

Brilliant Circle Holdings International Limited 貴聯控股國際有限公司

Incorporated in the Cayman Islands with limited liability
於開曼群島註冊成立之有限公司
Stock Code 股份代號： 1008



ANNUAL REPORT
年報 **2020**

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Corporate information

公司資料

DIRECTORS

Executive Directors

Mr. Chen Xiao Liang
(re-designated as Chairman on 31 March 2020)
Mr. Qin Song (*Vice-Chairman and Chief Executive Officer*)
Mr. Huang Wanru
(appointed on 31 March 2020)
Ms. Zheng Jinghui
(appointed on 31 March 2020)

Non-Executive Director

Ms. Li Li

Independent Non-Executive Directors

Mr. Lam Ying Hung, Andy
Mr. Lui Tin Nang
Mr. Siu Man Ho, Simon

COMPANY SECRETARY

Mr. Chan Chung Kik Lewis
(appointed on 1 September 2020)

AUDIT COMMITTEE

Mr. Lui Tin Nang (*chairman of the audit committee*)
Ms. Li Li
Mr. Lam Ying Hung, Andy
Mr. Siu Man Ho, Simon

REMUNERATION COMMITTEE

Mr. Lam Ying Hung, Andy
(*chairman of the remuneration committee*)
Mr. Huang Wanru
(appointed on 31 March 2020)
Ms. Li Li
Mr. Lui Tin Nang
Mr. Siu Man Ho, Simon

董事

執行董事

陳校良先生
(於二零二零年三月三十一日調任主席)
欽松先生 (*副主席兼行政總裁*)
黃萬如先生
(於二零二零年三月三十一日獲委任)
鄭靜慧女士
(於二零二零年三月三十一日獲委任)

非執行董事

李莉女士

獨立非執行董事

林英鴻先生
呂天能先生
蕭文豪先生

公司秘書

陳仲戟先生
(於二零二零年九月一日獲委任)

審核委員會

呂天能先生 (*審核委員會主席*)
李莉女士
林英鴻先生
蕭文豪先生

薪酬委員會

林英鴻先生
(*薪酬委員會主席*)
黃萬如先生
(於二零二零年三月三十一日獲委任)
李莉女士
呂天能先生
蕭文豪先生

Corporate information

公司資料

NOMINATION COMMITTEE

Mr. Siu Man Ho, Simon
(chairman of the nomination committee)
Mr. Lam Ying Hung, Andy
Ms. Li Li
Mr. Lui Tin Nang
Mr. Qin Song

AUTHORISED REPRESENTATIVES

Mr. Huang Wanru
(appointed on 31 March 2020)
Mr. Chan Chung Kik Lewis
(appointed on 1 September 2020)

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

Hang Seng Bank Limited
Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
China Construction Bank (Asia) Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Royal Bank House
3rd Floor, 24 Shedden Road
P. O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE

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

提名委員會

蕭文豪先生
(提名委員會主席)
林英鴻先生
李莉女士
呂天能先生
欽松先生

授權代表

黃萬如先生
(於二零二零年三月三十一日獲委任)
陳仲戟先生
(於二零二零年九月一日獲委任)

核數師

德勤•關黃陳方會計師行
註冊公眾利益實體核數師

主要往來銀行

恒生銀行有限公司
中國銀行(香港)有限公司
香港上海滙豐銀行有限公司
中國建設銀行(亞洲)股份有限公司

股份過戶及登記總處

Suntera (Cayman) Limited
Royal Bank House
3rd Floor, 24 Shedden Road
P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心 54 樓

註冊辦事處

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

Corporate information

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1201A, 12/F
Capital Centre
151 Gloucester Road
Wanchai
Hong Kong

CORPORATE WEBSITE

www.bcghk.cn

STOCK CODE

1008

LISTING DATE

30 March 2009

總部及香港主要營業地點

香港
灣仔
告士打道151號
資本中心
12樓1201A室

公司網站

www.bcghk.cn

股份代號

1008

上市日期

二零零九年三月三十日

Chairman's statement

主席報告書

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Brilliant Circle Holdings International Limited (the “**Company**”) and its subsidiaries (together the “**Group**”), I am pleased to present to you the annual results of the Group for the year ended 31 December 2020.

BUSINESS REVIEW

The year 2020 was an extraordinary year in Chinese history. Facing the severe and complicated domestic and international environment, especially the severe impact of the Novel Coronavirus (COVID-19), all departments in all regions have put the safety of the people as top priority, on the general keynote of seeking progress while maintaining stability, and on coordinating the work of epidemic prevention and control with economic and social development. Coupled with increased macro policy countermeasures, significant strategic results have been achieved in the prevention and control of the epidemic. The main objectives of economic and social development have been accomplished and the results achieved were better than expected. Finally, China achieved growth of 2.3%, which is well below the 6% or higher growth rate that has prevailed in recent years, but by far the best performance among major global economies.

本人謹代表貴聯控股國際有限公司(「本公司」)及其附屬公司(統稱「本集團」)的董事(「董事」)會(「董事會」)欣然向閣下呈報本集團截至二零二零年十二月三十一日止年度的業績。

業務回顧

二零二零年是中國歷史上極不平凡的一年，面對嚴峻複雜的國內外環境，特別是新冠肺炎疫情的嚴重衝擊，各地區各部門堅持人民至上、生命至上，堅持穩中求進工作總基調，堅持統籌疫情防控和經濟社會發展工作，加大宏觀政策的對衝力度，疫情防控工作取得重大戰略成果，經濟社會發展主要的目標任務已經完成，並且完成的情況是好於預期的。中國最終實現了2.3%的增長，遠低於近年來普遍的6%或更高增速，但卻是迄今為止全球主要經濟體中表現最好的。

Chairman's statement

主席報告書

In 2020, China's cigarette production increased by 1.26% year-on-year, representing the highest rate of production growth in nearly five years, and cigarette sales in China increased by 0.48% year-on-year, representing the highest volume growth in nearly three years. In general, it can be seen that the tobacco industry's production and sales volumes continued to grow steadily, and the economic performance of the tobacco industry will be generally positive with the further implementation of national policies. On the other hand, the domestic environmental protection policy has become more stringent in recent years, the increase in the prices of raw materials such as paper, the tightening of tobacco control policies, the supply-side reform of the tobacco industry, tendering and the continuous efforts of customers to reduce costs and increase efficiency and restructuring have also put certain pressure on the Group's operations. Fierce competition in the industry remains inevitable and will be further characterised by price wars, which was particularly evident in 2020. Facing the severe competitive environment in the industry, the Group has adopted a series of measures, including strengthening production cost control, improving production efficiency, enhancing inventory management, stepping up collection efforts on accounts receivable and controlling capital costs, to cope with further price reductions and intensified competition brought about by tenders, as well as the impact of rising raw material prices.

Tender prices have fallen amidst a continuing trend of cost reduction and efficiency gains by our subscribers resulting in lower sales volumes for the Group. The Group's total revenue decreased by 10.5% from approximately HK\$1,495.8 million in 2019 to approximately HK\$1,339.4 million in 2020. As a result of the above cost reduction and efficiency measures, the gross profit margin in 2020 only slightly decreased by 3.4% to 19.8% compared to the same period last year.

於二零二零年，中國捲煙產量同比增幅1.26%，產量增長規模創近五年來的最高點；中國捲煙銷量同比增幅0.48%，銷量增長規模創近三年最高點。整體可見，煙草行業產銷量繼續保持平穩增長，隨著國家政策的進一步落實，煙草行業將會經濟運行狀態整體向好。另一方面，近年來國內環保政策趨嚴、紙張等原材料價格上漲，控煙政策趨嚴，煙草行業供給側改革、招投標、客戶持續推進降本增效、結構調整等也給本集團帶來了一定的經營壓力。行業的殘酷競爭仍然不可避免，打價格戰的特點會進一步明顯，在二零二零年我們感受的尤為明顯。面對嚴峻的行業競爭環境，本集團採取了一系列的措施，包括加強生產成本控制、提高生產效率、加強存貨管理、加大應收帳款催收力度及控制資金成本等，以應對招投標帶來的進一步降價及競爭加劇，以及原材料價格上漲的影響。

在下游客戶持續降本增效的趨勢下，招標價格有所下降，導致本集團的銷售量，本集團的總收益，由二零一九年的約1,495,800,000港元下降10.5%至二零二零年的約1,339,400,000港元。通過上述的降本增效措施，二零二零年的毛利率只比去年同期輕微下跌3.4%至19.8%。

Chairman's statement

主席報告書

During the period under review, Shenzhen Kecai Printing Co., Limited (“Kecai”), an indirect wholly-owned subsidiary of the Company established in the People’s Republic of China, has not successfully bid its tender for 2021 and 2022 orders from one of its major customers in Sichuan Province. This customer was one of the Group’s five largest customers in 2020. The failure to successfully bid for the tender may have an adverse impact on the overall revenue and profitability of the Group for the coming years. The Group recognised an impairment loss on goodwill of Kecai of approximately HK\$173.0 million for the year ended 31 December 2020 as its recoverable amount was less than the carry value. Details of the impairment loss recognised for goodwill are set out in note 20 to the consolidated financial statements.

EARNINGS AND DIVIDEND

Profit attributable to owners of the Company decreased by 94.9% from approximately HK\$175.9 million in 2019 to approximately HK\$8.9 million in 2020, mainly due to the recognition of impairment of goodwill of HK\$176.0 million in total. Basic earnings per share was approximately HK0.6 cents (2019: approximately HK11.2 cents).

The Board recommended the payment of a final dividend for the year ended 31 December 2020 of HK10 cents (2019: HK19.13 cents) per share. Subject to the approval of the shareholders at the forthcoming annual general meeting of the Company (the “AGM”), the proposed final dividend will be payable on or about 5 July 2021 to shareholders whose names appear on the register of members of the Company on 25 June 2021.

PROSPECTS

In 2020, the tobacco industry adhered to the general keynote of “seeking progress while maintaining stability” to provide a strong guarantee for continued growth in 2021. We believe that the tobacco industry will remain stable in the long term, as its steady development is of great importance to the country’s revenue generation. In 2021, the Group will steadfastly increase its development in the tobacco industry and always make cigarette packaging the solid foundation of the Group’s development. In addition to increasing tenders, we will also actively expand into other packaging markets. The Group will also continue to reduce the pressure of declining gross profit through cost reduction and efficiency enhancement and resource consolidation measures.

於回顧期內，深圳市科彩印務有限公司（「科彩」），本公司在中華人民共和國成立的間接全資間接附屬公司）未能成功投得其位於四川省一名主要客戶於二零二一年及二零二二年的訂單投標，該客戶是集團二零二零年五大客戶之一。未能成功投得該投標對本集團未來數年的整體收益及盈利能力造成不利影響。截至二零二零年十二月三十一日止年度，本集團確認科彩的商譽減值虧損約173,000,000港元，原因為其可收回金額少於賬面值。就商譽已確認之減值虧損詳情載於綜合財務報表附註20。

盈利及股息

本公司擁有人應佔溢利由二零一九年的約175,900,000港元減少94.9%至二零二零年的約8,900,000港元，主要是由於確認商譽減值合共176,000,000港元所致。每股基本盈利約為0.6港仙（二零一九年：約為11.2港仙）。

董事會建議就截至二零二零年十二月三十一日止年度派付末期股息每股10港仙（二零一九年：19.13港仙）。待股東於本公司應屆股東週年大會（「股東週年大會」）上批准後，建議末期股息將於二零二一年七月五日或前後派付予於二零二一年六月二十五日名列本公司股東名冊的股東。

前景

二零二零年，煙草行業堅持穩中求進工作總基調為二零二一年繼續增長提供堅強保障。煙草行業的平穩發展對國家財政增收意義重大，因此我們認為煙草行業將長期保持平穩。二零二一年，本集團將堅定不移的加大在煙草行業的發展，始終把香煙包裝作為集團發展的堅實基礎。在加大招投標，同時會積極拓展其他包裝的市場。本集團亦會繼續通過降本增效及資源整合等措施來減低毛利下跌的壓力。

Chairman's statement

主席報告書

APPRECIATION

On behalf of the Group, I would also like to take this opportunity to express my sincere gratitude to all the staff of the Group for their efforts and contributions, and all our shareholders and partners for their support.

Chen Xiao Liang

Chairman

30 March 2021

致謝

本人亦謹藉此機會代表董事會衷心感謝本集團全體員工的努力及貢獻，感謝所有股東及合作夥伴的支持。

陳校良

主席

二零二一年三月三十日

Management discussion and analysis

管理層討論及分析

REVENUE

The Group recorded a total revenue of approximately HK\$1,339.4 million in 2020, representing a decrease of 10.5% as compared to approximately HK\$1,495.8 million in 2019. The revenue was generated from three business segments: (i) the printing and manufacturing of cigarette packages and related materials of approximately HK\$1,227.7 million (2019: HK\$1,366.7 million), (ii) manufacturing of laminated papers of approximately HK\$35.5 million (2019: HK\$42.0 million), and (iii) sales of RFID products of approximately HK\$76.2 million (2019: HK\$87.1 million). The revenue from the printing and manufacturing of cigarette packages and related materials segment accounted for approximately 91.7% of the total revenue for 2020 (2019: 91.4%). The decrease in total revenue is mainly due to decrease in sales volume of cigarette package, which was partially offset by slight increase in average selling price resulted from sales of products with higher profit margin.

GROSS PROFIT

Gross profit decreased by 23.6% from approximately HK\$347.7 million for the year ended 31 December 2019 to approximately HK\$265.8 million for the year ended 31 December 2020, primarily reflecting a decrease in revenue. As a result of the cost reduction and efficiency measures implemented during the year under review, the gross profit margin only slightly decreased by 3.4% from 23.2% for the year ended 31 December 2019 to 19.8% for the year ended 31 December 2020.

OTHER INCOME

Other income increased by 40.3% from approximately HK\$33.4 million for the year ended 31 December 2019 to approximately HK\$47.0 million for the year ended 31 December 2020 due to the increase in government grant of approximately HK\$7.5 million and interest income on bank deposits of approximately HK\$2.9 million.

收益

於二零二零年，本集團錄得總收益約為1,339,400,000港元，較二零一九年約1,495,800,000港元減少10.5%。收益產生自三個業務分部：(i)印刷及製造香煙包裝及相關材料業務分部約為1,227,700,000港元（二零一九年：1,366,700,000港元），(ii)製造複合紙業務分部約為35,500,000港元（二零一九年：42,000,000港元），及(iii)銷售射頻識別產品業務分部約為76,200,000港元（二零一九年：87,100,000港元）。印刷及製造香煙包裝及相關材料業務分部的收益佔二零二零年總收益約91.7%（二零一九年：91.4%）。總收益減少主要由於香煙包裝的銷售量下降，惟因銷售利潤率較高的產品導致平均售價微升而局部抵銷。

毛利

毛利由截至二零一九年十二月三十一日止年度約347,700,000港元減少23.6%至截至二零二零年十二月三十一日止年度約265,800,000港元，主要反映收益減少。由於回顧年度實施降低成本及提高效率的措施，毛利率僅由截至二零一九年十二月三十一日止年度的23.2%輕微減少3.4%至截至二零二零年十二月三十一日止年度的19.8%。

其他收入

其他收入由截至二零一九年十二月三十一日止年度約33,400,000港元增加40.3%至截至二零二零年十二月三十一日止年度約47,000,000港元，乃由於增加政府補助金約7,500,000港元及銀行存款的利息收入約2,900,000港元。

Management discussion and analysis

管理層討論及分析

OTHER GAINS AND LOSSES

Other losses increased by 622.9% from approximately HK\$24.0 million for the year ended 31 December 2019 to approximately HK\$173.8 million for the year ended 31 December 2020 was mainly attributable to the increase in impairment losses on goodwill by approximately HK\$161.0 million to HK\$176.0 million of which approximately HK\$173.0 million was recognized for Kecai as its recoverable amount was less than the carry value as at 31 December 2020.

SELLING AND DISTRIBUTION EXPENSES

The selling and distribution expenses decreased by 27.7% from approximately HK\$57.0 million for the year ended 31 December 2019 to approximately HK\$41.2 million for the year ended 31 December 2020 which was primarily attributable to less marketing expenses having been spent on promoting services to the cigarette packages customers during the year.

ADMINISTRATIVE EXPENSES AND OTHER EXPENSES

The administrative expenses and other expenses remained relatively stable in 2019 and 2020, only slightly increased by 1.8% from approximately HK\$86.6 million for the year ended 31 December 2019 to approximately HK\$88.1 million for the year ended 31 December 2020.

FINANCE COSTS

The finance costs remained stable at approximately HK\$20.0 million in 2019 and 2020.

其他收益及虧損

其他虧損由截至二零一九年十二月三十一日止年度約24,000,000港元增加622.9%至截至二零二零年十二月三十一日止年度約173,800,000港元，主要歸因於商譽減值虧損增加約161,000,000港元至176,000,000港元，其中就科彩確認約173,000,000港元，因其於二零二零年十二月三十一日的可收回金額少於賬面值。

銷售及分銷開支

銷售及分銷開支由截至二零一九年十二月三十一日止年度約57,000,000港元減少27.7%至截至二零二零年十二月三十一日止年度約41,200,000港元，主要歸因於年內縮減向香煙包裝客戶的推廣服務的營銷開支。

行政開支及其他開支

於二零一九年及二零二零年，行政開支及其他開支維持相對穩定，僅由截至二零一九年十二月三十一日止年度約86,600,000港元微升1.8%至截至二零二零年十二月三十一日止年度約88,100,000港元。

融資成本

於二零一九年及二零二零年，融資成本維持穩定於約20,000,000港元。

Management discussion and analysis

管理層討論及分析

SHARE OF PROFITS OF ASSOCIATES

The share of profits of associates increased by 42.0% from approximately HK\$41.7 million for the year ended 31 December 2019 to approximately HK\$59.3 million for the year ended 31 December 2020 due to improvement in profitability of the Group's major associate namely Changde Goldroc Rotogravure Printing Co. ("**Changde Goldroc**"). Changde Goldroc is principally engaged in the provision of cigarette printing package services. The Group beneficially owns RMB50,546,120 of its registered capital, representing 31% of the total registered capital of RMB163,052,000. The profit of Changde Goldroc increased by 31.9% from approximately HK\$145.7 million for the year ended 31 December 2019 to approximately HK\$192.3 million for the year ended 31 December 2020. Such increase was primarily attributable to (i) the improvement of the product mix; (ii) the strengthening of the production cost control and improved production efficiency; and (iii) the reduction or exemption in corporate social insurance premiums charged by local government in response to the impact of the epidemic. The fair value of Changde Goldroc as at 31 December 2020 was approximately HK\$1,425.3 million (2019: approximately HK\$1,338.5 million). The carrying amount of the Group's interest in Changde Goldroc was approximately HK\$450.4 million as at 31 December 2020 (2019: approximately HK\$422.6 million), i.e. more than 5% of the Group's total assets of HK\$3,588.9 million as at 31 December 2020. During the year under review, the Group received dividend of approximately HK\$58.5 million (2019: HK\$73.2 million) from Changde Goldroc. The Group holds the investment in Changde Goldroc for stable earnings and dividend income in view of its stable business with the local customers.

TAXATION

The effective tax rate of the Group increased from 24.0% in 2019 to 80.5% in 2020. Such increase was primarily due to the recognition of the impairment losses on goodwill, which is not deductible for tax purpose.

PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

As a result of the foregoing, the profit attributable to the owners of the Company decreased by 94.9% from approximately HK\$175.9 million for the year ended 31 December 2019 to approximately HK\$8.9 million for the year ended 31 December 2020.

分佔聯營公司溢利

分佔聯營公司溢利由截至二零一九年十二月三十一日止年度約41,700,000港元增加42.0%至截至二零二零年十二月三十一日止年度約59,300,000港元，原因是本集團主要聯營公司常德金鵬印務有限公司（「**常德金鵬**」）的盈利能力有所改善。常德金鵬主要從事提供香煙印刷包裝服務。本集團實益擁有其註冊資本人民幣50,546,120元，佔註冊資本總值人民幣163,052,000元的31%。常德金鵬的溢利由截至二零一九年十二月三十一日止年度約145,700,000港元增加31.9%至截至二零二零年十二月三十一日止年度約192,300,000港元。有關增加主要由於(i)改善產品組合；(ii)加強生產成本控制，提高生產效率；及(iii)地方政府因疫情影響而削減或豁免企業社會保險費。於二零二零年十二月三十一日，常德金鵬的公允價值約為1,425,300,000港元（二零一九年：約1,338,500,000港元）。於二零二零年十二月三十一日，本集團於常德金鵬的權益的賬面值約為450,400,000港元（二零一九年：約422,600,000港元），即佔本集團於二零二零年十二月三十一日的資產總值3,588,900,000港元的5%以上。於回顧年度，本集團自常德金鵬收取股息約58,500,000港元（二零一九年：73,200,000港元）。鑑於與當地客戶的穩定業務，本集團持有常德金鵬的投資，以獲得穩定的收益及股息收入。

稅項

本集團的實際稅率由二零一九年的24.0%上升至二零二零年的80.5%。有關上升主要由於確認不可扣稅的商譽減值虧損。

本公司擁有人應佔年度溢利

基於上文所述，本公司擁有人應佔溢利由截至二零一九年十二月三十一日止年度約175,900,000港元減少94.9%至截至二零二零年十二月三十一日止年度約8,900,000港元。

Management discussion and analysis

管理層討論及分析

OTHER PERFORMANCE INDICATORS

The following table sets forth other performance indicators of the Group as at the dates or for the years indicated:

其他績效指標

下表載列本集團於所示日期或年份的其他績效指標：

| | | As at or for the year ended 31 December 於十二月三十一日或 截至該日止年度 | |
|---------------------------------|-------------|--|-------------------|
| | | 2020 二零二零年 | 2019 二零一九年 |
| Current Ratio (Note 1) | 流動比率(附註1) | 1.5 times 1.5倍 | 1.8 times 1.8倍 |
| Quick Ratio (Note 2) | 速動比率(附註2) | 1.4 times 1.4倍 | 1.6 times 1.6倍 |
| Return on equity (Note 3) | 股本回報率(附註3) | 0.3% | 6.2% |
| Return on total assets (Note 4) | 總資產回報率(附註4) | 0.2% | 4.6% |

Notes:

- (1) Current ratio is calculated based on total current assets of the Group divided by total current liabilities of the Group as at the end of the respective year.
- (2) Quick ratio is calculated based on total current assets of the Group less inventories of the Group divided by total current liabilities of the Group as at the end of the respective year.
- (3) Return on equity is calculated by dividing profit attributable to owners of the Company for the year by the arithmetic mean of the opening and closing balance of total equity attributable to owners of the Company.
- (4) Return on total assets is calculated by dividing profit attributable to owners of the Company for the year by the arithmetic mean of the opening and closing balance of total assets of the Group.

附註：

- (1) 流動比率乃根據本集團流動資產總值除本集團於各年度末的流動負債總額計算得出。
- (2) 速動比率乃根據本集團流動資產總值減本集團存貨除本集團於各年度末的流動負債總額計算得出。
- (3) 股本回報率乃按年內本公司擁有人應佔溢利除本公司擁有人應佔權益總額的期初及期末結餘的算術平均值計算得出。
- (4) 總資產回報率乃按年內本公司擁有人應佔溢利除本集團資產總值的期初及期末結餘的算術平均值計算得出。

Current ratio and quick ratio

The Group's current ratio and quick ratio as at 31 December 2020 remained relatively stable at 1.5 times (2019: 1.8 times) and 1.4 times (2019: 1.6 times), respectively.

流動比率及速動比率

於二零二零年十二月三十一日，本集團流動比率及速動比率分別維持相對穩定於1.5倍(二零一九年：1.8倍)及1.4倍(二零一九年：1.6倍)。

Return on equity and return on total assets

The Group's return on equity decreased from 6.2% in 2019 to 0.3% in 2020 and the Group's return on total assets decreased from 4.6% in 2019 to 0.2% in 2020, which was primarily due to the decrease in the profit attributable to owners of the Company for 2020 as compared to that of 2019.

股本回報率及總資產回報率

本集團的股本回報率由二零一九年的6.2%減至二零二零年的0.3%，本集團的總資產回報率則由二零一九年的4.6%減至二零二零年的0.2%，主要由於二零二零年的本公司擁有人應佔溢利較二零一九年有所減少。

Management discussion and analysis

管理層討論及分析

LIQUIDITY AND CAPITAL RESOURCES

The Group's financial position remains solid and the Group possessed sufficient cash to meet its commitments and working capital requirements. As at 31 December 2020, the Group had net current assets of approximately HK\$392.2 million (2019: approximately HK\$514.5 million) of which cash and cash equivalents were approximately HK\$315.4 million (2019: approximately HK\$201.2 million) and were denominated in RMB, US\$ and HK\$ as at 31 December 2020.

As at 31 December 2020, the Group had outstanding bank borrowings of approximately HK\$411.2 million (2019: approximately HK\$256.5 million) which shall be repaid within 1 year. The gearing ratio as at 31 December 2020 was 14.8% (2019: 8.8%), which is calculated by dividing the total bank borrowings by the total equity. No financial instruments were used for hedging purposes, nor were there any foreign currency net investments hedged by current borrowings and/or other hedging instruments during the year.

CHARGES ON ASSETS

As at 31 December 2020, assets with carrying amounts of approximately HK\$14.5 million (31 December 2019: HK\$9.5 million) were pledged to banks in respect of bank borrowings granted to the Group.

CONTINGENT LIABILITIES

Save as disclosed in note 46 to the consolidated financial statements, the Group had no material contingent liabilities as at 31 December 2020.

CAPITAL COMMITMENTS

As at 31 December 2020, the Group had capital commitment amounted to approximately HK\$76.4 million (31 December 2019: approximately HK\$95.5 million) in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements.

流動資金及資本資源

本集團的財務狀況維持穩健，並具備充足現金以滿足其承擔及營運資金需要。於二零二零年十二月三十一日，本集團的流動資產淨值約392,200,000港元(二零一九年：約514,500,000港元)，其中現金及現金等值項目約315,400,000港元(二零一九年：約201,200,000港元)，並於二零二零年十二月三十一日以人民幣、美元及港元計值。

於二零二零年十二月三十一日，本集團的未償還銀行借貸約411,200,000港元(二零一九年：約256,500,000港元)，須於一年內償還。於二零二零年十二月三十一日，負債比率為14.8%(二零一九年：8.8%)，按銀行借貸總額除權益總額計算得出。年內，概無動用金融工具作對沖用途，亦無任何以即期借款及/或其他對沖工具對沖的外幣淨額投資。

資產抵押

於二零二零年十二月三十一日，賬面值約為14,500,000港元(二零一九年十二月三十一日：9,500,000港元)的資產已就授予本集團銀行借貸質押予銀行。

或然負債

除綜合財務報表附註46所披露外，於二零二零年十二月三十一日，本集團並無重大或然負債。

資本承擔

於二零二零年十二月三十一日，本集團就收購物業、廠房及設備已訂約但尚未於綜合財務報表撥備的資本承擔約為76,400,000港元(二零一九年十二月三十一日：約95,500,000港元)。

Management discussion and analysis

管理層討論及分析

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year of 2020. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its existing customers from time to time. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIALS INVESTMENTS OR CAPITAL ASSETS

Save for Changde Goldroc, the particulars of which are disclosed in the above section headed "Share of profits of associates", there were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the year ended 31 December 2020. Save as disclosed in this report, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this report.

HUMAN RESOURCES

As at 31 December 2020, the Group had 1,150 employees (2019: 1,501). The total remuneration cost incurred by the Group for the year ended 31 December 2020 was approximately HK\$172.3 million (2019: approximately HK\$179.8 million). The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Group participates in a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' base salaries. The Group also made contributions to provident funds, elderly insurance, medical insurance, unemployment insurance and work-related injury insurance in accordance with the applicable laws and regulations in the PRC.

庫務政策

本集團已就庫務政策採取審慎的財務管理方針，因此於二零二零年度內一直維持穩健流動資金狀況。本集團透過持續進行信貸評估及不時評估其現有客戶的財務狀況，致力減低信貸風險。為管理流動資金風險，董事會密切監察本集團流動資金狀況，確保本集團資產、負債及其他承擔的流動資金結構能應付不時的資金需要。

持有重大投資、重大收購及出售附屬公司、聯營公司及合營企業以及重大投資或資本資產的未來計劃

除常德金鵬(詳情於上文「分佔聯營公司溢利」一節披露)外，截至二零二零年十二月三十一日止年度，本集團並無持有重大投資，亦無重大收購及出售附屬公司、聯營公司及合營企業。除本報告所披露外，於本報告日期，董事會並無授權進行其他重大投資或增加資本資產的計劃。

人力資源

於二零二零年十二月三十一日，本集團有1,150名僱員(二零一九年：1,501名)。截至二零二零年十二月三十一日止年度，本集團產生的酬金成本總額約為172,300,000港元(二零一九年：約179,800,000港元)。本集團的薪酬待遇一般參考市況及個人資歷釐定。本集團根據強制性公積金計劃條例為全體香港僱員營運定額供款退休福利計劃。供款乃按僱員基本薪金的某個百分比計算。本集團亦根據中國適用法律及法規向公積金、養老保險、醫療保險、失業保險及工傷保險供款。

Report of the directors

董事會報告書

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries of the Company are set out in note 47 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Group for the year ended 31 December 2020 and the future development of the Group's business is set out in the section headed "Chairman's Statement" on pages 5 to 8 of this annual report. Financial and business performance analysis is disclosed in the section headed "Management Discussion and Analysis" on pages 9 to 14. The principal risks and uncertainties affecting the Group's results and business can be found in notes 4, 38 to 39 to the consolidated financial statements.

The PRC cigarette industry is closely monitored and controlled by the PRC government and our customers are concentrated on a limited number of state-owned cigarette manufacturers. The Group's success depends on the support from key stakeholders which comprise shareholders, regulators, customers, employees, local communities and business partners etc. and we have maintained good and strong business relationship with our customers through joint venture and other co-operations. During the year ended 31 December 2020 and up to the date of this annual report, we have complied with all the relevant rules, laws and regulations in the PRC that have a significant impact on the Group. Further details about the environmental and social responsibility will be published in separate report to be uploaded on the websites of the Company and the Hong Kong Stock Exchange.

董事欣然呈列其報告連同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

本公司的主要業務為投資控股。本公司主要附屬公司的主要業務載於綜合財務報表附註47。

業務回顧

本集團截至二零二零年十二月三十一日止年度的業務回顧及本集團業務的日後發展載於本年報第5至8頁「主席報告書」一節。財務及業務表現分析於第9至14頁「管理層討論及分析」一節內披露。影響本集團業績及業務的主要風險及不明朗因素載於綜合財務報表附註4、38至39。

中國香煙行業受中國政府嚴密監控，客戶集中為少數國有香煙生產商。本集團的成功有賴股東、監管機構、客戶、僱員、本地社區及業務夥伴等主要權益相關者的支持，而本集團一直透過合營企業及其他合作方式與客戶保持良好穩健的業務關係。於截至二零二零年十二月三十一日止年度及截至本年報日期，本集團一直遵守所有對本集團有重大影響的中國相關法規、法例及規例。有關環境及社會責任的進一步詳情將於獨立報告刊載，並於本公司及香港聯交所的網站登載。

Report of the directors

董事會報告書

RESULTS AND DIVIDEND

The results of the Group are set out in the consolidated statement of profit or loss and other comprehensive income on pages 58 to 59. The Board recommended the payment of a final dividend for the year ended 31 December 2020 of HK10 cents (2019: HK19.13 cents) per share. Subject to the approval of the shareholders at the AGM, the proposed final dividend will be payable on or about 5 July 2021 to shareholders whose names appear on the register of members of the Company on 25 June 2021.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 7 June 2021 to 11 June 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all transfer of shares of the Company accompanied by the relevant share certificate(s) and appropriate transfer form(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 4 June 2021.

For determining the entitlement to receive the proposed final dividend (subject to the approval by the shareholders at the AGM), the register of members of the Company will be closed from 22 June 2021 to 25 June 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to receive the proposed final dividend, all transfer of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 21 June 2021.

業績及股息

本集團的業績載於第58至59頁的綜合損益及其他全面收益報表。董事會建議就截至二零二零年十二月三十一日止年度派付末期股息每股10港仙(二零一九年:19.13港仙)。待股東於股東週年大會上批准後,建議末期股息將於二零二一年七月五日或前後派付予於二零二一年六月二十五日名列本公司股東名冊的股東。

暫停辦理股份過戶登記

為釐定出席股東週年大會並於會上投票的資格,本公司將由二零二一年六月七日至二零二一年六月十一日(包括首尾兩天)暫停辦理股份過戶登記,在此期間將不會登記本公司股份轉讓。為符合資格出席股東週年大會並於會上投票,所有本公司股份過戶文件連同有關股票及適用轉讓表格須於二零二一年六月四日下午四時三十分前送交本公司香港股份過戶登記分處卓佳證券登記有限公司辦理股份過戶登記手續,地址為香港皇后大道東183號合和中心54樓。

為釐定收取建議末期股息(須待股東於股東週年大會批准)的資格,本公司將由二零二一年六月二十二日至二零二一年六月二十五日(包括首尾兩天)暫停辦理股份過戶登記,在此期間將不會登記本公司股份轉讓。為符合資格收取建議末期股息,所有本公司股份過戶文件連同有關股票及適用轉讓表格須於二零二一年六月二十一日下午四時三十分前送交本公司香港股份過戶登記分處卓佳證券登記有限公司辦理股份過戶登記手續,地址為香港皇后大道東183號合和中心54樓。

Report of the directors

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales to the Group's five largest customers accounted for approximately 55.6% of the Group's turnover and sales to the Group's largest customer was approximately 24.5% of the Group's total revenue. During the year, the aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 24.2% of the Group's total purchases, and the purchases attributable to the Group's largest supplier was approximately 9.9% of the Group's total purchases.

None of the Directors, their close associates (within the meaning of the Listing Rules) or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had interests in any of the Group's five largest customers or suppliers during the year.

PROPERTY, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment of the Group are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 36 to the consolidated financial statements.

RESERVES

At 31 December 2020, the Company's reserves available for distribution amounted to approximately HK\$2,224.9 million. Under the Companies Act of the Cayman Islands, the share premium of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the distribution or dividend is proposed to be distributed, the Company shall be able to pay its debts as they fall due in the ordinary course of business. Details of the movements in reserves of the Group and the Company are set out in the consolidated statement of changes in equity.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands.

主要客戶及供應商

年內，對本集團五大客戶作出的銷售總額佔本集團營業額約55.6%，而對本集團最大客戶作出的銷售額則佔本集團總收入約24.5%。年內，本集團五大供應商所佔採購總額佔本集團採購總額約24.2%，而本集團最大供應商所佔採購額則佔本集團採購總額約9.9%。

年內，概無董事、彼等的緊密聯繫人（定義見上市規則）或任何股東（據董事所知，擁有本公司已發行股本5%以上）於本集團五大客戶或供應商中擁有任何權益。

物業、廠房及設備

本集團物業、廠房及設備的變動詳情載於綜合財務報表附註17。

股本

本公司股本的詳情載於綜合財務報表附註36。

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約為2,224,900,000港元。根據開曼群島公司法，本公司的股份溢價乃可供分派予股東，惟於緊隨建議分派或派息當日後，本公司須有能力償還其於日常業務過程中到期的債項。本集團及本公司儲備變動的詳情載於綜合權益變動表。

優先購買權

本公司的公司組織章程大綱及細則或開曼群島法例並無有關優先購買權的條文。

Report of the directors

董事會報告書

TAX RELIEF

The Company is not aware of any relief from taxation available to its shareholders by reason of their holding of the Company's shares.

FINANCIAL SUMMARY

A summary of the consolidated results of the Group for the last five financial years and of its consolidated assets and liabilities as at the end of the last five financial years is set out on pages 231 to 232.

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

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

SHARE OPTION SCHEME

On 4 March 2009, the shareholders of the Company had approved and adopted a share option scheme (the "Share Option Scheme") which was expired on 3 March 2019.

No option under the Share Option Scheme has been granted by the Board and there was no outstanding option.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSIDIARIES

Details of the Company's subsidiaries as at the date of this report are set out in note 47 to the consolidated financial statements.

DONATIONS

During the year, the Group made charitable and other donations amounting to HK\$2.9 million (2019: Nil).

稅務減免

本公司並不知悉其股東因持有本公司股份而獲減免任何稅項。

財務概要

本集團於過往五個財政年度的綜合業績及其於過往五個財政年度年末的綜合資產及負債載於第 231 至 232 頁。

購買、出售或贖回本公司的上市證券

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

購股權計劃

於二零零九年三月四日，本公司股東批准並採納購股權計劃（「購股權計劃」）。購股權計劃已於二零一九年三月三日屆滿。

董事會概無根據購股權計劃授予任何購股權，亦無任何尚未行使購股權。

購買股份或債券的安排

除上文所披露購股權計劃外，本年度內本公司或其任何附屬公司並無參與任何安排，使董事因取得本公司或任何其他公司的股份或債券而獲益。

附屬公司

本公司附屬公司於本報告日期的詳情載於綜合財務報表附註 47。

捐款

年內，本集團作出慈善及其他捐款 2,900,000 港元（二零一九年：無）。

Report of the directors

董事會報告書

RETIREMENT BENEFIT SCHEME

The Group participates in a provident fund scheme as defined in the Mandatory Provident Fund Schemes Ordinance, Chapter 485 of the laws of Hong Kong (the “MPF Scheme”). The MPF Scheme was a defined contribution scheme and the assets of the MPF Scheme were managed by a trustee.

The MPF Scheme is available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions were made by the Group at 5% based on the staff's relevant income. The maximum relevant income for contribution purpose is HK\$30,000 per month. Staff members were entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefits were required by law to be preserved until the retirement age of 65. No forfeited contributions are available to offset future employers' contributions under the MPF Scheme.

The employees of the Company's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme are to meet the required contributions under the scheme.

The Group's cost for the schemes charged to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020 amounted to approximately HK\$7.7 million (2019: HK\$15.0 million).

退休福利計劃

本集團參與香港法例第485章強制性公積金計劃條例所界定的公積金計劃（「強積金計劃」）。強積金計劃為定額供款計劃，強積金計劃的資產由受託人管理。

強積金計劃提供予所有18至64歲在香港受僱於本集團最少60日的僱員。本集團根據員工的有關收入作出5%的供款。就供款而言，有關收入上限為每月30,000港元。不論員工於本集團的服務年期，均獲享本集團作出100%的供款連同應計回報，惟根據法例，有關福利將保留至退休年齡65歲方可領取。概無已沒收供款可供抵銷僱主日後在強積金計劃項下的供款。

本公司於中國成立的附屬公司的僱員為地方市政府所設立中央退休金計劃的成員。該等附屬公司須向中央退休金計劃貢獻僱員基本薪金的若干百分比以為其退休福利提供資金。地方市政府承擔該等附屬公司的所有現有及未來退休僱員的退休福利責任。該等附屬公司就中央退休金計劃承擔的唯一責任為符合計劃項下要求的供款。

本集團於截至二零二零年十二月三十一日止年度就該等計劃在綜合損益及其他全面收益報表扣除的費用約為7,700,000港元（二零一九年：15,000,000港元）。

Report of the directors

董事會報告書

DIRECTORS

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

Executive Directors:

Mr. Cai Xiao Ming, David (*Chairman*)
(resigned on 31 March 2020)
Mr. Chen Xiao Liang
(re-designated as Chairman on 31 March 2020)
Mr. Qin Song (*Vice-Chairman and Chief Executive Officer*)
Mr. Chen Huapei (resigned on 31 March 2020)

Mr. Huang Wanru (appointed on 31 March 2020)

Ms. Zheng Jinghui (appointed on 31 March 2020)

Non-Executive Director:

Ms. Li Li

Independent Non-Executive Directors:

Mr. Lam Ying Hung, Andy
Mr. Lui Tin Nang
Mr. Siu Man Ho, Simon

According to article 84(1) of the Articles of Association of the Company, one-third of the Directors for the time being shall retire from office by rotation at the annual general meeting of the Company but shall then be eligible for re-election. According to article 83(3) of the Articles of Association of the Company, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting.

Details of the Directors subject to rotation and re-election are contained in the circular despatched together with this annual report.

In compliance with Rule 3.10(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the Board currently comprises three independent non-executive Directors, representing more than one-third of the Board. Pursuant to paragraph 12B of Appendix 16 of the Listing Rules, each of the independent non-executive Directors has confirmed by annual confirmation that he has complied with the independence criteria set out in Rule 3.13 of the Listing Rules. The Company considers that all three independent non-executive Directors are independent under these independence criteria and are capable to effectively exercise independent judgement.

董事

於年內及直至本報告日期的董事如下：

執行董事：

蔡曉明先生 (*主席*)
(於二零二零年三月三十一日辭任)
陳校良先生
(於二零二零年三月三十一日調任主席)
欽松先生 (*副主席兼行政總裁*)
陳華培先生
(於二零二零年三月三十一日辭任)
黃萬如先生
(於二零二零年三月三十一日獲委任)
鄭靜慧女士
(於二零二零年三月三十一日獲委任)

非執行董事：

李莉女士

獨立非執行董事：

林英鴻先生
呂天能先生
蕭文豪先生

根據本公司的組織章程細則第84(1)條，三分之一董事須於本公司股東週年大會輪值退任，惟屆時將合資格重選連任。根據本公司的組織章程細則第83(3)條，任何由董事會委任以填補臨時空缺的董事僅留任至其獲委任後的本公司首次股東大會為止，惟屆時可於會上重選連任。

須輪值退任及重選的董事詳情載於連同本年報一併寄發的通函內。

為遵守聯交所證券上市規則(「上市規則」)第3.10(1)條，董事會現時有三名獨立非執行董事在任，佔董事會超過三分之一。根據上市規則附錄16第12B段，各獨立非執行董事均已以年度確認書確認，彼符合上市規則第3.13條所載獨立身分標準。本公司認為，根據此等獨立身分標準，全部三名獨立非執行董事均為獨立人士，能有效作出獨立判斷。

Report of the directors

董事會報告書

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management of the Company are set out on pages 45 to 50.

DIRECTORS' SERVICE CONTRACTS

Mr. Chen Xiao Liang has entered into a letter of appointment with the Company for an initial term of two years commencing from 31 March 2020, and will continue thereafter until terminated by not less than three months' notice in writing served by either party. Mr. Qin Song has entered into a service agreement with the Company for a term of three years commencing from 30 March 2018 and will continue thereafter until terminated by not less than three months' notice in writing served by either party. Each of Mr. Huang Wanru and Ms. Zheng Jinghui has signed a letter of appointment with the Company for a term of 3 years commencing from 31 March 2020, which may be terminated by serving 3 months' notice in advance by either party. Ms. Li Li has entered into a letter of appointment with the Company for an initial term of three years commencing from 22 July 2018, and will continue thereafter until terminated by not less than three months' notice in writing served by either party. Each of Mr. Lam Ying Hung, Andy, Mr. Lui Tin Nang and Mr. Siu Man Ho, Simon has renewed their appointment for a fixed term of three years commencing from 30 March 2021.

Save as aforesaid, none of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

董事及高級管理層的履歷詳情

董事及本公司高級管理層履歷詳情摘要載於第45至50頁。

董事的服務合約

陳校良先生已與本公司訂立委任函，自二零二零年三月三十一日起計初步為期兩年，並將於其後延續，直至其中一方發出不少於三個月的書面通知終止為止。欽松先生已與本公司訂立服務協議，自二零一八年三月三十日起計為期三年，並將於其後延續，直至其中一方發出不少於三個月的書面通知終止為止。黃萬如先生及鄭靜慧女士已與本公司簽署委任函，自二零二零年三月三十一日起計為期三年，並可由任何一方發出三個月事先通知予以終止。李莉女士已與本公司訂立委任函，自二零一八年七月二十二日起計初步為期三年，並將於其後延續，直至其中一方發出不少於三個月的書面通知終止為止。林英鴻先生、呂天能先生及蕭文豪先生已重續任期，固定任期自二零二一年三月三十日起計為期三年。

除上文所述者外，擬於應屆股東週年大會上重選連任的董事概無與本公司訂立不可由本公司於一年內終止而毋須支付賠償(法定賠償除外)的服務合約。

Report of the directors

董事會報告書

DISCLOSURE OF INFORMATION PURSUANT TO RULE 13.51B(1) OF THE HONG KONG LISTING RULES

Following the resignation of Mr. Cai Xiao Ming, David, the former chairman of the Board, Mr. Chen Xiao Liang, an executive Director, has been re-designated as the chairman of the Board with effect from 31 March 2020.

