

		Biochemical operations 生化業務 US\$'000 美元千元	Industrial operations 工業業務 US\$'000 美元千元	Total 總額 US\$'000 美元千元
<b>Segment assets</b>	<b>分類資產</b>	130,480	124,356	254,836
Reconciliation: Unallocated corporate assets	調節項目： 未分配企業資產			37,821
<b>Total assets</b>	<b>總資產</b>			<b>292,657</b>
<b>Segment liabilities</b>	<b>分類負債</b>	49,267	38	49,305
Reconciliation: Unallocated corporate liabilities	調節項目： 未分配企業負債			20,939
<b>Total liabilities</b>	<b>總負債</b>			<b>70,244</b>
<b>Other segment information</b>	<b>其他分類資料</b>			
Investments in joint venture	於合營企業的投資	–	100,792	100,792
Investments in associate	於聯營公司的投資	–	19,227	19,227

## Notes to the Financial Statements

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

4 OPERATING SEGMENT INFORMATION  
(continued)

## 4 經營分類資料(續)

## (b) Geographical information

## (b) 地區資料

## (i) Revenue from external customers

## (i) 來自外來客戶之收入

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Mainland China	中國大陸	36,723	42,340
Asia Pacific (excluding mainland China)	亞太地區 (不包括中國大陸)	28,226	28,485
Americas	美洲	17,209	17,593
Europe	歐洲	7,983	11,485
Elsewhere	其他地方	3,436	5,139
		93,577	105,042

The revenue information shown above is based on the location of customers.

上列收入資料乃按客戶所在地分類。

## (ii) Non-current assets

## (ii) 非流動資產

At 31 December 2020, 99% (2019: 99%) of the Group's non-current assets are located in mainland China.

於二零二零年十二月三十一日，本集團99% (二零一九年：99%) 之非流動資產均位於中國大陸。

## (c) Information about major customers

## (c) 主要客戶資料

During the year ended 31 December 2020 and 2019, there was no single customer that contributed 10% or more of the Group's total revenue.

於截至二零二零年及二零一九年十二月三十一日止年度內，並無單一客戶佔本集團總收入相等於或超過10%。

## Notes to the Financial Statements

財務報表附註

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

## 5 REVENUE

Revenue represents the aggregate of the invoiced value of goods sold, net of value-added tax and government surcharges, and after allowances for goods returned and trade discounts recognised within the scope of IFRS 15. All of the Group's revenue is from the biochemical segment.

## 6 OTHER INCOME, NET

An analysis of other income, net is as follows:

## 5 收入

收入指除增值稅及政府附加費，及扣除退貨及貿易折扣後之累積銷售發票淨額並在國際財務報告準則第15號的範圍內確認。所有集團之收入均來自生化業務。

## 6 其他收入淨額

其他收入淨額分析如下：

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Bank interest income	銀行利息收入	327	603
Government grants	政府補助	1,456	1,354
Gain/(loss) on disposal of property, plant and equipment, net	出售物業、廠房及設備溢利／(虧損)淨額	43	(24)
Gain on disposal of land lease prepayments, net	出售預付土地租賃費溢利淨額	69	-
Foreign exchange differences, net	外幣折算差異淨額	(160)	500
Income from sale of trial production products, net	銷售試產產品收入淨額	1,368	81
Others	其他	335	129
		<b>3,438</b>	<b>2,643</b>

## 7 FINANCE COSTS

Interest expense on bank borrowings  
Less: Interest expense capitalised\*

## 7 財務成本

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Interest expense on bank borrowings	銀行借款之利息費用	656	699
Less: Interest expense capitalised*	減：利息費用資本化*	(656)	(699)
		-	-

\* Interest expense was capitalised at a rate of 5.2% per annum (2019: 5.7%) for the year ended 31 December 2020.

\* 截至二零二零年十二月三十一日止年度，利息費用資本化乃按年利率5.2%（二零一九年：5.7%）計算。

## Notes to the Financial Statements

財務報表附註

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

## 8 PROFIT BEFORE TAX

## 8 除稅前溢利

The Group's profit before tax is arrived at after charging:

本集團除稅前溢利經扣除下列各項：

		2020 二零二零年	2019 二零一九年
	Note 附註	US\$'000 美元千元	US\$'000 美元千元
Cost of inventories sold	已出售存貨成本	68,679	76,094
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	14	4,526
Amortisation of land lease prepayments	預付土地租賃費攤銷	15	148
Impairment of trade receivables, net	應收貿易賬款減值淨額	181	-
Expense relating to short-term leases (lease term of 12 months or less) and/or leases of low-value assets	關於短期租賃(租賃期等於或少於12個月)及/或低價值資產租賃之費用	236	249
Auditors' remuneration	核數師酬金	197	197
Employee benefit expenses (including directors' emoluments – note 9)	僱員福利支出(包括董事酬金 – 附註9)		
Wages, salaries and benefits in kind	工資、薪金及非現金利益	13,684	16,595
Pension scheme contributions	退休金供款	267	1,089



## Notes to the Financial Statements

財務報表附註

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

## 9 DIRECTORS' EMOLUMENTS

Directors' emoluments, disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

## 9 董事酬金

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第二部規定，董事酬金披露如下：

		Fees	Salaries, allowances, and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	Note	袍金	薪酬、津貼及非現金利益	酌情花紅	退休金供款	總額
	附註	US\$'000 美元千元	US\$'000 美元千元	US\$'000 美元千元	US\$'000 美元千元	US\$'000 美元千元
Year ended 31 December 2020						
Chairman and non-executive director:	董事及非執行董事：					
Mr. Soopakij Chearavanont	謝吉人先生	-	-	-	-	-
		-	-	-	-	-
Executive directors:	執行董事：					
Mr. Thirayut Phityaisarakul	李紹慶先生	-	-	-	-	-
Mr. Thanakorn Seriburi	李紹祝先生	-	531	-	-	531
Mr. Nopadol Chiaravanont	謝杰人先生	-	-	-	-	-
Mr. Chawalit Na Muangtoun	馬德壽先生	(i)	326	51	-	377
		-	857	51	-	908
Non-executive director:	非執行董事：					
Mr. Yoichi Ikezoe	池添洋一先生	-	-	-	-	-
		-	-	-	-	-
Independent non-executive directors:	獨立非執行董事：					
Mr. Surasak Rounroengrom	Surasak Rounroengrom 先生	31	-	-	-	31
Mr. Cheng Yuk Wo	鄭毓和先生	31	-	-	-	31
Mr. Edward Ko Ming Tung	高明東先生	31	-	-	-	31
		93	-	-	-	93
Total directors' emoluments	董事酬金總額	93	857	51	-	1,001

## Notes to the Financial Statements

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

## 9 DIRECTORS' EMOLUMENTS (continued)

## 9 董事酬金(續)

		Fees	Salaries, allowances, and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	Note	袍金	薪酬、津貼及非現金利益	酌情花紅	退休金供款	總額
	附註	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		美元千元	美元千元	美元千元	美元千元	美元千元
Year ended 31 December 2019						
Chairman and non-executive director:	董事及非執行董事：					
Mr. Soopakij Chearavanont	謝吉人先生	-	-	-	-	-
		-	-	-	-	-
Executive directors:	執行董事：					
Mr. Thirayut Phityaisarakul	李紹慶先生	-	-	-	-	-
Mr. Thanakorn Seriburi	李紹祝先生	-	532	-	-	532
Mr. Nopadol Chiaravanont	謝杰人先生	-	-	-	-	-
Mr. Chawalit Na Muangtoun	馬德壽先生	(i)	264	43	-	307
		-	796	43	-	839
Non-executive director:	非執行董事：					
Mr. Yoichi Ikezoe	池添洋一先生	-	-	-	-	-
		-	-	-	-	-
Independent non-executive directors:	獨立非執行董事：					
Mr. Surasak Rounroengrom	Surasak Rounroengrom 先生	31	-	-	-	31
Mr. Cheng Yuk Wo	鄭毓和先生	31	-	-	-	31
Mr. Edward Ko Ming Tung	高明東先生	31	-	-	-	31
		93	-	-	-	93
Total directors' emoluments	董事酬金總額	93	796	43	-	932

Note:

附註：

(i) Appointed as executive director on 18 February 2019.

(i) 於二零一九年二月十八日獲委任為執行董事。

## Notes to the Financial Statements

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

**9 DIRECTORS' EMOLUMENTS (continued)**

During the year ended 31 December 2020, no emolument was paid by the Group to the directors of the Group as an inducement to join or upon joining the Group as compensation for loss of office (2019: nil), and there was no arrangement under which a director waived or agreed to waive any emoluments (2019: nil).

