

CIRTEK HOLDINGS LIMITED

常達控股有限公司

Incorporated in the Cayman Islands with limited liability
於開曼群島註冊成立的有限公司

STOCK CODE 股份代號: 1433



2020

ANNUAL REPORT 年度報告

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CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Mr. CHAN Sing Ming Barry (*Chairman*)
Ms. LAW Miu Lan (*Chief Executive Officer*)
Mr. CHAN Tsz Fung

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Chor Ki Dick
Mr. LEE Tak Cheong
Dr. WONG Chi Wing

AUDIT COMMITTEE

Dr. WONG Chi Wing (*Chairman*)
Mr. LEE Tak Cheong
Mr. LAM Chor Ki Dick

REMUNERATION COMMITTEE

Mr. LEE Tak Cheong (*Chairman*)
Ms. LAW Miu Lan
Dr. WONG Chi Wing

NOMINATION COMMITTEE

Mr. CHAN Sing Ming Barry (*Chairman*)
Mr. CHAN Tsz Fung
Dr. WONG Chi Wing
Mr. LEE Tak Cheong
Mr. LAM Chor Ki Dick

COMPANY SECRETARY

Mr. CHAN Wai Shing Kevin

REGISTERED OFFICE

Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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執行董事

陳醒明先生(主席)
羅妙蘭女士(行政總裁)
陳梓峰先生

獨立非執行董事

林楚祺先生
李德昌先生
王志榮博士

審核委員會

王志榮博士(主席)
李德昌先生
林楚祺先生

薪酬委員會

李德昌先生(主席)
羅妙蘭女士
王志榮博士

提名委員會

陳醒明先生(主席)
陳梓峰先生
王志榮博士
李德昌先生
林楚祺先生

公司秘書

陳偉成先生

註冊辦事處

Windward 3
Regatta Office Park
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Grand Cayman KY1-1108
Cayman Islands

香港主要營業地點

香港
九龍荔枝角
長裕街15號
永明工業中心1樓

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Level 10
HSBC Main Building
1 Queen's Road Central
Hong Kong

Dah Sing Bank Limited
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Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

SHARE REGISTRAR

Tricor Investor Services Limited
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183 Queen's Road East
Hong Kong

COMPLIANCE ADVISER

Elstone Capital Limited
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WEBSITE

<http://www.cirtek.com>

INVESTOR RELATIONS

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STOCK CODE

1433

主要銀行

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大新銀行有限公司
香港
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光大中心
地下B號舖

核數師

安永會計師事務所
執業會計師
註冊公眾利益實體核數師
香港中環
添美道1號
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股份過戶登記處

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皇后大道東183號
合和中心54樓

合規顧問

千里碩融資有限公司
香港
干諾道中168-200號
信德中心西翼
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<http://www.cirtek.com>

投資者關係

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股份代號

1433

FINANCIAL HIGHLIGHTS

財務摘要

CONSOLIDATED RESULTS

綜合業績

		For the year ended 31 December 截至12月31日止年度				
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Revenue	收益	259,314	352,937	371,883	305,021	241,628
Income tax expenses	所得稅開支	(3,145)	(11,434)	(8,020)	(8,020)	(6,361)
Profit for the year	年內溢利	1,647	26,482	33,735	25,748	19,556
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	1,647	25,331	31,940	24,208	19,229

		As at 31 December 於12月31日				
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Total assets	資產總值	361,692	286,400	270,846	235,683	172,639
Total liabilities	負債總額	125,566	142,430	154,130	151,770	99,509
Equity attributable to owners of the Company	本公司擁有人應佔權益	236,126	143,970	116,716	83,913	73,130

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Cirtek Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**” or “**Cirtek**”), I would like to present the annual results of the Group for the year ended 31 December 2020.

Over the past year, the impact of the pandemic has been seen in all industries across the world, and was particularly visible in the supply chain and consumer goods sector in the first half of the year. On the supply side, the pandemic first hit the entire industrial supply chain and factories in China in February 2020 and subsequently spread across the globe. On the demand side, the widespread impact of the pandemic has not been limited to European and American countries, but has disrupted the entire global economy and retail market, leading to the postponement of orders and delivery of products requested by some of the Group's customers.

Such a difficult business environment has inevitably affected the performance of Cirtek in the past year. Despite adversities, the Group still managed to achieve a turnaround, rebounding from a loss-making situation, as reported in its interim results for the six months ended 30 June 2020, into a profitable position, thanks to the strategic position of its factories which has enabled the Group to leverage its advantages to overcome the challenges amid the pandemic. In mid-February 2020, the Group's factories in China swiftly resumed production without compromising the health and safety of its employees, and the impact of the pandemic on the factories in Vietnam and Bangladesh was relatively mild, and thus product supply was secured by their basically normal operation. To respond to the daily upheavals in the market, the Group maintained close communications with its business partners to deploy capacity flexibly as per customers' request, and it also adopted stringent cost control measures. The efficacy of such measures, together with the support of new products with higher gross profit, contributed to the Group's improved gross profit margin for the year. In return for shareholders' support, the Board has recommended payment of a final dividend in cash of HK0.075 cents per ordinary share.

As the market adapts to the new normal, we are pleased to see a quick recovery in orders in all product categories in the second half year, as well as the significant improvement in sales compared with that in the first half year, with Radio Frequency Identification (RFID) products performing particularly well. Over the last few years, the Group has increasingly expanded its product portfolio and unleashed the potential of RFID technology in an effort to develop the underlying products. Our efforts on portfolio expansion and quality enhancement have paid off. An overwhelmingly positive response from customers has facilitated a spike in product sales which soared by 1.3 times during the year, thus attesting to the success of our product development efforts.

各位股東：

本人謹代表常達控股有限公司(「本公司」)及其附屬公司(統稱為「本集團」或「常達」)董事(「董事」)會(「董事會」)，提呈本集團截至2020年12月31日止年度的全年業績。

回顧過去一年，疫情影響了全球各行各業，尤其在上半年對供應鏈和消費市場帶來打擊。在供應方面，疫情於2020年2月先衝擊中國整體工業供應鏈和廠房，繼而橫掃全球。在需求方面，歐美以至全球經濟及零售市場受到波及，導致本集團部分客戶延遲下訂單和付運產品。

在嚴峻的經營環境下，常達去年的業績亦不免受到影響。縱然市況艱難，本集團仍能扭轉截至2020年6月30日止六個月的中期業績虧損情況，反彈至錄得盈利的狀態，全賴策略性的廠房佈局，在克服疫情的挑戰時坐享優勢。本集團在保障員工安全的大前提下，在2020年2月中已迅速恢復中國廠房的生產，而越南及孟加拉廠房所受影響較輕，當地運作大致如常，有助確保產品供應。為應付市場突變，本集團與業務夥伴保持緊密溝通，按客戶需求靈活調動產能，同時採取嚴格的成本控制措施。在有效的措施加上在較高毛利的新產品帶動下，年內毛利率有所提升。為回饋股東支持，董事會建議以現金派付末期股息每股普通股0.075港仙。

隨著市場逐漸適應新常態，我們樂見下半年所有產品類別的訂單均快速回升，銷售較上半年大幅改善，當中升幅最明顯是無線射頻辨識(RFID)產品。多年來，本集團積極拓展產品組合，發掘了RFID技術的潛力，並致力開發相關產品，在擴充種類及提高質量方面均不遺餘力，漸獲更多客戶青睞，促使相關產品年內銷售飆升1.3倍，這也是我們在產品開發上的成果。

CHAIRMAN'S STATEMENT

主席報告

We believe that the upward trend that commenced in the second half of 2020 will continue in 2021 and beyond, since, in addition to the launch of vaccines to control the pandemic, customers and consumers have gradually adapted to the post-pandemic new normal with improved consumer sentiment. As a result, we remain cautiously optimistic about the prospects of our business, and are confident that our business performance will be back on track.

In view of the above, the Group will be well-prepared for the market recovery to be emerged in a short-to-medium term, including further investment in expansion of sales markets. Prior to the pandemic, the Group has established a global network of liaison offices in over 40 major apparel markets in Americas, Europe and Asia, through which the Group could consolidate its business relationship with international apparel brands. In addition, we have planned to set up points of sales where the potential customers are located to approach new local customers, further expanding its geographical coverage.

Prior to the outbreak of the pandemic, as Bangladesh is one of the top three garment exporters in the world, we were aware of business opportunities brought about by the growth in local demand for apparel labels and trim products, and proposed to set up a new factory in Adamjee Export Processing Zone in Bangladesh which is expected to commence operation at the end of 2021. Upon the completion of the construction of the new factory, the Group may shorten its production and delivery time, enhance its production efficiency and productivity and achieve cost efficiency, while additional space will be available for installation of new machines for diversifying product portfolio. On top of Bangladesh, we will also explore opportunities for setting up factories in centers of apparel manufacturers, such as other Asian countries, Eastern Europe and South America, in an effort to expand productivity and seize opportunities for expanding markets.

In relation to our products, we have launched eco-friendly products as we are aware of a rising trend of going green, and the initial response was encouraging. We will further invest in the development of these products to diversify our product portfolio and income streams. On the other side, as RFID and Near Field Communication (NFC) technologies will become widely used in apparel retail, we have invested in relevant business with an aim to provide our customers with one-stop solutions as well as development and application services of ancillary software and hardware. In the information era, Cirtek is committed to facilitating industrial digitalization, to ultimately allow more corporate users to elevate their competitiveness in the market.

I would like to extend my sincere gratitude to our shareholders, staff members, customers and suppliers for their solid support for the Group. Looking ahead, we will further consolidate our relationship with all stakeholders to achieve win-win outcomes.

Mr. Chan Sing Ming Barry
Chairman and Executive Director
Hong Kong, 29 March 2021

我們相信，2020年下半年逐步好轉的勢頭將延續至2021年，這除了基於疫苗面世有利控制疫情外，亦也基於客戶與消費者已逐漸適應新常態，消費意欲亦見改善。因此，我們對前景保持審慎樂觀，有信心業務表現將漸漸重回正軌。

有見及此，本集團將會做好準備，迎接在短至中期內出現的市場復甦，包括投放更多資源拓展銷售市場。在疫情前，本集團已於美洲、歐洲及亞洲等逾40個主要時裝市場設立聯絡辦事處，將透過已建立的網絡鞏固與國際服裝品牌的業務關係。另一方面，我們亦計劃在潛在客戶的所在地設立銷售據點，以接觸當地客源，進一步擴闊業務版圖。

孟加拉作為世界三大成衣出口國之一，我們早於疫情爆發前，已留意到當地對服裝標籤及裝飾產品需求增長的商機，因此計劃於孟加拉Adamjee出口加工區建設新廠房，預計於2021年底投產。新廠房建成後，有望可縮短生產交貨時間、改善生產效率，亦可提高產能及節約成本，同時為安裝新機器提供額外空間，以擴大產品種類。除了孟加拉外，我們也會探索在其他亞洲地區，以至在東歐及南美洲等服裝製造商集中地設廠的機會，在加大產能同時，也把握拓展當地市場的機遇。

在產品方面，我們注意到環保產品乃大勢所趨，因此於回顧年內推出相關產品，初步反應不俗，未來我們會加大這方面產品的開發，使相關產品組合更多元化，擴大收入來源。另一方面，隨著RFID及近距離射頻識別(NFC)技術將更普遍應用於服裝零售上，我們已投放資源發展相關業務，為客戶提供一站式的解決方案及配套軟硬件的開發與實施服務。在萬物互聯的時代下，常達將致力為行業數碼化提供動力，最終幫助更多的企業用戶提升市場競爭力。

本人謹藉此機會衷心感謝股東、員工、客戶及供應商對本集團的長期支持。展望未來，我們將進一步加強與各持份者的關係，達致雙贏局面。

主席兼執行董事
陳醒明先生
香港，2021年3月29日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

REVIEW OF OPERATIONS

The outbreak of the novel coronavirus pandemic (the “**COVID-19**”) impacted the global market, with particular severity during the first half of 2020. As the pandemic spread rapidly, governments implemented strict anti-pandemic measures such as border controls, which resulted in disruptions to the supply chain and the rapid contraction of end-user demand. The European and U.S. economies and retail markets were also severely affected, with customers delaying product orders and deliveries, and economic activities almost coming to a halt. Stepping into the second half of 2020, the pandemic was first brought under control in China, making it the only major economy in the world to record positive economic growth in 2020. Meanwhile, the global economy gradually adapted to the new normal, and production and retail activities began to resume.