On 2 November 2020, Mr. Lui Tin Nang, an independent non-executive Director, was reprimanded by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for failure to comply with the Accountant’s Report Rules (Cap. 159A) and HKICPA’s Practice Note 840 (Revised) Reporting on Solicitors’ Accounts under the Solicitors’ Accounts Rules and the Accountant’s Report Rules in relation to the issuance of an accountant’s report for a solicitor’s firm by him. Mr. Lui Tin Nang was ordered to pay an administrative penalty of HK\$25,000 and the HKICPA’s costs of HK\$15,000.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS’ INTERESTS IN CONTRACTS

Details of the related party transactions entered into during the year were disclosed in note 45 to the consolidated financial statements in which purchase of printing and packing machineries was continuing connected transaction within the meaning of the Listing Rules, details of which are disclosed under the paragraph headed “Continuing Connected Transactions” below. Save as the transactions aforementioned, no transaction, arrangement or contract of significance in relation to the Group’s business between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries or in which a Director, an entity connected with a Director or the controlling shareholder of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year, and there was no contract of significance for the provision of services to the Group by the controlling shareholder of the Company or any of its subsidiaries.

根據香港上市規則第 13.51B(1) 條披露資料

於前董事會主席蔡曉明先生辭任後，執行董事陳校良先生調任董事會主席，自二零二零年三月三十一日起生效。

於二零二零年十一月二日，獨立非執行董事呂天能先生受到香港會計師公會（「香港會計師公會」）譴責，指彼為一家律師事務所發出會計師報告時未能遵守香港法例第159A章會計師報告規則及香港會計師公會頒布的實務說明（Practice Note）第840號（修訂本）根據律師帳目規則及會計師報告規則就律師帳目進行報告（Reporting on Solicitors’ Accounts under the Solicitors’ Accounts Rules and the Accountant’s Report Rules）。呂天能先生須繳交行政罰款25,000港元及香港會計師公會費用15,000港元。

除上文所披露資料外，概無其他資料須根據上市規則第13.51B(1)條予以披露。

董事於合約的權益

年內進行的關聯方交易詳情於綜合財務報表附註45披露，當中購買印刷及包裝機器屬持續關連交易（定義見上市規則），有關詳情於下文「持續關連交易」一段披露。除上文所述的交易外，概無有關本集團業務而本公司或其任何附屬公司及控股股東或其任何附屬公司或董事、與董事有關連的實體或本公司控股股東於其中直接或間接擁有重大權益且於年末或本年度任何時間存續的重大交易、安排或合約，亦無就本公司或其任何附屬公司的控股股東向本集團提供服務而訂立任何重要合約。

Report of the directors

董事會報告書

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

PERMITTED INDEMNITY PROVISION

Subject to the applicable laws, every Director and other officers of the Company shall be entitled to be indemnified by the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur in the execution and discharge of his or her duties or in relation thereto pursuant to the Company's Articles of Association. Such provisions were in force during the course of the financial year ended 31 December 2020 and remained in force as of the date of this report.

The Group has also taken out and maintained liability insurance for Directors and officers throughout the year.

董事於競爭業務的權益

年內，概無董事或彼等各自的任何聯繫人從事對本集團業務構成或可能構成競爭的業務或與本集團有任何其他利益衝突。

管理合約

年內並無訂立或存在任何有關本集團全部或任何主要部分業務的管理及行政合約。

許可彌償條文

在適用法律規限下，本公司每名董事及其他高級職員有權根據本公司的組織章程細則就彼等或彼等任何成員於執行及履行職責時所產生或與之有關的一切訴訟、成本、費用、損失、損害及開支而獲得彌償。有關條文於截至二零二零年十二月三十一日止財政年度內生效及於本報告日期維持生效。

本集團亦全年為董事及高級職員投購責任保險。

Report of the directors

董事會報告書

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2020, the following Directors or the chief executives of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules:

The Company

| Name of Director | Capacity | Number of shares/ underlying shares held | Position | Approximate percentage of issued share capital |
|--------------------------|---|---|------------|--|
| 董事姓名 | 身份 | 所持股份/ 相關股份數目 | 持倉 | 佔已發行股本 概約百分比 |
| Mr. Qin Song 欽松先生 | Beneficial owner 實益擁有人 | 15,321,062 | Long 好倉 | 0.98% |
| Mr. Huang Wanru 黃萬如先生 | Beneficial owner 實益擁有人 | 1,735,204 | Long 好倉 | 0.11% |
| Ms. Li Li 李莉女士 | Interest of controlled corporation 受控制法團權益 | 250,551,964 | Long 好倉 | 15.98% |

董事及主要行政人員於本公司或其相聯法團的股份、相關股份或債券的權益及淡倉

於二零二零年十二月三十一日，本公司以下董事或主要行政人員於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份或債券中，擁有或被視為擁有 (i) 根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例該等條文彼等被當作或視為擁有的權益或淡倉）；或 (ii) 根據證券及期貨條例第352條須記入該條所述登記冊的權益或淡倉；或 (iii) 須根據上市規則所載上市公司董事進行證券交易的標準守則（「標準守則」）知會本公司及聯交所的權益或淡倉：

本公司

Report of the directors

董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN AND/OR SHORT POSITIONS

So far as is known to the Directors and chief executives of the Company, as at 31 December 2020, the following persons (not being a Director or chief executive of the Company) had, or were deemed to have, interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

主要股東的權益及／或淡倉

據本公司董事及主要行政人員所知，於二零二零年十二月三十一日，以下人士（並非本公司的董事或主要行政人員）於本公司股份或相關股份中擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉：

| Name of shareholder 股東名稱 | Capacity 身份 | Number of shares/ underlying shares held 所持股份／ 相關股份數目 | Position 持倉 | Approximate percentage of issued share capital 佔已發行股本 概約百分比 |
|--|---|--|----------------|---|
| Mr. Cai Xiao Ming, David 蔡曉明先生 | Interest of controlled corporation 受控制法團權益 | 901,456,892 | Long 好倉 | 57.50% |
| Profitcharm Limited 創益有限公司 | Beneficial owner 實益擁有人 | 274,325,278 | Long 好倉 | 17.50% |
| Sinorise International Limited 振華國際有限公司 | Beneficial owner 實益擁有人 | 627,131,614 | Long 好倉 | 40.00% |
| Masterwork Group Co., Ltd. 天津長榮科技集團股份有限公司 | Interest of controlled corporation 受控制法團權益 | 250,551,964 | Long 好倉 | 15.98% |
| Masterwork Machinery (H.K.) Limited 長榮股份(香港)有限公司 | Beneficial owner 實益擁有人 | 250,551,964 | Long 好倉 | 15.98% |
| Tianjin Dehou Investment Management Partnership (Limited Partnership) Tianjin Dehou Investment Management Partnership (Limited Partnership) | Interest of controlled corporation 受控制法團權益 | 103,555,231 | Long 好倉 | 6.60% |

Report of the directors

董事會報告書

CONTINUING CONNECTED TRANSACTION

Transactions with Masterwork Group

On 22 December 2017, the Company entered into a master sale and purchase agreement (the “Master Sale and Purchase Agreement”) with Masterwork Group Co., Ltd (“Masterwork Group”), pursuant to which the Group will (i) purchase post-press and packaging machineries from Masterwork Group or its subsidiaries and/or (ii) sell old machineries, purchased from Masterwork Group or otherwise, to Masterwork Group or its subsidiaries and related services from time to time to/for a term commencing on 1 January 2018 and expiring on 31 December 2020. The annual caps in relation to the purchase of post-press and packaging machineries by the Company for each of the three years ending 31 December 2020 are RMB50 million, RMB50 million and RMB50 million respectively. The annual caps in relation to the sale of old machineries, purchased from Masterwork Group or otherwise, to Masterwork Group or its subsidiaries and related services for each of the three years ending 31 December 2020 are RMB10 million, RMB10 million and RMB10 million respectively.

There is no minimum sale and purchase amount under the Master Sale and Purchase Agreement and the Group is not contractually bound to (i) purchase post-press and packaging machineries from Masterwork Group or its subsidiaries and/or (ii) sell old machineries, purchased from Masterwork Group or otherwise, to Masterwork Group or its subsidiaries. The Group is entitled to source such machineries from other suppliers or dispose such old machineries to other purchasers. The post-press and packaging machineries and related services to be supplied by Masterwork Group or its subsidiaries to the Group will be in accordance with the specifications provided by the Group on a case by case basis. The old machineries to be sold by the Group will be subject to acceptance by Masterwork Group depending on the type, condition and price of the old machineries to be decided on a case by case basis. The exact quantity, specifications and price of the post-press and packaging machineries and the old machineries, settlement terms and date of delivery will be set out in the sale and purchase orders to be issued by the Group to Masterwork Group.

持續關連交易

與長榮集團的交易

於二零一七年十二月二十二日，本公司與天津長榮科技集團股份有限公司（「長榮集團」）訂立總買賣協議（「總買賣協議」），據此，本集團將(i)不時向長榮集團或其附屬公司購買印後及包裝機器及／或(ii)不時出售從長榮集團或以其他方式購買的舊有機器及相關服務予長榮集團或其附屬公司，年期自二零一八年一月一日起並於二零二零年十二月三十一日屆滿。截至二零二零年十二月三十一日止三個年度各年，有關本公司購買印後及包裝機器的年度上限分別為人民幣50,000,000元、人民幣50,000,000元及人民幣50,000,000元。截至二零二零年十二月三十一日止三個年度各年，有關出售從長榮集團或以其他方式購買的舊有機器及相關服務予長榮集團或其附屬公司的年度上限分別為人民幣10,000,000元、人民幣10,000,000元及人民幣10,000,000元。

總買賣協議項下並無最低買賣額，本集團亦無合約責任(i)向長榮集團或其附屬公司購買印後及包裝機器及／或(ii)出售從長榮集團或以其他方式購買的舊有機器予長榮集團或其附屬公司。本集團有權向其他供應商採購該等機器或出售有關舊有機器予其他買家。長榮集團或其附屬公司將根據本集團提供的規格按個別情況向本集團供應印後及包裝機器及相關服務。本集團將會視乎長榮集團按個別情況決定舊有機器的種類、條件及價格接納後，方會出售有關舊有機器。印後及包裝機器以及舊有機器的確切數量、規格及價格、結算條款及交付日期將於本集團向長榮集團發出的買賣訂單內載列。

Report of the directors

董事會報告書

The actual purchase amount incurred under the Master Sale and Purchase Agreement for the year ended 31 December 2020 was approximately HK\$11.9 million. There was no sale of old machinery to Masterwork Group during the year ended 31 December 2020.

Masterwork Group, being a substantial shareholder of the Company interested in 15.98% of the issued share capital of the Company, is a connected person under the Listing Rules and the transactions contemplated under the Master Sale and Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Details of the Master Sale and Purchase Agreement were set out in the announcement of the Company dated 22 December 2017.

Compliance with Disclosure Requirements

Save for the “Purchase of printing and packing machineries” during the year as shown in note 45(a) to the consolidated financial statements which constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules, all other related party transactions as shown in note 45 are continuing connected transactions exempted from announcement, reporting, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above continuing connected transactions.

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the continuing connected transactions were entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) in accordance with the Master Sale and Purchase Agreement on terms that are fair and reasonable and in the interests of shareholders of the Company as a whole.

截至二零二零年十二月三十一日止年度總買賣協議產生的實際購買金額約為11,900,000港元。截至二零二零年十二月三十一日止年度，概無向長榮集團銷售舊機器。

長榮集團(即本公司主要股東，於本公司已發行股本中擁有15.98%權益)根據上市規則為關連人士，故總買賣協議項下擬進行的交易構成上市規則第14A章項下的本公司持續關連交易。總買賣協議詳情載於本公司日期為二零一七年十二月二十二日的公布。

遵守披露規定

除綜合財務報表附註45(a)所載於年內進行的「購買印刷及包裝機器」根據上市規則第14A章構成本公司的持續關連交易外，附註45所載所有其他關連方交易均為獲豁免遵守上市規則第14A章的公布、報告、年度審閱及獨立股東批准規定的持續關連交易。本公司已就上述持續關連交易遵守上市規則第14A章的披露規定。

獨立非執行董事已審閱上述持續關連交易，並確認訂立持續關連交易：

- (a) 於本集團一般正常業務中進行；
- (b) 按一般商業條款或更佳條款；及
- (c) 根據總買賣協議，按公平合理且符合本公司股東整體利益的條款進行。

Report of the directors

董事會報告書

In addition, the Company has engaged its auditor to report on the continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements. Other than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued unqualified letter containing the conclusion in respect of the continuing connected transactions set out above which is in compliance with the Rule 14A.56 of the Listing Rules.

EQUITY FUND RAISING

There was no equity fund raising by the Company during the year, nor were there any proceeds brought forward from any issue of equity securities made in previous financial years.

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report section set out on pages 30 to 44.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company’s issued shares as required under the Listing Rules.

此外，本公司已委聘核數師，以根據香港會計師公會所頒布的香港核證委聘準則第3000號「歷史財務資料審核或審閱以外的核證委聘」以及參照實務說明第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。核數師已發出載有彼等對上述持續關連交易結論的無保留意見函件，因此已符合上市規則第14A.56條的規定。

股本集資

年內，本公司並無進行股本集資，過往財政年度亦無自發行任何股本證券獲得任何款項。

企業管治

本公司採納的主要企業管治條例載於第30至44頁企業管治報告書一節。

公眾持股量

根據本公司公開獲得的資料及就董事所知，於本報告日期，本公司已發行股份有不少於25%的足夠公眾持股量，乃符合上市規則的規定。

Report of the directors

董事會報告書

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

As at 31 December 2020, there were revolving loan facilities available to the Group from several banks in the aggregate principal amount of HK\$470 million. Under the terms of these facilities (the availability of which are generally subject to banks' periodic review), the Company has undertaken, among other matters, that Mr. Cai Xiao Ming, David shall maintain at least 50% beneficial shareholding interest in or remain as the single largest shareholder of the Company at all times during the life of the above banking facilities (the “**Undertaking**”). The breach of such Undertaking may result in the loan becoming immediately due and repayable.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Brilliant Circle Holdings International Limited

Chen Xiao Liang

Chairman

Hong Kong, 30 March 2021

根據上市規則第 13.21 條披露

於二零二零年十二月三十一日，本集團獲多家銀行提供本金總額為470,000,000港元的循環貸款融資。根據該等融資（一般情況下銀行須定期作出審視方會提供）條款，本公司已承諾（其中包括）蔡曉明先生將於上述銀行融資年期內任何時間於本公司維持最少50%的實益股權或維持本公司單一最大股東地位（「**承諾**」）。違反上述承諾可能導致有關貸款即時到期及須予償還。

核數師

本公司將於股東週年大會上提呈一項決議案，以重新聘任德勤•關黃陳方會計師行為本公司核數師。

代表董事會

貴聯控股國際有限公司

陳校良

主席

香港，二零二一年三月三十日

Corporate governance report

企業管治報告書

OVERVIEW

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the “Code”) contained in Appendix 14 of the Listing Rules. For the year ended 31 December 2020, the Company has complied in general with the Code, except code provision A.6.7 of the Code as Ms. Li Li (the non-executive Director) was unable to attend the annual general meeting of the Company held on 5 June 2020 due to other business engagement.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors’ securities transactions for the year ended 31 December 2020.

THE BOARD OF DIRECTORS

The Board takes responsibility to oversee all major matters of the Company, including the formulation and approval of overall business strategies, internal control and risk management systems, and monitoring the performance of the senior management. The management is responsible for the daily operations of the Group under the leadership of the Chief Executive Officer. The Directors have the responsibility to act objectively in the interests of the Company.

概覽

董事意識到在本集團管理架構及內部監控程序引進良好企業管治的重要性，以便達成有效的問責性。

企業管治

本公司已採納上市規則附錄十四所載企業管治守則(「守則」)。截至二零二零年十二月三十一日止年度，本公司一般已遵守守則，惟守則第A.6.7條守則條文除外，原因為李莉女士(非執行董事)因其他既定事務而未能出席於二零二零年六月五日舉行的本公司股東週年大會。

遵守董事進行證券交易的標準守則

本公司已採納上市條例附錄十所載標準守則，作為董事進行證券交易的準則。本公司已特別向全體董事查詢，且全體董事確認，截至二零二零年十二月三十一日止年度，彼等一直符合標準守則及其有關董事進行證券交易操守守則規定的準則。

董事會

董事會負責監督本公司所有重要事宜，包括制定及批准整體業務策略、內部監控及風險管理制度及監察高級管理層的表現。管理層在行政總裁領導下負責本集團的日常營運。董事有責任以本公司利益按客觀標準行事。

Corporate governance report

企業管治報告書

As at 31 December 2020, the Board comprised eight Directors, including four executive Directors namely Mr. Chen Xiao Liang, Mr. Qin Song, Mr. Huang Wanru and Ms. Zheng Jinghui, one non-executive Director namely Ms. Li Li, and three independent non-executive Directors namely Mr. Lam Ying Hung, Andy, Mr. Lui Tin Nang and Mr. Siu Man Ho, Simon. There is no financial, business, family or other material or relevant relationship between any of the Directors. The names and biographical details of the Directors are set out in the section entitled “Profile of Directors and Senior Management” in this annual report.

In compliance of Rule 3.10(1) of the Listing Rules, the Board currently comprises three independent non-executive Directors representing more than one-third of the Board. Pursuant to paragraph 12B of Appendix 16 of the Listing Rules, each of the independent non-executive Directors has confirmed by annual confirmation that he has complied with the independence criteria set out in Rule 3.13 of the Listing Rules. The Directors consider that all three independent non-executive Directors are independent under these independence criteria and are capable to effectively exercise independent judgement. Amongst the three independent non-executive Directors, both Mr. Lam Ying Hung, Andy and Mr. Lui Tin Nang have the appropriate professional qualifications and accounting and related financial management expertise required under Rule 3.10(2) of the Listing Rules.

The Board has delegated various responsibilities to the Board committees including the audit committee (the “Audit Committee”), the remuneration committee (the “Remuneration Committee”) and the nomination committee (the “Nomination Committee”) (collectively, the “Board Committees”). Further details of these committees are set out below.

於二零二零年十二月三十一日，董事會由八名董事組成，包括四名執行董事（即陳校良先生、欽松先生、黃萬如先生及鄭靜慧女士）、一名非執行董事李莉女士及三名獨立非執行董事（即林英鴻先生、呂天能先生及蕭文豪先生）。任何董事間概無財務、業務、家族或其他重要或相關關係。董事姓名及履歷詳情載於本年報「董事及高級管理層履歷」一節。

遵照上市規則第3.10(1)條，董事會現時由三名獨立非執行董事組成，佔董事會超過三分之一。根據上市規則附錄十六第12B段，各獨立非執行董事已發出年度確認函確認，彼等符合上市規則第3.13條所載獨立性準則。董事認為，根據獨立性準則，三名獨立非執行董事均為獨立身份，能有效行使獨立判斷。在三名獨立非執行董事中，林英鴻先生及呂天能先生均具備上市規則第3.10(2)條所需的合適專業資格及會計及相關財務管理專才。

董事會已委派審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）（統稱「董事委員會」）履行特定的職責。有關該等委員會的進一步詳情載於下文。

Corporate governance report

企業管治報告書

BOARD MEETINGS

Four Board meetings were held during the year ended 31 December 2020. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of Board meeting was sent to all Directors at least 14 days prior to a regular board meeting. Reasonable notices will be given to the Directors for ad-hoc board meetings. Directors may participate either in person or through electronic means of communications.

All relevant materials were sent to all the Directors relating to the matters brought before the meetings. All the Directors have been provided with sufficient resources to discharge their duties, and, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for Board meetings. Details of individual attendance of the Directors in Board meetings are set out in the table on page 39 of this annual report.

APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of the executive Directors has entered into a service contract or appointment letter with the Company for a specific term of two or three years. All of their appointments are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

All of the independent non-executive Directors and the non-executive Director were appointed for a term of three years, and are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

董事會會議

截至二零二零年十二月三十一日止年度曾舉行四次董事會會議。需要時亦會召開臨時會議，商討整體策略以及本集團的營運及財務表現。全體董事於舉行定期董事會會議前最少14天獲發董事會會議通告，而臨時董事會會議通告則於合理時間內事先派發予董事。董事可選擇親身或以電子通訊的方式出席會議。

所有董事於會議前獲寄發有關會上討論事項的資料。所有董事將獲得充份資源以履行其職責，並在合理要求下，可按合適情況尋求獨立專業意見，費用由本公司承擔。所有董事有機會於董事會會議上將其關注的事宜加入議程。董事個別出席董事會會議的詳情載於本年報第39頁的一覽表內。

委任、重選及罷免董事

各執行董事已與本公司訂立服務合約或委任函，具體任期為兩年或三年。根據本公司組織章程細則，彼等的委任均須遵守輪值告退及重選的規定。

全部獲委任的獨立非執行董事及非執行董事任期均為三年，須根據本公司的組織章程細則輪值告退並接受重選。

Corporate governance report

企業管治報告書

Nomination Policy

The responsibilities and authority for selection and appointment of Directors is delegated to the Nomination Committee but the ultimate responsibility for selection and appointment of Directors of the Company rests with the entire Board. In evaluating and selecting any candidate for directorship, among other things, the following criteria will be considered:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the board diversity policy that are relevant to the Company's business and corporate strategy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or the Board Committee(s).
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

The Nomination Committee and/or the Board will evaluate the candidates based on the criteria as set out above to determine whether such candidates are qualified for directorship. The Nomination Committee will also consider recommendations for candidates made by shareholders of the Company.

提名政策

有關甄選及委任董事的職責授予提名委員會執行，惟甄選及委任本公司董事的最終責任由全體董事承擔。在評估及甄選候選人擔任董事時，將考慮(其中包括)以下準則：

- 品格及誠信。
- 資格，包括專業資格、技能、知識及與本公司業務及策略相關的經驗，以及董事會成員多元化政策所提述的多元化因素。
- 為達致董事會成員多元化而採納的任何可計量目標。
- 根據上市規則，董事會須包括獨立非執行董事的規定，以及參考上市規則內列明候選人是否被視為獨立的指引。
- 候選人的專業資格、技能、經驗、獨立性及性別多元化方面可為董事會帶來的任何潛在貢獻。
- 是否願意及是否能夠投放足夠時間履行身為董事會成員及/或擔任董事委員會的委員的職責。
- 其他適用於本公司業務及繼任計劃的觀點，董事會及/或提名委員會可於適用時因應提名董事及繼任規劃不時採納及/或修訂有關觀點。

提名委員會及/或董事會將根據上文所載準則評估候選人，以釐定有關候選人是否合資格擔任董事職務。提名委員會亦考慮本公司股東所提出的候選人推薦建議。

Corporate governance report

企業管治報告書

Regular reviews will be conducted by the Nomination Committee on the structure, size and composition of the Board and the policy on nomination of Directors of the Company and where appropriate, the Nomination Committee will make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

Chairman and Chief Executive Officer

Under provision A.2.1 of the Code, the roles of the Chairman and the Chief Executive Officer should be separate and should not be performed by the same individual. During the year ended 31 December 2020, Mr. Chen Xiao Liang was the Chairman who provided leadership to the Board but he was not involved in the day-to-day management of the Group's business. Mr. Qin Song was the Vice-Chairman and the Chief Executive Officer of the Company during the year and his role was to oversee the overall management of the Group.

Training for Directors

The Company continuously updates Directors on the latest developments and changes to the Listing Rules and other applicable regulatory requirements and provides training to develop and refresh the Directors' knowledge and skills. The Company also provides Directors with monthly updates on the performance, position and prospects of the Company.

Directors are encouraged to participate in continuing professional development to develop and refresh their knowledge and skills. The Company has prepared a training record in order to assist the Directors to record the training undergone by each of them.

The company secretary reports from time to time the latest changes and development of the Listing Rules and other corporate governance requirements with written materials. Individual Director had also attended seminars and/or conferences or workshops or forums relevant to his profession and duties as directors. All Directors have provided the Company with their respective training records in compliance with Code A.6.5 of the Code.

提名委員會將定期審閱董事會的架構、規模及組成以及本公司董事提名政策，並在適當情況下，提名委員會將就董事會變動提出推薦建議，以補充本公司的企業策略及業務需求。

主席及行政總裁

根據守則第A.2.1條，主席及行政總裁的角色應分立，不應由同一人擔任。截至二零二零年十二月三十一日止年度，陳校良先生曾任主席，領導董事會的工作，但彼並無參與本集團日常的業務管理。年內，欽松先生為本公司副主席兼行政總裁，職責為監管本集團的整體管理。

董事培訓

本公司持續向董事提供有關上市規則和其他適用監管規定的最新發展概況，並提供培訓以增進及重溫董事的知識和技能。本公司亦向董事提供有關本公司表現、狀況及前景的每月更新資料。

公司鼓勵董事參加持續專業發展，以增進並重溫董事的知識和技能。本公司已備有培訓記錄，以協助董事記錄彼等各自接受的培訓。

公司秘書不時匯報上市規則及其他企業管治規定的最新變動及發展，並附上書面資料。個別董事亦已參加有關其專業和董事職務的座談會及／或會議或工作坊或論壇。所有董事均已遵守守則第A.6.5條守則向本公司提供彼等各自的培訓記錄。

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Below is a summary of the training the directors had received during the year: 年內，董事接受培訓的概要如下：

| Name of Directors 董事姓名 | Type of trainings 培訓類型 |
|---|---------------------------|
| Mr. Cai Xiao Ming, David (<i>Chairman</i>) (resigned on 31 March 2020) 蔡曉明先生(主席)(於二零二零年三月三十一日辭任) | B |
| Mr. Chen Xiao Liang (re-designated as Chairman on 31 March 2020) 陳校良先生(於二零二零年三月三十一日調任主席) | A & B |
| Mr. Qin Song (Vice-Chairman and Chief Executive Officer) 欽松先生(副主席兼行政總裁) | A & B |
| Mr. Chen Huapei (resigned on 31 March 2020) 陳華培先生(於二零二零年三月三十一日辭任) | A & B |
| Mr. Huang Wanru (appointed on 31 March 2020) 黃萬如先生(於二零二零年三月三十一日獲委任) | A & B |
| Ms. Zheng Jinghui (appointed on 31 March 2020) 鄭靜慧女士(於二零二零年三月三十一日獲委任) | A & B |
| Ms. Li Li 李莉女士 | A & B |
| Mr. Lam Ying Hung, Andy 林英鴻先生 | A & B |
| Mr. Lui Tin Nang 呂天能先生 | A & B |
| Mr. Siu Man Ho, Simon 蕭文豪先生 | B |

A: Attending seminars/conferences/workshops/forums

A: 出席講座／會議／工作坊／論壇

B: Reading journals/updates/articles/materials

B: 閱讀刊物／最新資料／文章／材料

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企業管治報告書

COMPANY SECRETARY

Mr. Chung Tat Hung has tendered his resignation as the company secretary with effect from 1 September 2020. Following the resignation of Mr. Chung, the Board has decided to appoint Mr. Chan Chung Kik Lewis as the company secretary with effect from 1 September 2020. Mr. Chan is a full time staff of the Group and is responsible for ensuring and advising the Board on compliance of all policies and procedures in connection with the applicable rules and regulations.

The biographical details of Mr. Chan are set out under the section headed “Profile of directors and senior management”.

For the year ended 31 December 2020, each of Mr. Chung and Mr. Chan received not less than 15 hours of relevant professional training to update their knowledge and skills.

BOARD COMMITTEES

Audit Committee

The Company established the Audit Committee which consists of the three independent non-executive Directors, namely Mr. Lam Ying Hung, Andy, Mr. Lui Tin Nang and Mr. Siu Man Ho, Simon, and one non-executive Director, namely Ms. Li Li, and Mr. Lui Tin Nang is the chairman of the Audit Committee.

The primary duties of the Audit Committee are, among other matters, to review and monitor the financial reporting process, internal control and risk management of the Group, and to report to the Board on matters relating to the corporate governance as stated in the Code. During the year ended 31 December 2020, the Audit Committee held three meetings to review, among others, the financial results, financial reporting and compliance procedures, internal control and risk management systems, the effectiveness of the Company's internal audit function, appointment and scope of work of external auditors. The Board has not taken a different view from that of the Audit Committee regarding the selections, appointment, resignation or dismissal of the external auditors.

The terms of reference of the Audit Committee are disclosed on the websites of the Company and the Stock Exchange.

公司秘書

鍾達鴻先生已辭任公司秘書，自二零二零年九月一日起生效。鍾先生辭任後，董事會決定委任陳仲戟先生為公司秘書，自二零二零年九月一日起生效。陳先生為本集團全職員工，負責確保遵守與適用規則及法規相關的所有政策及程序，並就此向董事會提供意見。

陳先生的履歷詳情載於「董事及高級管理層履歷」一節。

截至二零二零年十二月三十一日止年度，鍾先生及陳先生各自接受不少於15小時相關專業培訓以增進其知識及技能。

董事委員會

審核委員會

本公司成立審核委員會，審核委員會由三名獨立非執行董事（即林英鴻先生、呂天能先生及蕭文豪先生）及一名非執行董事（即李莉女士）組成，而呂天能先生是審核委員會的主席。

審核委員會的主要職責是（其中包括）審閱及監督本集團的財務報告程序、內部監控及風險管理程序，並就有關守則所載的企業管治事宜向董事會匯報。截至二零二零年十二月三十一日止年度內，審核委員會曾舉行三次會議以審閱（其中包括）財務業績、財務報告及合規程序、內部監控及風險管理制度、本公司內部審核職能的成效、外部核數師的委任及工作範圍。董事會對審核委員會揀選、委任、辭任或解僱外聘核數師並無異議。

審核委員會的職權範圍已於本公司及聯交所的網站披露。

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Remuneration Committee

The Company established the Remuneration Committee which consists of five members (including the three independent non-executive Directors, namely Mr. Lam Ying Hung, Andy, Mr. Lui Tin Nang and Mr. Siu Man Ho, Simon, one non-executive Director, namely Ms. Li Li and Mr. Chen Huapei, an executive Director whose role has been replaced by Mr. Huang Wanru with effect from 31 March 2020) and Mr. Lam Ying Hung, Andy is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are, among other matters, to make recommendations to the Board on the remuneration of executive Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.

The emolument policy of the employees of the Group is based on the merit, qualifications and competence of the individuals. The emoluments of the Directors are reviewed by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

During the year ended 31 December 2020, the Remuneration Committee held one meeting and reviewed the remuneration policy, assessed performance of executive Directors and approved the terms of the executive Directors' service contracts and the remuneration packages of the Directors and senior management.

The terms of reference of the Remuneration Committee are disclosed on the websites of the Company and the Stock Exchange.

The remuneration of directors and senior management by band for the year ended 31 December 2020 is set out below:

Remuneration bands

薪酬組別

Up to HK\$1,000,000
最多達 1,000,000 港元
HK\$1,000,001 to HK\$2,000,000
1,000,001 港元至 2,000,000 港元
Above HK\$2,000,001
2,000,001 港元以上

薪酬委員會

本公司已成立薪酬委員會。薪酬委員會由五名成員(包括三名獨立非執行董事(即林英鴻先生、呂天能先生及蕭文豪先生)、一名非執行董事(即李莉女士)及執行董事陳華培先生(自二零二零年三月三十一日起由黃萬如先生接替))組成,而林英鴻先生是薪酬委員會的主席。薪酬委員會的主要職責是(其中包括)就執行董事及高級管理人員的薪酬,並就發展該等薪酬政策設立正式及高透明度的程序,向董事會作出推薦意見。

本集團僱員的薪酬政策乃基於個人的功績、資歷及能力。董事的薪酬乃由薪酬委員會經考慮本公司的經營業績、個人表現及可資比較市場數據後作出審閱。

截至二零二零年十二月三十一日止年度,薪酬委員會曾舉行一次會議及審議薪酬政策、評估執行董事表現,並批准執行董事服務合約的年期以及董事及高級管理人員的薪酬待遇。

薪酬委員會的職權範圍已於本公司及聯交所的網站披露。

截至二零二零年十二月三十一日止年度董事及高級管理層的薪酬組別如下:

Number of persons

人數

12

2

NIL

無

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Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 13 and 14 to the financial statements, respectively.

Nomination Committee

The Company established the Nomination Committee which consists of five members (including the three independent non-executive Directors, namely Mr. Lam Ying Hung, Andy, Mr. Lui Tin Nang and Mr. Siu Man Ho, Simon, one non-executive Director, namely Ms. Li Li and Mr. Qin Song, an executive Director) and Mr. Siu Man Ho, Simon is the chairman of the Nomination Committee. The primary duties of the Nomination Committee are, among other matters, to review the structure, size and composition of the Board on a regular basis, to assess the independence of the independent non-executive Directors, and to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors. According to the board diversity policy adopted by the Nomination Committee, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service etc. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service etc. The final decision will be based on merit and contribution that the selected candidates will bring to the Board.

During the year ended 31 December 2020, the Nomination Committee held one meeting and discussed and reviewed the structure, size and composition of the Board.

The terms of reference of the Nomination Committee are disclosed on the websites of the Company and the Stock Exchange.

根據上市規則附錄十六須予披露有關董事酬金以及五名最高薪僱員的進一步詳情，分別載於財務報表附註13及14。

提名委員會

本公司已成立提名委員會。提名委員會由五名成員(包括三名獨立非執行董事(即林英鴻先生、呂天能先生及蕭文豪先生)、一名非執行董事(即李莉女士)及執行董事欽松先生)組成，而蕭文豪先生是提名委員會的主席。提名委員會的主要職責是(其中包括)定期審閱董事會的架構、規模與組成，以評估獨立非執行董事的獨立性，並就有關委任及再度委任董事及董事接任計劃的事宜向董事會提出推薦意見。根據提名委員會採納的董事會成員多元化政策，董事會成員多元化已從多個方面考慮，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年資等。所有董事會委任將基於實際能力，及將以客觀標準考慮候選人，以適當地顧及董事會成員多元化的裨益。候選人的選擇將基於一系列多元化觀點，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年資等。最終決定將基於選定的候選人對董事會作出的功績及貢獻而釐定。

截至二零二零年十二月三十一日止年度，提名委員會已舉行一次會議，討論及檢討董事會的架構、規模及組成。

提名委員會的職權範圍已披露於本公司及聯交所的網站內。

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Attendance of meetings

The attendance of each Director at Board meetings, Board Committees meetings and annual general meeting of the Company for the year 2020 is set out below:

會議出席次數

於二零二零年度，各董事於董事會會議、董事委員會會議及股東週年大會的出席情況如下：

Attendance out of number of meetings 相對會議數目的出席次數

| Name of director | | Board | Audit Committee | Remuneration Committee | Nomination Committee | Annual general meeting (Note 1) 股東週年大會 (附註1) |
|---|-------------------------------------|-------|-----------------|------------------------|----------------------|--|
| 董事姓名 | | 董事會 | 審核委員會 | 薪酬委員會 | 提名委員會 | |
| <i>Executive Directors</i> | <i>執行董事</i> | | | | | |
| Cai Xiao Ming, David (Chairman) (resigned on 31 March 2020) | 蔡曉明(主席) (於二零二零年 三月三十一日 辭任) | 0/1 | - | - | - | - |
| Chen Xiao Liang (re-designated as Chairman on 31 March 2020) | 陳校良 (於二零二零年 三月三十一日 調任主席) | 4/4 | - | - | - | 1/1 |
| Qin Song | 欽松 | 4/4 | - | - | 1/1 | 1/1 |
| Chen Huapei (resigned on 31 March 2020) | 陳華培 (於二零二零年 三月三十一日 辭任) | 1/1 | - | 1/1 | - | - |
| Mr. Huang Wanru (appointed on 31 March 2020) | 黃萬如先生 (於二零二零年 三月三十一日 獲委任) | 3/3 | - | - | - | 1/1 |
| Ms. Zheng Jinghui (appointed on 31 March 2020) | 鄭靜慧女士 (於二零二零年 三月三十一日 獲委任) | 3/3 | - | - | - | 1/1 |
| <i>Non-Executive Director</i> | <i>非執行董事</i> | | | | | |
| Li Li | 李莉 | 3/4 | 3/3 | 1/1 | 1/1 | 0/1 |
| <i>Independent Non-Executive Directors</i> | <i>獨立非執行董事</i> | | | | | |
| Lam Ying Hung, Andy | 林英鴻 | 4/4 | 3/3 | 1/1 | 1/1 | 1/1 |
| Lui Tin Nang | 呂天能 | 4/4 | 3/3 | 1/1 | 1/1 | 1/1 |
| Siu Man Ho, Simon | 蕭文豪 | 4/4 | 3/3 | 1/1 | 1/1 | 1/1 |

Note:

1. The annual general meeting was held on 5 June 2020.

附註：

1. 股東週年大會於二零二零年六月五日舉行。

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企業管治報告書

ACCOUNTABILITY AND AUDIT

Directors' and Auditor's acknowledgement

The Board acknowledges its responsibilities for the preparation of the financial statements of the Group for each financial year, which should give a true and fair view of the state of affairs of the Company and the Group and of the results and cash flow for that year in compliance with relevant laws and applicable accounting standards.

In preparing the financial statements for the year ended 31 December 2020, the Directors have adopted appropriate and consistent accounting policies and made prudent and reasonable judgments and estimations.

The financial statements for the year ended 31 December 2020 have been prepared on a going-concern basis. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements of the Group prepared by the Board and to report their opinion to the Shareholders. A statement by the auditor about their reporting responsibilities is set out in the Independent Auditor's Report.

Auditor's Remuneration

During the year ended 31 December 2020, the remuneration paid/payable to Deloitte Touche Tohmatsu in respect of audit and non-audit services is summarised as follows:

問責及審核

董事及核數師的確認

董事會確認其編製本集團各財政年度財務報表的責任，財務報表應真實而公平地反映本公司及本集團於該年度的事務狀況、業績及現金流量，並遵守相關法例及適用會計準則。

在編製截至二零二零年十二月三十一日止年度的財務報表時，董事已採納適當及一致的會計政策，並作出審慎及合理的判斷及估計。

截至二零二零年十二月三十一日止年度的財務報表乃按持續經營基準編製。外部核數師的責任為根據審計結果對董事會所編製的該等本集團綜合財務報表提出獨立意見，並向股東匯報其意見。核數師就其申報責任所發表的聲明載於獨立核數師報告內。

核數師薪酬

截至二零二零年十二月三十一日止年度，就審核及非審核服務向德勤•關黃陳方會計師行已付／應付的酬金概述如下：

| | | HK\$'000 千港元 |
|---|---------------|-----------------|
| Statutory audit services | 法定審核服務 | 2,327 |
| Non-audit services: | 非審核服務 | |
| Agreed-upon procedures on interim results | 就中期業績執行協定程序 | 500 |
| Agreed-upon procedures on continuing connected transactions | 就持續關連交易執行協定程序 | 50 |
| Total | 總計 | 2,877 |

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企業管治報告書

Risk Management and Internal Control

The Board is responsible for the risk management and internal control systems of the Group and for reviewing their effectiveness. The Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition and to manage operational risks. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. Internal control and risk management systems are reviewed annually to ensure its continuous effectiveness. The Group has in place a risk management framework which has the following five components: risk identification, risk assessment, risk treatment, reporting and monitoring.

A review of the effectiveness of the Group's system of internal control for the year covering all key controls, including financial, operational and compliance and risk management controls, is conducted by rotation and performed annually. The examination consisted of enquiry, discussion and validation through observation and inspection. The result of the review has been reported to the Audit Committee and the Board and areas of improvement, if any, have been identified and appropriate measures have been put in place to manage the risks. The Company's internal audit department independently reviews the effectiveness of the internal controls and risk management, including financial, operational and compliance controls, in the key activities of the Company's business and submits a report at least once a year to the Board for its review and monitors the effectiveness of the system of internal control and risk management of the Group.

For the year of 2020, no significant control failings, weaknesses, risk or critical internal control issues have been identified. Based on the reports from the Group's internal audit department, the Audit Committee and the Board consider the Group's risk management and internal control systems are adequate and effective and the Group has complied with the provisions on risk management and internal controls as set out in the CG Code.

風險管理及內部監控

董事會負責本集團的風險管理及內部監控制度，並檢討其有效性。本集團的內部監控制度旨在保障資產不被挪用及進行未經授權的處置，並管理經營風險。該等制度旨在管理而非估計無法達成業務目標的風險，並僅對重大錯誤陳述或損失提供合理而非絕對的保證。內部監控及風險管理制度按年進行檢討，確保其持續有效。本集團已設立風險管理框架，並由以下五個部分組成：風險識別、風險評估、風險處理、報告及監察。

每年輪流檢討本集團年內內部監控制度的有效性，並涵蓋所有主要監控，包括財務、營運及合規以及風險管理監控。有關考核內容包括查詢、討論，並通過觀察及檢查進行驗證。審閱結果已向審核委員會及董事會匯報，並已識別需要改善的範圍(如有)及採取適當措施管理風險。本公司的內部審核部門於本公司業務的主要活動中獨立審閱內部監控及風險管理的成效，包括財務、經營及合規監控，至少每年向董事會提交報告以供審閱，並監督本集團內部監控及風險管理制度的成效。

於二零二零年度，概無識別到重大監控失誤、弱點、風險或內部監控問題。根據本集團內部審核部門的報告，審核委員會及董事會認為本集團的風險管理及內部監控制度充分及有效，本集團亦已遵照企業管治守則所載的風險管理及內部監控條文。

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企業管治報告書

The Company has procedures and internal controls for the handling and dissemination of inside information. The Group strictly prohibits unauthorised use of inside information. The Group strives to identify inside information and any information which may potentially constitute inside information at the earliest opportunity. Such information is then assessed and handed to the Board for decision on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the Listing Rules and the SFO will be disclosed in accordance with all applicable requirements in due course. Inside information would be kept strictly confidential until such disclosure.

CONSTITUTIONAL DOCUMENTS

The constitutional documents of the Company are available on the websites of the Company and the Stock Exchange.

During the year, there was no change in the Company's constitutional documents.

DIVIDEND POLICY

In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. There is no pre-determined dividend payout ratio and the declaration and distribution of dividends shall be determined at the sole discretion of the Board taking into account, among others, the financial results, cashflow situation, future operations and earnings, capital requirements and expenditure plans and any other factors that the Board may consider relevant. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. The declaration and distribution of dividends shall also be subject to the articles of association of the Company and all applicable laws and regulations. The Board will review the policy from time to time and make relevant amendments as necessary.

本公司擁有處理及傳播內幕消息的程序及內部監控。本集團嚴格禁止未經授權使用內幕消息。本集團力求於最早時機識別內幕消息及任何可能構成內幕消息的信息。其後對有關消息進行評估，並提交董事會以作出披露需要的決定。根據上市規則及證券及期貨條例，須披露的內幕消息及其他消息將適時按照所有適用規定予以披露。內幕消息於披露前將會嚴格保密。

章程文件

本公司的章程文件可於本公司及聯交所網站查閱。

於年內，本公司的章程文件並無變動。

股息政策

在建議或宣派股息時，本公司將維持足夠現金儲備，以應付其營運資金需求、未來增長以及其股東價值。本公司並無任何預定派息比率，而宣派或分派股息將由董事會計及（其中包括）財務業績、現金流量狀況、未來營運及盈利、資本需求及支銷計劃以及董事會可能認為相關的任何其他因素後全權酌情釐定。本公司可以現金或以股代息方式或董事會認為適當的其他方式宣派及派付股息。宣派或分派股息亦須受本公司章程細則以及所有適用法律及法規所規限。董事會將不時審閱政策，並於適當時候作出相關推薦建議。

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企業管治報告書

COMMUNICATION WITH SHAREHOLDERS

The Company aims to maintain regular, effective and fair communication with shareholders and is committed to conveying important and relevant information to shareholders on a timely basis. In compliance with the Listing Rules, at least 20 clear business days' notice will be given to the shareholders for annual general meeting and at least 10 clear business days' notice will be given for all other meetings. All general meetings of the Company have been conducted by way of poll and detailed procedures for conducting a poll were explained at the commencement of the meeting. Results on all general meetings will be published by way of an announcement immediately following the relevant general meeting.

SHAREHOLDERS' RIGHTS

In accordance with Article 58 of the articles of association of the Company, one or more shareholders of the Company holding as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to the requisitionists by the Company.