**10 FIVE HIGHEST PAID EMPLOYEES**

The five highest paid employees during the year included two (2019: two) directors. Details of the emoluments are set out in note 9 above. The emoluments of the remaining three (2019: three) non-directors are as follows:

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Salaries, allowances and benefits in kind	薪酬、津貼及非現金利益	540	721
Discretionary bonus	酌情花紅	46	99
		<b>586</b>	<b>820</b>

The number of non-director highest paid employees whose emoluments fell within the following bands is set out below:

**9 董事酬金(續)**

於截至二零二零年十二月三十一日止年度，本集團並無支付酬金給董事以誘使加入本集團或在加入本集團時作為解除職務損失補償(二零一九年：無)，亦並無董事放棄或同意放棄任何酬金之安排(二零一九年：無)。

**10 五位最高薪酬僱員**

年內，五位最高薪酬僱員包括2位(二零一九年：2位)董事，其酬金的詳情已載列於上文附註9。餘下3位(二零一九年：3位)非董事之酬金如下：

		2020 二零二零年 Number of individuals 僱員數目	2019 二零一九年 Number of individuals 僱員數目
US\$128,001 to US\$192,000 (equivalent to HK\$1,000,001 to HK\$1,500,000)	128,001美元至192,000美元 (相當於1,000,001港元至 1,500,000港元)	1	-
US\$192,001 to US\$256,000 (equivalent to HK\$1,500,001 to HK\$2,000,000)	192,001美元至256,000美元 (相當於1,500,001港元至 2,000,000港元)	2	2
US\$320,001 to US\$385,000 (equivalent to HK\$2,500,001 to HK\$3,000,000)	320,001美元至385,000美元 (相當於2,500,001港元至 3,000,000港元)	-	1

最高薪酬非董事僱員的人數按以下級別分類如下：

## Notes to the Financial Statements

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

**10 FIVE HIGHEST PAID EMPLOYEES  
(continued)**

During the year ended 31 December 2020, no emolument was paid by the Group to any of the five highest paid employees of the Group as an inducement to join or upon joining the Group as compensation for loss of office (2019: nil).

**11 INCOME TAX**

No provision for Hong Kong profits tax has been made for the year as the Group did not generate any assessable profits in Hong Kong during the year (2019: nil).

Subsidiaries operating in the People's Republic of China ("PRC") are subject to income tax at the rate of 25% (2019: 25%) on their taxable income according to the PRC corporate income tax laws. In accordance with the relevant tax rules and regulations in the PRC, certain subsidiaries of the Group in the PRC enjoy income tax exemptions or reductions.

**10 五位最高薪酬僱員(續)**

於截至二零二零年十二月三十一日止年度，本集團並無支付酬金給五位最高薪酬僱員之任何一位，以誘使加入本集團或在加入本集團時作為解除職務損失補償(二零一九：無)。

**11 所得稅**

本集團於本年度未有在香港賺取任何應課稅收入，所以未於本年內作香港利得稅撥備(二零一九年：無)。

根據中國企業所得稅稅例，於中華人民共和國(「中國」)經營之附屬公司需就其應課稅收入按稅率25%(二零一九年：25%)繳交所得稅。根據中國之相關稅務守則及法例，本集團於中國之若干附屬公司享有豁免或減收所得稅之優惠。

		2020 二零二零年	2019 二零一九年
	Note 附註	US\$'000 美元千元	US\$'000 美元千元
Current – the PRC	本年－中國		
Charge for the year	本年度支出	1,569	1,938
Under-provision in prior years	往年少計提	8	47
Deferred	遞延	(415)	(144)
<b>Total tax expense for the year</b>	<b>本年度稅項總支出</b>	<b>1,162</b>	<b>1,841</b>

## Notes to the Financial Statements

財務報表附註

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

**11 INCOME TAX (continued)**

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for PRC in which the Group principally operates to the tax expense is as follows:

**11 所得稅(續)**

按中國(本集團主要營運地點)的法定稅率計算及除稅前溢利計算的稅項費用與稅項費用的調節表如下:

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Profit before tax	除稅前溢利	19,165	19,863
Tax expense on profit before tax, calculated at the PRC corporate income tax rate of 25%	按中國企業所得稅稅率25%及除稅前溢利計算的稅務支出	4,791	4,966
Lower tax rates enacted by local tax authority	按特定地區稅務局頒佈之較低稅率	(700)	(832)
Effect of withholding tax at 10% on the distributable profit of the Group's subsidiaries, joint venture and associate in PRC	按本集團於中國之附屬公司、合營企業及聯營公司可分配利潤計算扣繳稅10%之影響	556	646
Under-provision in prior years	往年度少計提	8	47
Profits and losses attributable to joint venture and associate	應佔合營企業及聯營公司溢利及虧損	(3,608)	(3,383)
Expense not deductible for tax	不可扣稅支出	115	397
Tax expense at the Group's effective tax rate	按本集團有效稅率計算的稅務支出	1,162	1,841

**12 DIVIDENDS**

The Board has resolved not to declare a dividend for the year ended 31 December 2020 (2019: nil).

**12 股息**

董事會建議不派發截至二零二零年十二月三十一日止年度之股息(二零一九年:無)。

## Notes to the Financial Statements

財務報表附註

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

**13 EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY****13 本公司股東應佔之每股溢利**

The calculation of basic earnings per share is based on the profit for the year attributable to shareholders of the Company and the weighted average number of ordinary shares and convertible preference shares in issue during the year.

每股基本溢利金額之計算乃根據本公司股東應佔本年度溢利及年內已發行之普通股及可換股優先股加權平均數。

The calculation of basic earnings per share is based on the following data:

每股基本溢利乃根據以下數據計算：

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
<b>Earnings</b>	<b>溢利</b>		
Profit for the year attributable to shareholders of the Company, used in the basic earnings per share calculation	用於計算每股基本溢利之本公司股東本年應佔溢利	16,255	15,800
		2020 二零二零年	2019 二零一九年
<b>Shares</b>	<b>股份</b>		
Weighted average number of ordinary shares and convertible preference shares in issue during the year, used in the basic earnings per share calculation	用於計算每股基本溢利之本年已發行之普通股及可換股優先股加權平均數	253,329,087	253,329,087

As there were no potential dilutive ordinary shares during the years ended 31 December 2020 and 2019, the amount of diluted earnings per share is equal to basic earnings per share.

於二零二零及二零一九年十二月三十一日止年度期間並無潛在攤薄普通股，故每股攤薄溢利相等於每股基本溢利。

## Notes to the Financial Statements

財務報表附註

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

## 14 PROPERTY, PLANT AND EQUIPMENT

## 14 物業、廠房及設備

		Industrial buildings	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles and transport facilities	Construction in progress	Total
		工業樓宇	廠房及機器	傢俱、裝置及辦公設備	汽車及運輸設施	在建工程	總額
	Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	附註	美元千元	美元千元	美元千元	美元千元	美元千元	美元千元
		(note (a))					
		(附註(a))					
At 1 January 2020	於二零二零年一月一日：						
Cost	成本	32,071	68,649	7,424	1,552	35,172	144,868
Accumulated depreciation and impairment	累計折舊及減值	(15,710)	(48,266)	(4,999)	(1,188)	-	(70,163)
Net carrying amount	賬面淨值	16,361	20,383	2,425	364	35,172	74,705
Net carrying amount:	賬面淨值：						
At 1 January 2020	於二零二零年一月一日	16,361	20,383	2,425	364	35,172	74,705
Additions	添置	17	3	940	45	15,374	16,379
Depreciation provided during the year	年內計提折舊	8	(1,039)	(873)	(95)	-	(4,526)
Transfer in/(out)	轉入/(出)	15,523	12,126	3,723	118	(31,490)	-
Disposals	出售	(2,391)	(962)	(9)	(22)	-	(3,384)
Exchange realignment	匯兌調整	1,780	1,855	377	28	1,438	5,478
At 31 December 2020	於二零二零年十二月三十一日	30,251	30,886	6,583	438	20,494	88,652
At 31 December 2020:	於二零二零年十二月三十一日：						
Cost	成本	41,766	80,788	12,595	1,604	20,494	157,247
Accumulated depreciation and impairment	累計折舊及減值	(11,515)	(49,902)	(6,012)	(1,166)	-	(68,595)
Net carrying amount	賬面淨值	30,251	30,886	6,583	438	20,494	88,652