As the pandemic raged on, the global retail market, including the apparel market, was seriously affected. As a result, the demand for apparel labels and trim products decreased correspondingly. The Group’s business was inevitably affected, resulting in a year-on-year decrease in revenue of 26.5% to approximately HK\$259.3 million (2019: HK\$352.9 million). However, the Group’s orders started to rebound in the second half year. Therefore, sales in the second half year showed improvement when compared with the first half year, which narrowed the decline for the whole year. Gross profit for the year dropped by 25.5% to approximately HK\$130.2 million (2019: HK\$174.8 million). With effective cost control measures and flexible deployment of resources for efficiency improvement, in addition to the support of new products with higher gross profit, the Group’s gross profit margin rose slightly by 0.7 percentage point to 50.2% (2019: 49.5%). Profit attributable to the owners of the Company was HK\$1.6 million (2019: HK\$25.3 million), representing a year-on-year decrease of 93.5%, which was mainly due to the reduction in revenue caused by the impact of the pandemic throughout the year.

In response to the challenges brought by the outbreak of the pandemic, the Group implemented a series of measures at the beginning of 2020, including strict preventive measures to ensure the safety of employees and arrangements for plants to resume operation as soon as possible. At the same time, it maintained close communication with business partners and adjusted production capacity based on customers’ needs. In addition, stringent cost control measures were taken, such as adjusting working hours by implementing a shift system according to order requirements. As the industry gradually adapted to the new normal, orders for various types of products of the Group rebounded in the second half year, representing an improvement compared with the first half year.

業務回顧

2019冠狀病毒病疫情(「**COVID-19**」)衝擊全球市場，情況於2020年上半年尤其嚴峻。當時疫情急速蔓延，各地政府實施封關等嚴格防疫措施，令供應鏈一度中斷，亦使終端需求明顯急縮。歐美經濟及零售市場亦深受影響，客戶紛紛延遲下訂單和付運產品，經濟活動近乎停頓。步入下半年，中國的疫情最快受控，成為2020年全球唯一錄得正面經濟增長的主要經濟體，而全球亦逐漸適應新常態，生產及零售活動亦開始恢復。

在疫情肆虐的陰霾下，全球零售市場包括服裝市場大受打擊，對服裝標籤及裝飾產品的需求相應減少，本集團業務亦難免受到影響，導致全年收益按年下跌26.5%至約259,300,000港元(2019年：352,900,000港元)。然而，本集團下半年已見訂單開始反彈，因此下半年銷售較上半年已見改善，使全年跌幅收窄。全年毛利亦下跌25.5%至約130,200,000港元(2019年：174,800,000港元)。全賴有效的成本控制措施及靈活調配資源提升效率，加上在較高毛利的新產品帶動下，毛利率微升0.7百分點至50.2%(2019年：49.5%)。本公司擁有人應佔溢利為1,600,000港元(2019年：25,300,000港元)，按年下降93.5%，主要由於全年收益受疫情爆發影響而減少所致。

本集團為克服疫情突如其來的挑戰，於2020年初起實施一系列應對措施，包括嚴格的防疫措施以確保員工安全，並安排廠房盡快復工；同時與業務夥伴保持緊密溝通，按客戶需求調動產能；此外也採取了嚴格的成本控制措施，如按訂單需求、透過實施輪休制度調節工時等等。隨著業界逐漸適應的新常態，本集團下半年的各類產品訂單均回升，較上半年改善。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In terms of production, before the outbreak of the pandemic, the Group gained insight into the increasing number of business opportunities arising from the growing demand for apparel labels and trim products in Bangladesh. It therefore made plans to expand local production capacity. The Group's determination has not been dampened by the pandemic. Instead, the management regards this as an opportunity to expand production capacity, which will help the Group secure a leading position for capturing opportunities following the post-pandemic demand recovery. Therefore, the Group began construction of the new production facility in Bangladesh (the "New Bangladesh Factory") in October 2020. The New Bangladesh Factory has a gross floor area of approximately 10,600 square meters, which is expected to be put into production by the end of 2021. This will help the Group seize business opportunities arising from the growth in local demand for apparel labels and trim products, as well as meet market demand for production capacity in the post-pandemic period in Bangladesh. The Group will also be able to shorten production lead time through the New Bangladesh Factory to improve production efficiency, increase production capacity and save costs, while providing additional space for the installation of new machines and for diversifying its product portfolio.

In terms of products, sales of Radio Frequency Identification (RFID) products was 15.7 million units, which achieved a significant year-on-year increase of 130% in 2020, contributing HK\$8.2 million in revenue. In order to meet the needs of customers with internet of things ("IoT") applications, the Group established Cirtek Link (Shenzhen) Limited ("Cirtek Link SZ") in mid-2020. With its own research and development team, Cirtek Link SZ will focus on the development of RFID core technology and RFID system platforms, products and project solutions, which can be widely used in various areas of IoT applications such as smart warehousing, smart production, anti-counterfeit tracking, file management, and smart washing.

Outlook and Future Prospects

Stepping into 2021, the launch of new coronavirus vaccines gives hope that the pandemic will be brought under control and economic recovery will commence across the globe, although such developments will be subject to the effectiveness and the general take-up of the vaccines. Furthermore, the Sino-US relation will continue to introduce uncertainties to the business environment in the coming year. In addition to the macro-economic situation, the management will closely monitor the impacts of RMB appreciation, and the rise in raw material costs and freight charges on the business operation, and will adopt responsive measures to maintain the profitability of the Group.

在生產方面，在疫情爆發前，本集團已洞悉孟加拉對服裝標籤及裝飾產品需求增長的商機，因此已有計劃擴大當地產能，這決心並未受疫情遏止，反而管理層視此時為擴產良機，以捕捉疫後需求回升的先機。因此，本集團於2020年10月在孟加拉開始建設新生產設施（「新孟加拉廠房」）。新孟加拉廠房為總建築面積約10,600平方米，預計於2021年底投產。此舉有助本集團把握當地對服裝標籤及裝飾產品需求增長的商機，滿足後疫情時期市場對孟加拉產能的需求。本集團亦可透過新孟加拉廠房縮短生產交貨時間，以改善生產效率、提高產能、及節約成本，同時為安裝新機器提供額外空間，豐富產品組合。

產品方面，無線射頻識別(RFID)產品的銷售量為15,700,000件，於2020年錄得顯著的按年增長130%，達至收益8,200,000港元。為滿足客戶對物聯網（「物聯網」）應用方面的需求，本集團於2020年中成立了常達智能物聯（深圳）有限公司（「常達智能物聯深圳」）。常達智能物聯深圳設有自家研發團隊，專注研發RFID核心技術以及開發RFID系統平台、產品及項目解決方案，可廣泛應用於智慧倉儲、智慧生產、防偽追溯、檔案管理、智慧洗滌等多種物聯網應用領域。

前景與未來展望

踏入2021年，新冠疫苗面世為全球控制疫情及經濟復甦帶來曙光，雖相關發展將取決於疫苗的效用及普及程度。另外，中美關係仍為來年的營商環境增添變數。除了宏觀環境，管理層亦會密切留意人民幣升值、原材料成本及運費上漲對業務的影響，並採取應對措施以維持本集團的盈利能力。

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The Group is well prepared for 2021. Over the past year, the retail market has adapted to the new normal amid the pandemic, and it is expected that the increase in the number of orders during the second half of 2020 will continue in 2021. Following with the industry's recovery, the Group plans to consolidate its business relationships with existing international apparel brands through its global offices, as well as expand its geographical coverage and customer base by setting up sales offices in the regions where its potential customers are located, particularly Europe. Additionally, in order to respond to its customers' demands, the Group is conducting research into the feasibility of establishing factories in other Asian regions, Eastern Europe and South America, and thereby gain orders from local apparel customers to accelerate its business development.

In addition to market expansion, the Group will continue to invest in research and development as well as the production of RFID products, and progressively promote the new RFID system platform, product and project solutions to its customers. The Group is proud that, at the beginning of 2021, its leading RFID technology and outstanding solutions have been recognised. The Group topped the "Most Popular RFID Enterprise Award" and was granted the "Excellent Solution Award" by the organise committee of the China International Internet of Things Technologies Expo, recognising the Group's research capabilities and innovation in RFID core technology. Eco-concept products are set to be the most sought-after items in the near future, as evidenced by the enthusiastic demand for the products over the past year. The Group will develop and produce more eco-friendly products to diversify its product portfolio, create demand for its products and protect the environment.

As a leading manufacturer of apparel labels and trim products, with a wide range of apparel labels and trim products on offer, a mature geographical footprint, and a strong capability in product development together with the commencement of operations at the newly established factory in Bangladesh in 2021, the Group is able to satisfy the production demand in Bangladesh amid the pandemic. Under the leadership of its highly experienced management, the Group is confident that it will be well-prepared for a market recovery, and that it can return on right track to long-term growth, as well as create maximum value for its shareholders.

本集團已做好部署，迎接2021年。在過去一年，零售市場已逐步適應疫情下的新常態，相信從2020年下半年起訂單逐步回升的趨勢將延續至2021年。乘著行業漸漸復甦的東風，本集團將透過現有全球多個辦事處，鞏固與現有國際服裝品牌的業務關係，同時在潛在客戶的所在地，特別是歐洲增設銷售辦事處，以擴大業務版圖和客戶基礎。另一方面，為回應客戶的需求，本集團現正研究在其他亞洲地區，以至在東歐及南美洲設廠的可行性，以取得當地服裝客戶的訂單，加快業務增長的步伐。

除了市場拓展外，本集團亦將繼續投放資源研發及生產RFID產品，同時也積極向客戶推廣新設的RFID系統平台、產品及項目解決方案。2021年初，本集團欣然憑藉領先的RFID技術及傑出的解決方案，在中國國際物聯網博覽會組委會的評選活動上，榮登「RFID企業最具人氣獎」榜首及勇奪「優秀解決方案獎」，這是對本集團於RFID核心技術研發能力及創新方面的肯定。此外，環保概念產品也成大勢所趨，從過去一年客戶對相關產品的熱烈反應可見發展潛力，本集團亦會開發及製造更多環保產品，既可豐富產品組合、創造需求，亦為環保略盡棉力。

作為領先服裝標籤及裝飾產品製造商，本集團擁有廣泛服裝標籤及裝飾產品、完善地理佈局、強大產品開發能力，再加上新孟加拉廠房將於2021年底投產，有助把握後疫情時期市場對孟加拉產能的需求。在經驗豐富的管理團隊帶領下，本集團有信心迎接市況回暖，為業務回復正軌及長遠增長鋪路，並為股東創造更大價值。

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FINANCIAL REVIEW

Revenue

Revenue of the Group is mainly generated from the sale of apparel labels and trim products, such as hang tags, woven labels, printed labels and heat transfer products. Revenue of our Group decreased by approximately HK\$93.6 million or 26.5% from approximately HK\$352.9 million for the year ended 31 December 2019 to approximately HK\$259.3 million for the year ended 31 December 2020. Such decrease was mainly due to the decrease in the demand of apparels label and trim products and the demand is highly reliant on the level of market activities undertaken by our customers, which is driven by market sentiment. The outbreak of the novel coronavirus pandemic has worsened the market sentiment in the world during 2020. As a result, the Group's customers have reduced their respective market activities and demand.

Cost of sales and gross profit

Cost of sales over the total revenue of the Group for the year ended 31 December 2020 was approximately 49.8% (31 December 2019: approximately 50.5%). The Group will continue to strengthen cost control and upgrade production technology to enhance its market competitiveness.

As a result, the gross profit margin for the year ended 31 December 2020 increased by approximately 0.7 percentage point to approximately 50.2% (31 December 2019: approximately 49.5%). The gross profit for the year ended 31 December 2020 was approximately HK\$130.2 million (31 December 2019: approximately HK\$174.8 million).

Other income and gains

Other income and gains mainly included interest income from time deposit, gain on disposal of items of property, plant and equipment, sales of scrap materials, government grants and others. For the year ended 31 December 2020, the other income and gains increased by approximately HK\$4.0 million to HK\$9.7 million (31 December 2019: approximately HK\$5.7 million). Such increase was primarily attributable to the government grants received by the Group of approximately HK\$3.7 million in relation to the Employment Support Scheme from the Hong Kong government in respect of COVID-19 related subsidies during the year ended 31 December 2020.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately 17.3% from approximately HK\$44.1 million for the year ended 31 December 2019 to approximately HK\$36.5 million for the year ended 31 December 2020, due to the decrease in marketing consultancy fee, salaries related to salesman and overseas travelling cost as a result of the COVID-19 pandemic situation.