與股東通訊

本公司旨在與股東維持定期、有效及公平通訊，並承諾按時向股東提供重要及有關資料。為遵守上市規則，舉行股東週年大會時將向股東發出最少20個完整營業日通知，而舉行所有其他大會時將發出最少10個完整營業日通知。本公司所有股東大會均以投票方式進行，而進行投票的詳細程序於大會開始時解釋。所有股東大會的結果將於緊接有關股東大會後以公布方式刊發。

股東的權利

根據本公司組織章程細則第58條，任何一名或多名本公司股東於提交請求當日持有附帶權利可在本公司股東大會上投票的本公司繳足股本不少於十分之一，有權於任何時間向董事會或公司秘書發出書面請求，要求董事會召開股東特別大會處理該請求載列的任何事宜，而有關大會須於送遞該請求後兩(2)個月內召開。倘提出請求後二十一(21)日內董事會未有召開大會，則提出請求的人士可自行以相同方式召開大會，而本公司須向提出請求的人士補償因董事會未有召開大會而自行召開大會產生的所有合理開支。

Corporate governance report

企業管治報告書

If a shareholder wishes to nominate a person to be elected as a Director, the following documents must be validly served to the Company's principal place of business at Room 1201A, 12/F, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong: (i) his/her notice of intention to propose a resolution at the general meeting; and (ii) a notice executed by the nominated candidate of his/her willingness to be appointed together with his/her information as required to be disclosed under Rule 13.51(2) of the Listing Rules, within the period commencing on the day after the dispatch of the notice of the general meeting appointed for such election and ending on the date falling seven days after the dispatch of the said notice of the general meeting.

Any Shareholder may direct their enquires and proposal either by mail to the Company's principal place of business at Room 1201A 12/F, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong, by fax at (852) 3915 7800 or by email at enquiry@brilliantcircle.com.

Shareholders should direct any questions about their shareholdings to the Company's Hong Kong branch share registrar: Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

倘股東欲提名個別人士參選董事，則須於寄發指定就有關選舉召開的股東大會的通告翌日起至寄發上述股東大會通告後七日止期間，將以下文件有效送達本公司主要營業地點（地址為香港灣仔告士打道151號資本中心12樓1201A室）：(i) 股東於股東大會提呈決議案的意向通知；及(ii) 獲提名候選人所簽立確認願意接受委任的通知，連同根據上市規則第13.51(2)條規定須予披露有關彼の資料。

任何股東均可透過郵寄至本公司主要營業地點香港灣仔告士打道151號資本中心12樓1201A室，或以傳真(852) 3915 7800或電郵enquiry@brilliantcircle.com的方式提出查詢或建議。

股東可就任何有關彼等持股權的問題向本公司香港股份過戶登記分處作出查詢：卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓。

Profile of directors and senior management

董事及高級管理層履歷

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Xiao Liang (陳校良), aged 62, was appointed as an executive Director with effect from 12 March 2019 and was re-designated as Chairman with effect from 31 March 2020. He has over 20 years of extensive experience in the property investment and development industry. He was the Chairman of Merryearn (Holdings) Limited (香港廣銀集團有限公司) from 1985 to 1995. He has been the Chairman of a number of corporations in mainland China, namely, Shenzhen Guangyin Building Industry Co., Limited* (深圳廣銀大廈實業有限公司) since 1995; Shenzhen Hongta Industry Co., Limited* (深圳紅塔實業有限公司) since November 2002 (in which he has also been acting as a general manager); Shenzhen Hongding Asset Management Co., Limited* (深圳市紅鼎資產管理有限公司) since February 2010; and Shenzhen Hongding Property Development Co., Limited* (深圳市紅鼎房地產開發有限公司) since June 2010.

Mr. QIN Song (欽松), aged 48, is an executive Director, the Vice Chairman, the Chief Executive Officer and a member of the Nomination Committee of the Company. Mr. Qin joined the Group in May 2002, and worked, among other positions, as the Office Administrator of the Group and General Manager of various subsidiaries of the Company. Since September 2005, Mr. Qin serves as the Deputy Director of the market committee of the Company and since February 2006, a Vice President of the Company. From May 2010 to October 2011, he also served as the General Manager of Bengbu Jinhuangshan Rotogravure Printing Company Limited in addition to his then existing duties. Mr. Qin holds a Bachelor's degree in Economics and Management Administration and an MBA from Peking University.

董事會

執行董事

陳校良先生，62歲，自二零一九年三月十二日起獲委任為執行董事，並自二零二零年三月三十一日起調任主席。彼在物業投資及發展行業擁有逾20年豐富經驗。彼於一九八五年至一九九五年擔任香港廣銀集團有限公司的主席。彼曾於中國內地擔任多家公司的主席，包括自一九九五年起於深圳廣銀大廈實業有限公司；自二零二零年十一月起於深圳紅塔實業有限公司（亦曾擔任總經理）；自二零二零年二月起於深圳市紅鼎資產管理有限公司；及自二零二零年六月起於深圳市紅鼎房地產開發有限公司。

欽松先生，48歲，為本公司執行董事、副主席、行政總裁及提名委員會成員。欽先生於二零零二年五月加入本集團，彼曾出任的職務包括本集團辦公室主任及本公司多家附屬公司的總經理。欽先生自二零零五年九月起出任本公司市場委員會副總監，並自二零零六年二月起出任本公司副總裁。自二零一零年五月至二零一一年十月，除當時的職務外，彼亦出任蚌埠金黃山凹版印刷有限公司的總經理。欽先生持有經濟學及工商管理學士學位及北京大學工商管理碩士學位。

Profile of directors and senior management

董事及高級管理層履歷

Mr. Huang Wanru (黃萬如), aged 52, was appointed as an executive Director with effect from 31 March 2020. He was appointed as a vice president of the Group in October 2011 and resumed the same position in March 2020 when he rejoined the Group after brief departure from the Group in June 2018 for other business engagements. With years of extensive working experience in the finance field, Mr. Huang has been responsible for the financial and management information system of the Group. Since he joined the Group in May 1998, he has been serving in various subsidiary companies of the Group in various roles such as cost accounting, finance manager and finance controller. Since March 2008, he has been appointed as the financial controller of the Group.

Ms. Zheng Jinghui (鄭靜慧), aged 43, was appointed as an executive Director with effect from 31 March 2020. She has been appointed as a vice president of the Group since March 2016. She is responsible for the management of the human resources and office administration of the Group. Ms. Zheng graduated from Beihang University specializing in computer application and Zhejiang University specializing in human resources management. She joined the Group in 2000 and has since served in various roles such as information technology manager, operations manager, human resources manager, assistant to the chief executive officer and vice president of the Group.

黃萬如先生，52歲，自二零二零年三月三十一日起獲委任為執行董事。彼於二零一一年十月獲委任為本集團副總裁。彼其後於二零一八年六月短暫離開本集團另謀發展，並於二零二零年三月重返本集團恢復原職。憑藉多年來於財務領域累積的豐富工作經驗，黃先生負責主理本集團的財務及管理資訊系統。彼自一九九八年五月加盟本集團後曾效力本集團多家附屬公司，擔任成本會計、財務經理及財務總監等職位。彼自二零零八年三月起獲委任為本集團的財務總監。

鄭靜慧女士，43歲，自二零二零年三月三十一日起獲委任為執行董事。彼自二零一六年三月起獲委任為本集團副總裁。彼負責管理本集團的人力資源及行政管理。鄭女士畢業於北京航空航天大學(主修計算機應用)及浙江大學(主修人力資源管理)。彼於二零零零年加盟本集團，此後在本集團擔任信息技術經理、營運經理、人力資源經理、行政總裁助理及副總裁等職位。

Profile of directors and senior management

董事及高級管理層履歷

Non-Executive Director

Ms. LI Li (李莉), aged 49, was appointed as a non-executive Director on 22 July 2015. Ms. Li is a Chairman of the board of directors of Masterwork Group Co., Ltd. (天津長榮科技集團股份有限公司) (“Masterwork” together with its subsidiaries, the “Masterwork Group”), a company whose issued shares are listed on the Shenzhen Stock Exchange (Stock code: 300195). She is also an executive director of certain subsidiaries of the Masterwork Group Co., Ltd. and Tianjin Ming Xuan Investment Limited Company* (天津名軒投資有限公司). She has been appointed as a member of the supervisory board of Heidelberger Druckmaschinen AG, a company listed on the Frankfurt Stock Exchange, since 25 July 2019. Ms. Li is qualified as a senior economist in the People’s Republic of China. She has extensive management experience in the printing and packaging companies.

Independent Non-Executive Directors

Mr. LAM Ying Hung, Andy (林英鴻), aged 56, was appointed as an Independent Non-Executive Director on 4 March 2009. Mr. Lam is the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Mr. Lam has over 25 years of experience in accounting, banking and finance sectors. Mr. Lam is the Managing Consultant of Lontreprise Consulting Limited. Mr. Lam is an associate member of various professional organisations, namely The Institute of Chartered Secretaries and Administrators, The Hong Kong Institute of Company Secretaries and The Hong Kong Institute of Bankers. Mr. Lam is also a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants (“HKICPA”). Mr. Lam is an Independent Non-Executive Director of Xingfa Aluminium Holdings Limited and Synertone Communication Corporation and Weiye Holdings Limited, all of them are companies listed on the Main Board of the Stock Exchange. Mr. Lam received his Master of Professional Accounting and Master of Science in E-commerce for Executives both from The Hong Kong Polytechnic University.

非執行董事

李莉女士，49歲，於二零一五年七月二十二日獲委任為非執行董事。李女士為天津長榮科技集團股份有限公司（「長榮」，連同其附屬公司統稱「長榮集團」）的董事會主席，該公司的已發行股份於深圳證券交易所上市（股份代號：300195）。彼亦為天津長榮科技集團股份有限公司若干附屬公司及天津名軒投資有限公司的執行董事。彼自二零一九年七月二十五日起獲委任為法蘭克福證券交易所上市公司Heidelberger Druckmaschinen AG的監事會成員。李女士具備中華人民共和國高級經濟師資格。彼於印刷及包裝公司擁有豐富管理經驗。

獨立非執行董事

林英鴻先生，56歲，於二零零九年三月四日獲委任為獨立非執行董事。林先生為本公司薪酬委員會主席以及審核委員會及提名委員會成員。林先生於會計、銀行及金融業擁有逾25年經驗，現為Lontreprise Consulting Limited的首席顧問，另為多個專業組織（特許秘書及行政人員公會、香港公司秘書公會及香港銀行家學會）的會員。林先生亦為英國特許公認會計師公會資深會員及香港會計師公會（「香港會計師公會」）執業會計師。林先生為聯交所主板上市公司興發鋁業控股有限公司、協同通信集團有限公司及偉業控股有限公司的獨立非執行董事。林先生持有香港理工大學專業會計碩士及電子商貿（行政人員）理學碩士學位。

* The English names are not official names and are provided for identification purpose only

Profile of directors and senior management

董事及高級管理層履歷

Mr. LUI Tin Nang (呂天能), aged 63 was appointed as an Independent Non-Executive Director on 4 March 2009. Mr. Lui is the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company. Mr. Lui has a Bachelor degree in Science from the University of Leeds, a Master Degree in Business Administration from the University of Bradford in United Kingdom and a Postgraduate Diploma in insolvency from HKICPA. He is a fellow member of the HKICPA (Practicing), the Institute of Chartered Accountants in England & Wales, the Taxation Institute of Hong Kong, and The Society of Chinese Accountants and Auditors. He is also a member of the Chartered Institute of Management Accountant, Institute of Certified Public Accountants in Australia and the Certified Tax Adviser. He has years of experience in accounting, auditing, taxation, corporate finance and business advisory.

Mr. SIU Man Ho, Simon (蕭文豪), aged 47, was appointed as an Independent Non-Executive Director on 4 March 2009. Mr. Siu is the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Siu is a practising solicitor of the High Court of Hong Kong. He obtained a Bachelor of Laws degree from the University of Hong Kong in 1996 and is a partner of a Hong Kong law firm, namely Sit, Fung, Kwong & Shum Solicitors. Mr. Siu is also a China Appointed Attesting Officer appointed by the Ministry of Justice of the PRC. His areas of practice include corporate finance, capital markets, securities, mergers and acquisitions, joint ventures and general commercial matters. Mr. Siu is also an independent non-executive director of Wai Yuen Tong Medicine Holdings Limited (stock code 897), Shuang Yun Holdings Limited (stock code 1706) and HKE Holdings Limited (stock code 1726), all of which are companies listed on the Main Board of the Stock Exchange. Moreover, he was appointed as the independent non-executive director of Weiye Holdings Limited (stock code 1570) in March 2016 and resigned from the position in December 2018. He also actively participates in charitable and social services in Hong Kong. He was previously appointed as the director of Hong Kong Pok Oi Hospital. He is acting as the legal adviser for United Hearts Youth Foundation and VQ Foundation as well as the school manager of The Association of Directors and Former Directors of Pok Oi Hospital Ltd. Leung Sing Tak College. He is also a member of the Committee of the Chinese People's Political Consultative Conference in Yangjiang City of Guangdong Province, the PRC.

呂天能先生，63歲，於二零零九年三月四日獲委任為獨立非執行董事。呂先生為本公司審核委員會主席以及薪酬委員會及提名委員會成員。呂先生持有英國University of Leeds理學士學位、英國University of Bradford工商管理碩士學位及香港會計師公會破產管理文憑。彼為香港會計師公會(執業)、英格蘭及威爾斯特許會計師公會、香港稅務學會及華人會計師公會資深會員。彼亦為英國特許管理會計師協會會員、澳洲會計師公會會員及香港註冊稅務師。彼於會計、核數、稅務、企業融資及業務諮詢等方面累積多年經驗。

蕭文豪先生，47歲，於二零零九年三月四日獲委任為獨立非執行董事。蕭先生為本公司提名委員會主席以及審核委員會及薪酬委員會成員。蕭先生為香港高等法院執業律師，於一九九六年取得香港大學法律學士學位，現為薛馮鄭岑律師行合夥人。蕭先生亦為中國司法部委任的中國委託公證人，其專業包括企業融資、資本市場、證券、合併及收購、合營及一般商業事宜。蕭先生亦為聯交所主板上市公司位元堂藥業控股有限公司(股份代號897)、雙運控股有限公司(股份代號1706)及HKE Holdings Limited(股份代號1726)的獨立非執行董事。此外，他曾於二零一六年三月獲委任為偉業控股有限公司(股份代號1570)的獨立非執行董事，並於二零一八年十二月辭任。蕭先生同時積極參與香港的慈善及社會服務，曾擔任香港博愛醫院總理。彼現時擔任雁心會樂幼基金及願景基金會的法律顧問，並擔任博愛醫院歷屆總理聯誼會梁省德中學校董。彼亦是中國廣東省陽江市中國人民政治協商會議委員。

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Profile of directors and senior management

董事及高級管理層履歷

SENIOR MANAGEMENT

Mr. JIANG Xiang Yu (蔣祥瑜), aged 65, is a Vice President of the Group and the General Manager of Bengbu Jinhuangshan Rotogravure Printing Co., Limited. He joined the Group in 1999 and has over 20 years of experience in the cigarette package industry.

Mr. YAN Feng (嚴 峰), aged 63, is a Vice President of the Group since March 2016 responsible for the Group infrastructure advancement, equipment management and investment, policy research and technology management. Mr. Yan joined the Group in 2000 and has more than 20 years of experience in the cigarette package industry and he also has experience in printing of books services.

Ms. AI Ping (艾 萍) aged 46, joined the Group in July 2001 and has been appointed as a Vice President of the Group since June 2018. With extensive experience in market development and business management, Ms. Ai Ping is responsible for the expansion of some of the Group's business markets and concurrently serves as the general manager of the subsidiary Xiangyang Jinfeihuan Color Package Co., Ltd.

高級管理層

蔣祥瑜先生，65歲，為集團副總裁兼蚌埠金黃山凹版印刷有限公司的總經理。彼於一九九九年加盟本集團，於香煙包裝業積逾20年經驗。

嚴峰先生，63歲。自二零一六年三月起出任本集團副總裁，負責本集團基建技改、設備管理及投資、政策研究及技術管理。嚴先生於二零零零年加入本集團，於香煙包裝業積逾20年經驗，彼也有書刊業務管理經驗。

艾萍女士，46歲，於二零零一年七月加盟本集團，自二零一八年六月起獲委任為本集團副總裁。憑藉於市場拓展、企業經營管理的豐富經驗，艾萍女士負責本集團部分業務市場的拓展工作，並兼任附屬公司襄陽金飛環彩色包裝有限公司總經理。

Profile of directors and senior management

董事及高級管理層履歷

Mr. Chen Huapei (陳華培), aged 46, has been appointed as a vice president of the Group since October 2018. With extensive experience in financial audit management, Mr. Chen is responsible for managing the financial and auditing systems of the Group. Mr. Chen joined the Group in October 1997 and has served in various subsidiaries of the Group. He has served as the chief cost accountant at the Group's Head Office, finance manager of Bengbu Jinhuangshan Rotogravure Printing Co., Limited, finance director of Shenzhen Kecai Printing Co., Limited, deputy general manager of Changde Goldroc Printing Co., Limited and assistant to Group's CEO. Mr. Chen graduated from Yangzhou University with a major in economic information management and he is currently pursuing a master's degree at Xian University of Technology. Mr. Chen has been appointed as an executive Director with effect from 9 November 2018 and resigned as executive Director on 31 March 2020 to assume other roles within the Group.

Mr. Chan Chung Kik Lewis (陳仲戟), aged 48, is the Chief Financial Officer and Company Secretary of the Company. Mr. Chan joined the Group in August 2020. He has more than 20 years of experience in auditing, accounting and corporate finance. He obtained a bachelor degree of commerce in accounting from the University of Canberra in Australia in September 1997. He is a fellow of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia.

陳華培先生，46歲，自二零一八年十月起獲委任為本集團副總裁。憑藉於財務審核管理之豐富經驗，陳先生負責管理本集團之財務及審核制度。陳先生於一九九七年十月加盟本集團，效力本集團多家附屬公司。彼擔任本集團總辦事處之總成本會計師、蚌埠金黃山凹版印刷有限公司之財務經理、深圳市科彩印務有限公司之財務總監、常德金鵬印務有限公司之副總經理及本集團行政總裁助理。陳先生於揚州大學畢業，主修經濟資訊管理。彼現正於西安理工大學修讀碩士學位。陳先生自二零一八年十一月九日起獲委任為執行董事，後於二零二零年三月三十一日辭任執行董事以擔當本集團內其他職位。

陳仲戟先生，48歲，為本公司的財務總監兼公司秘書。陳先生於二零二零年八月加入本集團。彼於審計、會計及企業融資方面積逾20年經驗。彼於一九九七年九月取得澳洲坎培拉大學頒授的會計商學士學位。彼現為香港會計師公會資深會員及澳洲會計師公會會員。

Independent auditor's report

獨立核數師報告

Deloitte.

德勤

To the Members of Brilliant Circle Holdings International Limited

貴聯控股國際有限公司

(incorporated in the Cayman Islands with limited liability)

致貴聯控股國際有限公司各股東

(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Brilliant Circle Holdings International Limited (the “Company”) and its subsidiaries (collectively referred to as “the Group”) set out on pages 58 to 230, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

吾等已審核載列於第58至230頁貴聯控股國際有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，該等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報表與截至該日止年度的綜合損益及其他全面收益報表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零二零年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見的基礎

吾等根據香港會計師公會頒布的香港審計準則(「香港審計準則」)進行審核。在該等準則下，吾等的責任在吾等的報告內「核數師就審核綜合財務報表須承擔的責任」一節進一步闡述。根據香港會計師公會的國際職業會計師道德守則(「守則」)，吾等獨立於 貴集團，並已遵循守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證能充足及適當地為吾等的意見提供基礎。

Independent auditor's report

獨立核數師報告

KEY AUDIT MATTERS

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

關鍵審計事項

關鍵審計事項是根據吾等的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。該等事項乃於吾等審計整體綜合財務報表及出具意見時處理。吾等不會對該等事項提供單獨的意見。

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

吾等在審計中的處理方法

Impairment assessment of goodwill

商譽減值評估

We identified the impairment assessment of goodwill as a key audit matter due to significant judgements and estimations exercised by the Group's management in impairment assessment.

吾等識別商譽減值評估為關鍵審計事項，因為貴集團管理層在進行減值評估時須作出重大判斷及估計。

Our procedures in relation to the impairment of goodwill assessment included:

吾等就商譽減值評估進行的程序包括：

- Discussing with the Group's management on their approach to impairment assessment;
- 與貴集團管理層討論減值評估的方法；
- Evaluating the appropriateness of the impairment models and checking their mathematical accuracy;
- 評估減值模式是否恰當及檢查其計算是否準確；
- Evaluating the independent qualified professional valuer's competence, capabilities and objectivity;
- 評估獨立合資格專業估值師的勝任性、能力及客觀性；
- Reviewing the valuation report provided by the independent valuer on the discount rate adopted in the discounted cash flow forecast model and evaluating its reasonableness;
- 就折現現金流量預測模式所採納折現率審閱管理層所提供的估值報告，並評估其是否合理；

Independent auditor's report

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

吾等在審計中的處理方法

Impairment assessment of goodwill (continued)

商譽減值評估(續)

The Group's goodwill amounted to HK\$885,408,000 (net of accumulated impairment loss of HK\$284,226,000) as at 31 December 2020 relating to the acquisition of printing businesses in 2009, 2012 and 2018 and the acquisition of sales of radio frequency products businesses in 2017 which are subject to impairment assessment in accordance with Hong Kong Accounting Standard 36 "Impairment of Assets" ("HKAS 36") issued by the HKICPA. As detailed in note 20 to the consolidated financial statements, in determining whether goodwill is impaired requires an estimation of the recoverable amount, which is the higher of its fair value less costs of disposal and its value in use of the cash-generating units to which goodwill has been allocated. Significant judgements, estimations and assumptions were required by management of the Group in assessing the recoverable amounts of cash-generating units. The value in use of the cash-generating units is determined based on the discounted cash flow forecast model which requires estimation on certain assumptions, including the discount rate, terminal growth rate, gross margin and sales growth rate.

於二零二零年十二月三十一日，貴集團就於二零零九年、二零一二年及二零一八年收購印刷業務及於二零一七年收購射頻產品銷售業務產生商譽885,408,000港元(扣除累計減值虧損284,226,000港元)，須根據香港會計師公會頒布的香港會計準則第36號「資產減值」(「香港會計準則第36號」)進行減值評估。誠如綜合財務報表附註20所詳述，釐定商譽是否減值須估計可收回金額，即公允價值減出售成本與獲分配商譽產生單位的使用價值兩者中的較高者。在評估現金產生單位的可收回金額時，貴集團管理層須作出重大判斷、估計及假設。現金產生單位的使用價值乃按折現現金流量預測模式釐定，當中須就若干假設(包括折現率、最終增長率、毛利率及銷售增長率)作出估計。

- Evaluating the reasonableness of the key assumptions and inputs adopted in the discounted cash flow forecast model including the terminal growth rate, gross margin and sales growth rate by comparing the management's expectations for the market development to relevant industry growth forecasts and past performance, as appropriate; and
- 透過比較管理層有關市場發展對相關行業增長預測及過去表現(視適當情況而定)的期望，評價折現現金流量預測模式所採納的主要假設及輸入收據(包括最終增長率、毛利率及銷售增長率)是否合理；及
- Reviewing the sensitivity analyses performed by the management to evaluate the potential impacts on the recoverable amount and impairment.
- 審閱由管理層進行的敏感度分析，以評估對可收回金額及減值的潛在影響。

Independent auditor's report

獨立核數師報告

OTHER INFORMATION

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

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

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

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

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

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

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

其他資料

貴公司董事須對其他資料承擔責任。其他資料包括載於年報的資料，惟不包括綜合財務報表及吾等的相關核數師報告。

吾等對綜合財務報表作出的意見並無涵蓋其他資料，而吾等不會對其他資料發表任何形式的核證結論。

就吾等審核綜合財務報表而言，吾等的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或吾等在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若吾等基於已進行的工作認為其他資料出現重大錯誤陳述，吾等須報告有關事實。就此，吾等毋須作出報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例的披露規定編製真實而公平地反映情況的綜合財務報表，及董事釐定對編製綜合財務報表屬必要的有關內部監控，以使該等綜合財務報表不會存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

治理層負責監督貴集團的財務報告流程。

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 solely to you, as a body, in accordance with our agreed terms of engagement, 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 skepticism throughout the audit. We also:

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

核數師就審核綜合財務報表須承擔的責任

吾等的目標為合理確定綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並根據吾等協定的委聘條款向閣下（作為整體）出具包括吾等意見的核數師報告，除此之外不作其他用途。吾等概不就本報告的內容對任何其他人士負責或承擔任何責任。合理確定屬高層次的核證，惟根據香港審計準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

在根據香港審計準則進行審計的過程中，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及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該等風險，以及獲取充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，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監控，以設計適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent auditor's report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

- 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.

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

核數師就審核綜合財務報表須承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論，並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。倘吾等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。倘有關披露不足，則修訂吾等意見。吾等的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。吾等負責集團審計的方向、監督和執行。吾等為審核意見承擔全部責任。

吾等與治理層就(其中包括)審計的計劃範圍、時間安排及重大審計發現溝通，該等發現包括吾等在審計過程中識別的內部監控的任何重大缺失。

Independent auditor's report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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

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

The engagement partner on the audit resulting in the independent auditor's report is Lee Ka Kei.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 March 2021

核數師就審核綜合財務報表須承擔 的責任(續)

吾等亦向治理層作出聲明，指出吾等已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜，以及為消除威脅而採取的行動或相關防範措施(如適用)。

從與治理層溝通的事項中，吾等釐定對本期間綜合財務報表的審計至關重要的事項，因而構成關鍵審計事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在吾等報告中溝通某事項造成的負面後果超出產生的公眾利益，則吾等決定不應在報告中傳達該事項。

出具本獨立核數師報告的審計項目合夥人是李嘉琪。

德勤•關黃陳方會計師行
執業會計師
香港
二零二一年三月三十日

Consolidated statement of profit or loss and other comprehensive income

綜合損益及其他全面收益報表

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

| | | NOTES 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|---------------------|-------------|----------------------------------|----------------------------------|
| Revenue | 收益 | 5 | 1,339,439 | 1,495,833 |
| Cost of sales | 銷售成本 | | (1,073,661) | (1,148,171) |
| Gross profit | 毛利 | | 265,778 | 347,662 |
| Other income | 其他收入 | 7 | 46,939 | 33,460 |
| Other gains and losses | 其他收益及虧損 | 8 | (173,846) | (24,049) |
| Impairment losses on financial assets and contract assets, net of reversal | 金融資產及合約資產減值虧損(扣除撥回) | 9 | (2,267) | (1,960) |
| Selling and distribution expenses | 銷售及分銷開支 | | (41,220) | (57,011) |
| Administrative expenses | 行政開支 | | (83,531) | (83,458) |
| Other expenses | 其他開支 | | (4,597) | (3,100) |
| Finance costs | 融資成本 | 10 | (20,688) | (19,678) |
| Share of profits of associates | 分佔聯營公司溢利 | 22 | 59,304 | 41,751 |
| Share of profit (loss) of a joint venture | 分佔一間合營企業溢利(虧損) | 23 | 214 | (930) |
| Profit before taxation | 除稅前溢利 | | 46,086 | 232,687 |
| Taxation | 稅項 | 11 | (37,114) | (55,801) |
| Profit for the year | 年度溢利 | 12 | 8,972 | 176,886 |
| Other comprehensive income (expense): | 其他全面收益(開支): | | | |
| Item that will not be reclassified to profit or loss: | 將不會重新分類至損益的項目: | | | |
| Exchange differences on translation from functional currency to presentation currency | 因換算功能貨幣為呈報貨幣而產生匯兌差額 | | 134,615 | (43,119) |
| Total comprehensive income for the year | 年度全面收益總額 | | 143,587 | 133,767 |

Consolidated statement of profit or loss and other comprehensive income

綜合損益及其他全面收益報表

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

| | | NOTES 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-----------------|-------------|----------------------------------|----------------------------------|
| Profit for the year attributable to: | 以下人士應佔年度溢利： | | | |
| Owners of the Company | 本公司擁有人 | | 8,915 | 175,886 |
| Non-controlling interests | 非控股權益 | | 57 | 1,000 |
| | | | 8,972 | 176,886 |
| Total comprehensive income for the year attributable to: | 以下人士應佔年度全面收益總額： | | | |
| Owners of the Company | 本公司擁有人 | | 142,081 | 133,370 |
| Non-controlling interests | 非控股權益 | | 1,506 | 397 |
| | | | 143,587 | 133,767 |
| | | | 2020 二零二零年 HK\$ 港元 | 2019 二零一九年 HK\$ 港元 |
| Earnings per share | 每股盈利 | | | |
| Basic | 基本 | 15 | 0.006 | 0.112 |

Consolidated statement of financial position

綜合財務狀況報表

At 31 December 2020 於二零二零年十二月三十一日

| | | NOTES | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-----------------------|-------|----------------------------------|----------------------------------|
| | | 附註 | | |
| Non-current Assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 17 | 902,392 | 790,341 |
| Right-of-use assets | 使用權資產 | 18 | 104,176 | 103,596 |
| Investment properties | 投資物業 | 19 | 22,305 | 23,076 |
| Goodwill | 商譽 | 20 | 885,408 | 1,025,495 |
| Intangible assets | 無形資產 | 21 | 72,351 | 113,423 |
| Interests in associates | 於聯營公司的權益 | 22 | 450,364 | 423,245 |
| Interest in a joint venture | 於一間合營企業的權益 | 23 | 8,414 | 7,676 |
| Deferred tax assets | 遞延稅項資產 | 35 | 1,333 | 1,940 |
| Rental and other deposits paid | 已付租賃按金及其他按金 | 27 | 2,402 | 20,249 |
| | | | 2,449,145 | 2,509,041 |
| Current Assets | 流動資產 | | | |
| Inventories | 存貨 | 24 | 112,491 | 160,771 |
| Trade receivables | 貿易應收款項 | 25 | 512,533 | 557,708 |
| Contract assets | 合約資產 | 26 | 113,187 | 170,724 |
| Other receivables, prepayments and refundable deposits | 其他應收款項、預付款項及 可退還訂金 | 27 | 68,899 | 35,936 |
| Tax recoverable | 可收回稅項 | | 2,709 | 2,329 |
| Pledged bank deposits | 已抵押銀行存款 | 29 | 14,523 | 9,476 |
| Bank balances and cash | 銀行結餘及現金 | 29 | 315,391 | 201,168 |
| | | | 1,139,733 | 1,138,112 |

Consolidated statement of financial position

綜合財務狀況報表

At 31 December 2020 於二零二零年十二月三十一日

| | | NOTES | 2020 | 2019 |
|--|-----------------|-------|--------------------------|--------------------------|
| | | 附註 | 二零二零年 HK\$'000 千港元 | 二零一九年 HK\$'000 千港元 |
| Current Liabilities | 流動負債 | | | |
| Trade payables | 貿易應付款項 | 30 | 214,037 | 226,288 |
| Other payables and accruals | 其他應付款項及應計費用 | 31 | 102,269 | 92,568 |
| Lease liabilities | 租賃負債 | 33 | 991 | 4,354 |
| Amounts due to non-controlling interests of subsidiaries | 應付附屬公司非控股權益款項 | 28 | 2,484 | 8,290 |
| Bank borrowings | 銀行借貸 | 32 | 411,206 | 256,462 |
| Bank overdrafts | 銀行透支 | 29 | – | 2,728 |
| Income tax payable | 應付所得稅 | | 16,503 | 32,921 |
| | | | 747,490 | 623,611 |
| Net Current Assets | 流動資產淨值 | | 392,243 | 514,501 |
| Total Assets less Current Liabilities | 總資產減流動負債 | | 2,841,388 | 3,023,542 |
| Non-current Liabilities | 非流動負債 | | | |
| Government grants | 政府補助金 | 34 | 28,383 | 27,297 |
| Lease liabilities | 租賃負債 | 33 | 302 | 551 |
| Deferred tax liabilities | 遞延稅項負債 | 35 | 42,876 | 69,518 |
| | | | 71,561 | 97,366 |
| Net assets | 資產淨值 | | 2,769,827 | 2,926,176 |

Consolidated statement of financial position

綜合財務狀況報表

At 31 December 2020 於二零二零年十二月三十一日

| | | NOTES 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|--------------|-------------|----------------------------------|----------------------------------|
| Capital and Reserves | 資本及儲備 | | | |
| Share capital | 股本 | 36 | 7,839 | 7,839 |
| Share premium and reserves | 股份溢價及儲備 | | 2,738,607 | 2,896,462 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 2,746,446 | 2,904,301 |
| Non-controlling interests | 非控股權益 | | 23,381 | 21,875 |
| Total Equity | 權益總額 | | 2,769,827 | 2,926,176 |

The consolidated financial statements on pages 58 to 230 were approved and authorised for issue by the Board of Directors on 30 March 2021 and are signed on its behalf by:

第58至230頁的綜合財務報表已於二零二一年三月三十日獲董事會批准及授權發布，並由下列人士代表簽署：

Mr. Qin Song
欽松先生
DIRECTOR
董事

Mr. Huang Wanru
黃萬如先生
DIRECTOR
董事

Consolidated statement of changes in equity

綜合權益變動表

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

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | Non-controlling interests | | Total equity |
|--|--------------------|---|------------------|--------------------|--------------------|------------------|------------------|------------------|---------------------------|---------------------------|------------------|
| | | Share capital | Share premium | Statutory reserves | Other reserve | Dividend reserve | Exchange reserve | Retained profits | Total | Non-controlling interests | Total equity |
| | | 股本 | 股份溢價 | 法定儲備 | 其他儲備 | 股息儲備 | 匯兌儲備 | 保留溢利 | 總計 | 非控股權益 | 權益總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | | | (Note a) (附註a) | (Note b) (附註b) | | | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 7,839 | 4,936,913 | 189,225 | (2,905,278) | - | (79,594) | 614,558 | 2,763,663 | 34,938 | 2,798,601 |
| Profit for the year | 年度溢利 | - | - | - | - | - | - | 175,886 | 175,886 | 1,000 | 176,886 |
| Other comprehensive expense for the year | 年度其他全面開支 | - | - | - | - | - | (42,516) | - | (42,516) | (603) | (43,119) |
| Total comprehensive (expense) income for the year | 年度全面(開支)收益總額 | - | - | - | - | - | (42,516) | 175,886 | 133,370 | 397 | 133,767 |
| Final dividends for 2019 proposed (note 16) | 二零一九年建議末期股息(附註16) | - | - | - | - | 299,936 | - | (299,936) | - | - | - |
| Dividends declared to non-controlling interests | 向非控股權益宣派股息 | - | - | - | - | - | - | - | - | (2,574) | (2,574) |
| Acquisition of additional equity interest in a subsidiary (note b) | 收購一間附屬公司的額外股權(附註b) | - | - | 655 | (2,447) | - | 143 | 8,917 | 7,268 | (10,886) | (3,618) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 7,839 | 4,936,913 | 189,880 | (2,907,725) | 299,936 | (121,967) | 499,425 | 2,904,301 | 21,875 | 2,926,176 |
| Profit for the year | 年度溢利 | - | - | - | - | - | - | 8,915 | 8,915 | 57 | 8,972 |
| Other comprehensive income for the year | 年度其他全面收益 | - | - | - | - | - | 133,166 | - | 133,166 | 1,449 | 134,615 |
| Total comprehensive income for the year | 年度全面收益總額 | - | - | - | - | - | 133,166 | 8,915 | 142,081 | 1,506 | 143,587 |
| Final dividends for 2019 proposed (note 16) | 二零一九年建議末期股息(附註16) | - | - | - | - | 156,789 | - | (156,789) | - | - | - |
| Dividends recognised as distribution (note 16) | 確認為分派的股息(附註16) | - | - | - | - | (299,936) | - | - | (299,936) | - | (299,936) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 7,839 | 4,936,913 | 189,880 | (2,907,725) | 156,789 | 11,199 | 351,551 | 2,746,446 | 23,381 | 2,769,827 |

Consolidated statement of changes in equity

綜合權益變動表

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

Notes:

- (a) As stipulated by the relevant laws and regulations for enterprises in the People's Republic of China (the "PRC"), the Company's PRC subsidiaries are required to maintain statutory reserves. Appropriation to such reserve is made out of profit after taxation as reflected in the statutory financial statements of the PRC subsidiaries while the amounts and allocation basis are decided by its board of directors annually. The appropriation to statutory surplus reserve may cease if the balance of the statutory surplus reserve has reached 50% of the PRC subsidiaries' registered capital. The statutory reserves can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.
- (b) Other reserves comprised (i) the merger reserve of HK\$79,000 which arose from the difference between the nominal value and premium of shares of subsidiaries acquired over the nominal value of the shares issued by the Company in exchange thereof; (ii) issue of 480,000,000 shares of the Company with fair value of HK\$4,267,200,000 at 14 April 2011 to Mr. Tsoi Tak, the former controlling shareholder of the Company in exchange of its entire equity interests in Brilliant Circle Group Holdings Limited (formerly known as Brilliant Circle Holdings International Limited) which were acquired by Mr. Tsoi Tak, that former controlling shareholder at 10 September 2009 using cash and certain listed shares held by him with fair value of HK\$1,781,817,000 in aggregate; (iii) an amount of HK\$516,437,000 resulting from the acquisition of additional equity interests in Bengbu Jinhuan Shan Rotogravure Printing Company Limited, a non-wholly owned subsidiary of the Company; (iv) an amount of HK\$81,223,000 resulting from the acquisition of additional equity interests in Giant Sino Investments Limited, a non-wholly owned subsidiary of the Company in December 2014; (v) an amount of HK\$119,000 resulting from the change of equity interests of non-controlling shareholders from 0.69% to 0.51% in Shenzhen Kecai Printing Com., Ltd in November 2015, (vi) an amount of HK\$1,409,000 resulting from the acquisition of additional equity interests in Xiangyang Jinfeihuan Colour Packing Co., Ltd, a non-wholly owned subsidiary of the Company in August 2017, (vii) an amount of HK\$465,000 resulting from the acquisition of additional equity interests in Zhaotong Antong Package Material Co., Ltd, a non-wholly owned subsidiary of the Company, in August 2018, and (viii) an amount of HK\$2,447,000 resulting from the acquisition of additional equity interests in Shenzhen Kecai Printing Com., Ltd, a non-wholly owned subsidiary of the Company, in December 2019.

附註：

- (a) 根據針對中華人民共和國(「中國」)企業的有關法律及法規所規定，本公司的中國附屬公司須設立法定儲備。分配至該儲備的撥款乃從中國附屬公司法定財務報表的除稅後溢利中撥付，而金額及分配基準則由董事會每年決定。倘法定儲備結餘已達到中國附屬公司註冊資本的50%，則可不再轉撥至法定盈餘儲備。法定儲備可用作彌補上一年的虧損(如有)，亦可透過資本化發行轉換為資本。
- (b) 其他儲備包括(i)合併儲備79,000港元，乃產生自所收購附屬公司股份的面值及溢價相對於本公司所發行用於交換的股份的面值的差額；(ii)本公司於二零一一年四月十四日向本公司前控股股東蔡得先生發行的480,000,000股股份，公允價值為4,267,200,000港元，以換取前控股股東蔡得先生於二零零九年九月十日以現金及所持若干上市股份收購的貴聯集團控股有限公司(前稱貴聯控股國際有限公司)全部股權，相關公允價值合共為1,781,817,000港元；(iii)收購本公司非全資附屬公司蚌埠金黃山凹版印刷有限公司額外股權所產生的款項516,437,000港元；(iv)於二零一四年十二月收購本公司非全資附屬公司鉅華投資有限公司額外股權所產生的款項81,223,000港元；(v)於二零一五年十一月非控股股東於深圳市科彩印務有限公司的股權由0.69%變為0.51%所產生的款項119,000港元；(vi)於二零一七年八月收購本公司非全資附屬公司襄陽金飛環彩色包裝有限公司額外股權所產生的款項1,409,000港元；(vii)於二零一八年八月收購本公司非全資附屬公司昭通安通包裝材料有限公司額外股權所產生的款項465,000港元；及(viii)於二零一九年十二月收購本公司非全資附屬公司深圳市科彩印務有限公司額外股權所產生的款項2,447,000港元。

Consolidated statement of cash flows

綜合現金流量表

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

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------------------------|----------------------------------|----------------------------------|
| OPERATING ACTIVITIES | 經營活動 | | |
| Profit before taxation | 除稅前溢利 | 46,086 | 232,687 |
| Adjustments for: | 調整： | | |
| Share of profits of associates | 分佔聯營公司溢利 | (59,304) | (41,751) |
| Share of (profit) loss of a joint venture | 分佔一間合營企業 (溢利)虧損 | (214) | 930 |
| Finance costs | 融資成本 | 20,688 | 19,678 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 108,427 | 92,250 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 6,017 | 6,508 |
| Depreciation of investment properties | 投資物業折舊 | 2,176 | 1,891 |
| Impairment losses on financial assets and contract assets, net of reversal | 金融資產及合約資產的減值 虧損(扣除撥回) | 2,267 | 1,960 |
| Amortisation of intangible assets | 無形資產攤銷 | 41,769 | 50,190 |
| Interest income | 利息收入 | (4,488) | (1,586) |
| Gain from changes in fair value of financial assets at FVTPL | 按公允價值計入損益的金融 資產公允價值變動收益 | (132) | (1,896) |
| Gain from changes in fair value of financial liabilities at FVTPL | 按公允價值計入損益的金融 負債公允價值變動收益 | - | (1,190) |
| Government grants for acquisition of property, plant and equipment | 收購物業、廠房及設備的 政府補助金 | (2,079) | (2,523) |
| Gains on disposal of property, plant and equipment | 出售物業、廠房及設備的 收益 | (1,024) | (492) |
| Impairment losses on property, plant and equipment | 物業、廠房及設備減值虧損 | 27 | 33 |
| Gain arising from early termination of lease contracts | 提前終止租賃合約產生的 收益 | (8) | (20) |
| Recognition of write-down on obsolete inventories | 確認陳舊存貨撇減 | 4,678 | 1,053 |
| Impairment losses on goodwill | 商譽減值虧損 | 176,000 | 15,000 |
| Unrealised net exchange losses | 未變現匯兌虧損淨額 | (160) | 7,524 |

Consolidated statement of cash flows

綜合現金流量表

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

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| Operating cash flows before movements in working capital | 營運資金變動前的經營業務現金流量 | 340,726 | 380,246 |
| Decrease (increase) in inventories | 存貨減少(增加) | 50,628 | (1,093) |
| Decrease (increase) in trade receivables | 貿易應收款項減少(增加) | 75,497 | (29,617) |
| (Increase) decrease in other receivables, prepayments and refundable deposits | 其他應收款項、預付款項及可退還訂金(增加)減少 | (26,694) | 2,438 |
| Decrease (increase) in contract assets | 合約資產減少(增加) | 64,941 | (8,446) |
| (Decrease) increase in trade payables | 貿易應付款項(減少)增加 | (25,763) | 882 |
| Increase in other payables and accruals | 其他應付款項及應計費用增加 | 3,607 | 5,354 |
| Cash generated from operations | 經營產生現金 | 482,942 | 349,764 |
| Income taxes paid | 已付所得稅 | (81,575) | (49,921) |
| Interest paid | 已付利息 | (20,305) | (19,819) |
| NET CASH FROM OPERATING ACTIVITIES | 經營活動產生現金淨額 | 381,062 | 280,024 |

Consolidated statement of cash flows

綜合現金流量表

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

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| INVESTING ACTIVITIES | 投資活動 | | |
| Purchase of structured deposits | 購入結構性存款 | (116,816) | (1,020,654) |
| Redemption of structured deposits | 贖回結構性存款 | 116,948 | 1,022,550 |
| Acquisition of property, plant and equipment and intangible assets | 收購物業、廠房及設備以及無形資產 | (188,675) | (138,813) |
| Placement of pledged bank deposits | 存置已抵押銀行存款 | (49,865) | (26,763) |
| Withdrawal of pledged bank deposits | 提取已抵押銀行存款 | 45,700 | 28,352 |
| Dividend received from an associate, net of withholding tax | 自一間聯營公司收取股息（扣除預扣稅） | 55,566 | 69,566 |
| Proceeds on disposal of partial equity interest in an associate | 出售一間聯營公司部分股權所得款項 | - | 22,160 |
| Payments for rental deposits | 支付租賃按金 | - | (690) |
| Collection of rental deposits | 收回租賃按金 | 690 | - |
| Payments for contingent consideration | 支付或然代價 | - | (436) |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | 39,921 | 12,628 |
| Interest received | 已收利息 | 4,488 | 1,586 |
| Government grants for acquisition of property, plant and equipment | 收購物業、廠房及設備的政府補助金 | 1,338 | - |
| NET CASH USED IN INVESTING ACTIVITIES | 投資活動使用現金淨額 | (90,705) | (30,514) |

Consolidated statement of cash flows

綜合現金流量表

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

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-----------------------|----------------------------------|----------------------------------|
| FINANCING ACTIVITIES | | | |
| | 融資活動 | | |
| New bank borrowings raised | 新增銀行借貸 | 644,019 | 415,261 |
| Repayments of lease liabilities | 償還租賃負債 | (3,840) | (4,152) |
| Payments for purchase consideration | 支付購買代價 | - | (11,415) |
| Repayments to a non-controlling interest | 向非控股權益還款 | (5,998) | - |
| Advance from a non-controlling interest | 來自非控股權益的墊款 | - | 292 |
| Repayment of bank borrowings | 償還銀行借貸 | (513,030) | (777,603) |
| Dividends paid to non-controlling interests | 已付非控股權益股息 | - | (2,574) |
| Dividends paid | 已付股息 | (299,936) | - |
| Acquisition of non-controlling interest of a subsidiary | 收購一間附屬公司的非控股權益 | - | (3,618) |
| NET CASH USED IN FINANCING ACTIVITIES | 融資活動使用現金淨額 | (178,785) | (383,809) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及現金等值項目增加(減少)淨額 | 111,572 | (134,299) |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | 於一月一日的現金及現金等值項目 | 198,440 | 335,611 |
| Effect of foreign exchange rate changes | 外幣匯率變動的影響 | 5,379 | (2,872) |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by | 於十二月三十一日的現金及現金等值項目，代表 | 315,391 | 198,440 |
| Bank balances and cash | 銀行結餘及現金 | 315,391 | 201,168 |
| Bank overdrafts | 銀行透支 | - | (2,728) |
| | | 315,391 | 198,440 |

Notes to the consolidated financial statements

綜合財務報表附註

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

1. GENERAL INFORMATION

Brilliant Circle Holdings International Limited (the “Company”) was incorporated in the Cayman Islands on 11 November 2008 as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its ultimate controlling party is Mr. Cai Xiao Ming, David (the “Controlling Shareholder”). The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Room 1201A, 12th Floor, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are engaged in provision of the printing of cigarette packages, manufacturing of paper packaging materials, manufacturing of laminated papers, manufacturing and sale of radio frequency identification (“RFID”) products, printing of packages and decoration matters, research and development on printing technology, wholesale, import and export of the packaging products and other related services.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is different from the Company’s functional currency of Renminbi (“RMB”). The directors of the Company adopted HK\$ as presentation currency. For the convenience of the consolidated financial statements users, the consolidated financial statements are presented in HK\$, as the Company’s shares are listed on the Stock Exchange.