## Notes to the Financial Statements

財務報表附註

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

14 PROPERTY, PLANT AND EQUIPMENT  
(continued)

## 14 物業、廠房及設備(續)

		Industrial buildings	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles and transport facilities	Construction in progress	Total
	Note	工業樓宇	廠房及機器	傢俱、裝置及 辦公設備	汽車及 運輸設施	在建工程	總額
	附註	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		美元千元	美元千元	美元千元	美元千元	美元千元	美元千元
		(note (a))	(附註(a))				
At 1 January 2019:	於二零一九年一月一日:						
Cost	成本	32,281	66,053	6,629	1,581	21,067	127,611
Accumulated depreciation and impairment	累計折舊及減值	(14,745)	(46,482)	(4,583)	(1,153)	-	(66,963)
Net carrying amount	賬面淨值	17,536	19,571	2,046	428	21,067	60,648
Net carrying amount:	賬面淨值:						
At 1 January 2019	於二零一九年一月一日	17,536	19,571	2,046	428	21,067	60,648
Additions	添置	59	156	83	3	19,550	19,851
Depreciation provided during the year	年內計提折舊	8	(1,170)	(477)	(116)	-	(4,492)
Transfer in/(out)	轉入/(出)	519	3,685	804	61	(5,069)	-
Disposals	出售	(378)	(53)	(2)	(7)	-	(440)
Exchange realignment	匯兌調整	(205)	(247)	(29)	(5)	(376)	(862)
At 31 December 2019	於二零一九年十二月三十一日	16,361	20,383	2,425	364	35,172	74,705
At 31 December 2019:	於二零一九年十二月三十一日:						
Cost	成本	32,071	68,649	7,424	1,552	35,172	144,868
Accumulated depreciation and impairment	累計折舊及減值	(15,710)	(48,266)	(4,999)	(1,188)	-	(70,163)
Net carrying amount	賬面淨值	16,361	20,383	2,425	364	35,172	74,705



## Notes to the Financial Statements

財務報表附註

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

**14 PROPERTY, PLANT AND EQUIPMENT  
(continued)**

Notes:

- (a) At 31 December 2020, certain of the Group's industrial buildings with an aggregate carrying amount of US\$5,668,000 (2019: US\$5,719,000) were pledged to secure certain bank borrowings of the Group (note 26(a)).
- (b) Ownership certificates of certain properties with an aggregate carrying amount of US\$330,000 (2019: US\$864,000) at 31 December 2020 are yet to be obtained.

**15 LAND LEASE PREPAYMENTS**

At 1 January	於一月一日		
Amortisation provided during the year	年內計提攤銷	8	
Disposal	出售		
Exchange realignment	匯兌調整		
At 31 December	於十二月三十一日		

Note:

At 31 December 2020, certain of the Group's leasehold land with an aggregate carrying amount of US\$5,651,000 (2019: US\$5,242,000) were pledged to secure certain bank borrowings of the Group (note 26(a)).

**14 物業、廠房及設備(續)**

附註：

- (a) 於二零二零年十二月三十一日，本集團合計賬面淨值為566.8萬美元(二零一九年：571.9萬美元)之若干工業樓宇，已作為本集團若干銀行借款的抵押品(附註26(a))。
- (b) 於二零二零年十二月三十一日，本集團尚未就合計賬面值為33.0萬美元(二零一九年：86.4萬美元)之若干物業取得所有權證。

**15 預付土地租賃費**

		2020 二零二零年	2019 二零一九年
	Note 附註	US\$'000 美元千元	US\$'000 美元千元
At 1 January		6,418	6,667
Amortisation provided during the year	8	(148)	(170)
Disposal		(732)	-
Exchange realignment		372	(79)
At 31 December		5,910	6,418

附註：

於二零二零年十二月三十一日，本集團合計賬面值為565.1萬美元(二零一九年：524.2萬美元)之若干租賃土地已作為本集團若干銀行借款之抵押品(附註26(a))。

## Notes to the Financial Statements

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## 16 INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries are stated at cost. Particulars of the principal subsidiaries are as follows:

Company name 公司名稱	Place of incorporation/ operations 成立/ 營運地點	Nominal value of issued and paid-up capital 已發行及 繳足股本面值	Percentage of attributable equity interest held by		Principal activities 主要業務
			Company 應佔持有股權百分比 本公司	Group 本集團	
Pucheng Chia Tai Biochemistry Co., Ltd. (Notes (i) and (ii)) 浦城正大生化有限公司 (附註 (i) 及 (ii))	PRC/PRC 中國/中國	RMB189,890,000 189,890,000 人民幣	-	69.7%	Manufacturing and/or sale of chlortetracycline and other related products 製造及/或銷售金霉素 及其他相關產品
Zhumadian Huazhong Chia Tai Co., Ltd. (Notes (i) and (ii)) 駐馬店華中正大有限公司 (附註 (i) 及 (ii))	PRC/PRC 中國/中國	RMB72,000,000 72,000,000 人民幣	-	69.7%	Manufacturing and/or sale of chlortetracycline and other related products 製造及/或銷售金霉素 及其他相關產品

Notes:

- (i) The official name of the entity is in Chinese. The English name is for identification purpose only.
- (ii) Registered as a contractual joint venture under the PRC law.

The above table lists out the subsidiaries of the Company which, in the opinion of the directors, principally affected the Group's profit and losses or formed a substantial portion of the Group. To give details of all the other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

## 16 於附屬公司的投資

於附屬公司的投資乃按成本列賬。各主要附屬公司之詳情如下：

附註：

- (i) 該實體的正式名稱為中文名稱，英文名稱僅供識別。
- (ii) 根據中國法律註冊為合資經營企業。

上表中所列示之本公司附屬公司，董事認為，主要影響本年度業績或佔本集團淨資產的大部份。董事認為，列出所有其他附屬公司的詳細資料會導致篇幅過於冗長。

## Notes to the Financial Statements

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## 17 INTERESTS IN JOINT VENTURE

## 17 於合營企業的權益

			2020 二零二零年	2019 二零一九年
		Note 附註	US\$'000 美元千元	US\$'000 美元千元
Investments in joint venture, included in non-current assets: Share of net assets	於合營企業的投資， 包含於非流動資產內： 應佔淨資產	(a)	120,963	100,792
Interests in joint venture	於合營企業的權益		120,963	100,792

Notes:

附註：

(a) Particulars of the principal joint venture, which is indirectly held by the Company, are as follows:

(a) 由本公司間接持有之主要合營企業詳情如下：

Company name 公司名稱	Place of incorporation/ operations 成立/ 營運地點	Nominal value of issued and paid-up capital 已發行及 繳足股本面值	Percentage of 持有百分比		Principal activities 主要業務
			Interest attributable to the Group 本集團 應佔權益	Profit sharing 應佔溢利	
ECI Metro Investment Co., Ltd. 易初明通投資有限公司	British Virgin Islands/ Hong Kong 英屬維爾京 群島/香港	US\$12,000,000 12,000,000美元	50%	50%	Investment holding and trading of machinery and spare parts 投資控股 和機械及 零部件貿易

ECI Metro Investment Co., Ltd ("ECI Metro Investment") was established by the Group with an independent third party investor, to distribute Caterpillar products in the western part of the PRC.

易初明通投資有限公司(「易初明通投資」)由本集團與一位獨立第三方投資者成立，以於中國西部地區分銷卡特彼勒產品。

ECI Metro Investment is a non-listed corporate entity whose quoted market price is not available.