財務回顧

收益

本集團的收益主要產生自銷售服裝標籤及裝飾產品，例如吊牌、織唛、印唛及熱轉印產品。本集團的收益較截至2019年12月31日止年度約352,900,000港元減少約93,600,000港元或26.5%至截至2020年12月31日止年度約259,300,000港元。減少主要由於服裝標籤及裝飾產品需求下降所致，而需求極為取決於由市場情緒所帶動的客戶市場活動水平。於2020年，新冠病毒疫情爆發降低了市場情緒。因此，本集團客戶亦減少其各自的市場活動及需求。

銷售成本及毛利

本集團於截至2020年12月31日止年度的銷售成本佔總收益約49.8%（2019年12月31日：約50.5%）。本集團將繼續加強成本控制及升級生產科技，以提升其市場競爭力。

因此，截至2020年12月31日止年度的毛利率上升約0.7個百分點至約50.2%（2019年12月31日：約49.5%）。截至2020年12月31日止年度的毛利約為130,200,000港元（2019年12月31日：約174,800,000港元）。

其他收入及收益

其他收入及收益主要包括定期存款利息收入、出售物業、廠房及設備項目收益、銷售廢棄材料、政府補助以及其他。截至2020年12月31日止年度，其他收入及收益增加約4,000,000港元至9,700,000港元（2019年12月31日：約5,700,000港元）。該增加乃主要由於本集團於截至2020年12月31日止年度獲香港政府推出有關COVID-19資助的「保就業」計劃的政府補助約3,700,000港元。

銷售及分銷開支

銷售及分銷開支由截至2019年12月31日止年度約44,100,000港元減少約17.3%至截至2020年12月31日止年度約36,500,000港元，由於COVID-19疫情狀況導致營銷顧問費用、與銷售人員有關的薪金及海外差旅成本減少。

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Administrative expenses

Administrative expenses decreased by approximately HK\$5.6 million, or 6.6% from approximately HK\$83.8 million for the year ended 31 December 2019 to approximately HK\$78.2 million for the year ended 31 December 2020, mainly due to the improvement on allocation and control of internal resources.

Other expenses

Other expenses significantly increased by approximately HK\$6.5 million from approximately HK\$0.9 million for the year ended 31 December 2019 to approximately HK\$7.4 million for the year ended 31 December 2020, mainly due to the increase in the impairment of trade receivables, foreign exchange loss and the fair value loss on a financial asset at fair value through profit or loss for the year ended 31 December 2020.

Finance costs

Finance costs consist of interest on bank loans and interest on lease liabilities. Such costs decreased by approximately 12.9% from approximately HK\$2.7 million for the year ended 31 December 2019 to approximately HK\$2.4 million for the year ended 31 December 2020, mainly due to the lower interest rate in the market in 2020.

Listing expenses

The listing expenses comprise professional and other expenses in relation to the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited on 12 March 2020 (the "Listing"). Listing expenses was approximately HK\$10.6 million for the year ended 31 December 2020 (2019: approximately HK\$11.0 million).

Taxation

Taxation expenses of the Group were calculated based on the assessable profits of the subsidiaries at the rate prevailing in the relevant jurisdictions. Taxation expenses significantly decreased by approximately HK\$8.3 million, or 72.5% from approximately HK\$11.4 million for the year ended 31 December 2019 to approximately HK\$3.1 million for the year ended 31 December 2020. Such decrease was mainly due to the decrease in profit before tax for the year ended 31 December 2020.

Profit for the year

Reported profit the year decreased by approximately HK\$24.9 million, or 93.8% from approximately HK\$26.5 million for the year ended 31 December 2019 to approximately HK\$1.6 million for the year ended 31 December 2020. The decline was mainly due to decrease in revenue and gross profit affected by the COVID-19 pandemic situation.

行政開支

行政開支由截至2019年12月31日止年度約83,800,000港元減少約5,600,000港元或6.6%至截至2020年12月31日止年度約78,200,000港元，主要由於改善內部資源分配及監控所致。

其他開支

其他開支由截至2019年12月31日止年度約900,000港元大幅增加約6,500,000港元至截至2020年12月31日止年度約7,400,000港元，主要由於截至2020年12月31日止年度貿易應收款項減值增加、匯兌虧損及按公平值計入損益的金融資產之公平值虧損所致。

融資成本

融資成本包括銀行貸款及租賃負債利息。該等成本由截至2019年12月31日止年度約2,700,000港元減少約12.9%至截至2020年12月31日止年度約2,400,000港元，主要由於市場利率於2020年下降所致。

上市開支

上市開支包括有關於2020年3月12日本公司股份於香港聯合交易所有限公司主板上市（「上市」）的專業及其他開支。截至2020年12月31日止年度的上市開支約為10,600,000港元（2019年：約11,000,000港元）。

稅項

本集團稅項開支乃基於附屬公司應課稅盈利，按相關司法管轄區適用之稅率計算。稅項開支由截至2019年12月31日止年度約11,400,000港元大幅減少約8,300,000港元或72.5%至截至2020年12月31日止年度約3,100,000港元。減少乃主要由於截至2020年12月31日止年度的除稅前溢利減少所致。

年內溢利

年內錄得溢利由截至2019年12月31日止年度約26,500,000港元減少約24,900,000港元或93.8%至截至2020年12月31日止年度約1,600,000港元。該減少乃主要由於COVID-19疫情狀況導致收入及毛利減少所致。

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Liquidity and capital resources

The net assets of the Group amounted to approximately HK\$236.1 million as at 31 December 2020 (31 December 2019: approximately HK\$144.0 million). The Group maintained a sound financial position during the year ended 31 December 2020. As at 31 December 2020, the Group had cash and bank balances of approximately HK\$114.7 million (31 December 2019: approximately HK\$43.8 million). The cash and bank balances increased by approximately HK\$70.9 million, or 161.9%.

For the cash and bank balances, approximately HK\$85.9 million was denominated in Hong Kong Dollars, approximately HK\$20.5 million was denominated in US Dollars, and approximately HK\$4.9 million was denominated in Renminbi. The Group's cash in US Dollars and Renminbi was held to support its core operational needs.

As at 31 December 2020, the Group had interest-bearing bank borrowings of approximately HK\$21.2 million (31 December 2019: approximately HK\$20.7 million) and aggregate banking facilities of approximately HK\$67.9 million, of which approximately HK\$23.9 million was utilised and approximately HK\$44.0 million was unutilised. The Group is not committed to draw down the unutilised amount.

The Group's certain lease liabilities are guaranteed by corporate guarantees upon the Listing.

As at 31 December 2020, the Group had property, plant and equipment amounted to approximately HK\$91.0 million (31 December 2019: approximately HK\$76.6 million). The property, plant and equipment increased by approximately HK\$14.4 million, or 18.8%, which was mainly attributable to the acquisition of plant and machinery of approximately HK\$29.0 million during the year ended 31 December 2020. For further strengthen the Group's market position, increase its market share and capture the growth in the global market after the Listing, the Group has made additional investments in the machinery and equipment.

Beside the acquired property, plant and equipment, the Group recognises a goodwill of approximately HK\$1.5 million and an intangible asset of approximately HK\$0.3 million for further development through a business combination in December 2020.

Current ratio

As at 31 December 2020, the Group had net current assets of approximately HK\$111.7 million, representing a significant increase of approximately HK\$70.2 million as compared to that of approximately HK\$41.5 million as at 31 December 2019. As a result, current ratio improved to 2.1 times as at 31 December 2020 (31 December 2019: 1.4 times).

流動資金及資本資源

於2020年12月31日，本集團的資產淨值約為236,100,000港元（2019年12月31日：約144,000,000港元）。截至2020年12月31日止年度，本集團的財務狀況維持穩健。於2020年12月31日，本集團有現金及銀行結餘約114,700,000港元（2019年12月31日：約43,800,000港元）。現金及銀行結餘增加約70,900,000港元或161.9%。

就現金及銀行結餘而言，約85,900,000港元以港元計值、約20,500,000港元以美元計值及約4,900,000港元以人民幣計值。本集團以美元及人民幣計值的現金乃持作支持其核心營運需求。

於2020年12月31日，本集團有計息銀行借款約21,200,000港元（2019年12月31日：約20,700,000港元）及銀行融資合共約67,900,000港元，其中約23,900,000港元已動用，而約44,000,000港元則尚未動用。本集團並無承諾提取未動用金額。

上市後，本集團若干租賃負債乃由公司擔保作擔保。

於2020年12月31日，本集團的物業、廠房及設備約為91,000,000港元（2019年12月31日：約76,600,000港元）。物業、廠房及設備增加約14,400,000港元或18.8%，乃主要由於截至2020年12月31日止年度收購廠房及機器約29,000,000港元所致。上市後，為進一步加強本集團市場地位、增加其市場份額及捕捉全球市場增長，本集團已於機器及設備作出額外投資。

除已收購物業、廠房及設備外，本集團確認商譽約1,500,000港元及一項無形資產約300,000港元，作為2020年12月透過業務合併的進一步發展。

流動比率

於2020年12月31日，本集團的流動資產淨值約為111,700,000港元，較2019年12月31日約41,500,000港元大幅增加約70,200,000港元。因此，於2020年12月31日，流動比率改善至2.1倍（2019年12月31日：1.4倍）。

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Gearing ratio

The Group's gearing ratio (dividing bank borrowings plus lease liabilities by equity attributable to owners of the Company at year end date) decreased from approximately 43.5% as at 31 December 2019 to approximately 23.1% as at 31 December 2020. The decrease was mainly due to the increase in equity attributable to owners of the Company.

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.

The management of the Group regularly reviews the recoverable amounts and trade receivables by performing ongoing credit assessments and monitoring prompt recovery and, if necessary, making adequate impairment losses for irrecoverable amounts. In order to achieve better cost control and minimise the cost of funds, the Group's treasury activities are centralised and cash is generally deposited with leading licensed banks in Hong Kong and denominated in Hong Kong dollars.

EXPOSURE TO FOREIGN EXCHANGE RISK

The Group currently does not use derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business.

Permanent changes in foreign exchange rates would have an impact on consolidated financial statements. The Board will closely monitor the changes of the rate of exchange and government policies from time to time.

CONTINGENT LIABILITIES

As at 31 December 2020, the Group had no material contingent liabilities (31 December 2019: Nil).

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, the Directors are not aware of any significant events that requiring disclosure that has taken place subsequent to 31 December 2020 and up to the date of this report.

資產負債比率

本集團資產負債比率(銀行借款加租賃負債除以本公司擁有人於年結日應佔權益)由2019年12月31日約43.5%減少至2020年12月31日約23.1%。該減少乃主要由於本公司擁有人應佔權益增加所致。

庫務政策

本集團已對其庫務政策採取審慎的財務管理方針，故在整個年度維持穩健的流動資金狀況。

本集團管理層透過進行持續的信貸評估及監察款項及時收回以及就不可收回的款項作出充足的減值虧損(如有必要)，定期審閱可收回金額及貿易應收款項。為求更好地控制成本及盡量降低資金成本，本集團的庫務活動乃中央統籌，且現金一般存放於香港主要的持牌銀行，並以港元計值。

外匯風險

本集團現時並無為日常業務過程中產生的有關外匯交易以及其他金融資產及負債的波動採用衍生金融工具作對沖。

外匯匯率之恆常變動可能對綜合財務報表構成影響。董事會將不時密切監察匯率及政府政策之變動。

或然負債

於2020年12月31日，本集團並無重大或然負債(2019年12月31日：無)。

報告期後事項

除本報告披露者外，自2020年12月31日起直至本報告日期，董事並不知悉任何須予披露的重大事件。

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EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, we had a total of 990 employees in all regions (2019: 1,075).

The Company's employee benefit expense (excluding directors' remuneration), including salaries, bonuses and other employee's benefits, amounted to approximately HK\$98.9 million for the year ended 31 December 2020 (31 December 2019: approximately HK\$116.5 million). Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

FINAL DIVIDEND AND DATE OF ANNUAL GENERAL MEETING

The Board recommended the payment of a final dividend in cash of HK0.075 cents per ordinary share for the financial year ended 31 December 2020 (2019: Nil). The final dividend is conditional upon the passing of the relevant resolution at the forthcoming annual general meeting (the "2021 AGM") to be held on Friday, 18 June 2021.

Shareholders whose names appear on the register of members of the Company on Friday, 18 June 2021 will be eligible to attend and vote at the 2021 AGM. It is expected that the proposed final dividend, if approved, will be paid on Friday, 9 July 2021 to shareholders whose name appeared on the register of members on Friday, 25 June 2021.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the the prospectus of the Company (the "Prospectus") dated 28 February 2020 and this annual report, the Group did not hold any significant investments in equity interest in any other companies and had no definite future plans for material investments and capital assets during the year.

PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank loans are included in note 27 to the financial statements in this annual report.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in this annual report, during the year ended 31 December 2020, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

僱員及薪酬政策

於2020年12月31日，我們於所有地區共有990名僱員(2019年：1,075名)。

於截至2020年12月31日止年度，本公司的僱員福利開支(不包括董事酬金)(包括薪金、花紅及其他僱員福利)約為98,900,000港元(2019年12月31日：約116,500,000港元)。薪酬待遇一般參考市場條款及個人資歷而釐定。薪金及工資一般按績效評估及其他相關因素進行每年檢討。

末期股息及股東週年大會日期

董事會建議以現金派付截至2020年12月31日止財政年度末期股息每股普通股0.075港仙(2019年：無)。派付末期股息須待相關決議案於2021年6月18日(星期五)應屆股東週年大會(「2021年股東週年大會」)上獲得通過方可作實。

於2021年6月18日(星期五)名列於本公司股東名冊的股東均有權出席2021年股東週年大會並於會上投票。預期建議末期股息(倘獲批准)將於2021年7月9日(星期五)派付予在2021年6月25日(星期五)名列於股東名冊的股東。

重大投資及資本資產的重大投資及未來計劃

除本公司日期為2020年2月28日的招股章程(「招股章程」)及本年報所披露者外，本集團概無於任何其他公司的股權持有任何重大投資，於年內亦無確切的重大投資及資本資產的未來計劃。

資產抵押

本集團就銀行貸款而抵押的本集團資產詳情載於本年報財務報表附註27。

重大收購及出售附屬公司、聯營公司及合營企業

除本年報所披露者外，截至2020年12月31日止年度，本集團並無任何重大收購或出售附屬公司、聯營公司或合營企業。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to maintaining a high standard of corporate governance practices and procedures. The corporate governance principle of the Company emphasizes accountability and transparency and is adopted in the best interests of the Company and the shareholders (the “**Shareholders**”). In addition, the Company will strive to continuously improve these practices and cultivate an ethical corporate culture.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions as set out on in the Code of Corporate Governance (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”). The Company has complied with all the applicable code provisions in the CG Code since 12 March 2020 (the “**Listing Date**”) up to the date of this report.

BOARD COMPOSITION AND BOARD PRACTICES

The Board is composed of six Directors, of which three are executive Directors, namely Mr. Chan Sing Ming Barry (“**Mr. Barry Chan**”), Ms. Law Miu Lan (“**Ms. Candy Law**”) and Mr. Chan Tsz Fung (“**Mr. James Chan**”), and three are independent non-executive Directors, namely Mr. Lam Chor Ki Dick, Mr. Lee Tak Cheong and Dr. Wong Chi Wing. All the independent non-executive Directors have appropriate professional qualifications, experience or related industry expertise. Mr. Barry Chan, the Chairman, is the spouse of Ms. Candy Law, the Chief Executive Officer. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company’s business development and daily management and operations generally. The Directors’ biography and relevant relationships amongst them are set out in the Directors’ and Senior Management’s Profiles section under Report of the Directors on pages 30 to 34 of this annual report. Save as disclosed in this annual report, none of the members of the Board is related to one another.

Review will be made regularly by the Board to ensure that it has a balance of skills and experience appropriate for the requirement of the Group. Also, a balanced composition of executive Directors is maintained to ensure independence and effective management. The Company has satisfied the Listing Rules in having one of the independent non-executive Directors with appropriate accounting qualifications and expertise to sit in the audit committee (the “**Audit Committee**”).

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

The independent non-executive Directors of the Company are appointed for a specific term of three years, subject to retirement by rotation in accordance with the amended and restated memorandum and articles of association of the Company (the “**Articles of Association**”) and the Listing Rules. Independent non-executive Directors are identified in all corporate communications. An updated list of the Directors identifying the independent non-executive Directors and the roles and functions of the Directors is maintained on the websites of the Company and the Stock Exchange.

本公司致力於維持高水平之企業管治常規及程序。本公司之企業管治原則著重問責性及透明度，其採納符合本公司及股東（「股東」）之最佳利益。此外，本公司將致力於不斷改善該等常規及建立企業道德文化。

企業管治常規守則

本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之企業管治守則（「企業管治守則」）內列載之守則條文。本公司自2020年3月12日（「上市日期」）起直至本報告日期一直遵守企業管治守則之所有適用守則條文。

董事會組成及董事會常規

董事會由六名董事組成，其中三名為執行董事，即陳醒明先生（「陳醒明先生」）、羅妙蘭女士（「羅妙蘭女士」）及陳梓峰先生（「陳梓峰先生」），以及三名為獨立非執行董事，即林楚祺先生、李德昌先生及王志榮博士。所有獨立非執行董事均具有適當專業資格、經驗或相關行業之專業知識。陳醒明先生（主席）為羅妙蘭女士（行政總裁）之配偶。主席負責領導，並負責帶領及維持董事會的有效運作。行政總裁一般負責本公司的業務發展以及日常管理及營運。董事履歷及彼等之間的相關關係載於本年報第30至34頁董事會報告之董事及高級管理層履歷。除於本年報之披露者外，董事會成員彼此之間概無關係。

董事會會定期作出檢討，以確保其擁有本集團所需的均衡技能與經驗。此外，董事會維持執行董事之均衡組合，以確保其獨立性及有效管理。本公司符合上市規則有關審核委員會（「審核委員會」）內有一名具備適當會計資格及專業知識之獨立非執行董事之規定。

各獨立非執行董事已根據上市規則第3.13條作出獨立性之年度確認。本公司認為，全體獨立非執行董事均符合上市規則第3.13條所載之獨立性指引，且根據該指引條款屬於獨立人士。本公司認為全體獨立非執行董事均屬獨立。

本公司的獨立非執行董事的特定委任期為三年，並須根據本公司經修訂及重列的組織章程大綱及細則（「組織章程細則」）以及上市規則輪值退任。所有公司通訊均列明獨立非執行董事身份。本公司網站及聯交所網站登載最新董事名單，註明獨立非執行董事身份以及列明董事之角色和職能。

CORPORATE GOVERNANCE REPORT

企業管治報告

When selecting potential candidates for directors, skills, experience, expertise, their devotion of time, potential conflicts of interests are key factors of consideration. The nomination committee (the “**Nomination Committee**”) was set up to make recommendations to the Board on the selection and nomination of candidates for directorship. Majority of members of the Nomination Committee are independent non-executive Directors.

The Board is accountable to the Shareholders and is responsible for the formulation of the Group’s strategy, overseeing the management of the business and affairs of the Group. The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group’s operational and financial performance, and ensures that sound internal control and risk management systems are in place. The Board reserves its decision for all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

Key and important decisions are fully discussed at the board meetings. All Directors have been fully consulted about any matters proposed for inclusion in the agenda. The Chairman has delegated the responsibility for drawing up the agenda for each board meeting to the company secretary of the Company (the “**Company Secretary**”). With the support of the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at board meetings and receive adequate and reliable information in a timely manner.

Board meetings are scheduled to be held at regular intervals. The Board would meet more frequently as and when required.

All the Directors are covered by the Director’s & Officer’s Liability Insurance, which is also part of our best practices.

The attendance record of the Directors at the board meetings since the Listing Date up to the date of this report is as follows:

甄選董事潛在候選人時之主要考慮因素為有關人選之技能、經驗、專業知識、可投入時間及潛在利益衝突。本公司已設立提名委員會(「**提名委員會**」)，就遴選及提名董事候選人向董事會提供建議。提名委員會之大部分成員為獨立非執行董事。

董事會向股東負責，並負責制訂本集團之策略，監督本集團業務及事務之管理工作。董事會透過制訂策略及監督管理層執行策略，直接及間接透過轄下委員會帶領及指導管理層、監察本集團營運及財務表現，以及確保設有有效的內部監控和風險管理制度。董事會保留所有與政策事宜、策略和預算、內部監控和風險管理、重大交易(尤其是可能涉及利益衝突的交易)、財務資料、董事委任以及本公司其他重大經營事項有關等所有重要事項的決策權。董事會所作決策的執行、指導及協調本公司日常營運以及管理相關職責則授權予管理層。

關鍵及重要決策須於董事會會議進行全面討論。已就擬納入會議議程之任何事項向所有董事作出充分諮詢。主席已授權本公司的公司秘書(「**公司秘書**」)負責擬訂每次董事會會議之議程。主席亦會在公司秘書協助下，務求確保所有董事就董事會會議上提出之事項獲適當簡報，並及時獲得足夠及可靠之資訊。

董事會定期舉行會議。董事會將於有需要時召開更多會議。

所有董事均由董事及高級職員責任險承保，其亦為我們最佳實踐的一部分。

自上市日期起及直至本報告日期，董事出席董事會會議之記錄如下：

		Attendance / Number of Board Meetings 出席率／董事會會議次數	
		Board Meeting 董事會	AGM 股東週年大會
Executive Directors			
Mr. Barry Chan	執行董事 陳醒明先生	6/6	1/1
Ms. Candy Law	羅妙蘭女士	6/6	1/1
Mr. James Chan	陳梓峰先生	6/6	1/1
Independent Non-executive Directors			
Mr. Lam Chor Ki Dick	獨立非執行董事 林楚祺先生	6/6	1/1
Mr. Lee Tak Cheong	李德昌先生	6/6	1/1
Dr. Wong Chi Wing	王志榮博士	6/6	1/1

CORPORATE GOVERNANCE REPORT

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Notice of at least fourteen days is given to the Directors for regular meetings, while Board papers are sent to the Directors not less than three days before the scheduled date of a board or board committee meeting. The Directors can attend meetings in persons or through other means of electronic communication. The Company Secretary ensures that the procedure and all applicable rules and regulations are strictly and fully complied with. Minutes of board meetings and board committee meetings are kept by the Company Secretary and are available for inspection at any reasonable time on reasonable notice by any Directors.

Directors have full access to information on the Group and are able to obtain independent professional advice whenever necessary.

TRAINING AND SUPPORT FOR DIRECTORS

Every newly appointed Director will meet with other Directors and key management executives, and will receive a comprehensive, formal and tailored induction on the first occasion of his appointment. Subsequently, he will receive briefings and other professional development necessary to ensure that he has a proper understanding of the operations and business of the Company and he is fully aware of his responsibility with the Company.

All Directors are encouraged to participate in continuous professional development to refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Directors are also invited to participate in the Company events to familiarize themselves with the operations of the Company and create opportunity to communicate with other management members of the Company.

The records of training as received by each Director for the year ended 31 December 2020 are summarized as follows:

定期會議須最少事前14日向董事發出通知，而董事會文件須於董事會或董事委員會會議原訂召開日期前不少於3日送呈董事。董事可親自或透過其他電子通訊方式出席會議。公司秘書確保嚴格全面遵守有關程序以及所有適用規則及規例。董事會會議及董事委員會會議之會議記錄由公司秘書保管，任何董事只要在合理時間並發出合理通知後，均可查閱會議記錄。

董事可充分取閱本集團資料，並在有需要的時候徵詢獨立專業意見。

董事之培訓及支援

各新任董事將與其他董事及主要管理行政人員會面，並將於委任的首次場合接受全面、正式及專門而設之就職指引。其後，彼將得到所需簡報及其他專業發展培訓，以確保其對本公司營運及業務有恰當了解，並完全明白彼於本公司之責任。

本公司鼓勵全體董事參與持續專業發展培訓以更新彼等的知識及技能，確保彼等在了解及切合所需之情況下對董事會作出貢獻。董事亦獲邀參與本公司活動，以熟悉本公司運作，亦創造機會與本公司其他管理成員溝通。

各董事於截至2020年12月31日止年度接受培訓之記錄概述如下：

Type of trainings 培訓類型

Executive Directors		執行董事	
Mr. Barry Chan	陳醒明先生		A
Ms. Candy Law	羅妙蘭女士		A
Mr. James Chan	陳梓峰先生		A
Independent Non-executive Directors		獨立非執行董事	
Mr. Lam Chor Ki Dick	林楚祺先生		A
Mr. Lee Tak Cheong	李德昌先生		A
Dr. Wong Chi Wing	王志榮博士		A

A: reading materials relating to general business, regulatory updates on the Listing Rules and board practices

A: 研讀有關一般業務、上市規則最新監管以及董事會常規之資料

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE POLICY AND DUTIES

The Board is responsible for performing the duties on corporate governance functions as set out below:

- (i) developing and reviewing the Company's policies and practices on corporate governance;
- (ii) reviewing and monitoring the training and continuous professional development of directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors set out in Appendix 10 of the Listing Rules (the "**Model Code**"). The Chairman of the Audit Committee is the person to be notified for securities dealings by Directors and a designated form is used for notification and acknowledgement purpose.

All Directors have confirmed, following specific enquiry by the Company, their compliance with the required standards of dealings and its code of conduct regarding the directors' securities transaction since the Listing Date up to the date of this report and there was no event of non-compliance.