1. 一般資料

貴聯控股國際有限公司(「本公司」)於二零零八年十一月十一日於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)主板上市。其最終控股方為蔡曉明先生(「控股股東」)。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，主要營業地點位於香港灣仔告士打道151號資本中心12樓1201A室。

本公司為投資控股公司。本公司及其附屬公司(統稱「本集團」)的主要業務為提供香煙包裝印刷、製造紙包裝材料、製造複合紙、製造及銷售射頻識別(「射頻識別」)產品、包裝裝漢印刷品印刷、印刷技術研究及開發、包裝產品的批發及進出口以及其他相關服務。

綜合財務報表以港元(「港元」)呈列，有別於本公司的功能貨幣人民幣(「人民幣」)。本公司董事採納港元為呈列貨幣。為方便使用綜合財務報表的人士，綜合財務報表以港元呈列，原因為本公司股份於聯交所上市。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

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

2. 應用香港財務報告準則(「香港財務報告準則」)的修訂本

於本年度強制生效的香港財務報告準則的修訂本

於本年度，本集團已首次應用由香港會計師公會(「香港會計師公會」)頒布並於二零二零年一月一日或之後開始的年度期間強制生效的香港財務報告準則經修訂概念框架指引及以下香港財務報告準則的修訂本，以編製綜合財務報表：

| | |
|---|--------|
| 香港會計準則第1號及香港會計準則第8號(修訂本) | 重大的定義 |
| 香港財務報告準則第3號(修訂本) | 業務的定義 |
| 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本) | 利率基準改革 |

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

2.1 Application of Amendments to HKAS 1 and HKAS 8 Definition of Material

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

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

2. 應用香港財務報告準則(「香港財務報告準則」)的修訂本(續)

於本年度強制生效的香港財務報告準則的修訂本(續)

2.1 應用香港會計準則第1號及香港會計準則第8號(修訂本)重大的定義

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

於本年度應用香港財務報告準則經修訂概念框架指引及香港財務報告準則的修訂本對本集團於本年度及過往年度的財務狀況及表現及／或該等綜合財務報表所載披露事項並無重大影響。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

New and amendments to HKFRSs in issue but not yet effective

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

| | |
|---|--|
| HKFRS 17 | Insurance Contracts and the related Amendments ¹ |
| Amendment to HKFRS 16 | Covid-19-Related Rent Concessions ⁴ |
| Amendments to HKFRS 3 | Reference to the Conceptual Framework ² |
| Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 | Interest Rate Benchmark Reform — Phase 2 ⁵ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³ |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹ |
| Amendments to HKAS 16 | Property, Plant and Equipment — Proceeds before Intended Use ² |
| Amendments to HKAS 37 | Onerous Contracts — Cost of Fulfilling a Contract ² |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2018–2020 ² |

2. 應用香港財務報告準則(「香港財務報告準則」)的修訂本(續)

已頒布但尚未生效的新訂香港財務報告準則及其修訂本

本集團並無提前應用下列已頒布但尚未生效的新訂香港財務報告準則及其修訂本：

| | |
|--|--|
| 香港財務報告準則第17號 | 保險合約及有關修訂 ¹ |
| 香港財務報告準則第16號(修訂本) | Covid-19相關租金寬減 ⁴ |
| 香港財務報告準則第3號(修訂本) | 概念框架指引 ² |
| 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本) | 利率基準改革 — 第2階段 ⁵ |
| 香港財務報告準則第10號及香港會計準則第28號(修訂本) | 投資者與其聯營公司或合營企業之間的資產出售或注資 ³ |
| 香港會計準則第1號(修訂本) | 將負債分類為流動或非流動以及香港詮釋第5號(二零二零年)的有關修訂 ¹ |
| 香港會計準則第16號(修訂本) | 物業、廠房及設備 — 擬定用途前的所得款項 ² |
| 香港會計準則第37號(修訂本) | 有價合約 — 履行一份合約的成本 ² |
| 香港財務報告準則(修訂本) | 香港財務報告準則二零一八年至二零二零年週期的年度改進 ² |

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

- 1 Effective for annual periods beginning on or after 1 January 2023.
- 2 Effective for annual periods beginning on or after 1 January 2022.
- 3 Effective for annual periods beginning on or after a date to be determined.
- 4 Effective for annual periods beginning on or after 1 June 2020.
- 5 Effective for annual periods beginning on or after 1 January 2021.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. 應用香港財務報告準則(「香港財務報告準則」)的修訂本(續)

已頒布但尚未生效的新訂香港財務報告準則及其修訂本(續)

- 1 於二零二三年一月一日或之後開始的年度期間生效。
- 2 於二零二二年一月一日或之後開始的年度期間生效。
- 3 於待定日期或之後開始的年度期間生效。
- 4 於二零二零年六月一日或之後開始的年度期間生效。
- 5 於二零二一年一月一日或之後開始的年度期間生效。

除上述香港財務報告準則的修訂本外，本公司董事預期應用所有其他新訂香港財務報告準則及其修訂本於可見將來不會對綜合財務報表造成重大影響。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

Amendments to HKFRS 3 Reference to the Conceptual Framework

The amendments:

- update a reference in HKFRS 3 Business Combinations so that it refers to the Conceptual Framework for Financial Reporting 2018 issued in June 2018 (the “Conceptual Framework”) instead of Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting 2010 issued in October 2010);
- add a requirement that, for transactions and other events within the scope of HKAS 37 Provisions, Contingent Liabilities and Contingent Assets or HK(IFRIC)-Int 21 Levies, an acquirer applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and
- add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

2. 應用香港財務報告準則(「香港財務報告準則」)的修訂本(續)

已頒布但尚未生效的新訂香港財務報告準則及其修訂本(續)

香港財務報告準則第3號(修訂本)概念框架指引

修訂本內容：

- 更新香港財務報告準則第3號業務合併中的參考，並引用二零一八年六月所頒布的二零一八年財務報告概念框架(「概念框架」)，取代財務報表的編製及呈報框架(由二零一零年十月所頒布的二零一零年財務報告概念框架取代)；
- 添加一項要求，即對於香港會計準則第37號撥備、或然負債及或然資產或香港(國際財務報告詮釋委員會)－詮釋第21號徵費範圍內的交易及其他事件，收購方應用香港會計準則第37號或香港(國際財務報告詮釋委員會)－詮釋第21號取代概念框架以確定其在業務合併中承擔的負債；及
- 添加明確的聲明，即收購方不確認為在業務合併中收購的或然資產。

預期應用該等修訂本不會對本集團的財務狀況及表現造成重大影響。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
 - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
 - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date.

2. 應用香港財務報告準則(「香港財務報告準則」)的修訂本(續)

已頒布但尚未生效的新訂香港財務報告準則及其修訂本(續)

香港會計準則第1號(修訂本)將負債分類為流動或非流動以及香港詮釋第5號(二零二零年)的有關修訂

該等修訂本為延期結算權利評估提供澄清及補充指引，從報告日期起至少十二個月內將負債分類為流動負債或非流動負債，其中：

- 指定將負債分類為流動負債或非流動負債應基於報告期末已存在的權利。具體而言，該等修訂本澄清：
 - (i) 分類不應受到管理層意圖或期望在12個月內清償債務的影響；及
 - (ii) 倘權利以遵守公約為條件，則即使貸款人於較後日期才測試遵守情況，倘於報告期滿足條件，該權利亦存在。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (continued)

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group’s outstanding liabilities as at 31 December 2020, the application of the amendments will not result in reclassification of the Group’s liabilities.

2. 應用香港財務報告準則(「香港財務報告準則」)的修訂本(續)

已頒布但尚未生效的新訂香港財務報告準則及其修訂本(續)

香港會計準則第1號(修訂本)將負債分類為流動或非流動以及香港詮釋第5號(二零二零年)的有關修訂(續)

- 闡明倘負債的條款可由交易方選擇，則可通過轉讓實體自身的權益工具進行結算，僅當該實體將選擇權單獨確認為適用於香港會計準則第32號金融工具：呈報下的權益工具時，該等條款方不會影響其分類為流動或非流動。

此外，由於香港會計準則第1號(修訂本)，對香港詮釋第5號進行修訂，以使相應的措詞保持一致且結論不變。

根據本集團於二零二零年十二月三十一日的未償還負債，應用該等修訂本不會導致本集團的負債重新分類。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.1 Basis of preparation of consolidated financial statements

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

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

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

3. 編製綜合財務報表基準及重大會計政策

3.1 編製綜合財務報表基準

綜合財務報表已根據香港會計師公會頒布的香港財務報告準則編製。就編製綜合財務報表而言，倘有關資料合理預期會影響主要使用者作出的決定，則有關資料被視為重大。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例規定的適用披露事項。

除若干按公允價值計量的金融工具外，綜合財務報表乃於各報告期末按歷史成本基準編製，詳情於下文的會計政策闡述。

歷史成本一般根據交換貨物及服務所給予代價的公允價值而釐定。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.1 Basis of preparation of consolidated financial statements *(continued)*

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.1 編製綜合財務報表基準(續)

公允價值是於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時考慮到資產或負債該等特點，則本集團於估計資產或負債的公允價值時會考慮該等特點。於該等綜合財務報表中作計量及／或披露用途的公允價值乃按此基準釐定，惟香港財務報告準則第2號「以股份為基礎付款」範圍內以股份為基礎付款的交易、根據香港財務報告準則第16號「租賃」入賬的租賃交易及與公允價值類似但並非公允價值的計量(如香港會計準則第2號「存貨」的可變現淨值或香港會計準則第36號「資產減值」的使用價值)除外。

非金融資產的公允價值計量計及市場參與者透過最大限度使用資產達致最佳用途或透過出售資產予將最大限度使用資產達致最佳用途的另一市場參與者而產生經濟利益的能力。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.1 Basis of preparation of consolidated financial statements (continued)

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.1 編製綜合財務報表基準(續)

此外，就財務報告而言，公允價值計量根據公允價值計量的輸入數據可觀察程度及公允價值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二級輸入數據是就資產或負債直接或間接地可觀察的輸入數據(第一級內包括的報價除外)；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies

Basis of consolidation

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

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

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策

綜合基準

綜合財務報表包括本公司以及由本公司控制的實體及其附屬公司的財務報表。控制權在本公司達致下列情況取得：

- 可對投資對象行使權力；
- 因參與投資對象業務而承擔浮動回報的風險或享有權利；及
- 有能力使用其權力影響其回報。

倘有事實及情況顯示上述三項控制權元素的其中一項或以上出現變動，則本集團重新評估其是否擁有投資對象的控制權。

附屬公司於本集團取得有關附屬公司的控制權起開始綜合入賬，並於本集團失去有關附屬公司的控制權時終止。具體而言，年內所收購或出售附屬公司的收入及開支乃自本集團取得控制權的日期起計入綜合損益及其他全面收益報表，直至本集團不再控制有關附屬公司的日期為止。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Basis of consolidation (continued)

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

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

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

綜合基準(續)

損益以及其他全面收益的各項目乃歸屬於本公司擁有人及非控股權益。附屬公司的全面收益總額乃歸屬於本公司擁有人及非控股權益，即使此舉將導致非控股權益呈現虧絀結餘。

本集團會於必要時對附屬公司的財務報表作出調整，使其會計政策與本集團所採用的會計政策一致。

本集團成員公司之間交易涉及的所有集團內部資產及負債、權益、收入、開支以及現金流量均於綜合賬目時悉數抵銷。

附屬公司的非控股權益與本集團於當中的權益分開呈列，指現時所有權權益，賦予持有人權利於清盤時按比例分佔相關附屬公司資產淨值。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Business combinations

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

業務合併

業務收購乃採用收購法入賬。於業務合併轉撥的代價按公允價值計量，而計算方法為本集團所轉撥資產、本集團對收購對象原擁有人產生的負債及本集團於交換收購對象的控制權時所發行股權於收購日期的公允價值總和。與收購有關的成本一般於產生時在損益中確認。

除若干確認豁免外，所收購可識別資產及所承擔負債須符合香港會計師公會頒布的編製及呈列財務報表的框架(於二零一零年十月被財務報告概念框架所取代)下資產及負債的定義。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Business combinations (continued)

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

業務合併(續)

於收購日期，所收購可識別資產及所承擔負債按其公允價值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與收購對象以股份支付款項安排或本集團為替代收購對象以股份支付款項安排所訂立以股份支付款項安排有關的負債或權益工具，於收購日期根據香港財務報告準則第2號「以股份支付款項」計量(見下文會計政策)；
- 根據香港財務報告準則第5號「持有待售的非流動資產及已終止經營業務」劃分為持有待售的資產(或出售組合)根據該項準則計量；及

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Business combinations (continued)

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

業務合併(續)

- 租賃負債按剩餘租賃付款(定義見香港財務報告準則第16號)的現值確認及計量, 猶如所購入租賃為於收購日期的新租賃, 惟(a)租期於收購日期起計12個月內結束; 或(b)相關資產屬低價值的租賃除外。使用權資產按相關租賃負債的相同金額確認及計量, 並進行調整以反映與市場條款相比租賃的有利或不利條款。

商譽乃以所轉讓代價、任何非控股權益於收購對象中所佔金額及收購方以往於收購對象持有的股權公允價值(如有)的總和超出所收購可識別資產及所承擔的負債於收購日期的淨值的部分計量。倘經過重新評估後, 所收購可識別資產及所承擔負債的淨值超出所轉讓代價、任何非控股權益於收購對象中所佔金額以及收購方以往於收購對象持有權益公允價值(如有)的總和, 則超出部分即時於損益內確認為議價收購收益。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

Goodwill

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

業務合併(續)

屬現時擁有的權益且於清盤時持有人有權按比例分佔相關附屬公司資產淨值的非控股權益，初步按非控股權益應佔收購對象可識別資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類型的非控股權益按其公允價值計量。

商譽

收購業務產生的商譽乃以於收購業務當日釐定的成本(見上述會計政策)減累計減值虧損(如有)列賬。

就減值測試而言，商譽獲分配至預期可受惠於合併協同效應的各現金產生單位(或現金產生組別)，即就內部管理目的監控商譽的最低水平且不大於經營分部。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Goodwill (continued)

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

商譽(續)

已獲分配商譽的現金產生單位(或現金產生組別)會每年進行減值測試, 或於有跡象顯示單位可能出現減值時更頻繁地進行減值測試。就於報告期間因收購產生的商譽, 於該報告期末前該獲分配商譽的現金產生單位(或現金產生組別)會進行減值測試。倘可收回金額少於賬面值, 則會先行分配減值虧損以削減任何商譽賬面值, 然後以該單位(或現金產生組別)內各資產賬面值為基準, 按比例削減其他資產。

於出售相關現金產生單位或現金產生單位組別內的任何現金產生單位, 會於釐定出售的損益金額時計入商譽應佔金額。倘本集團出售現金產生單位(或現金產生單位組別內的現金產生單位)的經營時, 所出售商譽的金額乃根據所出售的經營(或現金產生單位)與所保留的現金產生單位(或現金產生單位組別)的部分的相對價值計量。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies *(continued)*

Goodwill *(continued)*

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

Investments in associates and joint ventures

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

商譽(續)

本集團就收購一間聯營公司及一間合營企業所產生商譽的政策詳述如下。

於聯營公司及合營企業的投資

聯營公司乃指本集團對其有重大影響力的實體。重大影響指參與接受投資公司的財務及經營政策決定的權力，惟該等權力並非對該等政策的控制或共同控制。

合營企業指一項共同安排，對安排擁有共同控制權的訂約方據此對合營安排資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在相關活動要求共同享有控制權的各方作出一致同意決定時存在。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Investments in associates and joint ventures (continued)

The results and assets and liabilities of associates and joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate or joint venture.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

於聯營公司及合營企業的投資(續)

聯營公司及合營企業的業績以及資產及負債乃以權益法計入綜合財務報表中。用於權益法的聯營公司及合營企業財務報表，使用本集團在類似情況下就類似交易及事件的統一會計政策編製。根據權益法，於一間聯營公司或一間合營企業的投資在綜合財務狀況報表內按成本初步確認，並於其後作出調整以確認本集團分佔該聯營公司或合營企業的損益及其他全面收益。倘本集團應佔一間聯營公司或合營企業的虧損超過其於該聯營公司或合營企業的權益(包括實際上構成本集團於該聯營公司或合營企業投資淨額一部分的任何長期權益)，本集團將終止確認其所佔進一步虧損。如有進一步虧損，則只會在本集團承擔法律或推定責任或代該聯營公司或合營企業支付款項的情況下予以確認。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Investments in associates and joint ventures (continued)

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

於聯營公司及合營企業的投資(續)

於一間聯營公司或一間合營企業的投資，會於投資對象成為一間聯營公司或一間合營企業當日起按權益法入賬。就收購一間聯營公司或一間合營企業的投資，任何投資成本超過本集團分佔投資對象的可識別資產及負債公允淨值的差額均確認為商譽，並計入投資的賬面值。任何本集團應佔可識別資產及負債的公允價值淨額超出投資成本的部分，經重估後即時於收購投資期間的損益中確認。

本集團評估是否具客觀證據證明於一間聯營公司及一間合營企業的權益可能減值。倘存在任何客觀證據，則投資的全部賬面值(包括商譽)會根據香港會計準則第36號作為單一資產進行減值測試，方法為比較其可收回金額(使用價值與公允價值減出售成本的較高者)與其賬面值。任何已確認減值虧損不會分配至構成投資賬面價值一部分的任何資產(包括商譽)。該減值虧損的任何撥回根據香港會計準則第36號確認，惟以其後增加的可收回投資金額為限。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Investments in associates and joint ventures (continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

於聯營公司及合營企業的投資(續)

倘於一間聯營公司的投資成為於一間合營企業的投資，或於一間合營企業的投資成為於一間聯營公司的投資，本集團將繼續使用權益法。於該等擁有權權益變動後，將不會重新計量至公允價值。

倘本集團減少其於一間聯營公司或一間合營企業的擁有權權益但本集團繼續使用權益法，則本集團於出售有關資產或負債時會將該收益或虧損重新分類至損益的情況下，會將先前就該等擁有權權益減少而在其他全面收益確認的收益或虧損，按比例重新分類至損益。

倘集團實體與本集團的一間聯營公司或一間合營企業進行交易，與聯營公司或合營企業進行交易產生的損益於本集團的綜合財務報表中確認，惟以於聯營公司或合營企業中權益與本集團無關者為限。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Revenue from contracts with customers

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

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

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

客戶合約收益

本集團於(或當作)履行履約責任時確認收益，即於特定履約責任相關的貨品或服務的「控制權」轉移至客戶時。

履約責任指一項明確貨品及服務(或一批貨品或服務)或一系列大致相同的明確貨品或服務。

控制權隨時間轉移，而倘符合以下其中一項標準，則收益乃參照履行相關履約責任的進度隨時間確認：

- 客戶於本集團履約時同時取得並耗用本集團履約所提供的利益；
- 本集團的履約創建或加強客戶於本集團履約時控制的資產；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團有強制執行權以收取迄今已履約部分的款項。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Revenue from contracts with customers

(continued)

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

Revenue from the printing of cigarette packages and manufacturing of laminated papers with no alternative use are recognised over time.

Revenue from the sale of RFID products and manufacturing of paper packaging materials are recognised at a point in time when the customer obtains control of the distinct goods or service.

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

客戶合約收益(續)

否則，收益於客戶獲得明確貨品或服務的控制權時確認。

並無替代用途的印刷香煙包裝及製造複合紙的收益隨時間確認。

銷售射頻識別產品及製造紙包裝材料的收益於客戶獲得明確貨品或服務的控制權時確認。

合約資產指本集團就換取本集團已轉移至客戶的貨品或服務而收取代價的權利(尚非無條件)，相關減值根據香港財務報告準則第9號予以評估。相反，應收款項指本集團無條件收取代價的權利，即只需經過一段時間即到期支付有關代價。

合約負債指本集團將貨品或服務轉移至客戶的責任，本集團就此自客戶收取代價(或應收代價金額)。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Revenue from contracts with customers

(continued)

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

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

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Contract costs

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

客戶合約收益(續)

與同一合約有關的合約資產及負債按淨額基準入賬及呈列。

隨時間確認收益：計量完全履行履約責任的進度

投入法

完全履行履約責任的進度乃根據輸入法計量，即根據本集團為履行履約責任所作付出或投入(相對預期對履行有關履約責任的總投入)確認收益，有關方法最能反映本集團於轉移貨品或服務控制權方面的履約情況。

合約成本

獲得合約的增量成本

獲得合約的增量成本指本集團取得客戶合約所產生的成本；倘未獲得該合約，則不會產生有關成本。

倘獲得合約的增量成本將於一年內悉數攤銷至損益，則本集團應用可行權宜方法支銷所有該等成本。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Leases

Definition of a lease

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

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

The Group as a lessee

Short-term leases and leases of low-value assets

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

租賃

租賃的定義

倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約為租賃或包含租賃。

就於初步應用日期或之後訂立或修改或源自業務合併的合約而言，本集團根據香港財務報告準則第16號的定義於開始時、修改日期或收購日期(視適當情況而定)評估該合約是否為租賃或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

本集團作為承租人

短期租賃及低價值資產租賃

本集團對租期為自開始日期起計12個月或以內且並無購買選擇權應用短期租賃確認豁免。確認豁免亦適用於低價值資產租賃。短期租賃及低價值資產租賃的租賃付款以直線法於租期內確認為開支。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use asset includes:

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

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

租賃(續)

本集團作為承租人(續)

使用權資產

使用權資產的成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 本集團產生的任何初步直接成本；及
- 本集團於拆解及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況時產生的估計成本。

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

使用權資產以直線法於其估計使用年期或租期(以較短者為準)內計提折舊。

本集團於綜合財務狀況報表將使用權資產呈列為單獨項目。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Refundable rental deposits

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

Lease liabilities

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

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

租賃(續)

本集團作為承租人(續)

可退還租賃按金

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

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。倘租賃隱含的利率難以釐定，則本集團會使用租賃開始日期的增量借款利率計算租賃付款的現值。

租賃付款包括固定付款(包括實質性的固定付款)減任何應收租賃優惠。

於開始日期後，租賃負債根據利息增長及租賃付款作出調整。

倘租期有所變動，本集團將重新計量租賃負債(並對相關使用權資產進行相應調整)，在此情況下，則重新計量相關租賃負債，方法為使用於重新評估日期的經修訂折現率折現經修訂租賃付款。

本集團於綜合財務狀況報表將租賃負債呈列為單獨項目。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Leases (continued)

Lease modifications

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

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

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

租賃(續)

租賃修改

倘出現以下情況，本集團將租賃修改作為單獨租賃入賬：

- 該項修改通過增加使用一項或多項相關資產的權利而擴大租賃範圍；及
- 租賃代價增加，增加的金額相當於範圍擴大對應的單獨價格，加上為反映特定合約的實際情況而對單獨價格進行的任何適當調整。

就未作為一項單獨租賃入賬的租賃修改而言，本集團基於透過使用修改生效日期的經修訂折現率折現經修訂租賃付款的經修改租賃的租期重新計量租賃負債。

本集團透過對相關使用權資產進行相應調整而重新計量租賃負債。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

租賃(續)

本集團作為出租人

租賃的分類及計量

本集團作為出租人的租賃分類為融資或經營租賃。凡租賃條款將相關資產擁有權絕大部分風險及回報轉移至承租人的合約均分類為融資租賃。所有其他租賃分類為經營租賃。

來自經營租賃的租金收入於相關租期內按直線法確認。磋商及安排經營租賃時產生的初步直接成本加入已租賃資產的賬面值，而有關成本於租期內按直線法確認為開支。

可退還租賃按金

已收可退還租賃按金根據香港財務報告準則第9號入賬，初步按公允價值計量。於初步確認時對公允價值作出的調整被視為承租人的額外租賃付款。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as lessor (continued)

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

租賃(續)

本集團作為出租人(續)

租賃修改

不屬於原有條款及條件的租賃合約代價變動作乃按租賃修改入賬，包括透過免租或減租所提供的租賃優惠。

本集團自修改生效日期起將經營租賃修改入賬列作一項新租賃，當中已考慮與原租賃有關的任何預付或應計租賃付款(作為新租賃的租賃付款一部分)。

外幣

在編製個別集團實體的財務報表時，以相關功能貨幣以外的貨幣(外幣)所進行交易乃按交易日期的通行匯率入賬。於各報告期末，以外幣為單位的貨幣項目均按該日通行的匯率重新換算。以外幣歷史成本計量的非貨幣項目則不會重新換算。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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

Exchange differences relating to the retranslation of the Group's net assets in RMB to the Group's presentation currency HK\$ are recognised directly in other comprehensive income and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are not reclassified to profit or loss subsequently.

Borrowing costs

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

外幣(續)

因結算及重新換算貨幣項目而產生的匯兌差額於其產生期間在損益確認。

就呈列綜合財務報表而言，本集團業務的資產及負債均使用各報告期末的通行匯率換算為本集團的呈列貨幣(即港元)。收入及支出項目則按年內的平均匯率換算，惟若匯率於該期內大幅波動除外，在此情況下，則以交易日期的通行匯率換算。所產生的匯兌差額(如有)於其他全面收益確認並於匯兌儲備項下以權益累計(倘合適，歸屬於非控股權益)。

將本集團以人民幣計值的淨資產重新換算為本集團呈報貨幣(即港元)所產生的匯兌差額於其他全面收益直接確認，並於匯兌儲備累計。於匯兌儲備累計的匯兌差額其後不會重新分類至損益。

借貸成本

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

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Borrowing costs (continued)

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

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

Government grants

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

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

借貸成本(續)

於相關資產可作擬定用途或出售後仍未償還的任何特定借貸計入一般借貸組合，以計算一般借貸的資本化率。

所有其他借貸成本均於其產生期間在損益確認。

政府補助金

在合理地保證本集團會遵守政府補助的附帶條件以及將會得到補助金後，政府補助金方會予以確認。

政府補助金乃於本集團確認相關成本(補助金擬用以補償該成本)為開支期間內，以系統基準於損益中確認。具體而言，該政府補助金首要條款是本集團應購買、建造或以其他方式獲得非流動資產，其於綜合財務狀況報表中確認為遞延收入，並於相關資產的可使用年期按有系統及合理基準轉撥至損益。

作為已產生開支或虧損的補償或向本集團提供即時財務資助(並無日後相關成本)而可收取與收入有關的政府補助金，乃於其成為可收取的期間於損益中確認。與補償開支有關的政府補助金從有關開支中扣除，其他政府補助金於「其他收入」項下呈列。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme and other state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

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

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

Taxation

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

退休福利成本

對強制性公積金計劃及其他國家所管理退休福利計劃的供款，在僱員提供服務從而享有供款時予以確認。

終止福利

離職福利負債乃於當本集團不能在提取離職福利之優惠及當本集團確認任何相關重組成本(以較早者為準)時確認。

短期僱員福利

短期僱員福利乃按預期於僱員提供服務時支付的未折現福利金額確認。所有短期僱員福利確認為開支，惟香港財務報告準則要求或允許將該福利計入資產成本除外。

於扣除任何已付金額後，就僱員的累計福利(如工資及薪金、年假及病假)確認負債。

稅項

所得稅開支指即期應付稅項及遞延稅項的總和。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Taxation (continued)

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of income or expense that are taxable or deductible in other years and items are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

稅項(續)

即期應付稅項乃按年內應課稅溢利計算。應課稅溢利與除稅前溢利因其他年度的應課稅或應扣減的收入或開支項目及從未課稅及可扣減的項目而有所不同。本集團的即期稅項負債乃按已於報告期末頒布或實質頒布的稅率計算。

遞延稅項乃按綜合財務報表內資產及負債的賬面值與計算應課稅溢利所採用相應稅基之間的暫時差異確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產一般就所有可扣減暫時差額確認，惟以該等可扣減暫時差額有可能用於抵銷應課稅溢利為限。若於一項交易中，因初步確認(業務合併除外)資產及負債而引致的暫時差額並不影響應課稅溢利或會計盈利，則不予確認該等資產及負債。此外，倘初步確認商譽所產生暫時差額，則不會確認遞延稅項負債。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies *(continued)*

Taxation *(continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

稅項(續)

遞延稅項負債乃就與對附屬公司及聯營公司的投資有關的應課稅暫時差異予以確認，惟倘本集團可控制暫時差異的撥回，以及暫時差異在可見將來可能將不會撥回，則不予確認。與該等投資及權益有關的可扣稅暫時差異產生的遞延稅項資產，僅於可能將有充足的應課稅溢利以使用暫時差異的利益，以及預期於可見將來可撥回時，方予確認。

遞延稅項資產的賬面值在各報告期末檢討，並於並無足夠應課稅溢利可用以撥回所有或部分遞延稅項資產時作出相應扣減。

遞延稅項資產和負債，以報告期末已執行或實質上已執行的稅率(和稅法)為基礎，按預期清償該負債或實現該資產當期的稅率計量。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies *(continued)*

Taxation *(continued)*

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 “Income Taxes” requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

稅項(續)

遞延稅項負債和資產的計量，應反映本集團在報告期末預期收回或清償其資產和負債賬面金額的方式所導致的稅務後果。

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先確定稅項減免應歸屬於使用權資產或租賃負債。

就稅項減免歸屬於租賃負債的租賃交易而言，本集團對整項租賃交易應用香港會計準則第12號「所得稅」規定。與使用權資產及租賃負債有關的暫時差額以淨額基準評估。使用權資產折舊超出租賃負債本金部分租賃付款的差額會導致產生可扣減暫時淨差額。

倘有法定可執行權利將即期稅項資產及即期稅項負債抵銷，並涉及由同一稅務機關向同一應課稅實體徵收的所得稅，遞延稅項資產與負債則互相抵銷。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Taxation (continued)

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

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

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

稅項(續)

即期及遞延稅項於損益確認，惟當其與於其他全面收益確認或直接於權益確認的項目相關(於該情況下，即期及遞延稅項亦分別於其他全面收益確認或直接於權益確認)時除外。倘即期稅項或遞延稅項自業務合併的首次確認中產生，其稅務影響將計入業務合併的會計處理中。

物業、廠房及設備

持有作生產或作提供貨品或服務之用，或用作行政用途的物業、廠房及設備(不包括下文所述之在建工程)為有形資產，乃按成本減其後累計折舊及累計減值虧損(如有)於綜合財務狀況報表列賬。

正在興建以作生產、供應或行政用途的物業，會按成本減任何已確認減值虧損列賬。成本包括使資產達到能夠按照管理層擬定的方式開展經營所必要的位置及條件而直接產生的任何成本以及(就合資格資產而言)根據本集團會計政策撥充資本的借貸成本。該等資產按與其他物業資產相同的基準，於資產可投入作擬定用途時開始計提折舊。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Property, plant and equipment (continued)

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

物業、廠房及設備(續)

當本集團就包括租賃土地及樓宇部分的物業所有權權益付款時，全部代價根據初步確認時的相對公允價值按比例分配至租賃土地及樓宇部分。於相關付款能可靠分配的前提下，租賃土地權益於綜合財務狀況報表呈列為「使用權資產」。

折舊以直線法按資產(在建工程除外)於估計可使用年期撇銷項目成本減剩餘價值確認。估計可使用年期、剩餘價值及折舊方法於各報告期末審閱，而任何估計變動的影響按前瞻基準入賬。

物業、廠房及設備項目乃於出售或當預期不會因持續使用該資產而產生未來經濟利益時終止確認。出售或停止使用物業、廠房及設備項目所產生任何收益或虧損，按資產的出售所得款項與其賬面值的差額計算於損益確認。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

If an item of investment property becomes owner-occupied property because its use has changed as evidenced by commencement of owner-occupation, the cost and accumulated depreciation of that item at the date of transfer are transferred to property, plant and equipment for subsequent measurement and disclosure purposes.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

投資物業

投資物業為持作賺取租金及／或資本升值的物業。

投資物業亦包括由本集團根據經營租賃確認為使用權資產及分租的租賃物業。

投資物業初步按成本(包括任何直接應佔開支)計量。於首次確認後，投資物業乃按成本減隨後累計折舊及任何累計減值虧損列賬。折舊獲確認為按估計可使用年期並計及其估計剩餘價值後，以直線法撇銷投資物業成本。

倘投資物業獲證實開始其自用用途而變為自用物業，該項目於轉撥當日的成本及累計折舊將轉撥至物業、廠房及設備，以作後續計量及披露目的之用。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Investment properties (continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

投資物業(續)

當投資物業被出售或永久不再使用，而有關出售預期不會產生任何未來經濟利益時，投資物業將被終止確認。終止確認物業所得任何收益或虧損(即資產出售所得款項淨額與其賬面值的差額)於終止確認該物業期間計入損益。

無形資產

個別收購的無形資產

個別收購而可使用年期有限的無形資產，按成本減累計攤銷及任何累計減值虧損列賬。可使用年期有限的無形資產的攤銷於估計可使用年期以直線基準確認。估計可使用年期和攤銷方法會在各報告期末檢討，任何估計變動影響按前瞻基準列賬。個別收購可使用年期無限的無形資產，按成本減任何其他累計減值虧損列賬。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Intangible assets (continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

無形資產(續)

業務合併中收購的無形資產

業務合併中收購的無形資產獨立確認，有別於商譽，初步按收購日期的公允價值(被視為其成本)確認。

初步確認後，業務合併中收購而使用年期有限的無形資產按成本減累計攤銷及任何累計減值虧損列賬。其計量基準與個別收購的無形資產相同。

無形資產於出售或當預期使用或出售不會產生任何未來經濟利益時終止確認。終止確認無形資產所產生盈虧按出售所得款項淨額與資產賬面值之間的差額計量，並於終止確認資產時在損益確認。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Intangible assets (continued)

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

無形資產(續)

研發開支

研究活動的支出於產生期間確認為開支。

因開發活動(或內部項目開發階段)而從內部產生的無形資產僅會在符合以下所有條件時方予以確認:

- 完成無形資產使其可供使用或銷售的技術可行性;
- 完成無形資產使其可供使用或銷售的意向;
- 使用或銷售無形資產的能力;
- 無形資產如何產生未來經濟利益;
- 具有足夠技術、財務及其他資源以完成其開發,並使用及銷售無形資產;及
- 能夠可靠計量開發無形資產時的應佔開支。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Intangible assets (continued)

Research and development expenditure (continued)

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its property plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

無形資產(續)

研發開支(續)

就內部產生無形資產初步確認的金額為無形資產首次符合上述確認條件當日起所產生的開支總和。倘並無內部產生的無形資產可予確認，開發開支會於產生期間在損益中確認。

初步確認後，內部產生的無形資產乃按成本減累計攤銷及累計減值虧損(如有)，並按與已個別收購的無形資產相同的基準分開計量。

物業、廠房及設備、使用權資產以及無形資產(商譽除外)的減值(見上文有關商譽的會計政策)

本集團於報告期末審閱具有有限可使用年期的物業、廠房及設備、使用權資產以及無形資產的賬面值，以釐定該等資產是否存在減值跡象。如有任何該等跡象，則會估計有關資產的可收回金額，以釐定減值虧損(如有)的程度。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (continued)

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

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

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

物業、廠房及設備、使用權資產以及無形資產(商譽除外)的減值(見上文有關商譽的會計政策)(續)

估計個別物業、廠房及設備、使用權資產以及無形資產的可收回金額，倘不大可能估計個別資產的可收回金額，則本集團會估計有關資產所屬現金產生單位的可收回金額。

在測試現金產生單位的減值時，如能確定合理及一致的分配基準，企業資產可分配至相關現金產生單位，否則，則將企業資產分配至能確定合理及一致的分配基準的最小組別現金產生單位。可收回金額乃就企業資產所屬的現金產生單位或現金產生單位組別而釐定，並與相關現金產生單位或現金產生單位組別的賬面值進行比較。

可收回金額為公允價值減出售成本與使用價值之間的較高者。於評估使用價值時，估計未來現金流量會採用反映現時市場對貨幣時間價值及資產(或現金產生單位)特定風險的評值的稅前折現率，折現至其現有價值，及並無就此對未來現金流的估計予以調整。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (continued)

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

物業、廠房及設備、使用權資產以及無形資產(商譽除外)的減值(見上文有關商譽的會計政策)(續)

倘資產(或現金產生單位)的可收回金額估計少於其賬面值,資產(或現金產生單位)的賬面值乃調低至其可收回金額。就未能按合理一致基準分配至現金產生單位的企業資產或部分企業資產,本集團比較現金產生單位組別的賬面值(包括已分配至該現金產生單位組別的企業資產或部分企業資產的賬面值)與該現金產生單位組別的可收回金額。於分配減值虧損時,減值虧損將首先被分配以削減任何商譽的賬面值(倘適用),其後根據單位或現金產生單位組別內各項資產的賬面值按比例分配至其他資產。資產的賬面值不會削減至低於其公允價值減出售成本(倘可計量)、其使用價值(倘可釐定)及零(以最高者為準)。分配至資產的減值虧損數額按單位或現金產生單位組別的其他資產比例分配。減值虧損即時於損益確認。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (continued)

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchase or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

物業、廠房及設備、使用權資產以及無形資產(商譽除外)的減值(見上文有關商譽的會計政策)(續)

倘減值虧損其後撥回，則該資產(或現金產生單位或現金產生單位組別)的賬面值將增加至其經修訂的估計可收回金額，惟所增加後的賬面值不得超過倘於過往年度並無就該資產(或現金產生單位或現金產生單位組別)確認減值虧損而釐定的賬面值。所撥回的減值虧損即時於損益確認。

存貨

存貨按成本與可變現淨值兩者的較低者入賬。存貨成本按加權平均法計算。可變現淨值代表存貨的估計售價減去所有估計完工成本及成功出售所需成本。

金融工具

金融資產及金融負債乃當集團實體成為工具合約條文的訂約方時確認。所有循正規途徑購買或銷售的金融資產乃按交易日期基準確認及終止確認。循正規途徑購買或銷售乃要求於市場法規或慣例所確定的時限內交付資產的金融資產購買或銷售。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產及金融負債初步按公允價值計量，惟初步根據香港財務報告準則第15號計量的自客戶合約產生的貿易應收款項除外。於初步確認時，收購或發行金融資產及金融負債而直接應佔的交易成本(按公允價值計入損益(「按公允價值計入損益」)的金融資產及金融負債除外)會按適用情況加入或扣減自該等金融資產或金融負債的公允價值。直接自收購按公允價值計入損益的金融資產或金融負債產生的交易成本即時於損益中確認。

實際利息法乃計算金融資產或金融負債的攤銷成本以及分攤有限期間的利息收入或利息開支的方法。實際利率乃按金融資產或負債的預計年期或適用的較短期間內準確折現估計未來現金收入或付款的利率(包括構成實際利率整體部分的所有已付或已收費用及基點、交易成本及其他溢價或折讓)。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產

金融資產的分類及其後計量

符合下列條件的金融資產其後按攤銷成本計量：

- 以收取合約現金流量為目標的業務模式內持有的金融資產；及
- 合約條款規定於指定日期產生的現金流量，僅作為對本金及尚未清償本金的利息的付款。

所有其他金融資產其後按公允價值計入損益計量，倘該股權投資既非持作買賣，亦非香港財務報告準則第3號「業務合併」所適用的業務合併收購方確認的或有代價，於初步確認金融資產當日，本集團將不可撤銷地於其他全面收益中呈列股權投資公允價值的其後變動。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or fair value through other comprehensive income ("FVTOCI") as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

倘符合下列條件，則金融資產為持作買賣用途：

- 主要為於短期內出售而購入；或
- 於初步確認時屬於本集團集合管理的已識別金融工具投資組合的一部分，且最近確有短期獲利回吐的表現；或
- 並非指定而實際上屬於對沖工具的衍生工具。

此外，本集團或會不可撤回地將一項須按攤銷成本或指定為按公允價值計入其他全面收益(「按公允價值計入其他全面收益」)的財務資產按公允價值計入損益計量，前提為有關指定可消除或大幅減少會計錯配。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (Continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the assets is no longer credit-impaired.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

攤銷成本及利息收入

其後按攤銷成本計量的金融資產乃使用實際利息法予以確認。就購買或原定信貸減值金融資產以外的金融工具而言，利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外。就其後信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial asset and is included in the “other gains and losses” line item.

Dividend income from investments is recognised when the shareholders’ rights to receive payment have been established.