易初明通投資為並無市場報價的非上市企業實體。

## Notes to the Financial Statements

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

17 INTERESTS IN JOINT VENTURE  
(continued)

## 17 於合營企業的權益(續)

Notes: (continued)

附註：(續)

(b) Summarised financial information of ECI Metro Investment and its subsidiaries (collectively, the “ECI Metro Group”), adjusted for any differences in accounting policy, and a reconciliation to the carrying amount in these financial statements, are disclosed below:

(b) 就會計政策的任何差異作出調整後，易初明通投資及其附屬公司(統稱「易初明通集團」)的財務資料概要，及本財務報表的賬面值對賬披露如下：

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Gross amounts of ECI Metro Group's:	易初明通集團以下各項的總額：		
Currents assets	流動資產	321,006	395,528
Non-current assets	非流動資產	92,249	65,519
Current liabilities	流動負債	148,096	240,129
Non-current liabilities	非流動負債	23,232	19,334
Equity	權益	241,927	201,584
Included in the above assets and liabilities:	計入上述資產及負債：		
Cash and cash equivalents	現金及現金等價物	75,102	52,872
Revenue	收入	681,916	654,467
Profit from operations	經營溢利	24,697	23,232
Other comprehensive income	其他全面收益	15,647	(2,766)
Total comprehensive income	全面收益總額	40,344	20,466
Included in the above profit:	計入上述溢利：		
Depreciation and amortisation	折舊及攤銷	(6,694)	(5,541)
Interest income	利息收入	1,458	1,329
Interest expense	利息費用	(1,735)	(968)
Income tax expense	所得稅費用	(6,921)	(7,348)
Reconciled to the Group's interest in ECI Metro Group:	與本集團於易初明通集團 權益的對賬：		
ECI Metro Group's net assets	易初明通集團資產淨值	241,927	201,584
Group effective interest	本集團有效權益	50%	50%
Carrying amount in the consolidated financial statements	綜合財務報表的賬面值	120,963	100,792

## Notes to the Financial Statements

財務報表附註

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

## 18 INTERESTS IN ASSOCIATE

## 18 於聯營公司的權益

		2020 二零二零年	2019 二零一九年
	Note 附註	US\$'000 美元千元	US\$'000 美元千元
Investments in associate, included in non-current assets: Share of net assets	於聯營公司的投資， 包含於非流動資產內： 應佔淨資產	(a) 20,197	19,227
Due from associate, included in prepayments, deposits and other receivables	應收聯營公司款項， 包含於預付賬款、 按金及其他應收賬款	5,082	4,286
<b>Interests in associate</b>	<b>於聯營公司的權益</b>	<b>25,279</b>	<b>23,513</b>

Notes:

附註：

(a) Particulars of the principal associate, which is indirectly held by the Company, are as follows:

(a) 由本公司間接持有之主要聯營公司詳情如下：

Company name 公司名稱	Place of incorporation/ operations 成立/ 營運地點	Nominal value of issued and paid-up capital 已發行及 繳足股本面值	Percentage of 持有百分比		Principal activities 主要業務
			Interest attributable to the Group 本集團 應佔權益	Profit sharing 應佔溢利	
Zhanjiang Deni Vehicle Parts Co., Ltd. 湛江德利車輛部件有限公司	PRC/PRC 中國/中國	US\$21,250,000 21,250,000美元	28%	28%	Manufacture and sale of automotive parts 產銷汽車部件

## Notes to the Financial Statements

財務報表附註

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

**18 INTERESTS IN ASSOCIATE (continued)**

Notes: (continued)

(b) The Group has interests in associate which are regarded as not individually material. The following table summarises, in aggregate, the financial information of the associate that are accounted for using the equity method:

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Carrying amount in the consolidated financial statements	於綜合財務報表的賬面值	20,197	19,227
Amounts of the Group's share of associate:	本集團應佔聯營公司：		
Profit from operations	經營溢利	2,085	1,917
Other comprehensive income	其他全面收益	1,353	(258)
Total comprehensive income	全面收益總額	3,438	1,659

**18 於聯營公司的權益(續)**

附註：(續)

(b) 本集團於並無被視為個別重大的聯營公司的投資。下表概述以權益法列賬的聯營公司的財務資料總計：

**19 OTHER NON-CURRENT ASSETS**

The Group's other non-current assets as at 31 December 2020 and 2019 represent deposits paid for land use right.

**20 INVENTORIES**

Raw materials  
Work in progress  
Finished goods

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Raw materials	原料	5,002	2,413
Work in progress	在製品	10,957	8,749
Finished goods	產成品	11,464	12,706
		27,423	23,868

**19 其他非流動資產**

本集團於二零二零年及二零一九年十二月三十一日的其他非流動資產指土地使用權的按金。

**20 存貨**

## Notes to the Financial Statements

財務報表附註

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

## 21 TRADE AND BILLS RECEIVABLES

## 21 應收貿易賬款及票據

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Trade receivables	應收貿易賬款	19,682	20,178
Bills receivable	應收票據	43	324
		19,725	20,502

Depending on the requirements of the market and business, the Group may extend credit to its customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management and interest may be charged by the Group for overdue trade receivables at rates determined by the Group with reference to market practice. In the opinion of the directors, there is no significant concentration of credit risk. Further details on the Group's credit policy and credit risk arising from trade and bills receivables are set out in note 33(b). An aging analysis of the Group's trade and bills receivables, based on the date of delivery of goods, is as follows:

取決於市場及業務需求，本集團或給予客戶信貸期。本集團對結欠賬款採取嚴格之監控。管理層亦會定時檢查過期之結欠，及可能會按本集團參考市場慣例釐定之利率收取逾期利息。按董事意見，本集團沒有明顯集中信貸風險。有關本集團的信貸政策及應收貿易賬款及票據產生的信貸風險之詳情見附註33(b)。本集團應收貿易賬款及票據之賬齡分析(以發貨日期為基準)如下：

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Trade and bills receivables:	應收貿易賬款及票據：		
60 days or below	60日或以下	14,871	15,054
61 to 180 days	61至180日	3,778	4,276
Over 180 days	多於180日	1,076	1,172
		19,725	20,502

Note:

Included in the Group's trade receivables as at 31 December 2020 were aggregate amounts of US\$4,145,000 (2019: US\$923,000) due from related companies, arising from transactions carried out in the ordinary course of business of the Group. The balances are unsecured, bear interest at rates determined by the Group after past due and are repayable within credit periods similar to those offered by the Group to its major independent third party customers.

附註：

本集團於二零二零年十二月三十一日之應收貿易賬款包括本集團經營日常業務交易時所產生合計為414.5萬美元(二零一九年：92.3萬美元)關連公司之款項。該等餘額乃無抵押，於過期後按本集團所定的利率計息及須於信貸期內償還(與本集團向主要獨立第三方客戶提供之利率及信貸期相若)。

## Notes to the Financial Statements

財務報表附註

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

## 22 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

## 22 預付賬款、按金及其他應收賬款

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Income tax receivables	預付所得稅	158	28
Prepayments, deposits and other receivables	預付賬款、按金及其他應收賬款	15,161	9,108
		<b>15,319</b>	<b>9,136</b>

Note:

Included in the Group's prepayments, deposits and other receivables as at 31 December 2020 was an aggregate amount of US\$5,082,000 (2019: US\$4,286,000) and US\$123,000 (2019: Nil) due from associate and related companies respectively. The balances are unsecured, interest-free and with no fixed terms of repayment.

附註：

本集團於二零二零年十二月三十一日之預付賬款、按金及其他應收賬款中，包含合計508.2萬美元(二零一九年：428.6萬美元)及12.3萬美元(二零一九年：無)分別為應收聯營公司及關連公司之款項。該等餘額均無抵押、免息及無固定還款期。

## 23 CASH AND BANK BALANCES AND OTHER CASH FLOW INFORMATION

## 23 現金及銀行存款及其他現金流資料

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Cash and bank balances other than time deposits	現金及銀行結存 (不包括定期存款)	15,568	17,076
Time deposits	定期存款	16,690	20,698
<b>Total cash and bank balances</b>	<b>現金及銀行存款總額</b>	<b>32,258</b>	<b>37,774</b>



## Notes to the Financial Statements

財務報表附註

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

**23 CASH AND BANK BALANCES AND OTHER CASH FLOW INFORMATION (continued)**

Notes:

(a) At 31 December 2020, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to RMB84,457,000 equivalent to US\$12,937,000 (2019: RMB118,769,000, equivalent to US\$17,056,000). RMB is not freely convertible into other currencies. However, under mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, the Group is permitted to exchange RMB into other currencies through banks authorised to conduct foreign exchange business.

(b) Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods depending on the cash requirement of the Group, and earn interest at the respective time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

(c) Reconciliation of liabilities arising from financing activities:

The table below sets out changes in the group’s liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flow were, or future cash flow will be, classified in the Group’s consolidated cash flow statement as cash flows from financing activities.