Senior management of the Company is also required to comply with the guidelines on similar terms as set out in the Model Code. No incident of non-compliance of the guidelines by the employees was noted by the Company.

企業管治政策及職責

董事會負責履行企業管治職能之職責，載列如下：

- (i) 制定及檢討本公司之企業管治政策及常規；
- (ii) 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- (iii) 檢討及監察本公司符合法律及監管規定方面之政策及常規；
- (iv) 制定、檢討及監察適用於僱員及董事之行為守則及合規手冊(如有)；及
- (v) 檢討本公司遵守企業管治守則之情況及企業管治報告之披露。

證券交易之標準守則

本公司已採納上市規則附錄10所載董事進行證券交易的標準守則(「標準守則」)。審核委員會主席乃董事進行證券交易須知會之人士，並有指定表格作通知及確認之用。

經本公司作出具體查詢後，所有董事已確認，自上市日期起及直至本報告日期，彼等遵守所規定之交易標準及有關董事進行證券交易之行為守則以及並無違規事項。

本公司高級管理人員亦須遵守與標準守則所載類似條款之指引。本公司並未發現員工違反指引的事件。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL

The Company places great importance on internal control and risk management to safeguard the assets of the Company and the interests of Shareholders. The Board has overall responsibility for the system of internal control and for reviewing its effectiveness. The Audit Committee assists the Board in meeting its responsibilities for maintaining an effective system of internal control. The Audit Committee reviews the process by which the Group evaluates its control environment and risk assessment process, and the way in which business and control risks are managed through the assistance of the Company's Internal Control Consultant.

The Internal Control Consultant assesses risk exposure, formulates audit plan and ensures that the audit programs cover key internal control areas of operating subsidiaries on a rotational basis for the review by the Audit Committee.

The Internal Control Consultant reports her findings and recommendations to management of the Company and the Audit Committee. The Internal Control Consultant also monitors the follow-up actions agreed upon in response to her recommendations and reports to the Audit Committee the progress of implementation of those recommendations.

With the assistance of the Audit Committee and the Company's Internal Control Consultant, the Board is satisfied that the overall financial, operational and compliance controls, and risk management of the Group continues to be effective.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group. The Directors ensure that the preparation of the financial statements of the Group is in accordance with statutory requirements and applicable accounting standards.

The statement of the auditors of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditors' Report on pages 41 to 46 of this annual report.

AUDITOR'S REMUNERATION

For the year ended 31 December 2020, the auditors of the Company received approximately HK\$2,152,000 (2019: HK\$1,611,000) for their audit service. Non-audit service which covered taxation service provided to the Group was approximately HK\$226,000 (2019: HK\$608,000) in the same year.

內部監控

本公司非常重視內部監控及風險管理，以保障本公司資產及股東利益。董事會全面負責內部監控制度，並檢討其成效。審核委員會協助董事會履行其維持有效內部監控制度之責任。審核委員會檢討本集團評估其監控環境之程序及風險評估程序，以及透過本公司內部監控顧問之協助管理業務及監控風險之方法。

內部監控顧問評估風險、制訂審核計劃及確保審核程序按輪替基準涵蓋營運附屬公司之重要內部監控範圍，有關審核程序須呈交審核委員會審閱。

內部監控顧問向本公司管理層及審核委員會匯報其發現事項及建議。內部監控顧問亦監察因應其建議而協定之跟進行動，並向審核委員會報告該等建議之實施進度。

在審核委員會及本公司內部監控顧問協助下，董事會信納整體財務、營運及合規監控以及本集團之風險管理仍然有效。

董事對財務報表之責任

董事確認彼等對編製本集團之財務報表負有責任。董事確保本集團財務報表之編製符合法例規定及適用之會計準則。

本公司核數師有關其對本集團財務報表申報責任之聲明，載於本年報第41至46頁之獨立核數師報告內。

核數師酬金

截至2020年12月31日止年度，本公司核數師就其核數服務收取約2,152,000港元（2019年：1,611,000港元）。同年，其向本集團提供之非核數服務（涵蓋稅務服務）約為226,000港元（2019年：608,000港元）。

REMUNERATION COMMITTEE

The remuneration committee (the “**Remuneration Committee**”) comprises two Independent Non-executive Directors and one executive Director. They are Mr. Lee Tak Cheong (Committee Chairman), Dr. Wong Chi Wing and Ms. Candy Law. The Committee’s authority and duties are set out in written terms of reference which are posted on the websites of the Company and the Stock Exchange.

The policy and structure for all remuneration of directors and the senior management were reviewed by the Remuneration Committee. Remuneration, includes basic salary and performance bonus. Annual salary adjustment and performance bonus are subject to review and approval by the Remuneration Committee.

The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of Chairman, the executive Directors and the senior management of the Company, the remuneration policy and structure for all Directors and senior management and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee met twice since the Listing Date up to the date of this with a 100% attendance by all committee members.

During the year, the works performed by the Remuneration Committee included the following:

- the review of the performance and remuneration packages of directors and senior management; and
- the review of the remuneration policy of the Group.

NOMINATION COMMITTEE

The Nomination Committee comprises two executive Directors, Mr. Barry Chan (Committee Chairman) and Mr. James Chan and three independent non-executive Directors, Dr. Wong Chi Wing, Mr. Lee Tak Cheong and Mr. Lam Chor Ki Dick. The defined terms of reference of the Committee are set out in writing and are posted on the websites of the Company and the Stock Exchange.

The Nomination Committee is responsible for making recommendation to the Board for selection and nomination of directors, and the succession planning of directors and senior management. The Nomination Committee also reviews the size, structure and composition of the Board with reference to the Company’s board diversity policy and assesses the independence of independent non-executive Directors.

The Nomination Committee met twice since the Listing Date and up to the date of this report with a 100% attendance by all committee members.

薪酬委員會

薪酬委員會(「**薪酬委員會**」)由兩名獨立非執行董事及一名執行董事組成，分別為李德昌先生(委員會主席)、王志榮博士及羅妙蘭女士。委員會之職權及職責載於書面職權範圍內，其登載於本公司及聯交所網站。

董事及高級管理人員之所有薪酬政策及結構由薪酬委員會檢討。薪酬包括基本薪金及表現花紅。年度薪金調整及表現花紅由薪酬委員會檢討及批准。

薪酬委員會的主要職能包括檢討主席、執行董事和高級管理人員的薪酬待遇以及全體董事和高級管理人員的薪酬政策和結構，並就此向董事會提出建議，以及製定明確的程序用以拓展相關薪酬政策和結構，以確保概無董事或其任何聯繫人參與決定其個人薪酬。

薪酬委員會自上市日期起及直至本報告日期舉行兩次會議，所有委員會成員出席率達100%。

於本年度，薪酬委員會執行的工作包括以下事項：

- 審閱董事及高級管理層的表現及薪酬待遇；及
- 審閱本集團的薪酬政策。

提名委員會

提名委員會由兩名執行董事陳醒明先生(委員會主席)及陳梓峰先生以及三名獨立非執行董事王志榮博士、李德昌先生及林楚祺先生組成。委員會所定書面職權範圍載於本公司及聯交所網站。

提名委員會負責就遴選及提名董事以及董事及高級管理人員之接任計劃向董事會提供推薦意見。提名委員會亦會根據本公司之董事會成員多元化政策審閱董事會之人數、架構及組成，並評估獨立非執行董事是否獨立。

提名委員會自上市日期起及直至本報告日期舉行兩次會議，所有委員會成員出席率達100%。

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During the year, the works performed by the Nomination Committee included the following:

- the recommendation of the retiring directors for re-election at the annual general meeting (the “AGM”);
- the review of composition of the Board; and
- the assessment of independence of the independent Non-executive Directors.

The Board adopted the board diversity policy which sets out the approach to achieve and maintain diversity of the Board to enhance quality of its performance. The policy aims to achieve diversity through the consideration of a number of factors including but not being limited to skills, regional and industry experience, background, age, race, gender and other qualities. These differences will be taken into account in determining the optimum composition of the Board. All Board appointments are based on merit, in the content of the talents, skills and experience, and taking into account diversity.

The Nomination Committee will report annually on the composition of the Board under diversified perspective, and monitor the implementation of this policy to ensure its effectiveness. It will discuss any revisions that may be required and recommend such revisions to the Board for consideration and approval.

NOMINATION POLICY

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee.

The Company has adopted a nomination policy (“**Nomination Policy**”) which sets out the selection criteria and process in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board members have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group’s business.

年內，提名委員會執行之工作包括：

- 建議退任董事於股東週年大會（「股東週年大會」）重選連任；
- 檢討董事會人員組成；及
- 評估獨立非執行董事的獨立性。

董事會已採納董事會成員多元化政策，其制定方針以達致及維持董事會成員多元化，藉此提升董事會表現。該政策旨在透過考慮多項因素（包括但不限於技能、地區及行業經驗、背景、年齡、種族、性別及其他特質）實現董事會多元化。此等差異將在決定董事會之最佳人員組成時予以考慮。董事會所有委任將根據人選在才能、技能及經驗方面之長處作決定，同時考慮成員是否多元化。

提名委員會將每年報告在董事會多元化層面之人員組成，並監察該政策之執行情況以確保其行之有效。該委員會將討論任何可能需對該政策作出之修訂，並向董事會提出修訂建議，供其考慮及批准。

提名政策

董事會已將其甄選及委任董事之職責及權限委派予提名委員會。

本公司已採納提名政策（「**提名政策**」），當中列明本公司董事提名及委任之相關甄選標準及過程，旨在確保董事會成員具有切合本集團業務所需之均衡技能、經驗及多元觀點。

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The Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Reputation for integrity;
- Accomplishment, experience and reputation in the business and industry;
- Commitment in respect of available time and relevant interest;
- Compliance with the criteria of independence, in case for the appointment of an independent non-executive director, as prescribed under Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange;
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; and
- Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time as appropriate.

The Nomination Policy also sets out the procedure for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy. The Nomination Committee will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors. They are Dr. Wong Chi Wing (Committee Chairman), Mr. Lee Tak Cheong and Mr. Lam Chor Ki Dick. The defined terms of reference of the Audit Committee are set out in writing and are posted on the websites of the Company and the Stock Exchange.

The primary duties of the Audit Committee include reviewing the effectiveness of Company's internal control and the Company's internal audit function, risk management system and regulatory compliance, the review of the Company's financial information and compliance, making recommendations to the Board on the appointment and removal of external auditor and assessing its independence and performance.

提名政策載有評估建議候選人合適與否及可為董事會帶來之潛在貢獻的因素，包括但不限於以下各項：

- 誠信聲譽；
- 於業務及行業之成就、經驗及聲譽；
- 可投入的時間及對相關利益的承擔；
- 遵守聯交所證券上市規則第3.13條就委任獨立非執行董事所規定之獨立性準則；
- 於所有方面之多元性，包括但不限於性別、年齡(18歲或以上)、文化及教育背景、種族、專業經驗、技能、知識及服務任期；及
- 提名委員會或董事會可能不時釐定屬適當之任何其他相關因素。

提名政策亦載有新董事甄選及委任及於股東大會上重選董事之程序。

提名委員會將在適當時候檢討提名政策，以確保提名政策之有效性。提名委員會將討論任何可能需作出之修訂，並向董事會提出任何該等修訂建議以供審批。

審核委員會

審核委員會由三名獨立非執行董事組成，分別為王志榮博士(委員會主席)、李德昌先生及林楚祺先生。審核委員會所定書面職權範圍載於本公司及聯交所網站。

審核委員會之主要職責包括審閱本公司內部監控之有效性及本公司之內部審核職能、風險管理系統及監管合規性、審閱本公司財務資料及合規情況、就委任及罷免外聘核數師向董事會提出建議以及評估其獨立性及表現。

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Since the Listing Date and up to the date of this report, the Audit Committee held four meetings and the attendance record are as follows:

自上市日期起及直至本報告日期，審核委員會舉行了四次會議，出席記錄如下：

		Attendance
		出席率
Dr. Wong Chi Wing	王志榮博士	4/4
Mr. Lee Tak Cheong	李德昌先生	4/4
Mr. Lam Chor Ki Dick	林楚祺先生	4/4

The works performed by the Audit Committee during the year included the following:

年內，審核委員會執行之工作包括：

- reviewing with the auditor on key audit and accounting matters, and updates on regulatory rules in the auditor’s Audit Committee Report and the draft audited financial statements for the financial year ended 31 December 2020
 - reviewing the financial statements for the year ended 31 December 2020 focusing on business highlights, any change of accounting policies and practices, and compliance with accounting standards and Listing Rules requirements
 - reviewing with the auditor the scope of their audit, their communication plan, their independence, developments affecting the Company’s business, their risk assessment and updates of accounting standards and Listing Rules as affecting the Company for the financial year ended 31 December 2020
 - reviewing the audit plan, audit progress report and significant audit findings with management at all committee meetings
 - reviewing with management on implementation of the recommendations on internal control made by the Internal Control Consultant
 - reviewing the risk management and internal control of the Group
- 與核數師審閱重大審核及會計事項及於核數師之審核委員會報告之監管規則之最新資訊，以及截至2020年12月31日止財政年度之經審核財務報表初稿
 - 審閱截至2020年12月31日止年度之財務報表，側重於業務撮要、會計政策及慣例之任何變動以及遵守會計準則及上市規則之規定的情況
 - 連同核數師審閱審核範圍、溝通計劃、獨立性、影響本公司業務之發展狀況、風險評估及截至2020年12月31日止財政年度影響本公司之會計準則及上市規則最新資料
 - 與管理層於所有委員會會議上審閱審核計劃、審核進度報告及重大審核發現
 - 與管理層審閱有關由內部監控顧問提出有關內部監控之建議實施
 - 審閱本集團之風險管理及內部監控

The Committee is satisfied with the review of the work of external auditors, their audit fees, results of their audits and has recommended to the Board their re-appointment for the financial year ending on 31 December 2021 at the 2021 AGM.