Impairment of financial assets and contract assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, other receivables and refundable rental deposits, pledged bank deposits and bank balances) and contract assets which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

按公允價值計入損益的金融資產不符合按攤銷成本或按公允價值計入其他全面收益計量標準的金融資產均按公允價值計入損益計量。

按公允價值計入損益的金融資產於各報告期末按公允價值計量，而任何公允價值收益或虧損則於損益確認。於損益確認的收益或虧損淨額不包括就金融資產所賺取的任何利息，並計入「其他收益及虧損」項目。

來自投資的股息收入於股東收取付款的權利確立時確認。

金融資產及合約資產減值

本集團按照預期信貸虧損(「預期信貸虧損」)模型對香港財務報告準則第9號規定須予減值的金融資產(包括貿易應收款項、其他應收款項及可退還租賃按金、已抵押銀行存款及銀行結餘)及合約資產進行減值評估。預期信貸虧損的金額於各報告日期更新，以反映自初步確認後信貸風險的變化。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (Continued)

Impairment of financial assets and contract assets (continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

全期預期信貸虧損指相關工具的預計年期內所有可能違約事件將產生的預期信貸虧損。相反，12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事件導致的部分全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗進行，並就債務人特有的因素、整體經濟狀況以及對報告日期的當前狀況及未來狀況預測的評估作出調整。

本集團始終就貿易應收款項及合約資產確認全期預期信貸虧損。

就所有其他工具而言，本集團計量相等於12個月預期信貸虧損的虧損撥備，除非信貸風險自初步確認以來顯著增加，在此情況下，本集團確認全期預期信貸虧損。評估應否確認全期預期信貸虧損乃基於自初步確認以來發生違約的可能性或風險有否顯著增加。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (Continued)

Impairment of financial assets and contract assets (continued)

- (i) Significant increase in credit risk
- In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

- (i) 信貸風險顯著增加
- 評估信貸風險自初步確認以來有否顯著增加時，本集團將金融工具於報告日期發生的違約風險與該金融工具於初步確認日期發生的違約風險作比較。進行是項評估時，本集團會考慮合理可靠的定量及定性資料，包括過往經驗及毋須付出不必要成本或努力即可獲得的前瞻性資料。

特別是，在評估信貸風險有否顯著增加時會考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加，債務人的信貸違約掉期價格；

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (Continued)

Impairment of financial assets and contract assets (continued)

- (i) Significant increase in credit risk (Continued)
- Significant deteriorate in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
 - existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
 - an actual or expected significant deterioration in the operating results of the debtor;
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

- (i) 信貸風險顯著增加(續)
- 信貸風險外部市場指標的顯著惡化，如信貸利差、債務人的信貸違約掉期價格大幅增加；
 - 預計將導致債務人償還其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變化；
 - 債務人經營業績的實際或預期顯著惡化；
 - 導致債務人償還其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變化。

不論上述評估的結果，本集團認為，倘合約付款逾期超過30日，即表示信貸風險自初步確認以來已顯著增加，除非本集團有合理可靠的資料可作證明。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (Continued)

Impairment of financial assets and contract assets (continued)

- (i) Significant increase in credit risk (Continued)
- The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

- (ii) Definition of default
- For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial assets is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

- (i) 信貸風險顯著增加(續)
- 本集團定期監察識別信貸風險是否大幅增加所用標準的成效，並修訂標準(如適當)確保能夠在款項逾期前識別信貸風險的大幅增加。

- (ii) 違約的定義
- 就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文為何，倘金融資產已逾期超過90日，則本集團認為已發生違約，除非本集團有合理及可靠資料證明較寬鬆的違約標準更為適用則當別論。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (Continued)

Impairment of financial assets and contract assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

(iii) 信貸減值金融資產

金融資產在一項或以上事件(對該金融資產估計未來現金流量構成不利影響)發生時維持信貸減值。金融資產維持信貸減值的證據包括有關下列事件的可觀察數據:

- (a) 發行人或借款人出現重大財困;
- (b) 違反合約(如違約或逾期事件);
- (c) 借款人的貸款人因有關借款人財困的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠;
- (d) 借款人將可能陷入破產或其他財務重組。

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綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (Continued)

Impairment of financial assets and contract assets (continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

(iv) 撇銷政策

資料顯示交易對手處於嚴重財困及無實際收回可能時(例如交易對手被清盤或已進入破產程序時),本集團則撇銷金融資產。經考慮法律意見後(倘合適),遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成取消確認事項。任何其後收回在損益中確認。

(v) 預期信貸虧損的計量及確認
預期信貸虧損的計量為違約概率、違約虧損率(即發生違約時的虧損程度)及違約風險的函數。違約概率及違約虧損率的評估乃基於歷史數據及前瞻性資料作出。預期信貸虧損的預估乃無偏概率加權平均金額,以各自發生違約的風險為權重確定。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (Continued)

Impairment of financial assets and contract assets (continued)

(v) Measurement and recognition of ECL (continued)

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Aging and past-due status;
- Nature, size and industry of debtors; and
- Length of customer relationship.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

(v) 預期信貸虧損的計量及確認(續)

一般而言，預期信貸虧損為根據合約應付本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差額，按初步確認時釐定的實際利率折現。

若干貿易應收款項及合約資產的全期預期信貸虧損經考慮過往逾期資料及前瞻性宏觀經濟資料等相關信貸資料按集體基準考慮。

就集體評估而言，本集團訂立組別時考慮以下特性：

- 賬齡及逾期情況；
- 債務人的性質、規模及行業；及
- 客戶關係年期。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (Continued)

Impairment of financial assets and contract assets (continued)

- (v) Measurement and recognition of ECL (continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

- (v) 預期信貸虧損的計量及確認(續)

歸類工作經管理層定期檢討，確保各組別成份繼續分擔類似信貸風險特性。

利息收入乃根據金融資產的賬面總額計算，除非金融資產發生信貸減值，在此情況下，利息收入根據金融資產的攤銷成本計算。

本集團藉調整所有金融工具的賬面值於損益確認減值收益或虧損，惟貿易應收款項及合約資產則透過虧損撥備賬確認相應調整。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

終止確認金融資產

本集團僅在收取資產現金流量的已訂約權利屆滿方始終止確認一項金融資產。

於終止確認按攤銷成本列賬的金融資產時，資產賬面值與已收及應收代價之間的差額於損益確認。

金融負債及權益

分類為債務或權益

債務及權益工具乃根據所簽訂合約安排的性質與金融負債及權益工具的定義分類為金融負債或權益。

權益工具

權益工具乃證明本集團於扣減所有負債後的資產中擁有剩餘權益的任何合約。本公司所發行的權益工具按已收所得款項減直接發行成本確認。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at amortised cost

Financial liabilities including trade payables, other payables, amounts due to non-controlling interests of subsidiaries, bank borrowings and bank overdrafts are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liability when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融負債及權益(續)

按攤銷成本的金融負債

金融負債包括貿易應付款項、其他應付款項、應付附屬公司非控股權益款項、銀行借貸及銀行透支，該等款項其後將使用實際利率法按攤銷成本計量。

終止確認金融負債

本集團僅在其責任解除、註銷或屆滿時方始終止確認金融負債。金融負債的賬面值與已付及應付代價間的差額於損益內確認。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liability is a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

3. 編製綜合財務報表基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

撥備及或然負債

倘本集團因過往事件而承擔現有責任(法定或推定)，而本集團可能須履清償該責任及可對該責任金額作出可靠估計時，則確認撥備。

確認為撥備的金額為，經計及該責任的風險及不明朗因素後，於報告期末清償現有責任所需代價的最佳估計。

或然負債乃由過去事件產生但尚未確認的現有責任，原因為履行該責任不大可能需要含有經濟利益的資源流出。

4. 重大會計判斷及估計不明朗因素的主要來源

於應用附註3所述本集團會計政策時，本公司董事須就資產和負債賬面值作出判斷、估計及假設，該等資料無法從其他渠道可靠取得。該等估計及相關假設乃基於過往經驗及其他被視為相關的因素而作出，實際結果或會有別於該等估計。

Notes to the consolidated financial statements

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognition from sales of products with no alternative use over time

Under HKFRS 15, control is transferred over time when the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Significant judgement is required in determining whether the terms of the Group's contracts with customers in relation to printing of cigarette packages and manufacturing of laminated papers with no alternative use create an enforceable right to payment for the Group. The Group has considered the relevant local laws that apply to those relevant contracts and opinion from external legal counsel. Based on the assessment of the Group's management, the relevant sales contracts create an enforceable right to payment after taking into consideration the legal opinion, contract laws and the legal and regulatory environment in the PRC. Accordingly, contracts relating to printing of cigarette packages and manufacturing of laminated papers with no alternative use is considered to be performance obligation satisfied over time.

4. 重大會計判斷及估計不明朗因素的主要來源(續)

有關估計及相關假設須持續檢討。倘會計估計的修訂僅影響作出修訂的期間，則有關修訂會在該期間確認，而倘修訂對現時及未來期間均有影響，則須在作出修訂的期間及未來期間確認。

應用會計政策的關鍵判斷

除涉及估計(見下方)外，下述為本公司董事於應用本集團的會計政策過程中作出且對在綜合財務報表內所確認金額有最重大影響的重要判斷。

隨時間確認銷售並無替代用途的貨物的收益

根據香港財務報告準則第15號，倘本集團的履約並未產生對本集團有替代用途的資產，且本集團有強制執行權以收取迄今已履約部分的款項，則控制權隨時間轉移。釐定本集團有關印刷香煙包裝及製造複合紙的客戶合約條款是否並無創造強制付款權的其他用途時須作出重大判斷。本集團已考慮適用於相關合約的相關當地法律及外部法律顧問的意見。根據本集團管理層的評估，考慮到法律意見、合約法以及中國法律及監管環境等指標後，相關銷售合約為本集團創造強制付款權。因此，與並無替代用途的印刷香煙包裝及製造複合紙有關的合約被視為隨時間達成的履約責任。

Notes to the consolidated financial statements

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying accounting policies (continued)

Contingent liabilities for a lawsuit

During the year ended 31 December 2017, an ex-staff of a subsidiary of the Company (the “Claimant”) initiated a lawsuit against the Company to Shenzhen Court of International Arbitration. Details are set out in note 46.

During the year ended 31 December 2020, the Shenzhen Court of International Arbitration verdicted the Company is liable to compensate HK\$20,000,000 to the ex-staff. The directors of the Company consider that all allegations raised by the Claimant are unfounded and without merits, and the arbitration is invalid. The Company applies for cancellation of the arbitration to Shenzhen Intermediate People’s Court after consulted with the lawyer. According to the lawyer’s opinion, the arbitration is invalid due to (i) the matters verdicted do not fall within the scope of the arbitration agreement; (ii) Shenzhen Court of International Arbitration verdicted the matters out of its jurisdiction scope when determining the compensation amount; (iii) the arbitration procedures violate the arbitration rules. In this regard, the Company has categorically defended and challenged all the claims by the Claimant during the judicial process. In the opinion of the directors of the Company, it is not probable that a material outflow of resources will be required based on the legal advice and no provision is considered to be recognised to the consolidated financial statements accordingly. In cases where the future actual result of sentence differ from the current judgement of the directors of the Company, a provision would be recognised in the consolidated statement of profit or loss and other comprehensive income accordingly.

4. 重大會計判斷及估計不明朗因素的主要來源(續)

應用會計政策的關鍵判斷(續)

訴訟的或有負債

截至二零一七年十二月三十一日止年度，本公司旗下一間附屬公司的一名前員工(「申索人」)向深圳國際仲裁院提出針對本公司的訴訟。有關詳情載於附註46。

截至二零二零年十二月三十一日止年度，深圳國際仲裁院裁定本公司須向前員工賠償20,000,000港元。本公司董事認為，申索人所提出的一切指控均無事實根據及缺乏充分理據，且仲裁屬無效。在諮詢律師後，本公司向深圳市中級人民法院申請撤銷仲裁。根據律師意見，仲裁屬無效，原因為(i)所裁決的事項不屬於仲裁協議的範圍；(ii)在釐定賠償金額時，深圳國際仲裁院就有關事項作出裁決超出其管轄範圍；(iii)仲裁程序違反仲裁規則。就此，本公司已於司法過程中積極抗辯及反對申索人提出的一切申索。本公司董事認為，基於法律意見，不大可能產生重大資源流出，故認為毋須在綜合財務報表確認作出撥備。倘未來實際判刑結果與本公司董事現時的判斷不同，則會在綜合損益及其他全面收益報表中相應確認撥備。

Notes to the consolidated financial statements

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

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

Impairment assessment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amounts of the cash-generating units to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate certain assumptions, including the discount rate, terminal growth rate, gross margin and sales growth rate in order to derive the net present value of the discounted future cash flow model. Where the actual future cash flows are less than expected, or changes in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise. Furthermore, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainties in the current year due to uncertainty on how the Covid-19 pandemic may progress and evolve.

As at 31 December 2020, the carrying amount of goodwill was HK\$885,408,000 (2019: HK\$1,025,495,000). During the year ended 31 December 2020, impairment loss on goodwill of HK\$176,000,000 (2019: HK\$15,000,000) was provided. Details of the recoverable amount calculation are set out in note 20.

4. 重大會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源

以下為報告期末有關未來的主要假設及其他估計不明朗因素的主要來源，附有可導致下一個財政年度的資產賬面值出現大幅調整的重大風險。

商譽減值評估

釐定商譽是否減值須估計獲分配商譽的現金產生單位的可收回金額，即使用價值與公允價值減出售成本兩者中的較高者。計算使用價值要求本集團估計若干假設，包括折現率、最終增長率、毛利率及銷售增長率，以得出折現未來現金流量模式的淨現值。倘實際未來現金流量低於預期或事實及情況變化導致未來現金流量下調或折現率上調，則可能出現重大減值虧損或進一步減值虧損。此外，由於Covid-19疫情的發展及演變存在不明朗因素，本年度估計的現金流量及折現率存在較大不確定性。

於二零二零年十二月三十一日，商譽的賬面值為885,408,000港元(二零一九年：1,025,495,000港元)。截至二零二零年十二月三十一日止年度，就商譽減值虧損176,000,000港元(二零一九年：15,000,000港元)計提撥備。可收回金額的計算詳情載於附註20。

Notes to the consolidated financial statements

綜合財務報表附註

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

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

5. 收益

(i) 客戶合約收益分類

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Printing and manufacturing of cigarette packages and related materials | | |
| — Printing of cigarette packages | 1,133,380 | 1,283,107 |
| — Manufacturing of paper packaging materials | 94,366 | 83,620 |
| Manufacturing of laminated papers | 35,537 | 42,028 |
| Sales of RFID products | 76,156 | 87,078 |
| | 1,339,439 | 1,495,833 |

Notes to the consolidated financial statements

綜合財務報表附註

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

5. REVENUE (continued)

(i) Disaggregation of revenue from contracts with customers (continued)

Timing of revenue recognition

| | | 2020 二零二零年 | | | | |
|-----------------|------|---|---|---|---|--------------------------------|
| | | Printing of cigarette packages 印刷香煙 包裝 HK\$'000 千港元 | Manufacturing of paper packaging materials 製造紙 包裝材料 HK\$'000 千港元 | Manufacturing of laminated papers 製造 複合紙 HK\$'000 千港元 | Sales of RFID products 銷售射頻 識別產品 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| A point in time | 於時間點 | - | 94,366 | - | 76,156 | 170,522 |
| Over time | 隨時間 | 1,133,380 | - | 35,537 | - | 1,168,917 |
| Total | 總計 | 1,133,380 | 94,366 | 35,537 | 76,156 | 1,339,439 |

| | | 2019 二零一九年 | | | | |
|-----------------|------|---|---|---|---|--------------------------------|
| | | Printing of cigarette packages 印刷香煙 包裝 HK\$'000 千港元 | Manufacturing of paper packaging materials 製造紙 包裝材料 HK\$'000 千港元 | Manufacturing of laminated papers 製造 複合紙 HK\$'000 千港元 | Sales of RFID products 銷售射頻 識別產品 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| A point in time | 於時間點 | - | 83,620 | - | 87,078 | 170,698 |
| Over time | 隨時間 | 1,283,107 | - | 42,028 | - | 1,325,135 |
| Total | 總計 | 1,283,107 | 83,620 | 42,028 | 87,078 | 1,495,833 |

5. 收益 (續)

(i) 客戶合約收益分類 (續)

收益確認時間

| | | 2020 二零二零年 | | | | |
|-----------------|------|---|---|---|---|--------------------------------|
| | | Printing of cigarette packages 印刷香煙 包裝 HK\$'000 千港元 | Manufacturing of paper packaging materials 製造紙 包裝材料 HK\$'000 千港元 | Manufacturing of laminated papers 製造 複合紙 HK\$'000 千港元 | Sales of RFID products 銷售射頻 識別產品 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| A point in time | 於時間點 | - | 94,366 | - | 76,156 | 170,522 |
| Over time | 隨時間 | 1,133,380 | - | 35,537 | - | 1,168,917 |
| Total | 總計 | 1,133,380 | 94,366 | 35,537 | 76,156 | 1,339,439 |

| | | 2019 二零一九年 | | | | |
|-----------------|------|---|---|---|---|--------------------------------|
| | | Printing of cigarette packages 印刷香煙 包裝 HK\$'000 千港元 | Manufacturing of paper packaging materials 製造紙 包裝材料 HK\$'000 千港元 | Manufacturing of laminated papers 製造 複合紙 HK\$'000 千港元 | Sales of RFID products 銷售射頻 識別產品 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| A point in time | 於時間點 | - | 83,620 | - | 87,078 | 170,698 |
| Over time | 隨時間 | 1,283,107 | - | 42,028 | - | 1,325,135 |
| Total | 總計 | 1,283,107 | 83,620 | 42,028 | 87,078 | 1,495,833 |

Notes to the consolidated financial statements

綜合財務報表附註

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

5. REVENUE (continued)

(i) Disaggregation of revenue from contracts with customers (continued)

Geographical markets

Information about the Group's revenue from external customers is presented based on the location of customers irrespective of the origin of goods/services.

5. 收益(續)

(i) 客戶合約收益分類(續)

地區市場

有關本集團來自外部客戶收益的資料乃根據客戶所在地呈列，而不論貨品/服務的來源地。

| | | 2020 二零二零年 | | | |
|---------------|--------|---|--|---|--|
| | | Manufacturing | | Sales | |
| | | Printing of cigarette packages 印刷香煙 包裝 HK\$'000 千港元 | of paper packaging materials 製造紙 包裝材料 HK\$'000 千港元 | Manufacturing of laminated papers 製造 複合紙 HK\$'000 千港元 | of RFID products 銷售射頻 識別產品 HK\$'000 千港元 |
| PRC | 中國 | 1,133,380 | 94,366 | 35,537 | 68,421 |
| Others (Note) | 其他(附註) | - | - | - | 7,735 |
| Total | 總計 | 1,133,380 | 94,366 | 35,537 | 76,156 |

| | | 2019 二零一九年 | | | |
|---------------|--------|---|--|---|--|
| | | Manufacturing | | Sales | |
| | | Printing of cigarette packages 印刷香煙 包裝 HK\$'000 千港元 | of paper packaging materials 製造紙 包裝材料 HK\$'000 千港元 | Manufacturing of laminated papers 製造 複合紙 HK\$'000 千港元 | of RFID products 銷售射頻 識別產品 HK\$'000 千港元 |
| PRC | 中國 | 1,283,107 | 83,620 | 42,028 | 74,185 |
| Others (Note) | 其他(附註) | - | - | - | 12,893 |
| Total | 總計 | 1,283,107 | 83,620 | 42,028 | 87,078 |

Note: Others included the Republic of Indonesia, the United States of America and the Republic of Korea.

附註：其他包括印度尼西亞共和國、美利堅合眾國及大韓民國。

Notes to the consolidated financial statements

綜合財務報表附註

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

5. REVENUE (continued)

(ii) Performance obligations for contracts with customers

Printing of cigarette packages and manufacturing of laminated papers

The Group's contracts with customers for printing of cigarette packages and manufacturing of laminated papers are tailor-made based on customers' specification with no alternative use to the Group. Taking into account the contract terms, the legal and regulatory environment in the PRC, all contracts provide the Group's enforceable right to payment for performance completed to date and hence the revenue is recognised over time.

Under the Group's standard contract terms, the customers have no right to return products except those with quality flaw. The Group generally does not require the customers to pay in advance. The customers should settle the trade receivable within 60 to 90 days upon the issue of value added tax invoice.

A contract asset is recognised over the period basing on the progress towards complete satisfaction of a performance obligation representing the Group's right to consideration because the rights are conditioned on the Group's future performance in delivery of goods. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers the contract assets to trade receivables when the goods are delivered to the customers.

5. 收益(續)

(ii) 客戶合約履約責任

印刷香煙包裝及製造複合紙

本集團與客戶訂立的香煙包裝印刷及複合紙製造合約乃根據客戶規格定制，對本集團並無替代用途。經計及合約條款、中國的法律及監管環境，所有合約均賦予本集團強制執行權可收取迄今已履約部分的款項，故收益隨時間確認。

根據本集團的標準合約條款，除質量方面的瑕疵外，客戶無權退回產品。本集團一般不要求客戶提前付款。客戶應在發出增值稅發票後60至90日內結清貿易應收款項。

合約資產在此期間按完全履行履約責任的進度(代表本集團收取代價的權利)確認，原因為有關權利取決於本集團未來交付貨物的表現。合約資產於權利成為無條件時轉撥至貿易應收款項。本集團一般於貨品交付予客戶時將合約資產轉撥至貿易應收款項。

Notes to the consolidated financial statements

綜合財務報表附註

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

5. REVENUE (continued)

(ii) Performance obligations for contracts with customers (continued)

Manufacturing of paper packaging materials

Revenue from the manufacturing of paper packaging materials is recognised when control of the goods has transferred, being at the point the goods are delivered to the customers. Delivery occurs when the goods have been shipped to the customer's specific locations.

Under the Group's standard contract terms, the customers have no right to return products except those with quality flaw. The Group generally does not require the customers to pay in advance. The customers should settle the trade receivables within 60 to 90 days upon the issue of value added tax invoice.

Sales of RFID products

Revenue from the sale of RFID products is recognised when control of the goods has transferred, being at the point the goods are delivered to the customers. Delivery occurs when the goods have been shipped to the customer's specific locations. Under the Group's standard contract terms, the customers have no right to return products except those with quality flaw. The Group has no liability to refund some or all of the consideration to the customers. The Group generally does not require the customers to pay in advance. The customers should settle the trade receivable within 60 to 90 days upon the issue of value added tax invoice.

5. 收益(續)

(ii) 客戶合約履約責任(續)

製造紙包裝材料

製造紙包裝材料的收益於貨品控制權轉移(即將貨品交付客戶)時確認。貨品運送至客戶特定的地點即屬交付。

根據本集團的標準合約條款，除質量方面的瑕疵外，客戶無權退回產品。本集團一般不要求客戶提前付款。客戶應在發出增值稅發票後60至90日內結清貿易應收款項。

銷售射頻識別產品

銷售射頻識別產品的收益於貨品控制權轉移(即將貨品交付客戶)時確認。貨品運送至客戶特定的地點即屬交付。根據本集團的標準合約條款，除質量方面的瑕疵外，客戶無權退回產品。本集團並無責任向客戶退還部分或全部代價。本集團一般不要求客戶提前付款。客戶應在發出增值稅發票後60至90日內結清貿易應收款項。

Notes to the consolidated financial statements

綜合財務報表附註

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

5. REVENUE (continued)

(iii) Transaction price allocated to the remaining performance obligation

All the Group's contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2020 and 2019 is not disclosed.

6. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's operating and reportable segments currently are (i) printing and manufacturing of cigarette packages and related materials, (ii) manufacturing of laminated papers and (iii) sales of RFID products. The CODM considered the Group has three (2019: three) operating and reportable segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

5. 收益(續)

(iii) 分配至餘下履約責任的交易價

本集團所有客戶合約均為期一年或以下。根據香港財務報告準則第15號批准，於二零二零年及二零一九年十二月三十一日分配至餘下履約責任的交易價(未達成或部分未達成)不予披露。

6. 分部資料

為分配資源及評估分部表現而向本公司執行董事(即主要營運決策者(「主要營運決策者」))呈報資料，集中於所交付貨物或所提供服務類別。本集團並無任何經主要營運決策者識別的經營分部整合而成的可報告分部。

本集團的經營及可報告分部目前為(i)印刷及製造香煙包裝及相關材料；(ii)製造複合紙；及(iii)銷售射頻識別產品。主要營運決策者認為本集團有三個(二零一九年：三個)經營及可報告分部，乃根據內部組織及申報架構劃分。此乃本集團組織的基準。

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the year ended 31 December 2020

6. 分部資料(續)

分部收益及業績

以下為本集團按可報告分部劃分的收益及業績分析。

截至二零二零年十二月三十一日止年度

| | | Printing and manufacturing of cigarette packages and related materials 印刷及製造 香煙包裝及 相關材料 HK\$'000 千港元 | Manufacturing of laminated papers 製造複合紙 HK\$'000 千港元 | Sales of RFID products 銷售射頻 識別產品 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-------------------------|--|---|---|--------------------------------|
| Segment revenue | 分部收益 | 1,227,746 | 35,537 | 76,156 | 1,339,439 |
| Segment profit | 分部溢利 | 257,347 | 4,929 | 3,618 | 265,894 |
| Other income | 其他收入 | | | | 46,939 |
| Other gains and losses | 其他收益及虧損 | | | | (173,846) |
| Unallocated expenses | 未分配開支 | | | | 129,464 |
| Finance costs | 融資成本 | | | | (20,688) |
| Share of profits of associates | 分佔聯營公司溢利 | | | | 59,304 |
| Share of profits of a joint venture | 分佔一間合營企業溢利 | | | | 214 |
| Impairment loss on financial assets and contract assets, net of reversal | 金融資產及合約資產減值 虧損(扣除撥回) | | | | (2,267) |
| Profit before taxation | 除稅前溢利 | | | | 46,086 |

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

For the year ended 31 December 2019

6. 分部資料(續)

分部收益及業績(續)

截至二零一九年十二月三十一日止年度

| | | Printing and manufacturing of cigarette packages and related materials 印刷及製造 香煙包裝及 相關材料 HK\$'000 千港元 | Manufacturing of laminated papers 製造複合紙 HK\$'000 千港元 | Sales of RFID products 銷售射頻 識別產品 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-------------------------|---|---|---|--------------------------------|
| Segment revenue | 分部收益 | 1,366,727 | 42,028 | 87,078 | 1,495,833 |
| Segment profit | 分部溢利 | 324,629 | 8,621 | 7,157 | 340,407 |
| Other income | 其他收入 | | | | 33,460 |
| Other gains and losses | 其他收益及虧損 | | | | (24,049) |
| Unallocated expenses | 未分配開支 | | | | (136,314) |
| Finance costs | 融資成本 | | | | (19,678) |
| Share of profits of associates | 分佔聯營公司溢利 | | | | 41,751 |
| Share of loss of a joint venture | 分佔一間合營企業虧損 | | | | (930) |
| Impairment loss on financial assets and contract assets, net of reversal | 金融資產及合約資產減值 虧損(扣除撥回) | | | | (1,960) |
| Profit before taxation | 除稅前溢利 | | | | 232,687 |

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3.

Segment profit represents the profit earned by each segment without allocation of corporate management expenses, directors' emoluments, share of profits of associates, share of profit (loss) of a joint venture, finance costs, other income, other gains and losses, impairment loss on financial assets and contract assets, net of reversal, amortisation of intangible assets relating to customer relationship and other expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

All of the segment revenue reported above is from external customers.

6. 分部資料(續)

分部收益及業績(續)

經營分部的會計政策與附註3所述本集團的會計政策相同。

分部溢利指各分部所賺取溢利，而並無分配公司管理開支、董事酬金、分佔聯營公司溢利、分佔一間合營企業溢利(虧損)、融資成本、其他收入、其他收益及虧損、金融資產及合約資產減值虧損(扣除撥回)、與客戶關係有關的無形資產攤銷以及其他開支。此乃就資源分配及表現評估向主要營運決策者呈報的計量方式。

上文呈報的所有分部收益均來自外部客戶。

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綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

Segment assets

6. 分部資料(續)

分部資產及負債

以下為本集團按經營及可報告分部劃分的資產及負債分析：

分部資產

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Printing and manufacturing of cigarette packages and related materials | 印刷及製造香煙包裝及相關材料 | 1,402,966 | 1,471,153 |
| Manufacturing of laminated papers | 製造複合紙 | 28,415 | 30,867 |
| Sales of RFID products | 銷售射頻識別產品 | 206,709 | 172,322 |
| Total segment assets | 分部資產總值 | 1,638,090 | 1,674,342 |
| Unallocated property, plant and equipment | 未分配物業、廠房及設備 | 2,513 | 5,202 |
| Right-of-use assets | 使用權資產 | 104,176 | 103,596 |
| Investment properties | 投資物業 | 22,305 | 23,076 |
| Goodwill | 商譽 | 885,408 | 1,025,495 |
| Intangible assets | 無形資產 | 72,351 | 113,423 |
| Deferred tax assets | 遞延稅項資產 | 1,333 | 1,940 |
| Interests in associates | 於聯營公司的權益 | 450,364 | 423,245 |
| Interest in a joint venture | 於一間合營企業的權益 | 8,414 | 7,676 |
| Rental and other deposits paid | 已付租賃按金及其他按金 | 2,402 | 15,243 |
| Other receivables, prepayments and refundable deposits | 其他應收款項、預付款項及可退還訂金 | 68,899 | 35,936 |
| Amount due from a related party | 應收一名關連方款項 | - | 5,006 |
| Tax recoverable | 可收回稅項 | 2,709 | 2,329 |
| Pledged bank deposits | 已抵押銀行存款 | 14,523 | 9,476 |
| Bank balances and cash | 銀行結餘及現金 | 315,391 | 201,168 |
| Consolidated assets | 綜合資產 | 3,588,878 | 3,647,153 |

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

Segment liabilities

6. 分部資料(續)

分部資產及負債(續)

分部負債

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------------|----------------------------------|----------------------------------|
| Printing and manufacturing of cigarette packages and related materials | 印刷及製造香煙包裝及相關材料 | 202,894 | 206,915 |
| Manufacturing of laminated papers | 製造複合紙 | 1,457 | 3,336 |
| Sales of RFID products | 銷售射頻識別產品 | 9,686 | 16,037 |
| Total segment liabilities | 分部負債總額 | 214,037 | 226,288 |
| Other payables and accruals | 其他應付款項及應計費用 | 102,269 | 92,568 |
| Amounts due to non-controlling interests of subsidiaries | 應付附屬公司非控股權益款項 | 2,484 | 8,290 |
| Bank borrowings | 銀行借貸 | 411,206 | 256,462 |
| Bank overdrafts | 銀行透支 | - | 2,728 |
| Income tax payable | 應付所得稅 | 16,503 | 32,921 |
| Deferred tax liabilities | 遞延稅項負債 | 42,876 | 69,518 |
| Government grants | 政府補助金 | 28,383 | 27,297 |
| Lease liabilities | 租賃負債 | 1,293 | 4,905 |
| Consolidated liabilities | 綜合負債 | 819,051 | 720,977 |

Segment assets represent certain property, plant and equipment, trade receivables, contract assets and inventories which are directly attributable to the relevant operating and reportable segment. Segment liabilities represent trade payables which are directly attributable to the relevant operating and reportable segment. These are the measures reported to the CODM for the purpose of resource allocation and assessment of segment performance.

分部資產代表直接歸屬於相關經營及可報告分部的若干物業、廠房及設備、貿易應收款項、合約資產以及存貨。分部負債代表直接歸屬於相關經營及可報告分部的貿易應付款項。此乃就分配資源及評估分部表現向主要營運決策者匯報的計量方式。

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Other segment information

2020

6. 分部資料(續)

其他分部資料

二零二零年

| | | Printing and manufacturing of cigarette packages and related materials 印刷及製造 香煙包裝及 相關材料 HK\$'000 千港元 | Manufacturing of laminated papers 製造複合紙 HK\$'000 千港元 | Sales of RFID products 銷售射頻 識別產品 HK\$'000 千港元 | Segment total 分部總值 HK\$'000 千港元 | Unallocated 未分配 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-------------------------------|--|---|---|---|---------------------------------------|--------------------------------|
| Amounts included in the measurement of segment profit or loss or segment assets: | 計量分部損益或分部資產時計入的金額： | | | | | | |
| Addition to non-current assets (Note) | 添置非流動資產(附註) | 135,150 | 4,514 | 60,814 | 200,478 | 3,684 | 204,162 |
| Depreciation and amortisation | 折舊及攤銷 | 85,323 | 1,323 | 6,306 | 92,952 | 47,693 | 140,645 |
| Impairment losses on goodwill | 商譽減值虧損 | - | - | - | - | 176,000 | 176,000 |
| Impairment losses on trade and other receivables | 貿易及其他應收款項減值虧損 | - | - | - | - | 2,224 | 2,224 |
| Impairment losses on contract assets | 合約資產減值虧損 | - | - | - | - | 43 | 43 |
| Gains on disposal of property, plant and equipment | 出售物業、廠房及設備的收益 | - | - | - | - | 1,024 | 1,024 |
| Recognition of write-down on obsolete inventories | 確認陳舊存貨撇減 | 4,057 | - | 621 | 4,678 | - | 4,678 |
| Impairment losses on property, plant and equipment | 物業、廠房及設備減值虧損 | - | - | - | - | 27 | 27 |
| Gain arising from early termination of lease contracts | 提前終止租賃合約產生的收益 | - | - | - | - | (8) | (8) |
| Amounts regularly provided to the CODM but not included in the measure of segment profit or loss: | 定期向主要營運決策者提供但並無於計量分部損益時計入的金額： | | | | | | |
| Interest income | 利息收入 | (2,394) | (246) | (684) | (3,324) | (1,164) | (4,488) |
| Interest expense | 利息開支 | 15,305 | 33 | 1,293 | 16,631 | 4,057 | 20,688 |
| Taxation | 稅項 | 26,570 | 172 | 880 | 27,622 | 9,492 | 37,114 |

Note: Non-current assets excluded goodwill.

附註：非流動資產不包括商譽。

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綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Other segment information (continued)

2019

6. 分部資料(續)

其他分部資料(續)

二零一九年

| | Printing and manufacturing of cigarette packages and related materials 印刷及製造 香煙包裝及 相關材料 | Manufacturing of laminated papers 製造複合紙 | Sales of RFID products 銷售射頻 識別產品 | Segment total 分部總值 | Unallocated 未分配 | Total 總計 |
|--|---|--|--|--------------------------|--------------------|-----------------|
| | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |

Amounts included in the measurement of segment profit or loss or segment assets: 計量分部損益或分部資產時計入的金額：

| | | | | | | | |
|--|---------------|--------|-----|--------|---------|--------|---------|
| Addition to non-current assets (Note) | 添置非流動資產(附註) | 94,373 | 617 | 23,698 | 118,688 | 1,705 | 120,393 |
| Depreciation and amortisation | 折舊及攤銷 | 72,612 | 694 | 147 | 73,453 | 59,531 | 132,984 |
| Impairment losses on goodwill | 商譽減值虧損 | - | - | - | - | 15,000 | 15,000 |
| Impairment losses on trade and other receivables | 貿易及其他應收款項減值虧損 | - | - | - | - | 2,044 | 2,044 |
| Reversal of impairment losses on contract assets | 合約資產減值虧損撥回 | - | - | - | - | (84) | (84) |
| Gains on disposal of property, plant and equipment | 出售物業、廠房及設備的收益 | - | - | - | - | (492) | (492) |
| Recognition of write-down on obsolete inventories | 確認陳舊存貨撇減 | 608 | - | 445 | 1,053 | - | 1,053 |
| Impairment losses on property, plant and equipment | 物業、廠房及設備減值虧損 | - | - | - | - | 33 | 33 |
| Gain arising from early termination of lease contracts | 提前終止租賃合約產生的收益 | - | - | - | - | (20) | (20) |

Amounts regularly provided to the CODM but not included in the measure of segment profit or loss: 定期向主要營運決策者提供但並無於計量分部損益時計入的金額：

| | | | | | | | |
|------------------|------|---------|------|-------|---------|--------|---------|
| Interest income | 利息收入 | (1,094) | (29) | (306) | (1,429) | (157) | (1,586) |
| Interest expense | 利息開支 | 2,695 | - | 1,436 | 4,131 | 15,547 | 19,678 |
| Taxation | 稅項 | 40,840 | 892 | 1,558 | 43,290 | 12,511 | 55,801 |

Note: Non-current assets excluded goodwill.

附註：非流動資產不包括商譽。

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Revenue from major products and services

An analysis of the Group's revenue from its major products and services is set out in note 5.

Geographical information

The Group's operations are located in Hong Kong and the mainland of the PRC (country of domicile).

Information about the Group's revenue from external customers is presented based on the geographical market irrespective of the origin of goods/services. Information about the Group's non-current assets is presented based on the geographical location of the assets.

6. 分部資料(續)

主要產品及服務收益

有關本集團主要產品及服務收益的分析載於附註5。

地區資料

本集團於香港及中國內地(註冊國)經營業務。

有關本集團來自外部客戶收益的資料，乃根據地理市場呈列，而不論貨物／服務的來源地。有關本集團非流動資產的資料，乃按資產的地理位置呈列。

| | | Revenue from external customers | | Non-current assets (Note a) | |
|-----------------|---------|---------------------------------|-----------|-----------------------------|-----------|
| | | 來自外部客戶收益 | | 非流動資產(附註a) | |
| | | 2020 | 2019 | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 | 二零二零年 | 二零一九年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| PRC | 中國 | 1,331,704 | 1,482,940 | 1,988,958 | 2,071,232 |
| Hong Kong | 香港 | - | - | 2,471 | 4,284 |
| Others (Note b) | 其他(附註b) | 7,735 | 12,893 | - | - |
| | | 1,339,439 | 1,495,833 | 1,991,429 | 2,075,516 |

Notes:

- (a) Non-current assets excluded those relating to rental deposit, deferred tax assets, interests in associates and interest in a joint venture, in which the operations of these associates and joint venture are mainly carried out in PRC.
- (b) Others included the Republic of Indonesia, the United States of America and the Republic of Korea.

附註：

- (a) 非流動資產不包括與租賃按金、遞延稅項資產、於聯營公司的權益及於一間合營企業的權益有關的資產，該等聯營公司及合營企業主要於中國營運。
- (b) 其他包括印度尼西亞共和國、美利堅合眾國及大韓民國。

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follow:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------|-----------|----------------------------------|----------------------------------|
| Customer A (Note) | 客戶 A (附註) | 327,566 | 367,025 |
| Customer B (Note) | 客戶 B (附註) | 152,732 | 242,280 |

Note: Revenue from printing of cigarette packages.

6. 分部資料(續)

有關主要客戶的資料

於相應年度來自客戶且佔本集團總銷售逾10%的收益如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------|-----------|----------------------------------|----------------------------------|
| Customer A (Note) | 客戶 A (附註) | 327,566 | 367,025 |
| Customer B (Note) | 客戶 B (附註) | 152,732 | 242,280 |

附註：來自印刷香煙包裝的收益。

7. OTHER INCOME

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------------------------|-----------|----------------------------------|----------------------------------|
| Interest income on bank deposits | 銀行存款利息收入 | 4,464 | 1,560 |
| Interest income on rental deposits | 租賃按金利息收入 | 24 | 26 |
| | | 4,488 | 1,586 |
| Sales of scrap materials | 銷售廢料 | 10,916 | 12,212 |
| Processing fee income | 加工費收入 | 910 | 537 |
| Rental income | 租金收入 | 2,622 | 1,148 |
| Government grants (Note) | 政府補助金(附註) | 24,789 | 17,327 |
| Sundry income | 雜項收入 | 3,214 | 650 |
| | | 46,939 | 33,460 |

Note: Government grants were received from the government of the PRC mainly as incentives granted by local authority for encouragement of its business development and innovation except for an amount of HK\$2,079,000 (2019: HK\$2,523,000) which was granted for the acquisition of property, plant and equipment (as details in note 34). These grants are accounted for as financial support with no future related costs expected to be incurred nor related to any assets.

During the current year, the Group recognised government grants of HK\$1,505,000 in respect of Covid-19-related subsidies.

7. 其他收入

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------------------------|-----------|----------------------------------|----------------------------------|
| Interest income on bank deposits | 銀行存款利息收入 | 4,464 | 1,560 |
| Interest income on rental deposits | 租賃按金利息收入 | 24 | 26 |
| | | 4,488 | 1,586 |
| Sales of scrap materials | 銷售廢料 | 10,916 | 12,212 |
| Processing fee income | 加工費收入 | 910 | 537 |
| Rental income | 租金收入 | 2,622 | 1,148 |
| Government grants (Note) | 政府補助金(附註) | 24,789 | 17,327 |
| Sundry income | 雜項收入 | 3,214 | 650 |
| | | 46,939 | 33,460 |

附註：政府補助金乃取自中國政府，主要為地方當局為鼓勵業務發展及創新而授出的獎勵金，惟因收購物業、廠房及設備(詳見附註34)而獲授的2,079,000港元(二零一九年：2,523,000港元)除外。該等補助金乃入賬列作財務資助，預期不會產生任何未來相關成本，且與任何資產均無關連。

於本年度，本集團就Covid-19相關津貼確認政府補助金1,505,000港元。

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綜合財務報表附註

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8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Net foreign exchange gains (losses) | 外匯收益(虧損)淨額 | 1,095 | (12,597) |
| Gain from changes in fair value of financial assets at FVTPL | 按公允價值計入損益的金融資產公允價值變動收益 | 132 | 1,896 |
| Gain from changes in fair value of financial liabilities at FVTPL | 按公允價值計入損益的金融負債公允價值變動收益 | - | 1,190 |
| Gains on disposal of property, plant and equipment | 出售物業、廠房及設備的收益 | 1,024 | 492 |
| Impairment losses on goodwill | 商譽減值虧損 | (176,000) | (15,000) |
| Impairment losses on property, plant and equipment | 物業、廠房及設備減值虧損 | (27) | (33) |
| Gain arising from early termination of lease contracts | 提前終止租賃合約產生的收益 | 8 | 20 |
| Others | 其他 | (78) | (17) |
| | | (173,846) | (24,049) |

9. IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS, NET OF REVERSAL

9. 金融資產及合約資產減值虧損(扣除撥回)

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Net impairment losses recognised (reversed) on: | 就以下各項確認的減值虧損(撥回)淨額： | | |
| — Trade receivables | — 貿易應收款項 | 2,127 | 2,141 |
| — Contract assets | — 合約資產 | 43 | (84) |
| — Other receivables | — 其他應收款項 | 97 | (97) |
| | | 2,267 | 1,960 |

Details of impairment assessment for the year ended 31 December 2020 are set out in note 39.

有關載至二零二零年十二月三十一日止年度的減值評估詳情載於附註39。

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綜合財務報表附註

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

10. FINANCE COSTS

10. 融資成本

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Interest on bank loans and overdrafts 銀行貸款及透支利息 | 20,570 | 19,391 |
| Interest on lease liabilities 租賃負債利息 | 118 | 287 |
| | 20,688 | 19,678 |

11. TAXATION

11. 稅項

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------------------|----------------------------------|----------------------------------|
| Current tax: | | |
| The PRC | | |
| Enterprise Income Tax ("EIT") | 29,575 | 39,799 |
| Withholding tax | 36,851 | 16,408 |
| | 66,426 | 56,207 |
| Overprovision of EIT in prior years | (1,209) | (475) |
| Deferred tax (note 35): | | |
| Current year | (28,103) | 69 |
| | 37,114 | 55,801 |

Notes to the consolidated financial statements

綜合財務報表附註

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

11. TAXATION (continued)

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

The PRC EIT is calculated at the applicable prevailing tax rates from 15% to 25% (2019: 15% to 25%) in the PRC. Pursuant to the "Enterprise Income Tax Law for Foreign Investment Enterprises and Foreign Enterprises", some PRC subsidiaries, being a High-Tech Enterprise, were entitled to a reduced EIT rate of 15% for the years from 2020 to 2023.

Upon the New Tax Law and Implementation Regulations, the PRC withholding income tax is applicable to dividends payable to investors that are "non-PRC tax resident enterprises", which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends have their sources within the PRC. Under such circumstances, dividends distributed from the PRC subsidiaries to non-PRC tax resident group entities shall be subject to the withholding income tax at 10% or lower tax rate, as applicable. Under the relevant tax treaty, withholding tax rate on distribution to Hong Kong resident companies is 5%. Deferred taxation has been provided on undistributed earnings of all subsidiaries and associates (as details in note 35).