**23 現金及銀行存款及其他現金流資料 (續)**

附註：

(a) 於二零二零年十二月三十一日，本集團以人民幣計值的現金及銀行結餘為人民幣8,445.7萬元，相當於1,293.7萬美元（二零一九年：人民幣1億1,876.9萬元，相當於1,705.6萬美元）。人民幣並不能自由兌換成其他貨幣。然而，根據中國大陸外匯管制規定及結匯管理規定，本集團獲准透過獲授權進行外幣兌換業務的銀行把人民幣兌換成其他貨幣。

(b) 存放於銀行的現金按每日銀行浮動的存款率賺取利息。根據本集團對現金的需求，敘做期限不等的定期存款，並賺取按不同定期存款率計算之利息。銀行結餘存放於近期無拖欠記錄及信譽良好之銀行。

(c) 融資活動所產生的負債之調節表：

下表介紹了集團融資活動產生的負債變化，包括來自現金流量和非現金變化。融資活動所產生的負債為現金流量或未來現金流量將會在集團綜合現金流量表中分類為融資活動所產生的現金流量。

## Notes to the Financial Statements

財務報表附註

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

## 23 CASH AND BANK BALANCES AND OTHER CASH FLOW INFORMATION (continued)

## 23 現金及銀行存款及其他現金流資料 (續)

Notes: (continued)

附註：(續)

(c) Reconciliation of liabilities arising from financing activities:  
(continued)

(c) 融資活動所產生的負債之調節表：(續)

		Total bank borrowings 銀行借款總額 US\$'000 美元千元
At 1 January 2019	於二零一九年一月一日	11,631
<b>Changes from financing cash flow:</b>	<b>融資現金流量變動：</b>	
Proceeds from bank borrowings	銀行借款所得款項	6,548
Repayment of bank borrowings	償還銀行借款	(2,050)
<b>Total changes from financing cash flows</b>	<b>融資現金流量總變動</b>	<b>4,498</b>
Exchange realignment	匯兌調整	(178)
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	15,951
<b>Changes from financing cash flow:</b>	<b>融資現金流量變動：</b>	
Proceeds from bank borrowings	銀行借款所得款項	12,387
Repayment of bank borrowings	償還銀行借款	(9,093)
<b>Total changes from financing cash flows</b>	<b>融資現金流量總變動</b>	<b>3,294</b>
Exchange realignment	匯兌調整	1,257
At 31 December 2020	於二零二零年十二月三十一日	20,502

## Notes to the Financial Statements

財務報表附註

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

**24 TRADE PAYABLES**

An aging analysis of the Group's trade payables as at the end of the reporting period, based on the date of receipt of goods, is as follows:

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
60 days or below	60日或以下	7,200	4,517
61 to 180 days	61至180日	1,448	134
Over 180 days	多於180日	275	-
		8,923	4,651

**25 OTHER PAYABLES AND ACCRUALS**

Contract liabilities 合約負債  
Accruals 預提費用  
Other payables 其他應付賬款

		2,341	909
		5,346	3,834
		12,206	11,578
		19,893	16,321

As at 31 December 2020, the Group has contract liabilities of US\$2,341,000 (2019: US\$909,000), which represents the obligation to transfer goods to customers for which the consideration has been received.

During the year ended 31 December 2020, there was a decrease of US\$909,000 in the contract liabilities (2019: US\$1,256,000) as a result of recognising revenue and an increase in contract liabilities of US\$2,341,000 (2019: US\$909,000) was recognised as a result of deposits received prior to goods delivery.

**24 應付貿易賬款**

本集團於報告期末應付貿易賬款之賬齡分析(以收貨日期為基準)如下:

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
		7,200	4,517
		1,448	134
		275	-
		8,923	4,651

**25 其他應付賬款及預提費用**

Contract liabilities 合約負債  
Accruals 預提費用  
Other payables 其他應付賬款

於二零二零年十二月三十一日，本集團之合約負債為234.1萬美元(二零一九年：90.9萬美元)，指已收代價之向顧客轉移貨品責任。

於截至二零二零年十二月三十一日止年度內，由於確認收入而導致合約負債下跌90.9萬美元(二零一九年：125.6萬美元)及因送貨前預收訂金而導致合約負債增加234.1萬美元(二零一九年：90.9萬美元)。

## Notes to the Financial Statements

財務報表附註

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

## 26 BANK BORROWINGS

## 26 銀行借款

			2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
		Note 附註		
Bank loans, secured	有抵押銀行借款	(a)	15,064	13,079
Bank loans, unsecured	無抵押銀行借款		5,438	2,872
<b>Total bank borrowings</b>	<b>銀行借款總額</b>	<b>(c)</b>	<b>20,502</b>	<b>15,951</b>
<b>Analysed into amounts repayable:</b>	<b>償還金額分析為：</b>			
Within one year or on demand	一年內或按要求		11,333	9,012
In the second year	於第二年		3,409	3,045
In the third to fifth year	於第三至第五年		5,760	3,894
<b>Total bank borrowings</b>	<b>銀行借款總計</b>		<b>20,502</b>	<b>15,951</b>
Portion classified as current liabilities	分類為流動負債部份		(11,333)	(9,012)
<b>Non-current portion</b>	<b>非流動部份</b>		<b>9,169</b>	<b>6,939</b>

Notes:

附註：

- (a) At 31 December 2020, certain of the Group's property, plant and equipment of US\$5,668,000 (2019: US\$5,719,000) (note 14(a)) and land lease prepayments of US\$5,651,000 (2019: US\$5,242,000) (note 15) were pledged as security for bank borrowings of the Group.
- (b) All the bank borrowings of the Group were denominated in RMB.
- (c) As at 31 December 2020, none of the covenants relating to bank borrowings had been breached (2019: nil).

- (a) 於二零二零年十二月三十一日，本集團之若干物業、廠房及設備566.8萬美元(二零一九年：571.9萬美元)(附註14(a))及預付土地租賃費565.1萬美元(二零一九年：524.2萬美元)(附註15)已作為本集團銀行借款之抵押品。
- (b) 本集團之所有銀行借款均以人民幣作為單位。
- (c) 於二零二零年十二月三十一日概無違反任何有關銀行借款的契諾(二零一九年：無)。

## Notes to the Financial Statements

財務報表附註

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

**27 OTHER NON-CURRENT LIABILITIES****27 其他非流動負債**

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Non-current portion of deferred income	非流動部份的遞延收入	25,872	28,569

The deferred income of the Group as at 31 December 2020 and 2019 represent (i) the receipt from the government of US\$27,580,000 (2019: US\$25,850,000) for the relocation of the Group's certain production facilities netting with related relocation costs which will be recognised in profit or loss when certain conditions are fulfilled; and (ii) the government grants received and will be recognised in profit or loss on a straight-line basis over the expected useful lives of the relevant assets.

本集團於二零二零年及二零一九年十二月三十一日的遞延收入為(i)因搬遷若干本集團之生產設施而從政府獲得的款項為2,758.0萬美元及減去相關搬遷成本(二零一九年: 2,585.0萬美元),當若干條件被滿足,將計入損益,及(ii)已收政府補助及將按相關資產的估計可使用年期以直線法於損益確認。

**28 DEFERRED TAX****28 遞延稅項**

The components of the Group's deferred tax liabilities and their movements during the year are as follows:

於年內,本集團之遞延稅項負債之變動組成如下:

		Dividend withholding tax 股息扣繳稅額 US\$'000 美元千元	Others 其他 US\$'000 美元千元	Total 總額 US\$'000 美元千元
	Note 附註			
At 1 January 2019	於二零一九年一月一日	(3,296)	(559)	(3,855)
Deferred tax credited to profit or loss during the year	於二零一九年一月一日 年內於損益內計入之 遞延稅項	47	97	144
Exchange realignment	匯兌調整	(15)	(3)	(18)
At 31 December 2019	於二零一九年十二月三十一日	(3,264)	(465)	(3,729)
At 1 January 2020	於二零二零年一月一日	(3,264)	(465)	(3,729)
Deferred tax credited/ (charged) to profit or loss during the year	於二零二零年一月一日 年內於損益內計入/(扣除) 之遞延稅項	473	(58)	415
Exchange realignment	匯兌調整	(18)	(2)	(20)
At 31 December 2020	於二零二零年十二月三十一日	(2,809)	(525)	(3,334)

## Notes to the Financial Statements

財務報表附註

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

**28 DEFERRED TAX (continued)**

Notes:

- (a) Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. Any dividends distributable by the subsidiaries of the Group established in mainland China in respect of earnings generated from 1 January 2008 onwards is subject to withholding taxes.
- (b) At 31 December 2020, temporary differences unrecognised for deferred tax liabilities relating to the undistributed profits of subsidiaries amounted to US\$3,769,000 (2019: US\$2,340,000). Deferred tax liabilities of US\$376,000 (2019: US\$235,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as it is probable that profits will not be distributed in the foreseeable future.