該委員會信納外聘核數師工作之審閱、審核費、審核結果，並已向董事會建議於2021年股東週年大會上審議截至2021年12月31日止財政年度外聘核數師續聘事項。

COMPANY SECRETARY

The Company Secretary is a full time employee of the Group and has day-to-day knowledge of the Company’s affairs. During the financial year ended 31 December 2020, the Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules which requires the Company Secretary to take no less than 15 hours of relevant professional training. The biographical details of the Company Secretary are set out in the section of “DIRECTORS’ AND SENIOR MANAGEMENT’S PROFILES” in this annual report.

公司秘書

公司秘書為本集團全職僱員，對本公司事務有日常認知。於截至2020年12月31日止財政年度，公司秘書妥為遵守上市規則第3.29條項下之相關專業培訓規定，該條規定公司秘書須參與不少於15小時之相關專業培訓。公司秘書之履歷詳情載於本年報「董事及高級管理層簡介」一節。

DIVIDEND POLICY

The Company has adopted a dividend policy (“**Dividend Policy**”), pursuant to which the Company may declare and distribute dividends to the Shareholders. A decision to declare and pay any dividends would require the approval of the Board and will be at their discretion. The Board may from time to time determine and pay to the Shareholders such interim dividends as it considers appropriate. The Board may recommend the payment of final dividends which are required to be approved by the Shareholders in general meetings.

COMMUNICATION WITH SHAREHOLDERS

The Company recognizes the importance of communication with the Shareholders, both individual and institutional as well as potential investors. The Company adopted a Shareholders Communication Policy with an aim of ensuring that the Shareholders are provided with timely information about the Company and enabling them to engage actively with the Company and to exercise their rights in an informed manner.

The AGM also provides a good opportunity for communication between the Board and the Shareholders. The Chairman of the Board, the Chairman of the respective Committees as well as the external auditors are normally present to answer questions as raised by the Shareholders. Notice of the AGM and the related circular are sent to the Shareholders at least 20 clear business days before the meeting.

Votes of the Shareholders at general meeting will be taken by poll in accordance with the Listing Rules. Detailed procedures for conducting a poll will be explained to the Shareholders at the beginning of the general meeting to ensure that the Shareholders are familiar with the voting procedures. Each issue will be proposed by a separate resolution by the Chairman of the general meeting. The poll results will be posted on the websites of the Company and the Stock Exchange on the same day of the general meeting. Each general meeting, other than an AGM, shall be called an extraordinary general meeting (“**EGM**”).

Procedures and right for the Shareholders to convene EGM

- An EGM shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company (the “**Eligible Shareholder(s)**”) having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition.

股息政策

本公司已採納股息政策(「股息政策」)，據此，本公司可向股東宣派及派發股息。宣派及派付任何股息之決定需經董事會批准，並將由其酌情決定。董事會可不時釐定並向股東派付其認為適當的中期股息。董事會可建議派付末期股息，惟須經股東於股東大會上批准。

與股東溝通

本公司明白與股東(包括個人及機構)及潛在投資者保持良好溝通之重要性。本公司已採納股東溝通政策，以確保向股東提供本公司之及時資訊及讓其積極參與本公司事務，使其在知情情況下行使權利。

股東週年大會亦提供董事會與股東溝通之良好機會。董事會主席、相關委員會主席及外聘核數師一般均會出席大會，以解答股東提出之問題。股東週年大會通告及相關通函均會於大會前最少20個營業日寄予股東。

股東於股東大會的投票將根據上市規則以投票表決方式進行。將在股東大會開始時向股東解釋進行投票的詳細程序，以確保股東熟悉投票程序。每項問題將由股東大會主席以單獨決議案提呈。投票結果將於股東大會同日刊登於本公司及聯交所網站。除股東週年大會外，各股東大會均稱為股東特別大會(「股東特別大會」)。

股東召開股東特別大會的程序及權利

- 股東特別大會須應一名或多名股東的請求召開，該等股東於提出請求當日須持有本公司繳足股本不少於十分之一且擁有在股東大會上投票的權利(「合資格股東」)。有關請求須以書面形式向董事會或公司秘書提出，藉以要求董事會就處理有關請求所指明之任何事務而召開股東特別大會，而有關大會須在送交該請求後兩個月內舉行。

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- The requisition must state clearly the names of the Eligible Shareholders concerned, specify the objects of the meeting, and be signed by the Eligible Shareholders concerned. The Eligible Shareholders must prove their shareholdings in the Company to the satisfaction of the Company.
 - The requisition will be verified with Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the amended and restated memorandum and articles of association of the Company (the “**Articles of Association**”) to all the registered Shareholders. On the contrary, if the requisition has been verified as not in order or the Shareholders concerned have failed to deposit sufficient money to meet the Company’s expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM.
 - If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.
- 請求必須載明相關合資格股東的姓名、召開大會的事由，並由相關合資格股東簽署。合資格股東必須證明彼等於本公司的持股量足以令本公司信納。
 - 請求將由本公司香港股份過戶登記分處核實，在確定請求為適當及符合程序後，董事會將根據本公司經修訂及重列的組織章程大綱及細則（「**組織章程細則**」）的規定向所有登記股東發出充分通知，藉以召開股東特別大會。反之，若請求經核實為不符合程序或有關股東未能繳存足夠款項撥付本公司上述用途的開支，有關合資格股東將獲通知該結果，因此，董事會將不會要求召開股東特別大會。
 - 如董事會在有關送交日期起計21日內未有進行安排召開有關會議，則請求人（或多名請求人）可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而產生的所有合理費用須由本公司償付。

There are no provisions allowing shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of Cayman Islands. However, pursuant to the Articles of Association, Shareholders who wish to move a resolution may by means of requisition convene an EGM.

Specific enquiries and suggestions by the Shareholders can be sent in writing to the Board or the Company Secretary at the Company’s registered office. Shareholders are encouraged to access to the Company website at <http://www.cirtek.com> for all relevant information including Company’s announcements, press releases, financial highlights, the Company’s constitutional documents and detailed procedures for the Shareholders to convene meetings.

INVESTOR RELATIONS

The Company has a proactive policy for promoting investor relations and communications by maintaining a regular dialogue with investors and other stakeholders. The Company’s website at <http://www.cirtek.com> also features a dedicated Investor Relations section to facilitate communication with the Shareholders and investors. Corporate information and other relevant financial and non-financial information are made available electronically and in a timely manner.

Save for the adoption of the Articles of Association upon the Listing, since the Listing Date and up to the date of this annual report, there had been no significant changes in the constitutional documents of the Company. The Articles of Association is available on the websites of the Company and the Stock Exchange.

根據開曼群島公司法（經修訂），概無條文批准股東於股東大會動議新決議案。然而，根據組織章程細則，有意動議決議案的股東可以請求方式召開股東特別大會。

倘股東有特別查詢或建議，可以書面方式寄予董事會或公司秘書，地址為本公司註冊辦事處。本公司鼓勵股東訪問本公司網站 <http://www.cirtek.com>，以便了解所有相關資料，包括本公司的公告、新聞稿、財務摘要、本公司章程文件及股東召開會議的詳細程序。

投資者關係

本公司的政策為通過與投資者及其他利益相關者保持定期對話，積極推動投資者關係及溝通。本公司網站 <http://www.cirtek.com> 亦登載專門的投資者關係部分，以促進與股東及投資者的溝通。企業資料以及其他相關財務及非財務資料以電子方式及時提供。

除於上市後採納組織章程細則外，自上市日期起及直至本年報日期，本公司章程文件並無重大變動。組織章程細則於本公司及聯交所網站刊載。

REPORT OF THE DIRECTORS

董事會報告

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

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was investment holding.

The principal activities of the Group during the year were manufacture and sale of apparel products, such as hang tags, woven labels, printed labels and heat transfer products. There were no significant changes in the nature of the Group's principal activities during the year.

BUSINESS REVIEW

A discussion and review in the business activities of the Group, including a description of the principal risks and uncertainties faced by the Group and an indication of the likely future development of the Group's business, are set out in the sections headed "Chairman's statement" and "Management Discussion and Analysis" on pages 5 to 6 and pages 7 to 14 of this annual report, respectively. Certain key performance indicators, a discussion on the Group's environment policies and performance and its compliance with the relevant laws and regulations, and an account of the Group's relationship with its key stakeholders are included in the "Management Discussion and Analysis". The Company will also publish its standalone Environmental, Social and Governance Report for the year ended 31 December 2020 on the websites of the Stock Exchange in due course. These discussions form part of this "Report of the Directors".

In addition, the financial risk management objectives and policies of the Group are shown in note 39 to the financial statements.

RESULTS AND DIVIDENDS

The Group's profit for the year and the Company's and the Group's financial positions at that date are set out in the financial statements on pages 47 to 144.

For the year ended 31 December 2020, a special dividend of HK\$10 million was declared by the Company and the same was paid to the then shareholders in February 2020 prior to the Listing.

The proposed final dividend in respect of 2020 of HK0.075 cents per ordinary share or approximately HK\$1.5 million has been proposed by the Directors and is subject to approval by the Shareholders in the 2021 AGM.

董事謹提呈截至2020年12月31日止年度之董事會報告及本集團經審核財務報表。

主要業務

本公司於本年度的主要業務為投資控股。

本集團於本年度的主要業務為生產及銷售服裝產品，例如吊牌、織唛、印唛及熱轉印產品。本集團主要業務性質於本年度內並無重大變動。

業務回顧

有關本集團業務活動之討論及回顧(包括本集團面對之主要風險及不確定因素之概述及本集團業務之可能未來發展情況說明)分別載於本年報第5至6頁及第7至14頁之「主席報告」及「管理層討論及分析」章節。若干關鍵表現指標、本集團環保政策及表現與其遵守相關法例及法規情況之討論以及本集團與其主要利益相關者之關係載於「管理層討論及分析」內。本公司亦將適時於聯交所網頁刊發其截至2020年12月31日止年度的獨立環境、社會及管治報告。該等討論構成本「董事會報告」之一部分。

此外，本集團的財務風險管理目標及政策載於財務報表附註39。

業績及股息

本集團本年度溢利以及本公司與本集團於該日之財務狀況載於財務報表第47至144頁。

截至2020年12月31日止年度，本公司已宣派特別股息10,000,000港元，並已於上市前在2020年2月派付予當時的股東。

董事已建議就2020年派付建議末期股息每股普通股0.075港仙或約1,500,000港元，惟須待股東於2021年股東週年大會上批准。

REPORT OF THE DIRECTORS

董事會報告

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The net proceeds from the Listing, net of underwriting commission in respect of the offering and other relevant expenses, amounted to approximately HK\$69.9 million.