11. 稅項(續)

由於本集團的收入並非於香港產生或取得，故並無就香港稅項計提撥備。

中國企業所得稅按中國的適用當前稅率15%至25%（二零一九年：15%至25%）計算。根據《中國外商投資企業和外國企業所得稅法》，若干中國附屬公司（即高新科技企業）於二零二零年至二零二三年可按減免企業所得稅稅率15%繳稅。

根據新稅法及實施規例，中國預扣所得稅適用於應付屬「非中國居民納稅企業」投資者的股息，該等非中國居民納稅企業於中國並無機構或營業地點，或其於中國設有機構或營業地點但相關收入實際上與該機構或營業地點無關，惟以該等股息乃源自中國為限。於該等情況下，中國附屬公司派付予非中國居民納稅企業集團實體的股息須按10%的預扣所得稅稅率或較低稅率（如適用）繳稅。根據相關稅收協定，向香港居民公司派付股息應支付5%的預扣稅。遞延稅項已就所有附屬公司及聯營公司的未分派盈利計提撥備（詳見附註35）。

Notes to the consolidated financial statements

綜合財務報表附註

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

11. TAXATION (continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

11. 稅項(續)

年內稅項支出與綜合損益及其他全面收益報表所示除稅前溢利的對賬如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|---------------------------------|----------------------------------|----------------------------------|
| Profit before taxation | 除稅前溢利 | 46,086 | 232,687 |
| Tax at the applicable rate of 25% (2019: 25%) (Note 1) | 按適用稅率25% (二零一九年：25%) 計算的稅項(附註1) | 11,521 | 58,172 |
| Tax effect of share of profits of associates | 分佔聯營公司溢利的稅務影響 | (14,826) | (10,438) |
| Tax effect of share of (profit) loss of a joint venture | 分佔一間合營企業(溢利)虧損的稅務影響 | (53) | 232 |
| Tax effect of expenses not deductible for tax purpose | 不可扣稅開支的稅務影響 | 54,058 | 24,286 |
| Overprovision in respect of prior years | 過往年度超額撥備 | (1,209) | (475) |
| Additional tax benefit on research and development expenses (Note 2) | 研發開支的額外稅務利益(附註2) | (11,536) | (11,571) |
| Tax effect of tax losses not recognised | 未確認稅項虧損的稅務影響 | 22 | 605 |
| Income tax on concessionary rate | 按優惠稅率計算的所得稅 | (15,741) | (23,487) |
| Deferred tax on undistributed earnings of the PRC subsidiaries/associates | 中國附屬公司/聯營公司未分派盈利的遞延稅項 | 14,878 | 22,163 |
| Tax effect of undistributed earnings re-invested in PRC not taxable | 免稅再投資中國的未分派盈利的稅務影響 | - | (3,686) |
| Tax charge for the year | 年內稅項支出 | 37,114 | 55,801 |

Notes:

- The applicable tax rate of 25% represents the applicable income tax rate of the subsidiaries in Shenzhen, Jiangsu, Hubei and Anhui in the PRC which constitute the substantial part of the Group's operation for the years ended 31 December 2020 and 2019.
- Pursuant to the relevant tax rules and regulations, the Group could obtain additional tax benefit, which is a further 75% of certain qualified research and development cost incurred endorsed by the Shenzhen, Anhui, Jiangsu and Hubei Local Taxation Administrators.

附註：

- 適用稅率25%代表位於中國深圳、江蘇、湖北及安徽的附屬公司的適用所得稅稅率，而該等附屬公司佔本集團截至二零二零年及二零一九年十二月三十一日止年度的大部分業務。
- 根據相關稅務規則及法規，本集團可獲得額外稅項優惠，相當於深圳、安徽、江蘇及湖北當地稅務機關認可的若干合資格研發成本的額外75%。

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綜合財務報表附註

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

12. PROFIT FOR THE YEAR

12. 年度溢利

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|--|----------------------------------|----------------------------------|
| Profit for the year has been arrived at after charging (crediting): | 經扣除(計入)下列各項後的年度溢利： | | |
| Staff costs: | 員工成本： | | |
| Directors' emoluments (note 13) | 董事酬金(附註13) | 4,610 | 3,192 |
| Other staff costs | 其他員工成本 | | |
| Salaries and other benefits | 薪金及其他福利 | 160,042 | 161,608 |
| Contributions to retirement benefits schemes | 退休福利計劃供款 | 7,668 | 15,021 |
| Total staff costs | 員工成本總額 | 172,320 | 179,821 |
| Less: capitalised in inventories included in cost of sales | 減：於存貨中資本化計入銷售成本 | (18,968) (118,071) | (20,008) (126,037) |
| | | 35,281 | 33,776 |
| Auditor's remuneration | 核數師酬金 | 3,423 | 4,372 |
| Cost of inventories recognised as expenses including recognition of write-down on obsolete inventories amounting to HK\$4,678,000 (2019: HK\$1,053,000) | 確認為開支的存貨成本(包括確認陳舊存貨撇減4,678,000港元(二零一九年：1,053,000港元)) | 808,612 | 850,815 |
| Surcharges paid to governmental authorities (included in other expenses) | 向政府機構支付的附加費(計入其他開支) | - | 1,322 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 108,427 | 92,250 |
| Depreciation of investment properties | 投資物業折舊 | 2,176 | 1,891 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 6,017 | 6,508 |
| Amortisation of intangible assets (included in cost of sales and administrative expenses) | 無形資產攤銷(計入銷售成本及行政開支) | 41,769 | 50,190 |
| Total depreciation and amortisation | 折舊及攤銷總額 | 158,389 | 150,839 |
| Less: capitalised in inventories included in cost of sales | 減：於存貨中資本化計入銷售成本 | (17,744) (109,195) | (17,855) (105,338) |
| | | 31,450 | 27,646 |

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綜合財務報表附註

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

12. PROFIT FOR THE YEAR (continued)

12. 年度溢利(續)

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------|----------------------------------|----------------------------------|
| Research expenses | 研發開支 | 75,216 | 67,078 |
| Less: included in cost of sales | 減：計入銷售成本 | (74,073) | (65,300) |
| Included in other expenses | 計入其他開支 | 1,143 | 1,778 |
| Shares of taxation of associates | 分佔聯營公司稅項 | 12,256 | 10,385 |

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綜合財務報表附註

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

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the 10 (2019: 8) directors are as follows:

For the year ended 31 December 2020

13. 董事及行政總裁薪酬

已付或應付10名(二零一九年: 8名)董事的酬金如下:

截至二零二零年十二月三十一日止年度

| | | Other emoluments 其他薪酬 | | | Total emoluments 總薪酬 HK\$'000 千港元 |
|---|------------|-------------------------------|--|--|---|
| | | Fees 袍金 HK\$'000 千港元 | Salaries and other benefits 薪金及 其他福利 HK\$'000 千港元 | Contributions to retirement benefits schemes 退休福利 計劃供款 HK\$'000 千港元 | |
| Executive Directors 執行董事 | | | | | |
| Mr. Cai Xiao Ming, David* | 蔡曉明先生* | - | 15 | 2 | 17 |
| Mr. Qin Song (Chief Executive) | 欽松先生(行政總裁) | - | 2,422 | 31 | 2,453 |
| Mr. Chen Huapei* | 陳華培先生* | - | 419 | 5 | 424 |
| Mr. Chen Xiaoliang ** | 陳校良先生** | - | 504 | 18 | 522 |
| Mr. Huang Wanru*** | 黃萬如先生*** | - | 366 | 11 | 377 |
| Ms. Zheng Jinghui*** | 鄭靜慧女士*** | - | 366 | 16 | 382 |
| Non-Executive Director 非執行董事 | | | | | |
| Ms. Li Li | 李莉女士 | - | - | - | - |
| Independent Non-Executive Directors 獨立非執行董事 | | | | | |
| Mr. Lam Ying Hung, Andy | 林英鴻先生 | 145 | - | - | 145 |
| Mr. Lui Tin Nang | 呂天能先生 | 145 | - | - | 145 |
| Mr. Siu Man Ho, Simon | 蕭文豪先生 | 145 | - | - | 145 |
| | | 435 | 4,092 | 83 | 4,610 |

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

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

For the year ended 31 December 2019

13. 董事及行政總裁薪酬(續)

截至二零一九年十二月三十一日止年度

| | | Other emoluments 其他薪酬 | | | |
|--|------------|---|--------------------------------|-----------------------------------|---------------------|
| | | Contributions to retirement benefits schemes | | | Total emoluments |
| | | Salaries and other benefits | benefits schemes | | |
| | | Fees | Salaries and other benefits | retirement benefits schemes | Total emoluments |
| | | 袍金 | 薪金及 其他福利 | 退休福利 計劃供款 | 總薪酬 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| Executive Directors | 執行董事 | | | | |
| Mr. Cai Xiao Ming, David | 蔡曉明先生 | - | 60 | 3 | 63 |
| Mr. Qin Song (Chief Executive) | 欽松先生(行政總裁) | - | 1,697 | 36 | 1,733 |
| Mr. Chen Huapei | 陳華培先生 | - | 522 | 20 | 542 |
| Mr. Chen Xiaoliang ** | 陳校良先生** | - | 405 | 14 | 419 |
| Non-Executive Director | 非執行董事 | | | | |
| Ms. Li Li | 李莉女士 | - | - | - | - |
| Independent Non-Executive Directors | 獨立非執行董事 | | | | |
| Mr. Lam Ying Hung, Andy | 林英鴻先生 | 145 | - | - | 145 |
| Mr. Lui Tin Nang | 呂天能先生 | 145 | - | - | 145 |
| Mr. Siu Man Ho, Simon | 蕭文豪先生 | 145 | - | - | 145 |
| | | 435 | 2,684 | 73 | 3,192 |

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綜合財務報表附註

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

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(continued)*

- * Mr. Cai Xiao Ming and Mr. Chen Huapei resigned from the position as executive director of the Company with effect from 31 March 2020.
- ** Mr. Chen Xiaoliang was appointed as an executive director of the Company with effect from 12 March 2019.
- *** Mr. Huang Wanru and Ms. Zheng Jinghui are appointed as executive directors of the Company with effect from 31 March 2020.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Mr. Qin Song is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

Ms. Li Li waives her remuneration as non-executive director for both years. Except for Ms. Li Li, there was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

13. 董事及行政總裁薪酬(續)

- * 蔡曉明先生及陳華培先生辭任本公司執行董事，自二零二零年三月三十一日起生效。
- ** 陳校良先生獲委任為本公司執行董事，自二零一九年三月十二日起生效。
- *** 黃萬如先生及鄭靜慧女士獲委任為本公司執行董事，自二零二零年三月三十一日起生效。

上文所示執行董事的酬金乃就彼等有關管理本公司及本集團事務的服務而支付。上文所示獨立非執行董事的酬金乃就彼等擔任本公司董事的服務而支付。

欽松先生亦為本公司的行政總裁，而上文所披露的酬金包括就彼擔任行政總裁提供服務而支付的酬金。

李莉女士放棄其於兩個年度擔任非執行董事的酬金。除李莉女士外，年內並無董事或行政總裁豁免或同意豁免任何酬金的安排。

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綜合財務報表附註

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

14. FIVE HIGHEST PAID EMPLOYEES

Of the five individuals with the highest emoluments in the Group, two (2019: one) was director and the Chief Executive of the Company whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining three (2019: four) individual were as follows:

14. 五名最高薪僱員

本集團五名最高薪人士中有兩名(二零一九年：一名)為本公司董事及行政總裁，彼等的酬金載於上文附註13。餘下三名(二零一九年：四名)人士的酬金如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------|----------------------------------|----------------------------------|
| Salaries and other benefits | 薪金及其他福利 | 2,837 | 3,159 |
| Contributions to retirement benefits schemes | 退休福利計劃供款 | 57 | 70 |
| | | 2,894 | 3,229 |

Their emoluments were within the following bands:

彼等的酬金於下列範圍內：

| | | 2020 二零二零年 No. of employees 僱員人數 | 2019 二零一九年 No. of employees 僱員人數 |
|--------------------------------|-----------------------------|--|--|
| HK\$ nil to HK\$1,000,000 | 零港元至1,000,000港元 | 2 | 3 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至 1,500,000港元 | 1 | 1 |

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

截至二零二零年及二零一九年十二月三十一日止年度，本集團概無向本公司任何董事、本集團行政總裁、高級管理層或五名最高薪僱員支付任何酬金，以誘使其加入本集團或加入本集團，或作為離職補償。

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綜合財務報表附註

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

15. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

15. 每股盈利

本公司擁有人應佔每股基本盈利乃按下列數據計算：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|---|----------------------------------|----------------------------------|
| Earnings: Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company) | 盈利： 用以計算每股基本盈利的盈利(本公司擁有人應佔年度溢利) | 8,915 | 175,886 |
| | | 2020 二零二零年 '000 千股 | 2019 二零一九年 '000 千股 |
| Number of shares: Weighted average number of ordinary shares in issue for the purpose of basic earnings per share | 股份數目： 用以計算每股基本盈利的已發行普通股加權平均數 | 1,567,885 | 1,567,885 |

No dilutive earnings per share is presented as there were no potential ordinary shares in issue during both years.

概無呈列每股攤薄盈利，原因為在兩個年度均無任何潛在已發行普通股。

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綜合財務報表附註

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

16. DIVIDENDS

16. 股息

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| Dividends for ordinary shareholders of the Company recognised as distribution during the year: | 年內確認為分派的本公司普通股股東股息： | | |
| — 2019 final dividend, paid HK19.13 cents per share | — 已付二零一九年末期股息每股 19.13 港仙 | 299,936 | — |
| | | 299,936 | — |

The final dividend of HK10 cents per share in respect of the year ended 31 December 2020 (2019: HK19.13 cents), amounting to approximately HK\$156,789,000 (2019: HK\$299,936,000) has been proposed by the directors and is subject to approval by the shareholders in the annual general meeting.

董事建議就截至二零二零年十二月三十一日止年度派付末期股息每股 10 港仙(二零一九年：19.13 港仙)，總計約 156,789,000 港元(二零一九年：299,936,000 港元)，惟須待股東於股東週年大會批准後方可作實。

Notes to the consolidated financial statements

綜合財務報表附註

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

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

| | | Buildings | Leasehold improvement | Plant and machinery | Furniture and office equipment | Motor vehicles | Construction in progress | Total |
|---|---------------|-----------|-----------------------|---------------------|--------------------------------|----------------|--------------------------|-----------|
| | | 樓宇 | 租賃裝修 | 廠房及機器 | 傢俬及辦公室設備 | 汽車 | 在建工程 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| COST | | | | | | | | |
| | 成本 | | | | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 554,458 | 7,708 | 795,800 | 62,305 | 16,896 | 29,816 | 1,466,983 |
| Exchange adjustments | 匯兌調整 | (7,972) | (155) | (16,218) | (931) | (260) | (1,382) | (26,918) |
| Additions | 添置 | 3,554 | 830 | 30,648 | 2,213 | 3,009 | 79,275 | 119,529 |
| Transferred from construction in progress | 轉撥自在建工程 | 373 | - | 23,337 | - | - | (23,710) | - |
| Transferred from investment properties | 轉撥自投資物業 | 721 | - | - | - | - | - | 721 |
| Disposals | 出售 | - | - | (18,446) | (341) | (2,665) | - | (21,452) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 551,134 | 8,383 | 815,121 | 63,246 | 16,980 | 83,999 | 1,538,863 |
| Exchange adjustments | 匯兌調整 | 28,301 | 558 | 51,342 | 4,691 | 805 | 11,067 | 96,764 |
| Additions | 添置 | 1,463 | - | 66,609 | 5,279 | 40 | 130,086 | 203,477 |
| Transferred from construction in progress | 轉撥自在建工程 | 598 | - | 16,250 | 112 | - | (16,960) | - |
| Disposals | 出售 | - | - | (126,274) | (6,015) | (1,934) | (822) | (135,045) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 581,496 | 8,941 | 823,048 | 67,313 | 15,891 | 207,370 | 1,704,059 |
| DEPRECIATION AND IMPAIRMENT | | | | | | | | |
| | 折舊及減值 | | | | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 195,148 | 1,116 | 434,388 | 37,078 | 8,667 | - | 676,397 |
| Exchange adjustments | 匯兌調整 | (1,632) | (61) | (8,821) | (627) | (130) | - | (11,271) |
| Impairment loss | 減值虧損 | - | - | - | 33 | - | - | 33 |
| Provided for the year | 年內撥備 | 24,654 | 2,737 | 56,663 | 6,612 | 1,584 | - | 92,250 |
| Transferred from investment properties | 轉撥自投資物業 | 429 | - | - | - | - | - | 429 |
| Eliminated on disposals | 出售時抵銷 | - | - | (6,926) | (84) | (2,306) | - | (9,316) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 218,599 | 3,792 | 475,304 | 43,012 | 7,815 | - | 748,522 |
| Exchange adjustments | 匯兌調整 | 7,480 | 435 | 29,313 | 3,152 | 459 | - | 40,839 |
| Impairment loss | 減值虧損 | - | - | - | 27 | - | - | 27 |
| Provided for the year | 年內撥備 | 23,409 | 3,028 | 68,782 | 11,121 | 2,087 | - | 108,427 |
| Eliminated on disposals | 出售時抵銷 | - | - | (92,303) | (2,661) | (1,184) | - | (96,148) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 249,488 | 7,255 | 481,096 | 54,651 | 9,177 | - | 801,667 |
| CARRYING VALUES | | | | | | | | |
| | 賬面值 | | | | | | | |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 332,008 | 1,686 | 341,952 | 12,662 | 6,714 | 207,370 | 902,392 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 332,535 | 4,591 | 339,817 | 20,234 | 9,165 | 83,999 | 790,341 |

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

17. PROPERTY, PLANT AND EQUIPMENT

(continued)

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis, after taking into account of their residual values, over their estimated useful lives as follows:

| | |
|--------------------------------|---|
| Buildings | Over the shorter of the term of lease or 30 years |
| Leasehold improvement | 3 years |
| Plant and machinery | 5–20 years |
| Furniture and office equipment | 3–5 years |
| Motor vehicles | 4–5 years |

At 31 December 2020, the Group is in the process of obtaining the property certificates for the buildings with carrying value of approximately HK\$Nil (31 December 2019: HK\$47,626,000).

17. 物業、廠房及設備(續)

上述物業、廠房及設備項目(在建工程除外)乃按直線法基準,於計及其剩餘價值後按下列估計使用年期計算折舊:

| | |
|----------|----------------------|
| 樓宇 | 按租賃期或30年 (以較短者為準) |
| 租賃裝修 | 3年 |
| 廠房及機器 | 5至20年 |
| 傢俬及辦公室設備 | 3至5年 |
| 汽車 | 4至5年 |

於二零二零年十二月三十一日,本集團仍在就賬面值約為零港元(二零一九年十二月三十一日:47,626,000港元)的樓宇辦理房產證。

18. RIGHT-OF-USE ASSETS

18. 使用權資產

| | | Leasehold lands 租賃土地 HK\$'000 千港元 | Leased properties 租賃物業 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-----------------------|--|--|--------------------------------|
| At 31 December 2020 | 於二零二零年 十二月三十一日 | | | |
| Carrying amount | 賬面值 | 102,904 | 1,272 | 104,176 |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | | | |
| Carrying amount | 賬面值 | 98,743 | 4,853 | 103,596 |
| For the year ended 31 December 2020 | 截至二零二零年 十二月三十一日止年度 | | | |
| Depreciation charge | 折舊支出 | 2,277 | 3,740 | 6,017 |
| For the year ended 31 December 2019 | 截至二零一九年 十二月三十一日止年度 | | | |
| Depreciation charge | 折舊支出 | 2,232 | 4,276 | 6,508 |

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

18. RIGHT-OF-USE ASSETS (continued)

18. 使用權資產(續)

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|--|----------------------------------|----------------------------------|
| Expense relating to short-term leases | 短期租賃相關開支 | 2,042 | 2,797 |
| Expense relating to leases with lease terms end within 12 months of the date of initial application of HKFRS 16 (excluding short-term leases) | 租期在初步應用香港財務報告準則第16號當日起計12個月內結束的租賃相關開支(不包括短期租賃) | - | 627 |
| Expense relating to leases of low-value assets, excluding short-term leases of low-value assets | 低價值資產租賃(不包括低價值資產的短期租賃)相關開支 | 28 | 69 |
| Total cash outflow for leases | 租賃現金流出總額 | 6,028 | 7,645 |
| Additions to right-of-use assets | 添置使用權資產 | 412 | 864 |

For both years, the Group leases offices for its operations. Lease contracts are entered into for fixed term of 2 to 3 years without extension and termination options. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

本集團於兩個年度租賃辦公室以經營業務。租賃合約的固定期限為2年至3年，不設延期及終止選擇權。租賃條款按個別情況磋商釐定，當中包含不同條款及條件。釐定租期及評估不可撤銷期限時，本集團應用合約的定義並確定合約可強制執行的期限。

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

18. RIGHT-OF-USE ASSETS (continued)

During the current year, there were reduction to right-of-use assets of HK\$334,000 (2019: HK\$1,647,000), due to certain contracts were early terminated, resulting in a gain on early termination of HK\$8,000 (2019: HK\$20,000).

The Group regularly entered into short-term leases for staff dormitories. As at 31 December 2020, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed as above.

At 31 December 2020, the Group has obtained the land use right certificates for all leasehold lands (2019: HK\$24,177,000 was in the process of obtaining).

Details of the lease maturity analysis of lease liabilities are set out in note 39.

18. 使用權資產(續)

於本年度，由於若干合約提前終止導致產生提前終止收益8,000港元(二零一九年：20,000港元)，使用權資產減少334,000港元(二零一九年：1,647,000港元)。

本集團定期就員工宿舍訂立短期租賃。於二零二零年十二月三十一日，短期租賃組合與短期租賃開支於上文披露的短期租賃組合相若。

於二零二零年十二月三十一日，本集團已就所有租賃土地取得土地使用權證(二零一九年：24,177,000港元的租賃土地仍有待辦理)。

租賃負債的租賃期限分析詳情載於附註39。

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

19. INVESTMENT PROPERTIES

The Group leases out warehouses and office properties under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 6 years without extension and termination options.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

19. 投資物業

本集團根據經營租賃出租倉庫及辦公物業，並按月收取租金。租期一般初步為期1至6年，不設延長及終止選擇權。

由於所有租賃均以集團實體各自的功能貨幣計值，故本集團並無因租賃安排而承受外幣風險。租賃合約不包含剩餘價值擔保及／或承租人於租期屆滿時購買物業的選擇權。

| | | HK\$'000 千港元 |
|--|---------------|-----------------|
| COST | | |
| At 1 January 2019 | 於二零一九年一月一日 | 42,268 |
| Exchange adjustments | 匯兌調整 | (772) |
| Transferred to property, plant and equipment | 轉撥至物業、廠房及設備 | (721) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 40,775 |
| Exchange adjustments | 匯兌調整 | 2,714 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 43,489 |
| DEPRECIATION | | |
| At 1 January 2019 | 於二零一九年一月一日 | 16,565 |
| Exchange adjustments | 匯兌調整 | (328) |
| Provided for the year | 年內撥備 | 1,891 |
| Transferred to property, plant and equipment | 轉撥至物業、廠房及設備 | (429) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 17,699 |
| Exchange adjustments | 匯兌調整 | 1,309 |
| Provided for the year | 年內撥備 | 2,176 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 21,184 |
| CARRYING VALUES | | |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 22,305 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 23,076 |

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19. INVESTMENT PROPERTIES (continued)

Investment properties with carrying amount of approximately HK\$Nil (2019: HK\$292,000) have been transferred to property, plant and equipment due to the expiration of lease agreement with a third party. These plants have been self-occupied by the Group since the expiration of lease agreement.

Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties as at 31 December 2020 was HK\$42,515,000 (2019: HK\$39,861,000). The fair value has been arrived at on the basis of a valuation carried out by Roma Appraisals Limited, an independent qualified professional valuer not connected with the Group. Roma Appraisals Limited is member of the Institute of Valuers of Hong Kong.

The fair value of investment properties located in the city of Shenzhen was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair value of investment properties located in the city of Benbu was determined based on depreciated replacement cost approach, which is based on an estimation of the market value for the existing structures less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. There has been no change from the valuation technique used in prior year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

19. 投資物業(續)

由於與第三方訂立的租賃協議到期，賬面值約零港元(二零一九年：292,000港元)的投資物業已轉撥至物業、廠房及設備。自租賃協議到期以來，該等廠房一直由本集團自用。

本集團投資物業的公允價值計量

本集團投資物業於二零二零年十二月三十一日的公允價值為42,515,000港元(二零一九年：39,861,000港元)。公允價值乃根據與本集團概無關連的獨立合資格專業估值師羅馬國際評估有限公司進行的估值而釐定。羅馬國際評估有限公司為香港測量師學會的會員。

位於深圳市的投資物業的公允價值乃根據可反映類似物業的近期交易價的市場比較法釐定。位於蚌埠市的投資物業的公允價值乃根據折舊重置成本法釐定，該方法以現有結構的估計市值為基準，減去物理退化的扣除以及所有相關形式的過時及優化。過往年度採用的估值方法概無變動。

於估計物業的公允價值時，物業的最高及最佳使用狀況為其現有的狀況。

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19. INVESTMENT PROPERTIES (continued)

Fair value measurement of the Group's investment properties (continued)

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

19. 投資物業(續)

本集團投資物業的公允價值計量(續)

於報告期末，本集團投資物業以及公允價值層級資料詳情如下：

| | Fair value hierarchy | Fair value as at 31 December 2020 於二零二零年十二月三十一日的公允價值 HK\$'000 千港元 | Fair value as at 31 December 2019 於二零一九年十二月三十一日的公允價值 HK\$'000 千港元 |
|---------------------------------------|----------------------|--|--|
| Properties located in the PRC 位於中國的物業 | Level 3 第三級 | 42,515 | 39,861 |

The above investment properties are depreciated on a straight-line basis at the following rate per annum:

上述投資物業按以下年率根據直線法折舊：

| | | | |
|-----------|----------|----|-----|
| Buildings | 30 years | 樓宇 | 30年 |
|-----------|----------|----|-----|

20. GOODWILL

20. 商譽

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-----------|----------------------------------|----------------------------------|
| COST | 成本 | | |
| As at 1 January | 於一月一日 | 1,126,864 | 1,140,213 |
| Exchange adjustments | 匯兌調整 | 42,770 | (13,349) |
| At 31 December | 於十二月三十一日 | 1,169,634 | 1,126,864 |
| IMPAIRMENT | 減值 | | |
| As at 1 January | 於一月一日 | 101,369 | 88,000 |
| Impairment loss recognised in the year | 年內確認的減值虧損 | 176,000 | 15,000 |
| Exchange adjustments | 匯兌調整 | 6,857 | (1,631) |
| At 31 December | 於十二月三十一日 | 284,226 | 101,369 |
| CARRYING VALUES | 賬面值 | | |
| At 31 December | 於十二月三十一日 | 885,408 | 1,025,495 |

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

20. GOODWILL (continued)

For the purpose of impairment testing, goodwill has been allocated to six (2019: six) individual cash-generating units (CGUs), comprising four (2019: four) subsidiaries in the printing and manufacturing of cigarette packages and related materials segments, one subsidiary in the manufacturing of laminated paper segment and one subsidiary in the sales of RFID products segment. Goodwill amounted to HK\$86,153,000 (2019: HK\$80,775,000) resulted from acquisition of manufacturing of paper packaging materials of CGU-6, of which HK\$37,907,000 (2019: HK\$35,541,000) was allocated to CGU-1 as CGU-1 is expected to benefit from the synergies of the combination, resulting from cost saving on raw materials supplied by CGU-6. The carrying amounts of goodwill as at 31 December 2020 allocated net of impairment losses recognised to these unites are as follows:

20. 商譽(續)

就減值測試而言，商譽獲分配至六個(二零一九年：六個)個別現金產生單位，包括印刷及製造香煙包裝及相關材料分部的四間(二零一九年：四間)附屬公司、製造複合紙分部的一間附屬公司以及銷售射頻識別產品分部的一間附屬公司。收購現金產生單位-6(製造紙包裝材料)所產生的商譽為86,153,000港元(二零一九年：80,775,000港元)，其中37,907,000港元(二零一九年：35,541,000港元)分配至現金產生單位-1，原因為現金產生單位-6供應原材料可節省成本，預計現金產生單位-1可受惠於合併產生的協同效益。於二零二零年十二月三十一日的商譽賬面值(扣除已確認減值虧損)已獲分配至相關單位如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-----------------|----------------------------------|----------------------------------|
| Printing and manufacturing of cigarette packages and related materials: | 印刷及製造香煙包裝及相關材料： | | |
| CGU-1 | 現金產生單位-1 | 689,432 | 839,460 |
| CGU-2 | 現金產生單位-2 | 135,309 | 126,342 |
| CGU-3 | 現金產生單位-3 | 2,853 | 2,675 |
| CGU-6 | 現金產生單位-6 | 48,246 | 45,234 |
| | | 875,840 | 1,013,711 |
| Manufacturing of laminated paper: | 製造複合紙： | | |
| CGU-4 | 現金產生單位-4 | 387 | 363 |
| Sales of RFID products: | 銷售射頻識別產品： | | |
| CGU-5 | 現金產生單位-5 | 9,181 | 11,421 |
| At 31 December | 於十二月三十一日 | 885,408 | 1,025,495 |

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20. GOODWILL (continued)

In addition to goodwill above, property, plant and equipment, intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill and opening net working capital balances which are largely integrated with the cash flows from the CGU under review are also included in the respective CGU for the purpose of impairment assessment.

The recoverable amounts of CGUs arising from printing and manufacturing of cigarette packages and related materials, manufacturing of laminated paper and sales of RFID products were determined individually based on value in use calculations. The value in use calculations used discounted future cash flow model based on financial budgets approved by management covering a five-year period and a pre-tax discount rate ranging from 15.14% to 16.22% (2019: 15.17% to 16.03%) for CGUs arising from printing and manufacturing of cigarette packages and related materials and manufacturing of laminated paper, and 13.52% (2019: 14.79%) for CGU arising from sales of RFID products. Cash flows beyond five-year period is extrapolated using a steady growth rate of 3.0%. Cash flow projections for the CGUs are based on the expected terminal growth rate, gross margin and sales growth rate during the budget period, which were determined based on past performance of the Group and the management's expectations for the market development.

20. 商譽(續)

除上述商譽外，產生現金流的物業、廠房及設備、無形資產及使用權資產(不包括企業資產的分配)連同相關商譽及期初營運資金淨餘額(大部分與檢查中的現金產生單位相結合)亦就減值評估計入各自的現金產生單位。

因印刷及製造香煙包裝及相關材料、製造複合紙以及銷售射頻識別產品而產生的現金產生單位的可收回金額乃個別按使用價值計算方式釐定。該使用價值計算方式使用根據管理層批准涵蓋五年期間的財務預算的現金流預測，印刷及製造香煙包裝及相關材料以及製造複合紙現金產生單位的除稅前折現率介乎15.14%至16.22%(二零一九年：15.17%至16.03%)，而銷售射頻識別產品而產生現金產生單位的折現率為13.52%(二零一九年：14.79%)。五年期間後的現金流量按穩定增長率3.0%預測。現金產生單位的預算期現金流預測根據預算期內的預期最終增長率、毛利率及銷售增長率釐定。有關比率根據過往經驗及管理層對市場發展的期望而釐定。

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

20. GOODWILL (continued)

CGU-1

During the year ended 31 December 2020, due to the effect of the loss of a major customer in December 2020 and the continuous decrease in revenue resulted from the drop in average selling price across various products tiers and market share in Chinese cigarette packaging industry as a consequence of mandatory tendering system in China tobacco industry, and the change of product structure of CGU-1, its value in use is adversely impacted and decreased to HK\$1,185,913,000 as at 31 December 2020. The directors of the Company have consequently determined impairment of goodwill directly related to CGU-1 amounting to HK\$173,000,000 (2019: HK\$Nil). No other write-down of the assets of CGU-1 is considered necessary. The impairment loss has been included in profit or loss in the other gains and losses line item.

If the discount rate increases by 5% to 17.03% (2019: 15.93%), while other parameters remain constant, an further impairment of goodwill of HK\$58,669,000 (2019: HK\$nil) would be recognised.

CGU-3

Due to the effect of the drop in average selling price across various products tiers and the change of product structure of CGU-3, its value in use is adversely impacted and decreased to HK\$91,392,000 for the year ended 31 December 2019. During the year ended 31 December 2020, due to the expansion of market share which successfully improve the performance of CGU-3, the management of the Group determines that there is no impairment on CGU-3 (2019: impairment loss of HK\$15,000,000 was recognised).

20. 商譽(續)

現金產生單位-1

截至二零二零年十二月三十一日止年度，於二零二零年十二月失去一名主要客戶的影響以及中國煙草業實行強制招標制度令不同檔次產品的平均售價及市場份額下跌，繼而導致收益持續減少，加上現金產生單位-1的產品結構有所改變，其使用價值受到不利影響，並減至二零二零年十二月三十一日的1,185,913,000港元。因此，本公司董事已確定與現金產生單位-1直接相關的商譽減值173,000,000港元(二零一九年：零港元)。毋須對現金產生單位-1的資產進行其他撇減。減值虧損已計入損益項下其他收益及虧損一欄。

倘折現率增加5%至17.03%(二零一九年：15.93%)而其他參數維持不變，則確認進一步商譽減值58,669,000港元(二零一九年：零港元)。

現金產生單位-3

截至二零一九年十二月三十一日止年度，由於各產品類別的平均售價下跌及現金產生單位-3的產品結構有所改變，其使用價值受到不利影響並減少至91,392,000港元。截至二零二零年十二月三十一日止年度，市場份額擴大成功令現金產生單位-3的表現有所提升，本集團管理層已確定現金產生單位-3並無出現減值(二零一九年：確認減值虧損15,000,000港元)。

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20. GOODWILL (continued)

CGU-3 (continued)

If the pre-tax discount rate increases by 5% to 16.18% (2019: 16.05%), while other parameters remain constant, an impairment of goodwill of HK\$nil (2019: further impairment loss of HK\$2,675,000), an impairment of property, plant and equipment of HK\$nil (2019: HK\$1,538,000) and an impairment of right-of-use assets of HK\$nil (2019: HK\$144,000) would be recognised respectively.

CGU-5

Due to the changes in current economic environment related to the Covid-19 pandemic, the overseas sales from CGU-5 is experiencing negative impact. A drop of revenue indicates that the goodwill related to CGU-5 is impaired. Its value in use decrease to HK\$105,891,000. The directors of the Company have consequently determined impairment of goodwill directly related to CGU-5 amounting to HK\$3,000,000 (2019: HK\$nil). The impairment loss has been included in profit or loss in the other gains and losses line item.

If the pre-tax discount rate increases by 5% to 14.24% (2019: 15.53%), while other parameters remain constant, an further impairment of goodwill of HK\$5,385,000 (2019: HK\$nil), would be recognised.

Except to CGU-1, CGU-3 and CGU-5 as analysed above, management believes that any reasonably possible changes in any of these assumptions would not cause the aggregate carrying amount of the CGUs to exceed the aggregate recoverable amount of respective CGUs.

20. 商譽(續)

現金產生單位-3(續)

倘稅前折現率增加5%至16.18%(二零一九年:16.05%)而其他參數維持不變,則分別確認商譽減值零港元(二零一九年:進一步減值虧損2,675,000港元)、物業、廠房及設備減值零港元(二零一九年:1,538,000港元)以及使用權資產減值零港元(二零一九年:144,000港元)。

現金產生單位-5

由於目前經濟環境變化與Covid-19疫情有關,對現金產生單位-5的海外銷售造成負面影響。收益下降表示與現金產生單位-5相關的商譽出現減值。其使用價值減至105,891,000港元。因此,本公司董事已確定與現金產生單位-5直接相關的商譽減值3,000,000港元(二零一九年:零港元)。減值虧損已計入損益項下其他收益及虧損一欄。

倘稅前折現率增加5%至14.24%(二零一九年:15.53%)而其他參數維持不變,則確認進一步商譽減值5,385,000港元(二零一九年:零港元)。

除上文所分析的現金產生單位-1、現金產生單位-3及現金產生單位-5外,管理層相信,任何此等假設的任何合理可能變動不會使現金產生單位的賬面總值超逾各現金產生單位的可收回總額。

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21. INTANGIBLE ASSETS

21. 無形資產

| | | Customer relationship 客戶關係 HK\$'000 千港元 | Licenses and franchises 牌照及特許權 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|------------------------|-------------------|---|---|--------------------------------|
| COST | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 472,088 | 8,594 | 480,682 |
| Write off | 撇銷 | (79,042) | – | (79,042) |
| Exchange adjustments | 匯兌調整 | (35) | (150) | (185) |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 393,011 | 8,444 | 401,455 |
| Additions | 添置 | – | 273 | 273 |
| Exchange adjustments | 匯兌調整 | – | 435 | 435 |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | 393,011 | 9,152 | 402,163 |
| AMORTISATION | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 315,585 | 1,332 | 316,917 |
| Charge for the year | 年內開支 | 49,756 | 434 | 50,190 |
| Write off | 撇銷 | (79,042) | – | (79,042) |
| Exchange adjustments | 匯兌調整 | (10) | (23) | (33) |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 286,289 | 1,743 | 288,032 |
| Charge for the year | 年內開支 | 41,336 | 433 | 41,769 |
| Exchange adjustments | 匯兌調整 | – | 11 | 11 |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | 327,625 | 2,187 | 329,812 |
| CARRYING VALUES | | | | |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | 65,386 | 6,965 | 72,351 |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 106,722 | 6,701 | 113,423 |

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

21. INTANGIBLE ASSETS (continued)

For the purpose of impairment testing, customer relationship has been included in two (2019: two) individual CGUs, included in the printing and manufacturing of cigarette packages and related materials segments. The carrying amounts of intangible assets as at 31 December 2020 allocated to these unites are as follows:

21. 無形資產(續)

就減值測試而言，客戶關係計入兩個(二零一九年：兩個)個別現金產生單位，包括印刷及製造香煙包裝及相關材料分部。於二零二零年十二月三十一日的無形資產賬面值已獲分配至相關單位如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------------|----------------------------------|----------------------------------|
| Printing and manufacturing of cigarette packages and related materials | 印刷及製造香煙包裝及相關材料 | | |
| CGU-1 | 現金產生單位 -1 | 55,814 | 93,024 |
| CGU-6 | 現金產生單位 -6 | 9,572 | 13,698 |
| At 31 December | 於十二月三十一日 | 65,386 | 106,722 |

The above intangible assets of customer relationship have finite useful lives. The intangible asset of CGU-6 is amortised basing on the proportion of estimated revenue for each year to the projected gross revenue from these existing customers. The intangible assets of CGU-1 are amortised on a straight-line basis over the following periods:

上述客戶關係的無形資產有固定使用年期。現金產生單位-6的無形資產根據每年估計收益佔該等現有客戶預計總收益的比例予以攤銷。現金產生單位-1的無形資產於以下期間按直線法攤銷：

| | | | |
|-------------------------|----------|--------|-----|
| Customer relationship | 10 years | 客戶關係 | 10年 |
| Licenses and franchises | 20 years | 牌照及特許權 | 20年 |

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21. INTANGIBLE ASSETS (continued)

Included in intangible assets represent customer relationship acquired in the acquisition of 深圳揚豐印刷有限公司 Yangfeng Printing & Packaging Co., Ltd in 2012, which has been absorbed by 深圳科彩印務有限公司 Shenzhen Kecai Printing Com., Ltd (“Kecai”) and the acquisition of 深圳市金升彩包裝材料有限公司 Shenzhen Jinshengcai Package Material Co., Ltd (“Jinshengcai”) in 2018. The acquisition of the customer base has allowed the Group to stabilise the revenue base from packaging and printing business. During the year ended 31 December 2019, the customer relationship acquired in a business combination in 2009 which had been fully amortised was written off.

The revenue and the consumption of economic benefits of the customer relationship of CGU-6 are highly correlated as the fair value of these customer relationship as at acquisition date was determined based on contracts and anticipated contracts with these customers.

21. 無形資產(續)

無形資產包括於二零一二年收購深圳揚豐印刷有限公司(已被深圳科彩印務有限公司(「科彩」)吸納)及於二零一八年收購深圳市金升彩包裝材料有限公司(「金升彩」)時取得的客戶關係。接收客戶基礎有助本集團穩定來自包裝及印刷業務的收益基礎。截至二零一九年十二月三十一日止年度，於二零零九年業務合併時取得的客戶關係已悉數攤銷並撇銷。

現金產生單位-6的收入及客戶關係經濟利益消費高度相關，原因為該等客戶關係於收購日期的公允價值乃根據與該等客戶的合約及預期合約釐定。

22. INTERESTS IN ASSOCIATES

22. 於聯營公司的權益

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Cost of investment, unlisted | 投資成本，非上市 | 302,639 | 302,639 |
| Share of post-acquisition profits and other comprehensive income, net of dividends received | 分佔收購後溢利及其他全面收益(扣除已收股息) | 126,594 | 125,781 |
| Exchange adjustments | 匯兌調整 | 21,131 | (5,175) |
| | | 450,364 | 423,245 |

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22. INTERESTS IN ASSOCIATES (continued)

As at 31 December 2020 and 2019, the Group had interests in the following associates:

22. 於聯營公司的權益(續)

於二零二零年及二零一九年十二月三十一日，本集團於以下聯營公司擁有權益：

| Name of entity 實體名稱 | Proportion of ownership interest directly held by the Group 本集團直接持有擁有權權益比例 | | Place and country of establishment/ business 成立/經營地點及國家 | Registered capital 註冊股本 | Principal activity 主要業務 |
|--|---|-------|---|-------------------------------------|---|
| | 2020 | 2019 | | | |
| | 二零二零年 | 二零一九年 | | | |
| 常德金鵬印務有限公司(「常德金鵬」) (Changde Jinpeng Printing Co., Ltd.) (“Changde Jinpeng”) | 31% | 31% | PRC 中國 | RMB163,052,000 人民幣 163,052,000 元 | Provision for cigarette printing package services 提供香煙印刷包裝服務 |
| 天津榮聯匯智能科技有限公司 (「天津榮聯匯智」) (Tianjin Rong Lian Hui Zhi Intelligence Packaging Technology Co., Ltd.) (“Tianjin Rong Lian Hui Zhi”) | 40% | 40% | PRC 中國 | RMB30,000,000 人民幣 30,000,000 元 | Developing for intelligent printing services 發展智能印刷服務 |

The financial information of the Group's associates are prepared using uniform accounting policies in conformity with the accounting policies adopted by the Group. The associates are accounted for using the equity method in these consolidated financial statements. The summarised financial information in respect of the Group's associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with HKFRSs.

本集團聯營公司的財務資料使用與本集團採納的會計政策一致的會計政策編製。聯營公司使用權益法於該等綜合財務報表入賬。本集團聯營公司的財務資料概要載列如下。以下財務資料概要指根據香港財務報告準則編製的聯營公司財務報表所示金額。

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22. INTERESTS IN ASSOCIATES (continued)

Changde Jinpeng

22. 於聯營公司的權益(續)

常德金鵬

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 903,656 | 740,691 |
| Non-current assets | 非流動資產 | 784,227 | 822,842 |
| Current liabilities | 流動負債 | (257,190) | (217,243) |
| Non-current liabilities | 非流動負債 | (5,379) | (7,769) |
| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
| Revenue | 收益 | 1,061,932 | 1,033,110 |
| Profit for the year | 年內溢利 | 192,268 | 145,739 |
| Dividends received from the associate during the year | 年內已收聯營公司的股息 | 58,491 | 73,228 |

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22. INTERESTS IN ASSOCIATES (continued)

Changde Jinpeng (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

22. 於聯營公司的權益(續)

常德金鵬(續)

上述財務資料概要與於綜合財務報表確認於聯營公司權益的賬面值的對賬：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|------------------|----------------------------------|----------------------------------|
| Net assets of the associate | 聯營公司的資產淨值 | 1,425,314 | 1,338,521 |
| Proportion of the Group's ownership interest in the associate | 本集團於聯營公司的擁有權權益比例 | 31% | 31% |
| The Group's share of net assets of the associate | 本集團分佔聯營公司的資產淨值 | 441,847 | 414,942 |
| Goodwill | 商譽 | 8,517 | 7,657 |
| Carrying amount of the Group's interest in the associate | 本集團於聯營公司的權益的賬面值 | 450,364 | 422,599 |

Tianjin Rong Lian Hui Zhi

天津榮聯匯智

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------|-------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 13,999 | 5,654 |
| Non-current assets | 非流動資產 | 1,469 | 2,996 |
| Current liabilities | 流動負債 | (22,532) | (7,035) |
| Non-Current liabilities | 非流動負債 | (1,997) | - |

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22. INTERESTS IN ASSOCIATES (continued) Tianjin Rong Lian Hui Zhi (continued)

22. 於聯營公司的權益(續) 天津榮聯匯智(續)

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------|----------------------------------|----------------------------------|
| Revenue | 收益 | 9,679 | 8,623 |
| Loss for the year | 年內虧損 | (9,808) | (8,570) |
| Other comprehensive expense for the year | 年內其他全面開支 | (868) | (302) |
| Total comprehensive expense for the year | 年內全面開支總額 | (10,676) | (8,872) |

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

上述財務資料概要與於綜合財務報表確認於聯營公司權益的賬面值的對賬：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|------------------|----------------------------------|----------------------------------|
| Net assets of the associate | 聯營公司的資產淨值 | (9,061) | 1,615 |
| Proportion of the Group's ownership interest in the associate | 本集團於聯營公司的擁有權權益比例 | 40% | 40% |
| The Group's share of net assets of the associate | 本集團分佔聯營公司的資產淨值 | (3,624) | 646 |
| The unrecognised share of loss of the associate | 聯營公司未確認分佔虧損 | 3,624 | - |
| Carrying amount of the Group's interest in the associate | 本集團於聯營公司的權益的賬面值 | - | 646 |

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22. INTERESTS IN ASSOCIATES (continued)

Tianjin Rong Lian Hui Zhi (continued)

22. 於聯營公司的權益(續)

天津榮聯匯智(續)

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-----------------|----------------------------------|----------------------------------|
| The unrecognised share of loss of an associate for the year | 年內一間聯營公司未確認分佔虧損 | 3,624 | - |
| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
| Cumulative unrecognised share of loss of the associate | 聯營公司累計未確認分佔虧損 | 3,624 | - |

23. INTEREST IN A JOINT VENTURE

Details of the Group's investment in a joint venture is as follows:

23. 於一間合營企業的權益

本集團於一間合營企業的投資的詳情如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| Cost of investment, unlisted | 投資成本，非上市 | 8,825 | 8,825 |
| Share of post-acquisition losses and other comprehensive expenses, net of dividends received | 分佔收購後虧損及其他全面開支（扣除已收股息） | (310) | (524) |
| Exchange adjustments | 匯兌調整 | (101) | (625) |
| | | 8,414 | 7,676 |

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23. INTEREST IN A JOINT VENTURE (continued)

As at 31 December 2020 and 2019, the Group had interest in the following joint venture:

| Name of entity 實體名稱 | Percentage of ownership interest/ voting rights directly held by the Group 本集團直接持有 擁有權權益/ 投票權百分比 | Place and country of incorporation/ business 註冊成立/ 經營地點 及國家 | Registered capital 註冊股本 | Principal activity 主要業務 |
|---|--|--|-----------------------------------|--|
| 深圳市科炬互聯網科技有限公司 (「科炬」) (Shenzhen Keju Internet Technology Company Limited ("Keju")) | 49% Note 附註 | PRC 中國 | RMB15,000,000 人民幣 15,000,000 元 | Developing 2D Barcodes and O2O solutions 發展二維碼及 O2O 解決方案 |

Note: The Group hold 49% of ownership interest of Keju. However, under a shareholders' agreement, the Group has the joint control over Keju because the director resolution will be effective only when approved by all directors.