**28 遞延稅項(續)**

附註：

- (a) 根據中國企業所得稅法，於中國大陸成立之海外投資企業分派股息予海外投資者時，須徵收股息10%之扣繳稅。此條文於二零零八年一月一日生效及應用於二零零七年十二月三十一日之後的利潤。本集團就中國大陸成立之附屬公司於二零零八年一月一日之後產生的利潤相關的任何可分派股息須繳交扣繳稅。
- (b) 於二零二零年十二月三十一日，有關附屬公司未分派利潤而又未被確認為遞延稅項的暫時差異為376.9萬美元(二零一九年：234.0萬美元)。37.6萬美元(二零一九年：23.5萬美元)之有關於分派該等未分配利潤時須繳付的稅項之遞延稅項債務未被確認，原因為於可見將來很可能不會分派該等溢利。

## Notes to the Financial Statements

財務報表附註

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

## 29 SHARE CAPITAL

## 29 股本

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
<b>Authorised</b>	<b>法定</b>		
<i>Ordinary shares:</i>	<i>普通股：</i>		
787,389,223 shares (2019: 787,389,223 shares) of US\$0.1 each	787,389,223股 (二零一九年：787,389,223股) 每股面值0.1美元	78,739	78,739
<i>Convertible preference shares:</i>	<i>可換股優先股：</i>		
12,610,777 shares (2019: 12,610,777 shares) of US\$0.1 each	12,610,777股 (二零一九年：12,610,777股) 每股面值0.1美元	1,261	1,261
		<b>80,000</b>	<b>80,000</b>
<b>Issued and fully paid</b>	<b>已發行及繳足</b>		
<i>Ordinary shares:</i>	<i>普通股：</i>		
240,718,310 shares (2019: 240,718,310 shares) of US\$0.1 each	240,718,310股 (二零一九年：240,718,310股) 每股面值0.1美元	24,072	24,072
<i>Convertible preference shares:</i>	<i>可換股優先股：</i>		
12,610,777 shares (2019: 12,610,777 shares) of US\$0.1 each	12,610,777股 (二零一九年：12,610,777股) 每股面值0.1美元	1,261	1,261
		<b>25,333</b>	<b>25,333</b>

There were no movements in the Company's issued ordinary shares and convertible preference shares during the years ended 31 December 2020 and 2019.

於截至二零二零及二零一九年十二月三十一日止年度內，本公司已發行普通股及可換股優先股概無變動。

## Notes to the Financial Statements

財務報表附註

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

## 29 SHARE CAPITAL (continued)

## 29 股本(續)

Notes:

附註:

The convertible preference shares are convertible into ordinary shares of the Company and are entitled to the same dividends that are declared for the ordinary shares. Convertible preference shares do not carry the right to vote in shareholders' meeting. Upon winding up, the Company's residual assets and funds are distributed to the members of the Company in the following priority:

可換股優先股可轉換成本公司普通股及可收取與普通股持有人同等之股息。可換股優先股於股東會議不設投票權。於清盤時，本公司股東按以下次序分配本公司餘下資產及資金：

- (i) in paying to the holders of the convertible preference shares, pari passu as between themselves by reference to the aggregate nominal amounts of the convertible preference shares held by them respectively, an amount equal to the aggregate of the distribution value (as defined in the bye-laws of the Company) of all the convertible preference shares held by them respectively;
- (ii) the balance of such assets shall be distributed on a pari passu basis among the holders of any class of shares in the capital of the Company other than the convertible preference shares and other than any shares which are not entitled to participate in such assets, by reference to the aggregate nominal amounts paid up on the shares held by them respectively; and
- (iii) the remaining balance of such assets shall belong to and be distributed on a pari passu basis among the holders of any class of shares including the convertible preference shares, other than any shares not entitled to participate in such assets, by reference to the aggregate nominal amounts of shares held by them respectively.

- (i) 向可換股優先股之持有人(彼等之間地位相等)參照彼等各自持有之可換股優先股面值總額支付相等於彼等各自持有之全部可換股優先股分派價值(於本公司細則中定義)總額之金額；
- (ii) 該等資產之結餘將按同等地位基準向本公司股本中任何類別股份(可換股優先股及無權參與分派該等資產之任何股份除外)之持有人(參照彼等各自持有之股份面值總額)予以分派；及
- (iii) 該等資產餘下之結餘將屬於並按同等地位基準向任何類別股份(包括可換股優先股但不包括無權參與分派該等資產之任何股份)之持有人(參照彼等各自持有之股份面值總額)予以分派。

The convertible preference shares shall be non-redeemable by the Company or the holders thereof.

本公司或持有人均不會對可換股優先股作出回購。



## Notes to the Financial Statements

財務報表附註

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

**30 RESERVES**

- (a) The amounts of the Group's reserves and the movements therein for the years ended 31 December 2020 and 2019 are presented in the consolidated statement of changes in equity.
- (b) The capital reserve mainly represents: (i) the amount of the equity interests acquired pursuant to a group reorganisation in 2015, and (ii) the deemed contribution arising from the transfer of equity interests in prior years.
- (c) The PRC reserve funds are reserves set aside in accordance with PRC Companies Law or the Law of the PRC on Joint Ventures Using Chinese and Foreign Investment. None of the Group's PRC reserve funds as at 31 December 2020 and 2019 were distributable in the form of cash dividends.
- (d) The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2.4(o).

**30 儲備**

- (a) 本集團之儲備於截至二零二零及二零一九年十二月三十一日止年度之金額及變動列示於綜合權益變動表內。
- (b) 資本儲備主要指：(i)於二零一五年根據集團重組收購的股權，及(ii)往年源自轉讓股權的視作注資。
- (c) 中國儲備基金為根據中國公司法及中國中外合資經營企業法撥出的儲備。本集團於二零二零年及二零一九年十二月三十一日之中國儲備金均不能以現金股息之方式分派。
- (d) 外匯波動儲備包括換算海外業務之財務報表所產生的所有匯兌差額。儲備乃根據附註2.4(o)所載的會計政策處理。

## Notes to the Financial Statements

財務報表附註

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

## 31 CAPITAL COMMITMENTS

## 31 資本承擔

(a) The Group had the following capital commitments as at the end of the reporting period:

(a) 本集團於報告期末之資本承擔如下：

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Contracted, but not provided for:	已簽約，但尚未作出撥備：		
Property, plant and machinery	物業、廠房及機器	13,088	19,510

(b) The Group's share of capital commitments of the joint ventures is as follows:

(b) 本集團應佔合營企業之資本承擔如下：

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Contracted, but not provided for	已簽約，但尚未作出撥備	258	1,022

## 32 RELATED PARTY TRANSACTIONS

## 32 關連交易

## (a) Transactions with related parties

(a) 與關連人士的交易

The Group had the following transactions with related parties during the year:

本集團於年內與關連人士有以下交易：

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
Sales of goods to:	銷售產品予：		
C. P. Pokphand Co., Ltd. and its subsidiaries ("CPP Group")*	卜蜂國際有限公司及其附屬公司(「卜蜂集團」)*	4,852	3,006
High Orient Enterprises Limited and its related entities, excluding CPP Group#	High Orient Enterprises Limited 及其關連企業，不包括卜蜂集團#	8,461	2,829
Other related entities with same shareholders as CPG	與CPG有相同股東之其他關連企業	308	202

## Notes to the Financial Statements

財務報表附註

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

**32 RELATED PARTY TRANSACTIONS  
(continued)****(a) Transactions with related parties (continued)***Note:*

Prices of goods sold to related parties were determined with reference to the cost of raw materials, other value added, reasonable profit margins, market demand for goods and competitive prices offered by independent third-party suppliers of similar products. The procedures for determining the prices of goods sold to related parties are the same as those used for determining the prices of goods supplied to independent third party customers. Selling prices to related parties shall be no more favourable than those made available to the Group's customers which are independent third parties.

# These related party transactions also constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules.

**(b) Outstanding balances with related parties**

Details of the Group's balances with joint venture, associate and related companies included in trade and bills receivables, prepayments, deposits and other receivables are disclosed in notes 21 and 22, respectively.