The proceeds were only available to the Group upon the Listing Date, the use of the net proceeds from the Listing Date to 31 December 2020 was as follows:

本公司首次公開發售之所得款項用途

上市所得款項淨額(扣除有關發售的包銷佣金及其他相關開支)約為69,900,000港元。

所得款項僅於上市日期後可供本集團使用，自上市日期起至2020年12月31日之所得款項淨額用途如下：

Use of net proceeds 所得款項淨額用途	Percentage of net proceeds 佔所得款項淨額百分比	Net proceeds 所得款項淨額 HK\$'000 千港元	Amount utilised 已動用金額 HK\$'000 千港元	Amount remaining 餘下金額 HK\$'000 千港元	Expected timeline for utilisation of the unused net proceeds
					未動用所得款項淨額之預期動用時間
Construction of the New Bangladesh Factory and Purchasing Machinery for the New Bangladesh Factory 建造新孟加拉廠房及為新孟加拉廠房購買機器	98.4%	68,800	3,215	65,585	On or before 31 December 2022 於2022年12月31日或之前
General Working Capital 一般營運資金	1.6%	1,100	1,100	0.0	N/A 不適用
Total 總計	100%	69,900	4,315	65,585	

As of the date of this annual report, the Board is aware that there has been a delay in the use of proceeds from the Listing when compared to the implementation plan as disclosed in the Prospectus. The delay in use of proceeds is because of the outbreak of COVID-19, the construction of the new Bangladesh factory delayed to start in October 2020 and expect to complete the construction work within 365 calendar days from the commencement date of the construction.

Save for the delay in use of proceeds, up to 31 December 2020, the Group had used the net proceeds as originally intended.

SUMMARY FINANCIAL INFORMATION

A summary of the Group's financial information for the last five financial years is set out on page 4 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

於本年報日期，董事會知悉上市所得款項的動用相比招股章程所披露的實施計劃有所延遲。延遲動用所得款項乃由於COVID-19疫情爆發，新孟加拉廠房的建設延遲至2020年10月動工所致。預期建設工作將自建設動工日期起計365個曆日內完成。

除延遲動用所提款項外，直至2020年12月31日，本集團已按原定用途動用所得款項淨額。

財務資料概要

本集團於過往五個財政年度的財務資料概要載於本年報第4頁。

物業、廠房及設備

本集團物業、廠房及設備於年內之變動詳情載於財務報表附註14。

REPORT OF THE DIRECTORS

董事會報告

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 29 to the financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors are interested in any business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the business of the Group pursuant to Rule 8.10 of the Listing Rules during the year.

CONNECTED TRANSACTIONS

The Company did not have any connected transactions which were subject to the requirement under Chapter 14A of the Listing Rules during the year. The related party transactions are disclosed in note 31 to the consolidated financial statements.

MANAGEMENT CONTRACTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which could oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and in note 31 to the financial statements, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company had no reserve available for distribution to the Shareholders (31 December 2019: Nil), calculated in accordance with the provisions of the Companies Law of the Cayman Islands. In addition, the Company's share premium account, in the amount of HK\$0.3 million may be distributed in the form of fully paid bonus shares.

股本

本公司股本於年內之變動詳情載於財務報表附註29。

董事於競爭業務中的權益

年內，除本集團業務外，概無董事於根據上市規則第8.10條直接或間接與本集團業務競爭或可能競爭的任何業務中擁有權益。

關連交易

年內，本公司概無任何須遵守上市規則第14A章項下規定的關連交易。關聯方交易於綜合財務報表附註31中披露。

管理合約

年內，概無訂立或存在有關本公司全部或任何重大部分業務的管理及行政合約。

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司於本年度內概無購買、贖回或出售本公司之任何證券。

優先購買權

組織章程細則或開曼群島法律並無有關規定本公司須按比例向現有股東發售新股份的優先購買權條文。

儲備

本集團及本公司於年內儲備之變動詳情分別載於綜合權益變動表及財務報表附註31。

可供分派儲備

於2020年12月31日，根據開曼群島公司法條文所計算，本公司概無可供分派予股東的儲備(2019年12月31日：無)。此外，本公司的股份溢價賬約300,000港元可以悉數繳足股款的紅股形式分派。

REPORT OF THE DIRECTORS

董事會報告

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 15 June 2021 to Friday, 18 June 2021 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the 2021 AGM, all properly completed transfer forms accompanied by the relevant share certificates 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 not later than 4:30 p.m. on Friday, 11 June 2021.

The register of members of the Company will be closed from Thursday, 24 June 2021 to Friday, 25 June 2021 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates 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 not later than 4:30 p.m. on Wednesday, 23 June 2021.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 18.6% (2019: 21.6%) of the total sales for the year and sales to the largest customer included therein amounted to 12.0% (2019: 11.0%). Purchases from the Group's five largest suppliers accounted for approximately 10.7% (2019: 9.8%) of the total purchases for the year and purchase from the largest supplier included therein amounted to 3.7% (2019: 3.0%).

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

DIRECTORS

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

Executive Directors:

Mr. Chan Sing Ming Barry
Ms. Law Miu Lan
Mr. Chan Tsz Fung

Independent non-executive Directors:

Mr. Lam Chor Ki Dick
Mr. Lee Tak Cheong
Dr. Wong Chi Wing

暫停辦理股份過戶登記手續

本公司將於2021年6月15日(星期二)至2021年6月18日(星期五)(首尾兩天包括在內)暫停辦理股份過戶登記手續,期間不會辦理任何股份過戶登記。為符合資格出席2021年股東週年大會並於會上投票,所有填妥過戶表格連同有關股票須不遲於2021年6月11日(星期五)下午四時三十分送達本公司香港股份過戶登記分處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。

本公司將於2021年6月24日(星期四)至2021年6月25日(星期五)(首尾兩天包括在內)暫停辦理股份過戶登記手續,期間不會辦理任何股份過戶登記。為符合資格獲派建議末期股息,所有填妥過戶表格連同有關股票須不遲於2021年6月23日(星期三)下午四時三十分送達本公司香港股份過戶登記分處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。

主要客戶及供應商

於回顧年內,本集團向五大客戶作出之銷售額佔本年度銷售總額約18.6%(2019年:21.6%),而其中向最大客戶作出之銷售額為12.0%(2019年:11.0%)。本集團向五大供應商作出之購貨額佔本年度購貨總額約10.7%(2019年:9.8%),而其中向最大供應商作出之購貨額為3.7%(2019年:3.0%)。

概無本公司董事或彼等之任何聯繫人或任何股東(就董事所知擁有本公司已發行股本超過5%者)於本集團五大客戶及供應商中擁有任何實益權益。

董事

於本年度內及截至本報告日期的董事為:

執行董事:
陳醒明先生
羅妙蘭女士
陳梓峰先生

獨立非執行董事:

林楚祺先生
李德昌先生
王志榮博士

REPORT OF THE DIRECTORS

董事會報告

In accordance with article 108(a) of the Articles of Association, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring director shall be eligible for re-election. The Company at the general meeting at which a director retires may fill the vacated office.

Each of Mr. Lam Chor Ki Dick and Dr. Wong Chi Wing will retire at the 2021 AGM and all of them, being eligible, will offer themselves for re-election at the 2021 AGM.

The Company has received annual confirmations of independence from Mr. Lam Chor Ki Dick, Mr. Lee Tak Cheong and Dr. Wong Chi Wing, and as at the date of this report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILES

Executive Directors

Mr. Chan Sing Ming Barry (陳醒明), aged 61, being one of our Controlling Shareholders and Chairman of our Board, was appointed as our managing director in February 1992 and appointed as our Director on 25 January 2019 and re-designated as our executive Director on 21 February 2020. Mr. Barry Chan is the chairman of the Nomination Committee and the director of a number of subsidiaries of the Company. Mr. Barry Chan is responsible for our Group's overall management, corporate development and strategic planning. He obtained a higher certificate in fashion and clothing manufacture from The Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) in November 1984.

Mr. Barry Chan has over 39 years of experience in the apparel labels and trim products manufacturing industry. Mr. Barry Chan is the spouse of Ms. Candy Law and the father of Mr. James Chan, who are both our executive Directors.

Ms. Law Miu Lan (羅妙蘭), aged 58, being one of our Controlling Shareholders, was appointed as our assistant managing director in September 1994, our Chief Executive Officer and Director on 17 May 2019 and was re-designated as our executive Director on 21 February 2020. Ms. Candy Law is responsible for our Group's overall management, operation and strategic planning. She obtained a higher certificate in fashion and clothing manufacture from The Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) in November 1984.

Ms. Candy Law has over 36 years of experience in the apparel labels and trim products manufacturing industry. Ms. Candy Law is the spouse of Mr. Barry Chan and the mother of Mr. James Chan, who are both our executive Directors.

根據組織章程細則第108(a)條，當時在任的三分之一董事（或倘人數並非三或三的倍數，則為最接近但不少於三分之一的人數）須輪值退任，惟每名董事（包括該等以特定任期獲委任者）須至少每三年輪值退任一次。退任董事符合資格重選連任。本公司可在董事退任的股東大會上填補空缺職位。

林楚祺先生及王志榮博士各自將於2021年股東週年大會上退任，且彼等均符合資格於2021年股東週年大會上重選連任。

本公司已接獲林楚祺先生、李德昌先生及王志榮博士的年度獨立確認書，且於本報告日期仍視彼等為獨立。

董事及高級管理層履歷

執行董事

陳醒明先生，61歲，為其中一名控股股東及董事會主席，於1992年2月獲委任為董事總經理，並於2019年1月25日獲委任為董事及於2020年2月21日調任為執行董事。陳醒明先生為提名委員會主席，並為本公司多間附屬公司的董事。陳醒明先生負責本集團的整體管理、公司發展及戰略規劃。彼於1984年11月取得香港理工大學（前稱香港理工學院）的時裝及製衣高級文憑。

陳醒明先生於服裝標籤及裝飾產品製造行業擁有逾39年經驗。陳醒明先生為羅妙蘭女士的配偶及陳梓峰先生的父親，羅妙蘭女士及陳梓峰先生均為我們的執行董事。

羅妙蘭女士，58歲，為我們其中一名控股股東，於1994年9月獲委任為助理董事總經理以及於2019年5月17日獲委任為行政總裁兼董事，並於2020年2月21日調任為執行董事。羅妙蘭女士負責本集團的整體管理、營運及戰略規劃。彼於1984年11月取得香港理工大學（前稱香港理工學院）的時裝及製衣高級文憑。

羅妙蘭女士於服裝標籤及裝飾產品製造行業擁有逾36年經驗。羅妙蘭女士為陳醒明先生的配偶及陳梓峰先生的母親，陳醒明先生及陳梓峰先生均為我們的執行董事。

REPORT OF THE DIRECTORS

董事會報告

Mr. Chan Tsz Fung (陳梓峰), aged 31, joined our Group in October 2013 as an operations assistant and is currently a product development manager of Charming Printing Limited, a subsidiary of the Group (“**Charming Printing**”). He was appointed as our Director on 17 May 2019 and was re-designated as our executive Director on 21 February 2020. Mr. James Chan is also a member of the Nomination Committee and director of certain subsidiaries of the Company. Mr. James Chan has over five years of experience in the apparel labels and trim products manufacturing industry. He is primarily responsible for overseeing the product development, marketing and strategic planning of our Group, in particular our Group’s sales and marketing activities in Europe. He studied diploma of engineering at Deakin University from February 2011 to February 2012. He is the son of Mr. Barry Chan and Ms. Candy Law, our executive Directors.

Independent Non-executive Directors

Mr. Lam Chor Ki Dick (林楚祺), aged 55, was appointed as an independent non-executive Director on 21 February 2020 and is currently a member of each of the Audit Committee and Nomination Committee of the Company. He graduated from the Hong Kong Baptist University with a bachelor’s degree in business administration in November 1990. He then obtained the master of arts in electronic business from the City University of Hong Kong in November 2003.

From July 1990 to October 2000, Mr. Lam held various accounting and finance positions in a number of companies including AIA Group Limited, Inchcape Marketing Ltd., LeaRonald (S.E.Asia) Ltd., Elite Business Machines Mfg. Co. Ltd., Dong Ying Computer Label & Embroidery Company Limited and AFG Company Limited. From November 2000 to January 2005, Mr. Lam served as a financial controller at Lexmark International (China) Co., Ltd., a company principally engages in the provision of printing and imaging products and software solutions services. From January 2005 to December 2005, he worked as a financial controller at Fellowes Consulting LLC Dongguan Representative Office, a company principally manufactures paper shredders. From January 2006 to November 2008, Mr. Lam worked as a director at Electrical Components International Inc., a company principally manufactures wire harness, with his last position being a finance and administrative director and was the director of business administration at ECI (Huizhou). From December 2008 to October 2010, Mr. Lam served as an operation controller at Shakespeare (Hong Kong) Ltd., a company principally manufactures sports hardware. From November 2010 to January 2012, he served as a consultant at Resources Global Professionals (HK) Limited, a consultancy firm. Mr. Lam has served as a vice president of the asian operation department in ECI (Huizhou) since February 2012.