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs.

23. 於一間合營企業的權益(續)

於二零二零年及二零一九年十二月三十一日，本集團於以下合營企業擁有權益：

附註：本集團持有科炬49%擁有權權益。然而，根據股東協議，本集團對科炬有共同控制權，原因為董事決議案須經全體董事批准始會生效。

本集團合營企業的財務資料概要載列如下。以下財務資料概要指根據香港財務報告準則編製的合營企業財務報表所示金額。

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23. INTEREST IN A JOINT VENTURE (continued)

The joint venture is accounted for using the equity method in these consolidated financial statements.

23. 於一間合營企業的權益(續)

合營企業使用權益法於該等綜合財務報表入賬。

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 18,026 | 17,222 |
| Non-current assets | 非流動資產 | 168 | 197 |
| Current liabilities | 流動負債 | (1,023) | (1,753) |
| The above amounts of assets and liabilities include the following: | 上述資產及負債金額包括以下各項： | | |
| Cash and cash equivalents | 現金及現金等值項目 | 13,868 | 15,354 |
| Current financial liabilities (excluding trade and other payables and provision) | 流動金融負債(不包括貿易及其他應付款項以及撥備) | - | - |
| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
| Revenue | 收益 | 10,997 | 5,823 |
| Profit (loss) for the year | 年內溢利(虧損) | 436 | (1,898) |
| Other comprehensive income for the year | 年內其他全面收益 | 1,069 | 303 |
| Total comprehensive income (expense) for the year | 年內全面收益(開支)總額 | 1,505 | (1,595) |

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23. INTEREST IN A JOINT VENTURE (continued)

23. 於一間合營企業的權益(續)

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------------|-------|----------------------------------|----------------------------------|
| Depreciation and amortisation | 折舊及攤銷 | (30) | (38) |
| Interest income | 利息收入 | 442 | 153 |
| Income tax expense | 所得稅開支 | 10 | (48) |

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

上述財務資料概要與於綜合財務報表確認於合營企業權益的賬面值的對賬：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|------------------|----------------------------------|----------------------------------|
| Net assets of the joint venture | 合營企業的資產淨值 | 17,171 | 15,666 |
| Proportion of the Group's ownership interest in the joint venture | 本集團於合營企業的擁有權權益比例 | 49% | 49% |
| Carrying amount of the Group's interest in the joint venture | 本集團於合營企業的權益的賬面值 | 8,414 | 7,676 |

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24. INVENTORIES

24. 存貨

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------|-----|----------------------------------|----------------------------------|
| Raw materials | 原材料 | 98,186 | 151,272 |
| Work in progress | 在製品 | 6,159 | 327 |
| Finished goods | 製成品 | 8,146 | 9,172 |
| | | 112,491 | 160,771 |

During the year, there was a decrease in the net realisable value of certain raw materials due to stock surplus. As a result, a recognition of write-down on obsolete inventories of HK\$4,678,000 (2019: HK\$1,053,000) due to the decrease of net realisable value has been recognised in the current year.

年內，若干原材料的可變現淨值因庫存出現盈餘而有所減少。因此，本年度確認可變現淨值減少導致確認陳舊存貨撇減4,678,000港元（二零一九年：1,053,000港元）。

25. TRADE RECEIVABLES

25. 貿易應收款項

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-----------------------------------|----------|----------------------------------|----------------------------------|
| Trade receivables | 貿易應收款項 | | |
| — third parties | — 第三方 | 521,776 | 567,355 |
| — an associate | — 一間聯營公司 | - | 4,229 |
| | | 521,776 | 571,584 |
| Less: allowance for credit losses | 減：信貸虧損撥備 | (9,243) | (13,876) |
| | | 512,533 | 557,708 |

As at January 2019, trade receivables from contracts with customers amounted to HK\$544,637,000.

於二零一九年一月一日，來自客戶合約的貿易應收款項為544,637,000港元。

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25. TRADE RECEIVABLES (continued)

The Group allows a credit period of 60 days to 90 days to its trade customers. The following is an aged analysis of trade receivables presented based on the date of delivery goods/invoice date at the end of the reporting period, which approximated revenue recognition dates except for receivables arising from printing of cigarette packages and manufacturing of laminated papers which are recognised over time upon application of HKFRS 15.

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------|----------|----------------------------------|----------------------------------|
| 0–90 days | 0至90日 | 462,583 | 502,367 |
| 91–180 days | 91至180日 | 39,828 | 36,188 |
| 181–365 days | 181至365日 | 5,293 | 4,842 |
| Over 365 days | 超過365日 | 14,072 | 28,187 |
| | | 521,776 | 571,584 |

As at 31 December 2020, total bills received amounting to HK\$20,286,000 (31 December 2019: HK\$21,312,000) are held by the Group for future settlement of trade receivables due from third parties. All bills received by the Group are with a maturity period of less than one year.

25. 貿易應收款項(續)

本集團授予其貿易客戶60日至90日的信貸期。以下為於報告期末按交付貨品日期／發票日期(其與收益確認日期相若，惟於應用香港財務報告準則第15號後隨時間確認的印刷香煙包裝及製造複合紙應收款項除外)呈列貿易應收款項的賬齡分析。

於二零二零年十二月三十一日，本集團持有已收票據總額20,286,000港元(二零一九年十二月三十一日：21,312,000港元)，以供日後結算應收第三方貿易結餘。本集團所有已收票據的到期日均少於一年。

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25. TRADE RECEIVABLES (continued)

Based on the Group's assessment of historical credit loss experience of these debtors, including all available forward looking information and expected settlements, the Group does not consider default has occurred despite the contractual payments are overdue more than 90 days due to these customers are mainly state-owned cigarette companies with strong financial positions. The management of the Group considers default occurred when the debtors get into financial difficulty or the debtors do not repay any trade receivables though the Group has pursued for several times, which indicate the Group may not collect these trade receivables.

As at 31 December 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$51,933,000 (2019: HK\$57,407,000) which are past due as at the reporting date. Out of the past due balances, HK\$12,221,000 (2019: HK\$21,472,000) has been past due 90 days or more.

Other than bills received amounting to HK\$20,286,000 (2019: HK\$21,312,000), the Group does not hold any collateral over these balances.

Details of impairment assessment of trade receivables for the year ended 31 December 2020 and 2019 are set out in note 39.

25. 貿易應收款項(續)

根據本集團對該等應收賬款過往信貸虧損記錄(包括所有可用前瞻性資料及預期結算)的評估，由於該等客戶主要為財務狀況雄厚的國有煙草公司，即使合約付款已逾期超過90日，本集團並無視之為違約。本集團管理層認為，當債務人遇到嚴重財政困難或債務人並無償還任何貿易應收款項(儘管本集團已多次追討)時發生違約，顯示本集團或未能收回該等貿易應收款項。

於二零二零年十二月三十一日，本集團貿易應收款項結餘包括於報告日期已逾期賬面總值為51,933,000港元(二零一九年：57,407,000港元)的應收賬款。在已逾期結餘當中，12,221,000港元(二零一九年：21,472,000港元)已逾期90日或以上。

除為數20,286,000港元(二零一九年：21,312,000港元)的已收票據外，本集團並無就該等結餘持有任何抵押品。

截至二零二零年及二零一九年十二月三十一日止年度的貿易應收款項減值評估詳情載於附註39。

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26. CONTRACT ASSETS

26. 合約資產

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Contract assets: | 合約資產： | | |
| Printing of manufacturing of cigarette packages and related materials | 印刷及製造香煙包裝及相關材料 | 112,528 | 168,760 |
| Manufacturing of laminated papers | 製造複合紙 | 843 | 2,095 |
| Less: allowance for credit losses | 減：信貸虧損撥備 | (184) | (131) |
| | | 113,187 | 170,724 |

As at 1 January 2019, contract assets amounted to HK\$165,385,000

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in delivering the goods to the customers at the reporting date on provision of printing of cigarette package and manufacturing of laminated papers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers the contract assets to trade receivables when the products are delivered and accepted by the customers.

The consideration is payable on the earlier of the delivery and acceptance of the finished goods by customers or notice from the customer to cancel the order. If the customer cancels the order, the Group is immediately entitled to receive payment for work done to date.

Details of impairment assessment of contract assets for the year ended 31 December 2020 and 2019 are set out in note 39.

於二零一九年一月一日，合約資產為165,385,000港元。

合約資產主要與本集團收取已完成而未開單工程相關代價的權利，原因為有關權利須視乎本集團於報告日期向客戶交付提供香煙包裝印刷及製造複合紙所涉及貨品的未來表現而定。當有關權利成為無條件時，合約資產將轉撥至貿易應收款項。本集團通常於交付產品並獲客戶接納時將合約資產轉撥至貿易應收款項。

代價須於提早交付及製成品獲客戶接納或客戶發出取消訂單通知時支付。倘客戶取消訂單，本集團即時有權收取迄今為止所完成工作的款項。

截至二零二零年及二零一九年十二月三十一日止年度的合約資產減值評估詳情載於附註39。

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

27. OTHER RECEIVABLES, PREPAYMENTS AND REFUNDABLE DEPOSITS

27. 其他應收款項、預付款項及可退還訂金

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-----------------------|----------------------------------|----------------------------------|
| Prepayment for material purchase | 購買原材料的預付款項 | 36,225 | 5,487 |
| Refundable deposits to suppliers and customers | 支付予供應商及客戶的可退還訂金 | 9,065 | 7,498 |
| Receivables from sales of scrap materials | 銷售廢料的應收款項 | 8,875 | 5,124 |
| Other tax receivables | 其他應收稅項 | 7,059 | 9,817 |
| Rental, utility and other deposits | 租金、公用及其他按金 | 6,877 | 22,318 |
| Staff advances | 員工墊款 | 1,061 | 4,086 |
| Others | 其他 | 2,139 | 1,855 |
| | | 71,301 | 56,185 |
| Less: rental and other deposits paid shown under non-current assets | 減：計入非流動資產的已付租賃按金及其他按金 | (2,402) | (20,249) |
| Amounts shown under current assets | 計入流動資產的金額 | 68,899 | 35,936 |

Details of impairment assessment of other receivables including refundable deposits to suppliers and customers, staff advance, rental, utility and sundry deposits and others for the year ended 31 December 2020 and 2019 are set out in note 39.

截至二零二零年及二零一九年十二月三十一日止年度的其他應收款項（包括支付予供應商及客戶的可退還訂金、員工墊款、租金、公用及雜項按金以及其他）減值評估詳情載於附註39。

28. AMOUNTS DUE TO NON-CONTROLLING INTERESTS OF SUBSIDIARIES

The amounts are unsecured, interest-free and repayable on demand.

28. 應付附屬公司非控股權益款項

有關款項為無抵押、免息及須按要求償還。

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29. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH/BANK OVERDRAFTS

Bank balances carry interest at market rates which range from 0.001% to 1.75% (2019: 0.001% to 0.30%) per annum. The pledged bank deposits carry fixed interest rates at 0.30% (2019: 0.30%) per annum. Pledged bank deposits represents deposits pledged to banks to secure banking facilities of bills payables granted to the Group. The pledged bank deposits will be released upon the settlement of relevant bills payables.

The Group's pledged bank deposits, bank balances and cash and bank overdrafts that are denominated in currencies other than the functional currency of the respective group entities are stated below:

29. 已抵押銀行存款／銀行結餘及現金／銀行透支

銀行結餘按市場年利率介乎0.001%至1.75%（二零一九年：0.001%至0.30%）計息。已抵押銀行存款按固定年利率0.30%（二零一九年：0.30%）計息。已抵押銀行存款指已抵押予銀行以擔保本集團就應付票據所獲授銀行融資的存款。已抵押銀行存款將於償還相關應付票據時解除。

以各自集團實體的功能貨幣以外的貨幣計值的本集團已抵押銀行存款、銀行結餘及現金以及銀行透支列示如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--------------------------------|----------|----------------------------------|----------------------------------|
| HK\$ | 港元 | 3,523 | 6,285 |
| United States Dollars ("US\$") | 美元(「美元」) | 78,608 | 30 |

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

30. TRADE PAYABLES

30. 貿易應付款項

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------|--------|----------------------------------|----------------------------------|
| Trade payables | 貿易應付款項 | 214,037 | 226,288 |

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

以下為於報告期末按發票日期呈列貿易應付款項的賬齡分析。

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------|----------|----------------------------------|----------------------------------|
| 0–30 days | 0至30日 | 135,197 | 118,923 |
| 31–90 days | 31至90日 | 58,903 | 77,417 |
| 91–180 days | 91至180日 | 8,245 | 12,286 |
| 181–365 days | 181至365日 | 3,855 | 4,079 |
| Over 365 days | 超過365日 | 7,837 | 13,583 |
| | | 214,037 | 226,288 |

The credit period on purchases of goods ranges from 30 days to 180 days. The Group monitors and maintains a level of cash and cash equivalents sufficient to ensure that all payables are within the credit timeframe.

購買貨物的信貸期介乎於30日至180日之間。本集團監控及維持足夠現金及現金等值項目，以確保所有應付款項於信貸期內支付。

As at 31 December 2020, bills amounting to HK\$13,686,000 (2019: HK\$5,649,000) were transferred to suppliers for settling trade payables.

於二零二零年十二月三十一日，為數13,686,000港元(二零一九年：5,649,000港元)的票據已轉撥予供應商以結算貿易應付款項。

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31. OTHER PAYABLES AND ACCRUALS

31. 其他應付款項及應計費用

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------------------------|-------------|----------------------------------|----------------------------------|
| Other tax payables | 其他應付稅項 | 36,399 | 29,603 |
| Salary payable | 應付薪金 | 26,329 | 26,887 |
| Other payables and accruals | 其他應付款項及應計費用 | 24,692 | 23,219 |
| Construction payables | 應付建築款項 | 7,249 | 7,351 |
| Water and electricity charges payable | 應付水電費 | 3,280 | 1,916 |
| Government grants | 政府補助金 | 2,079 | 2,319 |
| Deposits received from suppliers | 已收供應商訂金 | 490 | 732 |
| Contract liabilities | 合約負債 | 1,751 | 541 |
| | | 102,269 | 92,568 |

As at 1 January 2019, contract liabilities amounted to HK\$144,000.

於二零一九年一月一日，合約負債為144,000港元。

32. BANK BORROWINGS

32. 銀行借貸

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|--------------------|----------------------------------|----------------------------------|
| Bank borrowings comprise: | 銀行借貸包括： | | |
| Unsecured | 無抵押 | 411,206 | 256,462 |
| Carrying amount repayable based on scheduled repayment dates: | 根據預定還款日期須於 | | |
| Within one year | 以下時間償還的賬面值： 一年內 | 411,206 | 256,462 |
| Breakdown of the bank borrowings: | 銀行借貸分類： | | |
| Fixed-rate borrowings | 定息借貸 | 411,206 | 55,875 |
| Floating-rate borrowings | 浮息借貸 | - | 200,587 |
| | | 411,206 | 256,462 |

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32. BANK BORROWINGS (continued)

The Group's floating-rate borrowings are mainly subject to interest in a range at 100% to 110% of RMB Benchmark Loan Rates issued by the People's Bank of China, Loan Prime Rate issued by the National Interbank Funding Center of the PRC and Hong Kong Interbank Offered Rate ("HIBOR") in a range at HIBOR plus 1.8% to 3.3% in 2019. The effective interest rates on the Group's bank borrowings are as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--------------------------|------|----------------------------------|----------------------------------|
| Fixed-rate borrowings | 定息借貸 | 4.0% to 至 4.35% | 4.4% to 至 6.5% |
| Floating-rate borrowings | 浮息借貸 | N/A 不適用 | 2.9% to 至 6.5% |

The Group's bank borrowings that are denominated in currency other than the functional currency of the relevant group entities are set out below:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------|----|----------------------------------|----------------------------------|
| HK\$ | 港元 | - | 195,000 |

32. 銀行借貸(續)

於二零一九年，本集團浮息借貸主要按中國人民銀行頒布的人民幣貸款基準利率範圍100%至110%、中國全國銀行間同業拆借中心頒布的貸款基礎利率及香港銀行同業拆息(「香港銀行同業拆息」)加1.8%至3.3%計息。本集團銀行借貸的實際利率如下：

本集團以相關集團實體功能貨幣以外的貨幣計值的銀行借貸如下：

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33. LEASE LIABILITIES

33. 租賃負債

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------------------------|----------------------------------|----------------------------------|
| Lease liabilities payable: | 應付租賃負債： | | |
| Within one year | 一年內 | 991 | 4,354 |
| Within a period of more than one year but not more than two years | 超過一年但於兩年內 | 302 | 551 |
| | | 1,293 | 4,905 |
| Less: Amount due for settlement with 12 months shown under current liabilities | 減：於12個月內到期償付 並計入流動負債的款項 | (991) | (4,354) |
| | | 302 | 551 |

The weighted average incremental borrowing rates applied to lease liabilities range from 3% to 6% (2019: from 4% to 6%).

適用於租賃負債的加權平均增量借貸利率介乎3%至6% (二零一九年：4%至6%)。

Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

以相關集團實體功能貨幣以外的貨幣計值的租賃承擔如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------|----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 671 | 4,053 |

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34. GOVERNMENT GRANTS

34. 政府補助金

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Arising from government grants: 源自政府補助金： | | |
| Current liability 流動負債 | | |
| (included in other payables (計入其他應付款項及 and accruals) 應計費用) | 2,079 | 2,319 |
| Non-current liability 非流動負債 | 28,383 | 27,297 |
| | 30,462 | 29,616 |

The government subsidies received related to the acquisition of property, plant and equipment in the PRC. The amount has been treated as deferred income. The amount is transferred to income on a systematic basis over the estimated useful lives of the related assets. This policy has resulted in a credit to income in the current year of HK\$2,079,000 (2019: HK\$2,523,000). As at 31 December 2020, an amount of HK\$30,462,000 (31 December 2019: HK\$29,616,000) remains to be amortised.

已收政府補助金與收購中國物業、廠房及設備有關。該款項被視為遞延收入。該款項於相關資產估計使用年期內有系統地轉撥至收入。該政策導致本年度確認收入2,079,000港元(二零一九年：2,523,000港元)。於二零二零年十二月三十一日，金額30,462,000港元(二零一九年十二月三十一日：29,616,000港元)有待攤銷。

35. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

35. 遞延稅項資產／負債

就綜合財務狀況報表呈列而言，若干遞延稅項資產及負債經已抵銷。以下為就財務報告而言遞延稅項結餘的分析：

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------------------|----------------------------------|----------------------------------|
| Deferred tax assets 遞延稅項資產 | (1,333) | (1,940) |
| Deferred tax liabilities 遞延稅項負債 | 42,876 | 69,518 |
| | 41,543 | 67,578 |

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35. DEFERRED TAX ASSETS/LIABILITIES

(continued)

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

35. 遞延稅項資產／負債(續)

以下為於本年度及過往年度的已確認主要遞延稅項負債(資產)以及其變動：

| | | Intangible assets | Undistributable profits of subsidiaries/ associate 附屬公司/ 聯營公司的 未分派溢利 | Government grants | ECL provision | Timing difference on revenue recognition | Inventories provisions/ salary payable | Accelerated tax depreciation | Tax loss | Total |
|-----------------------------------|---------------|-------------------|---|-------------------|---------------|--|--|------------------------------|----------|----------|
| | | 無形資產 | 無形資產 | 政府補助金 | 預期信貸虧損撥備 | 收益確認的時間差異 | 存貨撥備/應付薪金 | 加速稅項折舊 | 稅項虧損 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2019 | 於二零一九年一月一日 | 23,910 | 42,833 | (4,906) | (1,799) | 8,867 | (540) | - | - | 68,365 |
| (Credit) charge to profit or loss | (計入)扣除損益 | (7,020) | 22,163 | 378 | (419) | (847) | 170 | 2,726 | (674) | 16,477 |
| Reversal upon payment | 於支付後撥回 | - | (16,408) | - | - | - | - | - | - | (16,408) |
| Exchange differences | 匯兌差額 | - | (788) | 86 | 121 | (152) | (93) | (40) | 10 | (856) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 16,890 | 47,800 | (4,442) | (2,097) | 7,868 | (463) | 2,686 | (664) | 67,578 |
| (Credit) charge to profit or loss | (計入)扣除損益 | (6,418) | 14,878 | 274 | 745 | (3,207) | (571) | 2,379 | 668 | 8,748 |
| Reversal upon payment | 於支付後撥回 | - | (36,851) | - | - | - | - | - | - | (36,851) |
| Exchange differences | 匯兌差額 | - | 1,857 | (199) | (95) | 330 | (146) | 325 | (4) | 2,068 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 10,472 | 27,684 | (4,367) | (1,447) | 4,991 | (1,180) | 5,390 | - | 41,543 |

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35. DEFERRED TAX ASSETS/LIABILITIES

(continued)

At the end of the reporting period, the Group has unused tax losses of HK\$2,532,000 (2019: HK\$6,871,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$Nil (2019: HK\$4,427,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$2,532,000 (2019: HK\$2,444,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$2,444,000 that will expire in 2024 and losses of HK\$88,000 that will expire in 2025 (2019: HK\$2,444,000 will expire in 2024).

35. 遞延稅項資產／負債(續)

於報告期末，本集團有未動用稅項虧損2,532,000港元(二零一九年：6,871,000港元)可供抵銷未來溢利。已就有關虧損零港元(二零一九年：4,427,000港元)確認遞延稅項資產。由於未來溢利來源無法預測，並無就餘下2,532,000港元(二零一九年：2,444,000港元)確認遞延稅項資產。未確認稅項虧損包括將於二零二四年到期的虧損2,444,000港元及將於二零二五年到期的虧損88,000港元(二零一九年：2,444,000港元將於二零二四年到期)。

36. SHARE CAPITAL

36. 股本

| | | Number of shares 股份數目 | Nominal value 面值 HK\$'000 千港元 |
|--|--------------------------------------|-----------------------------|---|
| Authorised: | 法定： | | |
| Ordinary shares of HK\$0.005 each | 每股面值0.005港元的普通股 | | |
| At 1 January 2019, 31 December 2019 and 31 December 2020 | 於二零一九年一月一日、二零一九年十二月三十一日及二零二零年十二月三十一日 | 10,000,000,000 | 50,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| Ordinary shares of HK\$0.005 each | 每股面值0.005港元的普通股 | | |
| At 1 January 2019, 31 December 2019 and 31 December 2020 | 於二零一九年一月一日、二零一九年十二月三十一日及二零二零年十二月三十一日 | 1,567,884,634 | 7,839 |

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37. RETIREMENT BENEFIT PLAN

The Group participates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under control of a trustee. The Group contributes lower of 5% of relevant payroll costs or HK\$1,500 per person to the Scheme, which is matched by employees.

The employees of the Group in the PRC are members of state-managed retirement benefit scheme operated by the PRC government. The Company's subsidiaries are required to contribute a certain percentage of payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the scheme is to make the required contributions under the scheme.

The total expense recognised in profit or loss of HK\$7,751,000 (2019: HK\$15,094,000) represents contributions paid or payable to these plans by the Group at rates specified in the rules of the plans. During the year ended 31 December 2020, the local government in the PRC lowered the rate of social insurance contribution so as to relieve the Covid-19 impact.

37. 退休福利計劃

本集團為香港所有合資格僱員參加強制性公積金計劃。計劃資產與本集團資產分開處理，並由信託人管理的基金持有。本集團向計劃貢獻每人有關薪金成本不超過5%或1,500港元，與僱員作出相等供款。

本集團於中國的僱員為中國政府的國家管理退休福利計劃的成員。本公司附屬公司須貢獻薪金若干百分比至退休福利計劃，以為福利提供資金。本集團涉及計劃的責任僅為為根據計劃作出所需供款。

已於損益確認的總開支7,751,000港元(二零一九年：15,094,000港元)指本集團按計劃規則訂明的比率向此等計劃已作出或須作出的應付供款。截至二零二零年十二月三十一日止年度，中國當地政府降低社會保障供款率以緩解Covid-19的影響。

Notes to the consolidated financial statements

綜合財務報表附註

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

38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank borrowings and lease liabilities, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

39. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

38. 資本風險管理

本集團管理其資本，以確保本集團的實體可以持續經營，並透過優化債務及權益結餘為權益相關者帶來最大回報。自去年以來，本集團的整體策略維持不變。

本集團的資本架構包括債務淨額（包括銀行借貸及租賃負債，扣除現金及現金等值項目）及本公司擁有人應佔權益（其中包括已發行股本及儲備）。

本公司董事定期審核資本架構。作為此審核的一部分，本公司董事會考慮資本成本及與各類別資本相關的風險。本集團將根據董事的建議，透過支付股息、發行新股以及發行新債券或贖回現有債務來平衡其整體資本架構。

39. 金融工具

a. 金融工具的類別

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------------------------|--------------|----------------------------------|----------------------------------|
| Financial assets | 金融資產 | | |
| Financial assets at amortised cost | 按攤銷成本列賬的金融資產 | 868,062 | 789,648 |
| Financial liabilities | 金融負債 | | |
| Amortised cost | 攤銷成本 | 663,438 | 531,891 |

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

39. FINANCIAL INSTRUMENTS (continued)

a. Categories of financial instruments (continued)

The Group's major financial instruments include trade receivables, other receivables, pledged bank deposits, bank balances and cash, trade payables, other payables, amounts due to non-controlling interests of subsidiaries, bank borrowings and bank overdrafts. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The functional currency of the Group's principal subsidiaries is RMB. While most of the Group's operations are transacted in the functional currency of the respective group entities, the Group undertakes certain transactions denominated in foreign currencies. The Group currently does not have hedging policy in respect of the foreign currency risk. However, the management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

39. 金融工具(續)

a. 金融工具的類別(續)

本集團的主要金融工具包括貿易應收款項、其他應收款項、已抵押銀行存款、銀行結餘及現金、貿易應付款項、其他應付款項、應付附屬公司非控股權益款項、銀行借貸及銀行透支。該等金融工具的詳情已於相關附註內披露。該等金融工具相關的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險，而如何減低該等風險的政策載於下文。本集團管理層管理及監控該等風險，以確保能及時有效地採取適當的措施。

市場風險

(i) 貨幣風險

本集團主要附屬公司的功能貨幣為人民幣。由於本集團大部分業務以各集團實體的功能貨幣進行交易，本集團亦進行若干以外幣計值的交易。本集團目前並無有關外匯風險的對沖政策。然而，管理層密切監測外匯風險，並將於必要時考慮對沖重大外匯風險。

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綜合財務報表附註

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

39. FINANCIAL INSTRUMENTS (continued)

a. Categories of financial instruments (continued)

Market risk (continued)

(i) Currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date are as follows:

39. 金融工具(續)

a. 金融工具的類別(續)

市場風險(續)

(i) 貨幣風險(續)

於報告日期結束時，本集團以外幣計值的貨幣資產及貨幣負債賬面值如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--------------------|-----------|----------------------------------|----------------------------------|
| Assets | 資產 | | |
| HK\$ | 港元 | 4,647 | 6,536 |
| US\$ | 美元 | 80,152 | 3,886 |
| Liabilities | 負債 | | |
| HK\$ | 港元 | 295 | 201,449 |
| US\$ | 美元 | 3,558 | - |

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39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies

Market risk

(i) Currency risk

Sensitivity analysis

The Group is mainly exposed to the currency of HK\$ and US\$.

The following table details the Group's sensitivity to a 6% (2019: 2%) increase and decrease in the RMB against the relevant foreign currencies, respectively. 6% (2019: 2%) sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 6% (2019: 2%) change in foreign currency rates. The sensitivity analysis includes bank balances, receivables or payables, bank overdrafts and borrowings denominated in a currency other than the functional currency. A positive number below indicates an increase in post-tax profit where RMB strengthens against the relevant foreign currencies. For a 6% (2019: 2%) weakening of RMB against the relevant foreign currencies, there would be an equal and opposite impact on the profit.

39. 金融工具(續)

b. 金融風險管理的目標及政策

市場風險

(i) 貨幣風險

敏感度分析

本集團主要承受港元及美元貨幣風險。

下表詳列人民幣兌相關外幣升值及貶值6%(二零一九年:2%)的情況下,本集團的敏感度分析。敏感度比率6%(二零一九年:2%)代表管理層對外幣匯率可能變動的合理評估。敏感度分析僅包括以外幣計值的未償還貨幣項目,並於報告期末按6%(二零一九年:2%)外匯匯率變動調整其換算。敏感度分析包括銀行結餘、應收款項或應付款項以及銀行透支及借貸(以功能貨幣以外的貨幣計值)。下列正數表示人民幣兌相關外幣升值時,除稅後溢利將會增加。倘人民幣兌相關外幣貶值6%(二零一九年:2%),將對溢利有等額相反影響。

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------|------|----------------------------------|----------------------------------|
| Profit for the year | 年度溢利 | | |
| HK\$ | 港元 | (218) | 3,255 |
| US\$ | 美元 | (3,837) | (65) |

Note: This is mainly attributable to the net exposure to outstanding bank balances, receivables, payables, bank overdrafts and borrowings in HK\$ and US\$ at end of the reporting period.

附註: 此類風險主要來自報告期末以港元及美元計值的未結清銀行結餘、應收款項、應付款項、銀行透支及借貸。

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39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

As at 31 December 2019, the Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank borrowings (see notes 29 and 32 respectively). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate and RMB Benchmark Loan Rates arising from the Group's HK\$ and RMB denominated bank overdrafts and borrowings.

The Group's fair value interest rate risk relates primarily to its corresponding fixed-rate pledged bank deposits, bank borrowings and lease liabilities (see notes 29, 32 and 33 for details) amounting to HK\$14,523,000 (2019: HK\$9,476,000), HK\$411,206,000 (2019: HK\$55,875,000) and HK\$1,293,000 (2019: HK\$4,905,000) respectively. The management will consider hedging significant interest rate exposure should the need arise.

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

市場風險(續)

(ii) 利率風險

於二零一九年十二月三十一日，本集團所承擔現金流量利率風險主要與浮息銀行結餘及銀行借貸(分別見附註29及32)有關。本集團的現金流量利率風險主要集中於本集團以港元及人民幣計值銀行透支及借貸的香港銀行同業拆息利率及人民幣貸款基準利率波動。

本集團的公允價值利率風險主要與其相應固定息率已抵押銀行存款、銀行借貸及租賃負債(詳情見附註29、32及33)，分別為14,523,000港元(二零一九年：9,476,000港元)、411,206,000港元(二零一九年：55,875,000港元)及1,293,000港元(二零一九年：4,905,000港元)。管理層將於必要時考慮對沖重大利率風險。

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綜合財務報表附註

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

39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates on variable-rate bank borrowings as at 31 December 2019. The analysis is prepared assuming the variable-rate bank borrowings outstanding at the end of the reporting period were outstanding for the whole year. As the management considers the exposure to interest rate risk in relation to bank balances is insignificant due to the low level of bank interest rate, bank balances are excluded from sensitivity analysis. A 100 basis points increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2019 would have decreased/increased by HK\$1,693,000. This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings as at 31 December 2019.

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

敏感度分析

於二零一九年十二月三十一日，以下敏感度分析乃基於浮息銀行借貸的利率風險釐定。有關分析乃假設於報告期末尚未償還的浮息銀行借貸於整個年度均未償還而編製。由於管理層認為銀行利率處於低水平，銀行結餘所承受利率風險輕微，故有關敏感度分析並不包括銀行結餘。分析採用利率增減100個基點，代表管理層對利率合理可能變動的評估。

倘利率增加／減少100個基點，而所有其他變數維持不變，則本集團截至二零一九年十二月三十一日止年度的除稅後溢利將減少／增加1,693,000港元。於二零一九年十二月三十一日，主要來自本集團浮息銀行借貸所承受利率風險。

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39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, contract assets, other receivables, bank balances and pledged bank deposits. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with certain trade receivables are backed by bills issued by reputable financial institutions.

The Group performed impairment assessment for financial assets and contract assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk on trade receivables and contract assets, the management of the Group has delegated a team responsible for determination of credit limit, credit approval, and makes periodic collective assessments as well as individual assessment on the recoverability of receivables based on historical settlement records, reasons for extended repayment period and past experience. The Group only accepts bills issued or guaranteed by reputable PRC banks if trade receivables are settled by bills and therefore the management of the Group considers the credit risk arising from the endorsed or discounted bills is insignificant. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估

信貸風險指本集團的對手方違反其合約義務而導致本集團蒙受財務損失的風險。本集團的信貸風險主要源自貿易應收款項、合約資產、其他應收款項、銀行結餘及已抵押銀行存款。本集團並無持有任何抵押品或其他信貸增強措施以保障其金融資產相關的信貸風險，惟與獲信譽良好的金融機構所發行票據支持的若干貿易應收款項有關的信貸風險除外。

本集團根據預期信貸虧損模式對金融資產及合約資產進行減值評估。有關本集團信貸風險管理、最高信貸風險及相關減值評估(如適用)的資料概列如下：

來自客戶合約的貿易應收款項及合約資產

為盡量減低貿易應收款項及合約資產的信貸風險，本集團管理層已委派一支隊伍負責釐定信貸限額、信貸審批及定期進行整體評估，並根據歷史結算記錄、延長還款期的理由及過往經驗對應收款項的可收回性進行個別評估。本集團僅於貿易應收款項以票據結算時方會接納由中國知名銀行發行或擔保的票據，因此，本集團管理層認為背書或折現票據所產生的信貸風險並不重大。就此而言，本公司董事認為本集團的信貸風險已大大降低。

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39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade receivables and contract assets arising from contracts with customers (continued)

The Group has concentration of credit risk as 17% (2019: 15%) and 45% (2019: 41%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively within the printing and manufacturing of cigarettes packages and related materials segment.

In addition, the Group performs impairment assessment under ECL model on the trade receivables and contract assets individually or collectively. Except for debtors with internal credit ratings graded as P4, P5 and P6, which are assessed for impairment individually, the remaining trade receivables and contract assets are grouped based on shared credit risk characteristics by reference to repayment histories for recurring customers and current past due exposure for the new customers.

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

來自客戶合約的貿易應收款項及合約資產(續)

本集團有信貸集中的風險，原因為貿易應收款項總額的17%（二零一九年：15%）及45%（二零一九年：41%）分別為應收本集團印刷及製造香煙包裝及相關材料分部最大客戶及五大客戶的款項。

此外，本集團根據預期信貸虧損模式單獨或集體對貿易應收款項及合約資產進行減值評估。除內部信貸評級為P4、P5及P6的債務人須單獨評估減值外，餘下貿易應收款項及合約資產根據共同信貸風險特徵分組，當中參考現有客戶的還款記錄及新客戶的當前逾期風險。

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39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Other receivables/bank balances/pledged bank deposits

In order to minimise the credit risk on other receivables, the management of the Group makes periodic individual assessments on the recoverability of receivables based on historical settlement records, past experience and forward-looking information. The Group performs impairment assessment under ECL model on other receivables individually.

The credit risk on bank balances are limited because the counterparties are banks with high credit ratings assigned by PRC credit rating agencies or state-owned banks located in the PRC.

In determining the ECL for bank balances and pledged bank deposits, the management of the Group has taken into account the estimated default loss rates in reference to the international credit rating agency and forward-looking information, as appropriate. There had been no significant increase in credit risk since initial recognition. The management of the Group has estimated the ECL basing on the carrying amounts of bank balances and pledged bank deposits at the end of the reporting period multiplying the estimated default loss rates. The Group has considered the consistently low historical default rate, and concluded that credit risk inherent in the Group's outstanding bank deposits and pledged bank deposits is insignificant.

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

其他應收款項/銀行結餘/已押抵銀行存款

為盡量減低其他應收款項的信貸風險，本集團管理層根據歷史結算記錄、過往經驗及前瞻性資料定期對應收款項的可收回性進行個別評估。本集團根據預期信貸虧損模式對其他應收款項進行個別減值評估。

銀行結餘的信貸風險有限，原因為對手方乃獲中國信貸評級機構列為信貸評級優良的銀行或中國的國有銀行。

在釐定銀行結餘及已抵押銀行存款的預期信貸風險時，本集團管理層已計及參考國際信貸評機構及前瞻性資料(如適用)之估計違約損失率。信貸風險自初步確認以來並無顯著增加。本集團管理層根據於報告期末銀行結餘及已抵押銀行存款之賬面值乘估計違約損失率估計預期信貸風險。本集團已考慮持續較低的歷史違約率，並得出結論認為本集團未償還銀行存款及已抵押銀行存款固有的信貸風險並不重大。

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39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Other receivables/bank balances/pledged bank deposits (continued)

The Group has concentration of credit risk as 56% (2019: 85%) of the total bank balances was due from the three largest banks.

The Group is also exposed to the concentration on geographic segment of the PRC. At 31 December 2020, approximately 100% (2019: 99%) of the Group's trade and other receivables are arising from counterparties whose principal place of operations is the PRC.

The Group's internal credit risk grading assessment comprises the following categories:

Internal

credit rating

內部信貸評級

Description

描述

| | |
|----|--|
| P1 | The counterparty has a low risk of default, refers to state-owned cigarette companies and receivables backed by bank bills |
| P1 | 對手方的違約風險較低，指國有香煙公司及銀行票據支持的應收款項 |
| P2 | Debtor frequently repays within due dates and has no past due amounts and the length of customer relationship is more than three years with no default history |
| P2 | 債務人經常在到期日內償還，並無逾期款項，客戶關係時長超過三年且不曾違約 |
| P3 | Debtor frequently repays after due dates and has past due amounts, or the length of customer relationship is less than three years |
| P3 | 債務人經常在到期日後償還並有逾期款項，或客戶關係時長少於三年 |

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

其他應收款項/銀行結餘/已押抵銀行存款(續)

本集團有信貸集中的風險，銀行結餘總額的56%(二零一九年：85%)來自三大銀行。

本集團亦承受地區分部集中在中國的風險。於二零二零年十二月三十一日，本集團約100%(二零一九年：99%)的貿易及其他應收款項來自以中國為主要營業地點的對手方。

本集團的內部信貸風險評級評估包括以下類別：

Trade receivables/

contract assets

貿易應收款項/合約資產

| |
|------------------------------------|
| Lifetime ECL — not credit-impaired |
| 全期預期信貸虧損 — 未出現信貸減值 |
| Lifetime ECL — not credit-impaired |
| 全期預期信貸虧損 — 未出現信貸減值 |
| Lifetime ECL — not credit-impaired |
| 全期預期信貸虧損 — 未出現信貸減值 |

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綜合財務報表附註

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

39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Other receivables/bank balances/pledged bank deposits (continued)

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

其他應收款項/銀行結餘/已押抵銀行存款(續)

Internal
credit rating
內部信貸評級

Description
描述

Trade receivables/
contract assets
貿易應收款項/合約資產

| | | |
|----|--|------------------------------------|
| P4 | Debtor with significant outstanding past due balances which expects to be fully settled within one year | Lifetime ECL — not credit-impaired |
| P4 | 預期將於一年內悉數償付重大未清償逾期結餘的債務人 | 全期預期信貸虧損 — 未出現信貸減值 |
| P5 | Debtor with significant outstanding past due balances which settles from time to time and expect to be fully settled within two years. | Lifetime ECL — not credit-impaired |
| P5 | 不時結算並預期將於兩年內悉數償付重大未清償逾期結餘的債務人 | 全期預期信貸虧損 — 未出現信貸減值 |
| P6 | There is evidence indicating the asset is credit-impaired | Lifetime ECL — credit-impaired |
| P6 | 有證據顯示資產出現信貸減值 | 全期預期信貸虧損 — 出現信貸減值 |
| P7 | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery | Amount is written off |
| P7 | 有證據顯示債務人遇到嚴重財政困難，而本集團無實際期望可收回欠款 | 款項撇銷 |

Notes to the consolidated financial statements

綜合財務報表附註

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

39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Other receivables/bank balances/pledged bank deposits (continued)

The tables below detail the credit risk exposures of the Group's trade receivables, contract assets, pledged bank deposits, bank balances and cash and other receivables which are subject to ECL assessment:

Financial assets at amortised costs

| | Notes 附註 | External credit rating 外部信貸 評級 | Internal credit rating 內部信貸 評級 | 12-month or lifetime ECL 12個月或全期預期信貸虧損 | 2020 二零二零年 Gross carrying amount | | 2019 二零一九年 Gross carrying amount | |
|---------------------------------------|-------------|--|--|--|---|-----------------|--|-----------------|
| | | | | | 賬面總值 | | 賬面總值 | |
| | | | | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Trade receivables 貿易應收款項 | 25 | N/A 不適用 | P1 P1 P2 P2 P3 P3 P4 P4 P6 P6 | Lifetime ECL (not credit-impaired) 全期預期信貸虧損(未出現信貸減值) Lifetime ECL (not credit-impaired) 全期預期信貸虧損(未出現信貸減值) Lifetime ECL (not credit-impaired) 全期預期信貸虧損(未出現信貸減值) Lifetime ECL (not credit-impaired) 全期預期信貸虧損(未出現信貸減值) Lifetime ECL (credit-impaired) 全期預期信貸虧損(出現信貸減值) | 396,152 85,235 30,668 3,650 6,071 | 521,776 | 448,905 25,384 79,423 6,812 11,060 | 571,584 |
| Contract assets 合約資產 | 26 | N/A 不適用 | P1 P1 P2 P2 P3 P3 P4 P4 | Lifetime ECL (not credit-impaired) 全期預期信貸虧損(未出現信貸減值) Lifetime ECL (not credit-impaired) 全期預期信貸虧損(未出現信貸減值) Lifetime ECL (not credit-impaired) 全期預期信貸虧損(未出現信貸減值) Lifetime ECL (not credit-impaired) 全期預期信貸虧損(未出現信貸減值) | 103,860 7,869 1,642 - | 113,371 | 165,719 4,131 469 536 | 170,855 |
| Pledged bank deposits 已抵押銀行存款 | 29 | AAA* | N/A 不適用 | 12-month ECL 12個月預期信貸虧損 | 14,523 | 14,523 | 9,476 | 9,476 |
| Bank balances 銀行結餘 | 29 | AAA* | N/A 不適用 | 12-month ECL 12個月預期信貸虧損 | 315,246 | 315,246 | 200,888 | 200,888 |
| Other receivables 其他應收款項 | 27 | N/A 不適用 | (Note 1) (附註1) | 12-month ECL 12個月預期信貸虧損 | 25,884 | 25,884 | 20,789 | 20,789 |
| Refundable rental deposits 可退還租賃按金 | | N/A 不適用 | (Note 1) (附註1) | 12-month ECL 12個月預期信貸虧損 | - | - | 664 | 664 |

* The rating is originated from PRC credit rating agencies.