**(c) Compensation of key management personnel who are also directors of the Group****32 關連交易 (續)****(a) 與關連人士的交易 (續)***附註：*

向關連人士銷售的產品售價乃按原材料成本、其他增值、合理的利潤率、市場對該產品之需求及由獨立第三方供應商提供類似產品的市場競爭價格而釐定。釐定向關連人士銷售的產品價格的程序與釐定向獨立第三方客戶供應的產品價格所用者一致。向關連人士銷售之價格將不遜於本集團給予獨立第三方客戶之價格。

# 該等關連人士交易也構成上市規則第14A章內定義之持續關連交易。

**(b) 與關連人士之間未清賬**

有關包括於應收貿易賬款及應收票據、預付賬款、按金及其他應收賬款之本集團與合營企業、聯營公司及關連公司之間的餘額已分別披露於附註21及22。

**(c) 集團主要管理人員 (亦為董事) 之酬金**

		2020	2019
		二零二零年	二零一九年
		US\$'000	US\$'000
		美元千元	美元千元
Short term employee benefits	短期僱員福利	1,001	932

## Notes to the Financial Statements

財務報表附註

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

**33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES****33 財務風險管理方針及政策**

The Group has exposed to the following risks:

本集團面對以下風險：

**(a) Interest rate risk****(a) 息率風險**

The Group's exposure to interest rate risk relates primarily to the Group's debt obligations. The Group does not use derivative financial instruments to hedge its interest rate risk. The Group's exposure to market risk arising from changes in interest rates in respect of cash and cash equivalents is considered relatively minimal.

本集團面對息率風險，主要源於本集團之債務責任。本集團並無使用衍生金融工具對沖其息率風險責任。本集團因息率變動而引致現金及現金等價物之市場風險變動相對輕微。

The following table sets out the carrying amounts of the Group's bank borrowings as at the end of the reporting period that are exposed to interest rate risk:

本集團於報告期末面對利息風險之銀行借款的賬面值表列如下：

		2020		2019	
		二零二零年		二零一九年	
		Carrying amount	Effective interest rate	Carrying amount	Effective interest rate
		賬面值	實際利率	賬面值	實際利率
		US\$'000	%	US\$'000	%
		美元千元		美元千元	
Fixed rate	固定利率按以下				
denominated in:	貨幣為單位：				
RMB	人民幣	7,661	3.92	2,872	4.35
Floating rate	浮動利率按以下				
denominated in:	貨幣為單位：				
RMB	人民幣	12,841	5.27	13,079	5.42

## Notes to the Financial Statements

財務報表附註

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**33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****(a) Interest rate risk (continued)**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, through the impact on floating rate bank borrowings, of the Group's profit after tax and equity (with all other variables held constant):

		2020 二零二零年	2019 二零一九年
		Increase/ (decrease) in profit after tax and equity 除稅後溢利 及權益增加/ (減少) US\$'000 美元千元	Increase/ (decrease) in profit after tax and equity 除稅後溢利 及權益增加/ (減少) US\$'000 美元千元
Increase by 100 basis points	增加100基點	-	-
Decrease by 100 basis points	減少100基點	-	-

**(b) Credit risk**

The Group places its cash deposits with a number of major banks. This cash management policy limits the Group's exposure to concentration of credit risk. Impairment on cash and cash equivalents has been measured on 12-month ECLs. The Group considers that its cash and cash equivalents have minimal credit risk based on the external credit ratings of the counterparties (i.e. banks and financial institutions where cash and cash equivalents are placed).

**33 財務風險管理方針及政策(續)****(a) 息率風險(續)**

下表說明浮動利率銀行貸款在合理利率變動下，本集團的稅後利潤及權益的敏感性(其他變數不變)：

**(b) 信貸風險**

本集團於數家主要銀行存放其現金存款。此項現金管理政策減低了本集團信貸集中之風險。現金及現金等價物的減值按12個月的預期信貸虧損計量。基於存放現金及現金等價物的銀行和金融機構的外部信貸評級，本集團認為其現金及現金等價物的信用風險較低。

## Notes to the Financial Statements

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

**33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****33 財務風險管理方針及政策 (續)****(b) Credit risk (continued)**

The credit risk associated with trade receivables is considered relatively minimal due to the Group's large customer base and its geographical dispersion. The Group performs ongoing credit evaluations of its customers' financial conditions. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which, except for amounts due from customers with known financial difficulties or significant doubt on collection that are assessed individually, is calculated using a provision matrix. Accordingly, the Group recognised credit loss allowance of US\$165,000 for several customers with significant doubt on collection that is individually impaired for the year ended 31 December 2020 (2019: Nil). As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. The Group assessed that there is no significant loss allowance recognised in accordance with IFRS 9 as at 31 December 2020 and 2019 and no ECL rate has therefore been disclosed.

The Group considered that the entire trade receivable balances have the same credit risk exposure. The expected loss rates are based on actual loss experience over the past five years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

**(b) 信貸風險 (續)**

本集團擁有龐大客戶群及其業務遍佈於不同地區，有關應收賬項之信貸風險也相對地減低。本集團持續評估其客戶的財務狀況。倘有客觀證據證明資產出現減值，估計不可收回金額的適當撥備於損益確認。已確認撥備按資產賬面值與首次確認時計算之實際利率貼現之估計未來現金流量現值兩者的差額計算。

除對有已知財務困難或對收款有重大疑問的客戶欠款應作單獨評估外，本集團以撥備矩陣計算相等於全期預期信貸虧損金額以計量應收賬款虧損撥備。因此，截止至二零二零年十二月三十一日止年度，本集團為個別受損的收款存在重大疑問的若干客戶確認165,000美元的信貸損失準備(二零一九年：無)。由於本集團歷史信貸虧損經驗並無顯示不同客戶分類之虧損模式有重大不同，故此基於逾期狀況之虧損撥備並無進一步區分本集團不同客戶群。於二零二零年及二零一九年十二月三十一日，根據國際財務報告準則第9號，經本集團評估，並無確認重大虧損撥備，因此並無披露預計信貸虧損率。

本集團認為整體應收賬款餘額承受之信貸風險相等。預計信貸虧損率乃基於過去五年之實際損失經驗。該虧損率會因應歷史數據收集時的經濟狀況、現時的經濟狀況及本集團於應收賬款全期對經濟狀況的看法而調整。

## Notes to the Financial Statements

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

**33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****(c) Foreign currency risk**

RMB is not freely convertible into foreign currencies. All foreign exchange transactions are conducted with reference to the exchange rates quoted by the People's Bank of China. Payments for imported materials and remittance of earnings out of mainland China are subject to the availability of foreign currencies.

Export sales of the Group are conducted primarily in US\$. For certain subsidiaries, joint venture and associate, funds denominated in RMB may have to be, and from time to time are, converted into US\$ or other foreign currencies for the purchase of imported materials and equipment.

Should RMB appreciate/depreciate against US\$, it may reduce/increase the foreign currency equivalent of such earnings available for distribution by these subsidiaries, joint venture and associate of the Company.

The following table demonstrates the sensitivity at the end of the reporting period to a possible change in RMB exchange rates, with all other variables held constant, of the Group's profit before tax and equity (due to changes in the fair value of monetary assets and liabilities of the Group's foreign subsidiaries). The analysis excludes differences that would result from the translation of the financial statement of foreign operations into the Group's presentation currency.

		Appreciation/ (depreciation) in RMB 人民幣升值/ (貶值)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) US\$'000 美元千元	Increase/ (decrease) in equity 權益增加/ (減少) US\$'000 美元千元
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度			
If US\$ weakens against RMB	倘美元較人民幣貶值	3%	(388)	(330)
If US\$ strengthens against RMB	倘美元較人民幣升值	(3%)	388	330
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度			
If US\$ weakens against RMB	倘美元較人民幣貶值	3%	(533)	(453)
If US\$ strengthens against RMB	倘美元較人民幣升值	(3%)	533	453

**33 財務風險管理方針及政策(續)****(c) 外匯風險**

人民幣不能自由兌換成外幣。所有外匯交易都分別參考中國人民銀行所報的匯率進行。中國地區外的進口原材料的付款和收入匯款項都受可動用的外幣限制。

本集團主要以美元作出口銷售。若干附屬公司、合營企業和聯營公司，需不時以人民幣兌換為美元或其他外幣以購買進口材料及設備。

倘若人民幣較美元升值/貶值，它可能會減少/增加本公司的附屬公司、合營企業及聯營公司的外幣等值收益。

下表顯示在其他變數維持不變的情況下，本集團之除稅前溢利及權益(因本集團的國外附屬公司之貨幣資產及負債之公允值變動)於報告期末對人民幣匯率可能發生之變動之敏感程度。該等分析不包括換算外地業務財務報表至本集團之列報貨幣時可能產生的差異。

## Notes to the Financial Statements

財務報表附註

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

**33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****33 財務風險管理方針及政策(續)****(d) Liquidity risk**

The Group's objective is to maintain a balance between funding continuity and flexibility through the use of various types of bank borrowings.