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

其他應收款項/銀行結餘/已抵押銀行存款(續)

下表詳列須進行預期信貸虧損評估的本集團貿易應收款項、合約資產、已抵押銀行存款、銀行結餘及現金以及其他應收款項的信貸風險：

按攤銷成本列賬的金融資產

* 評級來自中國信貸評級機構。

Notes to the consolidated financial statements

綜合財務報表附註

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

39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Financial assets at amortised costs (continued)

Notes:

1. For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. At 31 December 2020, these amounts are not past due or they have no fixed repayment terms.
2. For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.

Collective assessment — internal credit rating

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on collective assessment as at 31 December 2020 within lifetime ECL (not credit-impaired). Debtors with significant outstanding and long aged balances or credit-impaired with gross carrying amounts of HK\$9,721,000 and HK\$nil in aggregate for trade receivables and contract assets as at 31 December 2020 (2019: HK\$17,872,000 and HK\$536,000) were assessed individually.

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

按攤銷成本列賬的金融資產(續)

附註：

1. 就內部信貸風險管理而言，本集團利用逾期資料評估信貸風險自初步確認以來有否顯著增加。於二零二零年十二月三十一日，該等金額未逾期或無固定還款期限。
2. 就貿易應收款項及合約資產而言，本集團已應用香港財務報告準則第9號的簡化方法計量全期預期信貸虧損的虧損撥備。

集體評估 — 內部信貸評級

作為本集團信貸風險管理其中一部分，本集團對其客戶應用內部信貸評級。下表載列按於全期預期信貸虧損(未出現信貸減值)內根據二零二零年十二月三十一日的集體評估所評估貿易應收款項及合約資產信貸風險的資料。於二零二零年十二月三十一日涉及貿易應收款項及合約資產賬面總值合共為9,721,000港元及零港元(二零一九年：17,872,000港元及536,000港元)具有重大未償還及長賬齡結餘或出現信貸減值的債務人獲進行個別評估。

Notes to the consolidated financial statements

綜合財務報表附註

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

39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Collective assessment — internal credit rating

(continued)

Gross carrying amount

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

集體評估 — 內部信貸評級(續)

賬面總值

| | | 2020 二零二零年 | | |
|------------------------|--------|----------------------------|--|--|
| Internal credit rating | 內部信貸評級 | Average loss rate 平均虧損率 | Trade receivables 貿易應收款項 HK\$'000 千港元 | Contract assets 合約資產 HK\$'000 千港元 |
| P1 | P1 | 0.04% | 396,152 | 103,860 |
| P2 | P2 | 1.94% | 85,235 | 7,869 |
| P3 | P3 | 4.18% | 30,668 | 1,642 |
| | | | 512,055 | 113,371 |

| | | 2019 二零一九年 | | |
|------------------------|--------|----------------------------|--|--|
| Internal credit rating | 內部信貸評級 | Average loss rate 平均虧損率 | Trade receivables 貿易應收款項 HK\$'000 千港元 | Contract assets 合約資產 HK\$'000 千港元 |
| P1 | P1 | 0.03% | 448,905 | 165,719 |
| P2 | P2 | 0.77% | 25,384 | 4,131 |
| P3 | P3 | 2.64% | 79,423 | 469 |
| | | | 553,712 | 170,319 |

Notes to the consolidated financial statements

綜合財務報表附註

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

39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Collective assessment – internal credit rating
(continued)

Gross carrying amount (continued)

The estimated loss rates are estimated based on historical settlement records, internal credit rating, the external credit rating data and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

During the year ended 31 December 2020, the Group provided HK\$2,127,000 (2019: HK\$2,141,000) net impairment allowance for trade receivables and provided HK\$43,000 (2019: reversed HK\$84,000) net impairment allowance for contract assets, based on the assessment by individually or collectively for those credit-impaired debtors or those debtors with significant outstanding and long aged balances.

The Group assessed the loss allowances for pledged bank deposits, other receivables and bank balances on 12-month ECL basis. The management of the Group considers the bank balances that are deposited with the financial institutions with high credit rating to be low credit risk financial assets. The management of the Group considers bank balances are short-term in nature and the probability of default is negligible on the basis of high-credit-rating issuers, and accordingly, loss allowance was considered as insignificant.

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

集體評估 – 內部信貸評級(續)

賬面總值(續)

估計虧損率乃基於歷史結算記錄、內部信貸評級及外部信貸評級數據估算，並根據毋須付出不必要成本或努力即可獲得的前瞻性資料作出調整。管理層會定期審閱分組方式以確保特定債務人的相關資料予以更新。合約資產具有與同一類型合約的貿易應收款項大致相同的風險特徵。因此，本集團認為貿易應收款項的虧損率與合約資產的虧損率合理相若。

截至二零二零年十二月三十一日止年度，本集團根據對該等出現信貸減值的債務人或該等具重大未償還及長賬齡結餘的債務人進行個別或集體評估，分別就貿易應收款項計提減值撥備淨額2,127,000港元(二零一九年：2,141,000港元)及就合約資產計提減值撥備淨額43,000港元(二零一九年：撥回84,000港元)。

本集團按12個月預期信貸虧損基準評估已抵押銀行存款、其他應收款項及銀行結餘的虧損撥備。本集團管理層認為，存放於信貸評級較高的金融機構的銀行結餘屬低信貸風險的金融資產。本集團管理層認為銀行結餘屬短期性質，而在高信貸評級發行人的基礎上可毋須計算違約概率，故虧損撥備被視為微不足道。

Notes to the consolidated financial statements

綜合財務報表附註

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

39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Collective assessment — internal credit rating
(continued)

Gross carrying amount (continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

集體評估 — 內部信貸評級(續)

賬面總值(續)

下表顯示根據簡化方法就貿易應收款項確認全期預期信貸虧損的變動。

| | | Lifetime ECL (not credit- impaired) 全期預期信貸 虧損(未出現 信貸減值) HK\$'000 千港元 | Lifetime ECL (credit- impaired) 全期預期信貸 虧損(出現 信貸減值) HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|------------------------|---|--|--------------------------------|
| As at 1 January 2019 | 於二零一九年一月一日 | 7,837 | 4,152 | 11,989 |
| Changes due to financial instruments recognised as at 1 January 2019: | 因二零一九年一月一日確認金融工具而出現變動: | | | |
| — Transfer to credit impaired | — 轉撥至出現信貸減值 | (60) | 60 | — |
| — Impairment losses recognised | — 已確認減值虧損 | — | 7,017 | 7,017 |
| — Impairment losses reversed | — 已撥回減值虧損 | (7,294) | — | (7,294) |
| New financial assets originated | 新產生的金融資產 | 2,418 | — | 2,418 |
| Exchange adjustment | 匯兌調整 | (85) | (169) | (254) |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 2,816 | 11,060 | 13,876 |
| Changes due to financial instruments recognised as at 1 January 2020: | 因二零二零年一月一日確認金融工具而出現變動: | | | |
| — Transfer to credit impaired | — 轉撥至出現信貸減值 | (52) | 52 | — |
| — Impairment losses recognised | — 已確認減值虧損 | — | 2,246 | 2,246 |
| — Impairment losses reversed | — 已撥回減值虧損 | (2,235) | (353) | (2,588) |
| New financial assets originated | 新產生的金融資產 | 2,469 | — | 2,469 |
| Write off | 撇銷 | — | (6,973) | (6,973) |
| Exchange adjustment | 匯兌調整 | 174 | 39 | 213 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 3,172 | 6,071 | 9,243 |

Notes to the consolidated financial statements

綜合財務報表附註

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

39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Collective assessment — internal credit rating (continued)

Gross carrying amount (continued)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. The Group has taken legal action against the debtors to recover the amount due. None of the trade receivables that have been written off is subject to enforcement activities.

Changes in the loss allowance for trade receivables are mainly due to:

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

集體評估 — 內部信貸評級(續)

賬面總值(續)

當有資料顯示債務人遇到嚴重財政困難及無實際收回可能(例如債務人面臨清盤或進入破產程序)時,本集團將撇銷貿易應收款項。本集團已採取法律行動向債務人追收欠款。概無已撇銷的貿易應收款項牽涉強制執行活動。

貿易應收款項虧損撥備變動主要源自:

| | | 2020 二零二零年 Increase/ (decrease) in lifetime ECL 全期預期信貸虧損 增加/(減少) | | 2019 二零一九年 Increase/ (decrease) in lifetime ECL 全期預期信貸虧損 增加/(減少) | |
|---|--|--|--|--|--|
| | | Not credit- impaired 未出現 信貸減值 HK\$'000 千港元 | Credit- impaired 出現 信貸減值 HK\$'000 千港元 | Not credit- impaired 未出現 信貸減值 HK\$'000 千港元 | Credit- impaired 出現 信貸減值 HK\$'000 千港元 |
| One trade debtor with a gross carrying amount of HK\$2,086,000 (2019: HK\$6,973,000) defaulted and transferred to credit-impaired | 一項賬面總值 2,086,000 港元 (二零一九年: 6,973,000 港元) 已違約並轉撥至出現信貸減值的貿易應收賬款 | (52) | 2,298 | (60) | 7,077 |
| Write off | 撇銷 | - | (6,973) | - | - |
| Settlement of trade debtors graded as P4 and P6 with a gross carrying amount of HK\$373,000 (2019: HK\$42,176,000) | 償付賬面總值 373,000 港元 (二零一九年: 42,176,000 港元) 評級為 P4 及 P6 的貿易應收賬款 | - | (353) | (4,392) | - |
| New trade receivables with gross carrying amount of HK\$507,704,000 (2019: HK\$543,397,000) | 賬面總值 507,704,000 港元 (二零一九年: 543,397,000 港元) 的新貿易應收款項 | 2,469 | - | 2,418 | - |

Notes to the consolidated financial statements

綜合財務報表附註

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

39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Collective assessment — internal credit rating
(continued)

The following table shows reconciliation of loss allowances that has been recognised for contract assets.

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

集體評估 — 內部信貸評級(續)

下表顯示已確認合約資產虧損撥備的對賬。

| | | Lifetime ECL (not credit- impaired) 全期預期信貸 虧損(未出現 信貸減值) HK\$'000 千港元 | Lifetime ECL (credit- impaired) 全期預期信貸 虧損(出現 信貸減值) HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|------------------------|---|--|--------------------------------|
| As at 1 January 2019 | 於二零一九年一月一日 | 217 | - | 217 |
| Changes due to financial instruments recognised as at 1 January 2019: | 因二零一九年一月一日確認金融工具而出現變動: | | | |
| — Impairment losses reversed | — 已撥回減值虧損 | (217) | - | (217) |
| New contract assets originated | 新產生的合約資產 | 133 | - | 133 |
| Exchange adjustment | 匯兌調整 | (2) | - | (2) |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 131 | - | 131 |
| Changes due to financial instruments recognised as at 1 January 2020: | 因二零二零年一月一日確認金融工具而出現變動: | | | |
| — Impairment losses reversed | — 已撥回減值虧損 | (131) | - | (131) |
| New contract assets originated | 新產生的合約資產 | 174 | - | 174 |
| Exchange adjustment | 匯兌調整 | 10 | - | 10 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 184 | - | 184 |

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

39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Collective assessment — internal credit rating

(continued)

The following table shows reconciliation of loss allowances that has been recognised for other receivables.

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

集體評估 — 內部信貸評級(續)

下表顯示就其他應收款項確認虧損撥備的對賬。

| | | 12-month ECL (not credit- impaired) 12個月 預期信貸虧損 (未出現 信貸減值) HK\$'000 千港元 |
|--|-----------------------|--|
| As at 1 January 2019 | 於二零一九年一月一日 | 257 |
| Changes due to financial instruments recognised as at 1 January 2019 | 因二零一九年一月一日確認金融工具而出現變動 | |
| — Impairment losses reversed | — 已撥回減值虧損 | (207) |
| New financial assets originated | 新產生的金融資產 | 110 |
| Exchange adjustment | 匯兌調整 | (3) |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 157 |
| Changes due to financial instruments recognised as at 1 January 2020 | 因二零二零年一月一日確認金融工具而出現變動 | |
| — Impairment losses reversed | — 已撥回減值虧損 | (157) |
| New financial assets originated | 新產生的金融資產 | 254 |
| Exchange adjustment | 匯兌調整 | 15 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 269 |

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39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank loans as a significant source of liquidity. As at 31 December 2020, the Group has available unutilised bank borrowings facilities of approximately HK\$696,663,000 (2019: HK\$621,049,000).

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other financial liabilities are based on the agreed repayment dates.

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

流動資金風險

於管理流動資金風險時，本集團會進行監控並將現金及現金等價物維持在管理層認為充足的水平，以為本集團的營運提供資金並減低現金流量波動的影響。管理層會監控銀行借貸的動用情況，並確保遵守貸款契約。

本集團依賴銀行貸款為主要流動資金來源。於二零二零年十二月三十一日，本集團可取得的尚未動用銀行借貸融資約為696,663,000港元(二零一九年：621,049,000港元)。

下表詳列本團金融負債的剩餘合約期限，乃根據以本集團須償還金融負債的最早日期釐定的金融負債未折現現金流量編製。其他金融負債的到期日乃根據協定償還日期釐定。

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39. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Liquidity tables

| | | Weighted average interest rate 加權 平均利率 % | On demand or less than 1 year 按要求或 一年內 HK\$'000 千港元 | 1-2 years 一至兩年 HK\$'000 千港元 | Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元 | Carrying amounts 賬面值 HK\$'000 千港元 |
|--|---------------|---|---|--------------------------------------|---|---|
| 2020 | 二零二零年 | | | | | |
| Trade payables | 貿易應付款項 | – | 214,037 | – | 214,037 | 214,037 |
| Other payables | 其他應付款項 | – | 35,711 | – | 35,711 | 35,711 |
| Amounts due to non-controlling interests of subsidiaries | 應付附屬公司非控股權益款項 | – | 2,484 | – | 2,484 | 2,484 |
| Bank borrowings | 銀行借貸 | | | | | |
| – fixed rate | – 固定利率 | 4.28 | 428,787 | – | 428,787 | 411,206 |
| Lease liabilities | 租賃負債 | 4.31 | 994 | 349 | 1,343 | 1,293 |
| | | | 682,013 | 349 | 682,362 | 664,731 |
| 2019 | 二零一九年 | | | | | |
| Trade payables | 貿易應付款項 | – | 226,288 | – | 226,288 | 226,288 |
| Other payables | 其他應付款項 | – | 33,218 | – | 33,218 | 33,218 |
| Bank overdrafts | 銀行透支 | 3.80 | 2,831 | – | 2,831 | 2,728 |
| Amounts due to non-controlling interests of subsidiaries | 應付附屬公司非控股權益款項 | – | 8,290 | – | 8,290 | 8,290 |
| Bank borrowings | 銀行借貸 | | | | | |
| – floating rate | – 浮動利率 | 4.46 | 209,537 | – | 209,537 | 200,587 |
| – fixed rate | – 固定利率 | 4.35 | 58,306 | – | 58,306 | 55,875 |
| Lease liabilities | 租賃負債 | 4.36 | 4,440 | 601 | 5,041 | 4,905 |
| | | | 542,910 | 601 | 543,511 | 531,891 |

39. 金融工具(續)

b. 金融風險管理的目標及政策(續)

流動資金風險(續)

表格包括利息及本金現金流量。倘利息流為浮動利率，則未折現金額乃按報告期末的利率計算所得。

流動資金表

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

39. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurement of financial instruments

Reconciliation of Level 3 fair value measurements

39. 金融工具(續)

c. 金融工具的公允價值計量

第三層公允價值計量的對賬

| | | Structured deposits |
|-----------------------------------|---------------|----------------------------|
| | | 結構性存款 |
| | | HK\$'000 |
| | | 千港元 |
| At 1 January 2019 | 於二零一九年一月一日 | - |
| Purchase of structured deposits | 購入結構性存款 | 1,020,654 |
| Net gain on structured deposits | 結構性存款的收益淨額 | 1,896 |
| Redemption of structured deposits | 贖回結構性存款 | (1,022,550) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | - |
| Purchase of structured deposits | 購入結構性存款 | 116,816 |
| Net gain on structured deposits | 結構性存款的收益淨額 | 132 |
| Redemption of structured deposits | 贖回結構性存款 | (116,948) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | - |

There were no transfers into or out of Level 3 during this year.

年內沒有轉入或轉出第三層。

Of the total gains or losses for the period included in profit or loss, HK\$132,000 (2019: HK\$1,896,000) relates to structured deposits. Fair value gains or losses on structured deposits are realised and are included in "other gains and losses".

計入損益的期內收益或虧損總額中，132,000港元(二零一九年：1,896,000港元)與結構性存款有關。結構性存款的公允價值收益或虧損已變現，並計入「其他收益及虧損」。

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綜合財務報表附註

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

39. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurement of financial instruments (continued)

Fair value of financial instruments that are recorded at amortised cost

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis, with most significant inputs being the discount rate that reflects the credit risk of counterparties.

40. OPERATING LEASES

The Group as lessor

All of the properties held for rental purposes have committed lessees for the next 1 and 5 years respectively.

Minimum lease payments receivable on leases are as follows:

39. 金融工具(續)

c. 金融工具的公允價值計量(續)

按攤銷成本記錄的金融工具的公允價值

本公司董事認為於綜合財務報表按攤銷成本記錄的金融資產及金融負債的賬面值與其公允價值相若。該等公允價值乃根據公認定價模式按折讓現金流分析釐定，最重要的輸入數據為足以反映對手方信貸風險的折讓率。

40. 經營租賃

本集團作為出租人

所有持作租賃用途的物業分別於未來1年及5年獲承租人承租。

租賃的最低應收租賃付款如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--------------------|-----|----------------------------------|----------------------------------|
| Within one year | 一年內 | 1,494 | 2,015 |
| In the second year | 第二年 | 1,430 | 1,341 |
| In the third year | 第三年 | 1,430 | 1,341 |
| In the fourth year | 第四年 | 1,430 | 1,341 |
| In the fifth year | 第五年 | 1,430 | 1,341 |
| After five years | 五年後 | 1,430 | 1,341 |
| | | 8,644 | 8,720 |

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綜合財務報表附註

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

41. CAPITAL COMMITMENTS

41. 資本承擔

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements | 76,396 | 95,515 |

42. PLEDGE OF OR RESTRICTIONS ON ASSETS

42. 資產抵押或限制

Pledge of assets

At the end of the reporting period, the carrying amounts of the assets pledged by the Group to secure the bank borrowings granted to the Group are as follow:

資產抵押

於報告期末，本集團抵押以擔保授予本集團的銀行借貸的資產賬面值如下：

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------|----------------------------------|----------------------------------|
| Bank deposits | 14,523 | 9,476 |

Restrictions on assets

In addition, lease liabilities of approximately HK\$1,293,000 (2019: HK\$4,905,000) are recognised with related right-of-use assets of approximately HK\$1,272,000 (2019: HK\$4,853,000) as at 31 December 2020. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

資產限制

此外，於二零二零年十二月三十一日，已確認租賃負債約1,293,000港元(二零一九年：4,905,000港元)涉及使用權資產約1,272,000港元(二零一九年：4,853,000港元)。除出租人所持租賃資產的擔保權益外，租賃協議不施加任何契諾，相關租賃資產亦不得用作借貸擔保。

Notes to the consolidated financial statements

綜合財務報表附註

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

43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flow from financing activities.

43. 融資活動所產生負債的對賬

下表詳列本集團就融資活動所產生負債的變動，包括現金及非現金變動。融資活動所產生負債為現金流或未來現金流均在本集團的綜合現金流量表分類為融資活動所產生現金流的負債。

| | | Amounts due to non-controlling interests of subsidiaries | Bank borrowings | Dividends payables | Purchase consideration payables | Lease liabilities | Interest payable (included in other payables and accruals) | Total |
|---|------------------|--|-----------------|--------------------|---------------------------------|-------------------|--|-----------|
| | | 應付附屬公司非控股權益款項 | 銀行借貸 | 應付股息 | 應付購買代價 | 租賃負債 | 應付利息及應付費用 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2019 | 於二零一九年一月一日 | 8,154 | 620,084 | - | 12,776 | 9,880 | 1,189 | 652,083 |
| Financing cash flow (Note) | 融資現金流(附註) | 292 | (362,342) | (2,574) | (15,033) | (4,152) | - | (383,809) |
| Consideration for acquisition of non-controlling interest of a subsidiary | 收購一間附屬公司非控股權益的代價 | - | - | - | 3,618 | - | - | 3,618 |
| Changes in fair value | 公允價值變動 | - | - | - | (1,190) | - | - | (1,190) |
| New lease contracts | 新租賃合約 | - | - | - | - | 864 | - | 864 |
| Early termination of lease contracts | 提前終止租賃合約 | - | - | - | - | (1,667) | - | (1,667) |
| Finance costs | 融資成本 | - | - | - | - | 287 | 19,391 | 19,678 |
| Interest paid | 已付利息 | - | - | - | - | (287) | (19,532) | (19,819) |
| Dividends declared | 已宣派股息 | - | - | 2,574 | - | - | - | 2,574 |
| Exchange difference | 匯兌差額 | (156) | (1,280) | - | (171) | (20) | (910) | (2,537) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 8,290 | 256,462 | - | - | 4,905 | 138 | 269,795 |
| At 1 January 2020 | 於二零二零年一月一日 | 8,290 | 256,462 | - | - | 4,905 | 138 | 269,795 |
| Financing cash flow (Note) | 融資現金流(附註) | (5,998) | 130,989 | (299,936) | - | (3,840) | - | (178,785) |
| Modification of lease contract | 租賃合約修改 | - | - | - | - | 412 | - | 412 |
| Early termination of lease contracts | 提前終止租賃合約 | - | - | - | - | (342) | - | (342) |
| Finance costs | 融資成本 | - | - | - | - | 118 | 20,570 | 20,688 |
| Interest paid | 已付利息 | - | - | - | - | (118) | (20,187) | (20,305) |
| Dividends declared | 已宣派股息 | - | - | 299,936 | - | - | - | 299,936 |
| Exchange difference | 匯兌差額 | 192 | 23,755 | - | - | 158 | 32 | 24,137 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 2,484 | 411,206 | - | - | 1,293 | 553 | 415,536 |

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43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES *(continued)*

Note: The cash flows represent (i) the proceeds from and repayment of bank borrowings; (ii) payment of dividends; (iii) repayment to non-controlling interests of subsidiaries; (iv) consideration paid for acquisition of additional equity interest in a subsidiary; (v) consideration paid for acquisition of a subsidiary in previous year and (vi) repayments of leases liabilities.

44. MAJOR NON-CASH TRANSACTIONS

During the year, the Group extended the lease term for the use of leased properties. On the effective date of modification, the Group recognised HK\$412,000 of right-of-use asset and HK\$412,000 lease liability.

During the current year, there were reduction to right-of-use assets of HK\$334,000 (2019: HK\$1,647,000) and lease liabilities of HK\$342,000 (2019: HK\$1,667,000) due to certain lease contracts were early terminated.

During the year ended 31 December 2019, the Group entered into a new lease agreement for the use of leased properties for 3 years. On the lease commencement, the Group recognised HK\$864,000 of right-of-use asset and HK\$864,000 lease liability.

43. 融資活動所產生負債的對賬(續)

附註：現金流指(i)銀行借貸的所得款項及還款；(ii)派付股息；(iii)附屬公司非控股權益還款；(iv)收購一間附屬公司額外股本權益的已付代價；(v)上一年度收購一間附屬公司的已付代價；及(vi)租賃負債還款。

44. 重大非現金交易

年內，本集團延長使用租賃物業的租期。於修訂生效日期，本集團確認使用權資產412,000港元及租賃負債412,000港元。

於本年度，由於提前終止若干租賃合約，使用權資產減少334,000港元(二零一九年：1,647,000港元)及租賃負債減少342,000港元(二零一九年：1,667,000港元)。

截至二零一九年十二月三十一日止年度，本集團就使用租賃物業訂立為期三年的新租賃協議。於租賃開始時，本集團確認使用權資產864,000港元及租賃負債864,000港元。

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45. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions and balances with related parties:

(a) Transactions with related company

The Group had the following significant transactions with related party during the year:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Company controlled by a director of the Company: | 由本公司一名董事控制的公司： | | |
| Purchase of printing and packing machineries | 購買印刷及包裝機器 | 11,942 | 10,230 |
| An associate: | 一間聯營公司： | | |
| Sales of printing and manufacturing cigarette packages and related materials | 銷售印刷及製造香煙包裝及相關材料 | 19,343 | 56,263 |

(b) Balances with related parties are disclosed in the consolidated statement of financial position and in note 28. In addition, deposits amounting to HK\$389,000 (2019: HK\$5,006,000) were paid to a related party controlled by a director of the Company for purchase of property, plant and equipment, which is included in "Rental and other deposits paid".

45. 關連方交易

除綜合財務報表其他部分所披露者外，本集團與關連方的交易及結餘如下：

(a) 與關連公司的交易

於本年度內，本集團進行下列重大關連方交易：

(b) 與關連方的結餘於綜合財務狀況報表及附註28披露。此外，就購買物業、廠房及設備向一名由本公司董事控制的關連方支付的按金389,000港元(二零一九年：5,006,000港元)已計入「已付租賃按金及其他按金」。

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綜合財務報表附註

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45. RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--------------------------|-------|----------------------------------|----------------------------------|
| Short-term benefits | 短期福利 | 7,683 | 6,866 |
| Post-employment benefits | 離職後福利 | 127 | 143 |
| | | 7,810 | 7,009 |

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

45. 關連方交易 (續)

(c) 主要管理人員酬金

於本年度，董事及其他主要管理人員的酬金如下：

董事及主要行政人員的酬金由薪酬委員會經考慮個人表現及市場趨勢後釐定。

46. CONTINGENT LIABILITIES

During the year ended 31 December 2017, the Group has received a Notice of Arbitration from Shenzhen Court of International Arbitration that Shenzhen Court of International Arbitration has accepted the application (the "Application") for arbitration filed by Claimant. According to the Application, the Claimant requests for the payment of: (i) a fund raising reward of about HK\$108.9 million and the related overdue interest since April 2008; (ii) a service fee of RMB2.0 million (equivalent to approximately HK\$2,305,000) and the related overdue interest since July 2007; (iii) legal fees incurred of about HK\$47.0 million and RMB0.9 million (equivalent to approximately HK\$1,037,000); and (iv) arbitration fee, in connection with an appointment contract and another agreement entered into between, among other party, a subsidiary of the Company and the Claimant in April 2005.

46. 或然負債

截至二零一七年十二月三十一日止年度，本集團接獲深圳國際仲裁院發出的仲裁通知，表示深圳國際仲裁院已受理申索人提出的仲裁申請（「該申請」）。根據該申請，申索人要求根據由（其中包括）本公司一間附屬公司與申索人於二零零五年四月訂立的聘用合同及另一份協議書獲支付(i)為數約108,900,000港元的集資報酬及自二零零八年四月以來的相關逾期利息；(ii)為數人民幣2,000,000元（相當於約2,305,000港元）的服務費及自二零零七年七月以來的相關逾期利息；(iii)所引致的法律費用約47,000,000港元及人民幣900,000元（相當於約1,037,000港元）；及(iv)仲裁費。

Notes to the consolidated financial statements

綜合財務報表附註

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

46. CONTINGENT LIABILITIES (continued)

During the current year, the Shenzhen Court of International Arbitration issued its verdict and ruled the Company is liable to compensate HK\$20,000,000 to the ex-staff. The directors of the Company consider that all allegations in the Application are unfounded and without merits, and the arbitration is invalid. The Company has applied for cancellation of the arbitration to Shenzhen Intermediate People's Court after consultation with its legal adviser. As advised, the arbitration is invalid due to (i) the matters in the verdict not falling within the scope of the arbitration agreement; (ii) Shenzhen Court of International Arbitration has issued a verdict on matters out of its jurisdiction scope when determining the compensation amount; (iii) the arbitration procedures violated the arbitration rules. In this regard, the Group has categorically defended and challenged all the claims by the Claimant during the judicial process. In the opinion of the directors of the Company, it is not probable that a material outflow of resources will be required based on the legal advice and no provision is considered to be recognised to the consolidated financial statements accordingly.

46. 或然負債(續)

於本年度，深圳國際仲裁院發出判決並裁定本公司須向前員工賠償20,000,000港元。本公司董事認為，該申請的一切指控均無事實根據及缺乏充分理據，且仲裁屬無效。在諮詢其法律顧問後，本公司向深圳市中級人民法院申請撤銷仲裁。據悉，仲裁屬無效，原因為(i)仲裁中的事項不屬於仲裁協議的範圍；(ii)在釐定賠償金額時，深圳國際仲裁院就有關事項發出判決超出其管轄範圍；(iii)仲裁程序違反仲裁規則。就此，本集團已於司法過程中積極抗辯及反對申索人提出的一切申索。本公司董事認為，基於法律意見，不大可能產生重大資源流出，故認為毋須在綜合財務報表確認作出撥備。

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the Company's subsidiaries at 31 December 2020 and 2019 are as follows:

47. 本公司附屬公司詳情

於二零二零年及二零一九年十二月三十一日，本公司附屬公司詳情如下：

| Names of subsidiaries 附屬公司名稱 | Places of establishment/ incorporation/ operation 成立/註冊成立/ 營業地點 | Proportion of registered capital/issued share capital/equity interests and voting power held by the Company 本公司持有註冊股本/已發行股本/ 股本權益及投票權比例 | | | | Issue and fully paid ordinary share capital/ registered capital 已發行及悉數繳足普通股本/ 註冊股本 | Principal activities 主要業務 |
|---|---|---|---------------|------------------|---------------|---|------------------------------|
| | | Directly 直接 | | Indirectly 間接 | | | |
| | | 2020 二零二零年 | 2019 二零一九年 | 2020 二零二零年 | 2019 二零一九年 | | |
| | | % | % | % | % | | |
| Brilliant Circle Management Limited (貴聯管理有限公司) | British Virgin Islands 英屬處女群島 | 100.00 | 100.00 | - | - | US\$200 200美元 | Investment holding 投資控股 |
| Brilliant Circle Group Holdings Limited (貴聯集團控股有限公司) | British Virgin Islands 英屬處女群島 | - | - | 100.00 | 100.00 | US\$1 1美元 | Investment holding 投資控股 |

Notes to the consolidated financial statements

綜合財務報表附註

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

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued) 47. 本公司附屬公司詳情(續)

| Names of subsidiaries 附屬公司名稱 | Places of establishment/ incorporation/ operation 成立/註冊成立/ 營業地點 | Proportion of registered capital/issued share capital/equity interests and voting power held by the Company 本公司持有註冊股本/已發行股本/ 股本權益及投票權比例 | | | | Issue and fully paid ordinary share capital/ registered capital 已發行及悉數 繳足普通股本/ 註冊股本 | Principal activities 主要業務 |
|--|---|---|------------|------------------|------------|---|--|
| | | Directly 直接 | | Indirectly 間接 | | | |
| | | 2020 | 2019 | 2020 | 2019 | | |
| | | 二零二零年 % | 二零一九年 % | 二零二零年 % | 二零一九年 % | | |
| Brilliant Circle Printing & Packaging Limited (貴聯印刷包裝有限公司) | British Virgin Islands 英屬處女群島 | - | - | 100.00 | 100.00 | US\$10,000 10,000美元 | Investment holding 投資控股 |
| Union Virtue International Limited (同德國際有限公司) | British Virgin Islands 英屬處女群島 | - | - | 100.00 | 100.00 | US\$1 1美元 | Investment holding 投資控股 |
| Brilliant Circle Development Limited (貴聯發展有限公司) | Hong Kong 香港 | - | - | 100.00 | 100.00 | HK\$2,000,000 2,000,000港元 | Investment holding 投資控股 |
| Champion League Investment Holdings Limited (冠連投資控股有限公司) | British Virgin Islands 英屬處女群島 | - | - | 100.00 | 100.00 | US\$100 100美元 | Investment holding 投資控股 |
| Sanbond Investment Limited (協寶投資有限公司) | Hong Kong 香港 | - | - | 100.00 | 100.00 | HK\$100 100港元 | Investment holding 投資控股 |
| 蚌埠金黃山凹版印刷有限公司* (Bengbu Jinhuangshan Rotogravure Printing Company Limited) | PRC 中國 | - | - | 100.00 | 100.00 | US\$12,461,000 12,461,000美元 | Printing of cigarette packages printing of packages and decoration matter research and development on printing technology 香煙包裝印刷、包裝裝潢印刷品印刷以及印刷技術研究及開發 |
| 深圳貴聯印刷有限公司* (Shenzhen Guilian Printing Limited) | PRC 中國 | - | - | 100.00 | 100.00 | HK\$9,600,000 9,600,000港元 | Investment holding 投資控股 |
| Kecai* 科彩* | PRC 中國 | - | - | 100.00 | 100.00 | RMB194,720,000 人民幣 194,720,000元 | Printing of cigarette packages printing of packages and decoration matter research and development on printing technology 香煙包裝印刷、包裝裝潢印刷品印刷以及印刷技術研究及開發 |
| 襄陽金飛環彩色包裝有限公司* (Xiangyang Jinfeihuan Colour Packing Co., Ltd) | PRC 中國 | - | - | 100.00 | 100.00 | US\$3,000,000 3,000,000美元 | Printing of cigarette packages 印刷香煙包裝 |

Notes to the consolidated financial statements

綜合財務報表附註

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

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued) 47. 本公司附屬公司詳情(續)

| Names of subsidiaries 附屬公司名稱 | Places of establishment/ incorporation/ operation 成立/註冊成立/ 營業地點 | Proportion of registered capital/issued share capital/equity interests and voting power held by the Company | | | | Issue and fully paid ordinary share capital/ registered capital 已發行及悉數 繳足普通股本/ 註冊股本 | Principal activities 主要業務 |
|---|---|---|------------|------------------|------------|---|--|
| | | Directly 直接 | | Indirectly 間接 | | | |
| | | 2020 | 2019 | 2020 | 2019 | | |
| | | 二零二零年 % | 二零一九年 % | 二零二零年 % | 二零一九年 % | | |
| Zhaotong Antong Package Material Co., Ltd. (昭通安通包裝材料有限公司)* | PRC 中國 | - | - | 100.00 | 100.00 | US\$1,000,000 1,000,000美元 | Manufacturing of laminated paper 製造複合紙 |
| Giant Sino Investments Limited (鉅華投資有限公司) | British Virgin Islands 英屬處女群島 | 60.00 | 60.00 | 40.00 | 40.00 | US\$100.00 100.00美元 | Investment holding 投資控股 |
| Emperor Great Investments Limited (帝鴻投資有限公司) | British Virgin Islands 英屬處女群島 | 100.00 | 100.00 | - | - | US\$100.00 100.00美元 | Investment holding 投資控股 |
| Fortune Chaser Limited (源順有限公司) | Hong Kong 香港 | - | - | 100.00 | 100.00 | HK\$100.00 100.00港元 | Investment holding 投資控股 |
| Forever Youth limited (青恒有限公司) | British Virgin Islands 英屬處女群島 | 100.00 | 100.00 | - | - | US\$100.00 100.00美元 | Investment holding 投資控股 |
| Right Tech (China) Limited (偉達(中國)有限公司) | Hong Kong 香港 | - | - | 100.00 | 100.00 | HK\$1 1港元 | Investment holding 投資控股 |
| Jiangsu HY* 江蘇聯恒物宇* | PRC 中國 | - | - | 70.00 | 70.00 | RMB16,800,000 人民幣16,800,000元 | Sales of RFID products 銷售射頻識別產品 |
| 珠海包裝寶投資有限公司* (Zhuhai Baozhuangbao Investment Co., Ltd.) | PRC 中國 | - | - | 100.00 | 100.00 | RMB50,000,000 人民幣50,000,000元 | Investment holding 投資控股 |
| 江苏金訊達物聯科技有限公司# (Jiangsu Jinxunda IOT Technology Co., Ltd.) | PRC 中國 | - | - | 100.00 | 100.00 | RMB125,000,000 人民幣125,000,000元 | Sales of RFID products 銷售射頻識別產品 |
| Jinshengcai## 金升彩## | PRC 中國 | - | - | 100.00 | 100.00 | RMB28,350,000 人民幣28,350,000元 | Manufacturing of paper packaging materials 製造紙包裝材料 |
| 深圳市金聯達智能包裝科技 有限公司## (Shenzhen Jinlianda Intelligent Packaging Technology Co., Ltd.) | PRC 中國 | - | - | 100.00 | 100.00 | RMB10,000,000 人民幣10,000,000元 | Sales of RFID products 銷售射頻識別產品 |
| 深圳市聯微恒互聯網科技有限公司## | PRC 中國 | - | - | - | 100.00 | RMB840,000 人民幣840,000元 | Trading of cigarette packages printing of packages 香煙包裝印刷貿易 |

Notes to the consolidated financial statements

綜合財務報表附註

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

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

- * Company incorporated as a sino-foreign equity.
- # Company established as foreign invested limited liability company.
- ## Limited liability company established in the PRC.

None of the subsidiaries had issued any debt securities at the end of the reporting period or at any time during the year.

47. 本公司附屬公司詳情(續)

- * 公司註冊成立為中外合資企業。
- # 公司成立為外商投資有限公司。
- ## 於中國成立的有限公司。

於報告期末或本年度任何時間，概無附屬公司發行任何債務證券。

48. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

48. 本公司財務狀況及儲備報表

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | |
| Interests in subsidiaries | 於附屬公司的權益 | 1,252,857 | 1,174,590 |
| Right-of-use assets | 使用權資產 | 667 | 4,001 |
| Rental deposit | 租賃按金 | - | 664 |
| | | 1,253,524 | 1,179,255 |
| Current assets | 流動資產 | | |
| Other receivables | 其他應收款項 | 978 | 172 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 931,651 | 440,486 |
| Bank balances and cash | 銀行結餘及現金 | 79,240 | 4,657 |
| | | 1,011,869 | 445,315 |
| Current liabilities | 流動負債 | | |
| Other payables and accruals | 其他應付款項及應計費用 | 177 | - |
| Amounts due to subsidiaries | 應付附屬公司款項 | 31,851 | 217,918 |
| Bank borrowings | 銀行借貸 | - | 195,000 |
| Bank overdrafts | 銀行透支 | - | 2,728 |
| Lease liabilities | 租賃負債 | 671 | 4,053 |
| | | 32,699 | 419,699 |
| Net current assets | 流動資產淨額 | 979,170 | 25,616 |
| Total assets less current liabilities | 資產總值減流動負債 | 2,232,694 | 1,204,871 |

Notes to the consolidated financial statements

綜合財務報表附註

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

48. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

(continued)

48. 本公司財務狀況及儲備報表(續)

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-----------------------------|--------------|----------------------------------|----------------------------------|
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 7,839 | 7,839 |
| Reserves | 儲備 | 2,224,855 | 1,197,032 |
| | | 2,232,694 | 1,204,871 |

Movement in the Company's reserves

本公司儲備變動

| | | Dividend reserve 股息儲備 HK\$'000 千港元 | Share premium 股份溢價 HK\$'000 千港元 | Other reserve 其他儲備 HK\$'000 千港元 | Exchange reserve 匯兌儲備 HK\$'000 千港元 | Retained profits 保留溢利 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-----------------------|--|---|---|--|--|--------------------------------|
| At 1 January 2019 | 於二零一九年 一月一日 | - | 4,936,913 | (4,185,977) | (70,466) | 162,121 | 842,591 |
| Profit and total comprehensive income for the year | 年度溢利及全面 收益總額 | - | - | - | (19,451) | 373,892 | 354,441 |
| Final dividend for 2019 Proposed (note 16) | 二零一九年建議末期 股息(附註16) | 299,936 | - | - | - | (299,936) | - |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 299,936 | 4,936,913 | (4,185,977) | (89,917) | 236,077 | 1,197,032 |
| Profit and total comprehensive income for the year | 年度溢利及 全面收益總額 | - | - | - | 33,338 | 1,294,421 | 1,327,759 |
| Final dividend for 2020 Proposed (note 16) | 二零二零年建議末期 股息(附註16) | 156,789 | - | - | - | (156,789) | - |
| Dividends recognised as distribution (note 16) | 確認為分派的股息 (附註16) | (299,936) | - | - | - | - | (299,936) |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | 156,789 | 4,936,913 | (4,185,977) | (56,579) | 1,373,709 | 2,224,855 |

Five year financial summary

五年財務概要

(A) RESULTS

(A) 業績

| | | For the year ended 31 December | | | | 2020 |
|---|----------------|--------------------------------|------------|-----------|-----------|------------------|
| | | 截至十二月三十一日止年度 | | | | 二零二零年 |
| | | 2016 | 2017 | 2018 | 2019 | 2020 |
| | | 二零一六年 | 二零一七年 | 二零一八年 | 二零一九年 | 二零二零年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | | (Restated) | | | |
| | | | (經重列) | | | |
| Revenue | 收益 | 1,407,209 | 1,265,515 | 1,366,753 | 1,495,833 | 1,339,439 |
| Operating profit (loss) | 經營溢利(虧損) | 270,508 | 145,770 | 77,389 | 191,866 | (13,432) |
| Gain on disposal of subsidiaries | 出售附屬公司的收益 | - | - | 91,681 | - | - |
| Share of profit of associates | 分佔聯營公司溢利 | 86,429 | 47,334 | 51,669 | 41,751 | 59,304 |
| Share of profit (loss) of a joint venture | 分佔一間合營企業溢利(虧損) | 57 | (274) | 623 | (930) | 214 |
| Profit before taxation | 除稅前溢利 | 356,994 | 192,830 | 221,362 | 232,687 | 46,086 |
| Taxation | 稅項 | (69,760) | (50,023) | (46,930) | (55,801) | (37,114) |
| Profit for the year | 年內溢利 | 287,234 | 142,807 | 174,432 | 176,886 | 8,972 |
| Attributable to: | 應佔： | | | | | |
| Owners of the Company | 本公司擁有人 | 285,827 | 138,025 | 169,383 | 175,886 | 8,915 |
| Non-controlling interests | 非控股權益 | 1,407 | 4,782 | 5,049 | 1,000 | 57 |
| | | 287,234 | 142,807 | 174,432 | 176,886 | 8,972 |

Five year financial summary

五年財務概要

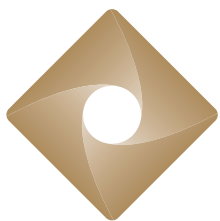
(B) ASSETS AND LIABILITIES

(B) 資產及負債

| | | At 31 December 於十二月三十一日 | | | | |
|--------------------------------|-----------|----------------------------|-------------|-------------|-----------|------------------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 |
| | | 二零一六年 | 二零一七年 | 二零一八年 | 二零一九年 | 二零二零年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| TOTAL ASSETS | 資產總值 | 4,158,124 | 4,198,506 | 3,934,962 | 3,647,153 | 3,588,878 |
| TOTAL LIABILITIES | 負債總額 | (1,282,964) | (1,217,996) | (1,136,361) | (720,977) | (819,051) |
| | | 2,875,160 | 2,980,510 | 2,798,601 | 2,926,176 | 2,769,827 |
| EQUITY ATTRIBUTABLE TO: | 以下人士應佔權益： | | | | | |
| Owners of the Company | 本公司擁有人 | 2,828,968 | 2,917,632 | 2,763,663 | 2,904,301 | 2,746,446 |
| Non-controlling interests | 非控股權益 | 46,192 | 62,878 | 34,938 | 21,875 | 23,381 |
| | | 2,875,160 | 2,980,510 | 2,798,601 | 2,926,176 | 2,769,827 |

Note: The comparative figures are not restated on application of HKFRS 9, HKFRS 15 for the first time in the year ended 31 December 2018 and HKFRS 16 for the first time in the year ended 31 December 2019.

附註：概無於應用香港財務報告準則第9號、截至二零一八年十二月三十一日止年度首次應用香港財務報告準則第15號及截至二零一九年十二月三十一日止年度首次應用香港財務報告準則第16號時重列比較數字。



Brilliant Circle Holdings International Limited
貴聯控股國際有限公司