The Group monitors current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and bank facilities to meet its liquidity requirements.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

At 31 December 2020

		Within 1 year or on demand 按要求或 少於一年 US\$'000 美元千元	1 to 5 years 一至五年 US\$'000 美元千元	Total 總額 US\$'000 美元千元
Trade payables	應付貿易賬款	8,923	-	8,923
Other payables and accruals	其他應付賬款及預提費用	17,552	-	17,552
Bank borrowings	銀行借款	11,333	9,169	20,502
Estimated interests on bank borrowings	估計銀行借款利息	459	1,821	2,280
		<b>38,267</b>	<b>10,990</b>	<b>49,257</b>

**(d) 流動資金風險**

本集團的目的乃透過利用各種類型的銀行借款，維持資金延續性與靈活性之間的平衡。

本集團監察現時及預期之流動資金需求以確保維持足夠現金儲備及銀行信貸以應付其流動資金需求。

下表概述於報告期末之到期日，本集團根據合約性未貼現款項的財務負債：

於二零二零年十二月三十一日



## Notes to the Financial Statements

財務報表附註

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

**33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****(d) Liquidity risk (continued)**

At 31 December 2019

		Within 1 year or on demand 按 要 求 或 少 於 一 年 US\$'000 美 元 千 元	1 to 5 years 一 至 五 年 US\$'000 美 元 千 元	Total 總 額 US\$'000 美 元 千 元
Trade payables	應付貿易賬款	4,651	–	4,651
Other payables and accruals	其他應付賬款及預提費用	15,412	–	15,412
Bank borrowings	銀行借款	9,012	6,939	15,951
Estimated interests on bank borrowings	估計銀行借款利息	807	1,827	2,634
		29,882	8,766	38,648

**(e) Capital management**

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements.

**33 財務風險管理方針及政策(續)****(d) 流動資金風險(續)**

於二零一九年十二月三十一日

		Within 1 year or on demand 按 要 求 或 少 於 一 年 US\$'000 美 元 千 元	1 to 5 years 一 至 五 年 US\$'000 美 元 千 元	Total 總 額 US\$'000 美 元 千 元
Trade payables	應付貿易賬款	4,651	–	4,651
Other payables and accruals	其他應付賬款及預提費用	15,412	–	15,412
Bank borrowings	銀行借款	9,012	6,939	15,951
Estimated interests on bank borrowings	估計銀行借款利息	807	1,827	2,634
		29,882	8,766	38,648

**(e) 資本管理**

本集團管理資本的主要目的為保障本集團能持續經營，並保持健康資本比率以支持其業務及令其股東價值最大化。

本集團按照經濟狀況的變動管理資本架構，並作出適當調整。為了維持或調整資本架構，本集團可能會調整支付予股東的股息金額或發行新股份。本集團概無任何外部施加之資本需求。

## Notes to the Financial Statements

財務報表附註

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

## 34 STATEMENT OF FINANCIAL POSITION OF THE COMPANY 34 本公司的財務狀況表

		2020 二零二零年 US\$'000 美元千元	2019 二零一九年 US\$'000 美元千元
<b>NON-CURRENT ASSET</b>	<b>非流動資產</b>		
Interests in subsidiaries	於附屬公司的權益	27,218	25,924
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Prepayments, deposits and other receivables	預付賬款、按金及其他應收賬款	244	48
Cash and cash equivalents	現金及現金等價物	15,573	18,247
<b>Total current assets</b>	<b>總流動資產</b>	15,817	18,295
<b>CURRENT LIABILITY</b>	<b>流動負債</b>		
Other payables and accruals	其他應付賬款及預提費用	391	203
<b>NET CURRENT ASSETS</b>	<b>淨流動資產</b>	15,426	18,092
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>	42,644	44,016
<b>NON-CURRENT LIABILITY</b>	<b>非流動負債</b>		
Other non-current liability	其他非流動負債	36	30
<b>NET ASSETS</b>	<b>資產淨值</b>	42,608	43,986
<b>EQUITY</b>	<b>權益</b>		
Issued Capital	已發行股本	25,333	25,333
Reserves (note)	儲備(附註)	17,275	18,653
<b>TOTAL EQUITY</b>	<b>權益總額</b>	42,608	43,986

## Notes to the Financial Statements

財務報表附註

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

**34 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)** 34 本公司的財務狀況表(續)

Note:

A summary of the Company's reserves is as follows:

附註：

本公司之儲備摘要如下：

		Retained profits	Exchange fluctuation reserve	Total
		未分配利潤	外匯波動儲備	總額
		US\$'000	US\$'000	US\$'000
		美元千元	美元千元	美元千元
At 1 January 2019	於二零一九年一月一日	15,694	27	15,721
Profit for the year	本年溢利	2,932	-	2,932
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	18,626	27	18,653
Loss for the year	本年虧損	(1,378)	-	(1,378)
At 31 December 2020	於二零二零年十二月三十一日	17,248	27	17,275

# Corporate Information

## 公司資料

### Chairman and Non-executive Director

Mr. Soopakij Chearavanont

### Executive Directors

Mr. Thirayut Phityaisarakul

(Chief Executive Officer (Biochemical Division))

Mr. Thanakorn Seriburi

(Chief Executive Officer (Industrial Division))

Mr. Nopadol Chiaravanont

Mr. Chawalit Na Muangtoun

### Non-executive Director

Mr. Yoichi Ikezoe

### Independent Non-executive Directors

Mr. Surasak Rounroengrom

Mr. Cheng Yuk Wo

Mr. Edward Ko Ming Tung

### Audit Committee

Mr. Cheng Yuk Wo (Chairman)

Mr. Surasak Rounroengrom

Mr. Edward Ko Ming Tung

### Remuneration Committee

Mr. Cheng Yuk Wo (Chairman)

Mr. Thanakorn Seriburi

Mr. Surasak Rounroengrom

Mr. Edward Ko Ming Tung

### Nomination Committee

Mr. Soopakij Chearavanont (Chairman)

Mr. Surasak Rounroengrom

Mr. Cheng Yuk Wo

### Corporate Governance Committee

Mr. Edward Ko Ming Tung (Chairman)

Mr. Nopadol Chiaravanont

Mr. Chawalit Na Muangtoun

### Company Secretary

Ms. Ng Mei Wah

### 董事長及非執行董事

謝吉人先生

### 執行董事

李紹慶先生

(行政總裁(生化業務))

李紹祝先生

(行政總裁(工業業務))

謝杰人先生

馬德壽先生

### 非執行董事

池添洋一先生

### 獨立非執行董事

Surasak Rounroengrom先生

鄭毓和先生

高明東先生

### 審核委員會

鄭毓和先生(主席)

Surasak Rounroengrom先生

高明東先生

### 薪酬委員會

鄭毓和先生(主席)

李紹祝先生

Surasak Rounroengrom先生

高明東先生

### 提名委員會

謝吉人先生(主席)

Surasak Rounroengrom先生

鄭毓和先生

### 企業管治委員會

高明東先生(主席)

謝杰人先生

馬德壽先生

### 公司秘書

吳美華女士

**Corporate Information**

公司資料

**Registered Office**

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM 10  
Bermuda

**註冊辦事處**

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM 10  
Bermuda

**Principal Place of Business**

21st Floor, Far East Finance Centre  
16 Harcourt Road, Hong Kong

**主要營業地點**

香港夏慤道16號  
遠東金融中心21樓

**Auditor**

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

**核數師**

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

**Principal Bankers**

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

**主要往來銀行**

中國銀行  
交通銀行  
興業銀行

**Share Registrars**

*Hong Kong*  
Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East, Wanchai, Hong Kong

**股份過戶登記處**

*香港*  
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號舖

*Bermuda*

Ocorian Management (Bermuda) Limited  
Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM 10  
Bermuda

*百慕達*

Ocorian Management (Bermuda) Limited  
Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM 10  
Bermuda

**Share Listing**

The Stock Exchange of Hong Kong Limited  
Stock Code: 3839

**股份上市地點**

香港聯合交易所有限公司  
股份代號：3839

**Website**

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

**公司網站**

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



Chia Tai Enterprises International Limited  
正大企業國際有限公司