陳梓峰先生，31歲，於2013年10月加入本集團，職位為營運助理，目前為本集團附屬公司集美印刷有限公司(「集美印刷」)的產品開發經理。彼於2019年5月17日獲委任為董事，並於2020年2月21日調任為執行董事。陳梓峰先生亦為本公司提名委員會成員及若干附屬公司之董事。陳梓峰先生於服裝標籤及裝飾產品製造行業擁有逾五年經驗。彼主要負責監察本集團的產品開發、營銷及戰略規劃，尤其是本集團於歐洲的銷售及營銷活動。於2011年2月至2012年2月，彼於迪肯大學修讀工程文憑。彼為執行董事陳醒明先生及羅妙蘭女士的兒子。

獨立非執行董事

林楚祺先生，55歲，於2020年2月21日獲委任為獨立非執行董事，現分別為本公司之審核委員會及提名委員會之成員。彼於1990年11月畢業於香港浸會大學，並取得工商管理學士學位。彼其後於2003年11月取得香港城市大學的文學碩士(電子商業)學位。

於1990年7月至2000年10月，林先生於多間公司擔任不同會計及財務職位，包括友邦保險控股有限公司、英之傑商務拓展有限公司、勵樂(東南亞)有限公司、Elite Business Machines Mfg. Co. Ltd.、東英電腦織嘜刺綉有限公司及AFG Company Limited。於2000年11月至2005年1月，林先生於利盟國際(中國)有限公司(為一間主要從事提供印刷及影像產品以及軟件解決方案服務的公司)擔任財務總監。於2005年1月至2005年12月，彼於Fellowes Consulting LLC Dongguan Representative Office(為一間主要從事生產碎紙機的公司)擔任財務總監。於2006年1月至2008年11月，林先生於Electrical Components International Inc.(為一間主要從事生產配線的公司)擔任董事，最後職位為財務及行政主管，並為ECI (Huizhou)的業務行政主管。於2008年12月至2010年10月，林先生擔任莎士比亞(香港)有限公司(為一間主要從事生產運動硬件的公司)的營運總監。於2010年11月至2012年1月，彼於顧問公司Resources Global Professionals (HK) Limited擔任顧問。林先生自2012年2月起擔任ECI (Huizhou)的亞洲營運部副總裁。

REPORT OF THE DIRECTORS

董事會報告

Mr. Lee Tak Cheong (李德昌), aged 50, was appointed as our independent non-executive Director on 21 February 2020 and is currently the Chairman of the Remuneration Committee, a member of each of the Audit Committee and Nomination Committee of the Company. Mr. Lee graduated from the University of Hong Kong with a bachelor's degree in engineering in November 1993. He then obtained a postgraduate diploma in quality management from the Hong Kong Polytechnic University in November 2000. In December 2003, Mr. Lee obtained a master's degree in business administration from The Chinese University of Hong Kong.

From April 2004 to December 2007, Mr. Lee worked as a general manager overseeing factory management at Mansfield Manufacturing Co. Ltd., a company primarily engaged in metal stamping business. From December 2007 to June 2009, he served as a general manager at Top Link Industrial Co. Ltd., a company primarily manufactures electric powered tools. From September 2009 to August 2014, Mr. Lee started working as a general manager at Charming Printing and was promoted as an operational director in April 2012. From October 2014 to the present, Mr. Lee has been serving as a director overseeing the business management at Dreamcubics 3D Printing Limited, a company primarily sells 3D printers and provides 3D printing service.

Dr. Wong Chi Wing (王志榮), aged 57, was appointed as our independent non-executive Director on 21 February 2020 and is currently the Chairman of the Audit Committee, a member of each of the Remuneration Committee and Nomination Committee of the Company. He graduated from the Chinese University of Hong Kong with a bachelor's degree in science in December 1986. In addition, Dr. Wong obtained (i) a master's degree in business administration from the City University of Hong Kong in November 1995; (ii) a master's degree of science in electronic commerce from the City University of Hong Kong in November 2003; and (iii) a doctorate degree in business administration from the City University of Hong Kong in February 2011. Dr. Wong has been a fellow of Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants) since July 2000.

From May 2002 to March 2007, Dr. Wong served as a vice president at PCCW Solutions (formerly known as Unihub Limited), a company primarily engages in the provision of information technology services. From May 2010 to August 2014, Dr. Wong was the managing director at Accenture Consulting for Greater China, a company primarily provides management consulting and strategy expertise services. Since March 2015, Dr. Wong has served as a managing partner at Big Data Elite Asia Limited and GCE Consulting Limited, both of which are consulting companies, primarily providing advisory and training services in relation to big data, digital transformation, FinTech and strategic management. From July 2016 to July 2020, Dr. Wong served as an independent non-executive director at Autotoll Limited, a company primarily provides electronic toll clearing facilities in Hong Kong. From September 2018 to June 2020, he served as an independent non-executive director at Veson Holdings Limited (Formerly "SCUD Group Limited"), a company listed on the Main Board (Stock code: 1399) of the Stock Exchange which primarily manufactures and sells lithium-ion battery products. Dr. Wong also serves as the Deputy President, Chairman of New Economy Committee of The Hong Kong Independent Non-Executive Director Association Limited since October 2019.

李德昌先生，50歲，於2020年2月21日獲委任為獨立非執行董事，現為本公司之薪酬委員會主席以及審核委員會及提名委員會之成員。李先生於1993年11月畢業於香港大學，取得工程學士學位。彼其後於2000年11月取得香港理工大學的質量管理研究生文憑。於2003年12月，李先生取得香港中文大學的工商管理碩士學位。

於2004年4月至2007年12月，李先生擔任茂森精藝金屬製造有限公司(為一間主要從事金屬沖壓業務的公司)的總經理，負責監察廠房管理。於2007年12月至2009年6月，彼擔任特力實業有限公司(為一間主要生產電動工具的公司)的總經理。於2009年9月至2014年8月，李先生開始擔任集美印刷的總經理，並於2012年4月晉升為營運總監。由2014年10月至今，李先生一直擔任夢立方三維打印有限公司(為一間主要銷售立體打印機及提供立體打印服務的公司)的董事，負責監察其業務管理。

王志榮博士，57歲，於2020年2月21日獲委任為獨立非執行董事，現為本公司之審核委員會主席以及薪酬委員會及提名委員會之成員。彼於1986年12月畢業於香港中文大學，取得理學士學位。此外，王博士(i)於1995年11月取得香港城市大學工商管理碩士學位；(ii)於2003年11月取得香港城市大學電子商貿理學碩士學位；及(iii)於2011年2月取得香港城市大學工商管理博士學位。王博士自2000年7月起為香港會計師公會(英文前稱為Hong Kong Society of Accountants)資深會員。

於2002年5月至2007年3月，王博士擔任電訊盈科企業方案(前稱優創有限公司，為一間主要從事提供資訊科技服務的公司)副總裁。於2010年5月至2014年8月，王博士為Accenture Consulting for Greater China(為一間主要從事提供管理諮詢及策略專才服務的公司)的董事總經理。自2015年3月起，王博士擔任亞洲大數據精英諮詢有限公司及環球華人精英諮詢有限公司(兩間公司均為主要從事提供與大數據、數字化轉型、金融科技及策略管理有關的諮詢及培訓服務的諮詢公司)的執行事務合夥人。於2016年7月至2020年7月，王博士擔任快易通有限公司(為一間主要於香港提供電子道路收費設施的公司)的獨立非執行董事。於2018年9月至2020年6月，彼亦擔任銳信控股有限公司(前稱飛毛腿集團有限公司)(為一間聯交所主板上市公司，股份代號：1399，主要生產及銷售鋰離子電池產品)的獨立非執行董事。王博士自2019年10月起亦擔任香港獨立非執行董事協會有限公司常務副會長及新經濟委員會主席。

REPORT OF THE DIRECTORS

董事會報告

Senior Management

Mr. Chew Yong Hock (周榮福), aged 62, was appointed as the sales and marketing director of Charming Printing in July 2012. Mr. Chew obtained a higher stage certificate in salesmanship and sales management from The London Chamber of Commerce and Industry in spring 1984. Mr. Chew has more than 29 years of experience in the apparel labels and trim products manufacturing industry.

Mr. Lau Kok Sheng Stephen (劉國成), aged 52, was appointed as Chief Operation Officer of Charming Printing Ltd in August 2020. Mr. Lau studied at University of Houston from 1993 – 1995. Prior to joining the Group, Mr. Lau worked as machine operator, planner, scheduler and production manager at A.W. Printing located in Houston, TX, managed primarily production for tags & labels business, A.W. Printing was acquired by Checkpoint Systems in the year of 2000. In 2008, Checkpoint Systems relocated Mr. Lau from Houston to Hong Kong to oversee the apparel labelling division operations in Hong Kong and China, Mr. Lau engaged in several restructure projects as well as the Shore to Shore Far East acquisition from 2009 to 2012. In 2013 to 2017, Mr. Lau joined Britannia Garment Packaging Ltd as General Manager, he setup the footprints for Britannia Garment Packaging in Hong Kong and China, for both trading, manufacturing & joint venture operations. In 2017 to 2020, Mr. Lau joined Talon Hong Kong Ltd as Director of Operations, responsible for the operations of trim division, Mr. Lau established the Vietnam trims supply chain for Talon.

Mr. Fung Hong Keung (馮康強), aged 58, was appointed as Chief Financial Officer of Charming Printing in February 2021. From 1992 to 2011, Mr. Fung held various financial position in a number of companies including Integrated Display Technology Limited, a subsidiary of IDT International Limited (a company listed on the Main Board of the Stock Exchange (stock code: 167)), Sanmina-SCI (China) Limited, a subsidiary of Sanmina-SCI (NASDAQ stock code: SANM) and a subsidiary of Fountain Set (Holdings) Limited (stock code: 420). During the period from 2011 to 2012, Mr Fung worked as the Chief corporate service officer of 生產力(深圳)諮詢有限公司, a subsidiary of the Hong Kong Productivity Council. From 2012 to 2016, Mr Fung worked as executive director, chief financial officer, company secretary at eprint Group Limited, a company listed on the Main Board of the Stock Exchange (stock code:1884), which primarily engaged in supplying online printing services and customized printed products. From 2017 to 2020, Mr Fung worked as chief financial officer at Tung Chit Tobacco (H.K) Company Limited, a subsidiary of Tung Chit Group Limited, which primarily engaged in distribution and manufacturing of PRC-branded cigarettes.

Mr. Fung obtained a bachelor degree of arts in accountancy from the Bolton University of Higher Education in the United Kingdom in October 2003, and a graduate diploma in China marketing and e-business from the University of Hong Kong School of Professional and Continuing Education in November 2004. He has been a fellow member of the Association of Chartered Certified Accountants since December 2004, a member of the Hong Kong Institute of Certified Public Accountants since January 2005, and a member of the Hong Kong Institute of Directors since January 2013.

高級管理層

周榮福先生，62歲，於2012年7月獲委任為集美印刷的銷售及營銷主管。周先生於1984年春季取得倫敦工商會的推銷術及銷售管理高級證書。周先生於服裝標籤及裝飾產品製造行業擁有逾29年經驗。

劉國成先生，52歲，於2020年8月獲委任為集美印刷有限公司的行政營運總監。劉先生於1993年至1995年於休士頓大學留學。在加入本集團前，劉先生在位於德薩斯州休士頓的A.W. Printing擔任機器操作人員、規劃人員、排程人員及生產經理職務，主要管理標籤及標牌的生產業務。A.W. Printing於2000年由Checkpoint Systems收購。於2008年，Checkpoint Systems將劉先生從休士頓調至香港，以監管於香港及中國的服裝標籤分部的營運。劉先生參與數個重建項目，亦於2009年至2012收購Shore to Shore Far East。於2013年至2017年，劉先生以總經理的身份加入Britannia Garment Packaging Ltd，彼為Britannia Garment Packaging於香港及中國為買賣、生產及合營企業營運鋪設進程。於2017年至2020年，劉先生以營運總監的身份加入Talon Hong Kong Ltd，負責裁剪分部的營運，亦為Talon成立越南輔料供應鏈。

馮康強先生，58歲，於2021年2月獲委任為集美印刷的首席財務總監。於1992至2011年，馮先生於多間公司擔任不同財務職位，公司包括萬威科技有限公司(萬威國際有限公司(於聯交所主板上市的公司(股份代號：167))的附屬公司)、新美亞(中國)有限公司(Sanmina-SCI(NASDAQ股份代號：SANM)的附屬公司)及福田實業(集團)有限公司(股份代號：420)的附屬公司。於2011年至2012年期間，馮先生於生產力(深圳)諮詢有限公司(香港生產力促進局的附屬公司)擔任首席機構執行官。於2012至2016年，馮先生於eprint集團有限公司(於聯交所主板上市的公司(股份代號：1884))，主要從事供應網上印刷服務及個人化印刷產品)擔任執行董事、首席財務總監及公司秘書的職位。於2017年至2020年，馮先生於Tung Chit Tobacco (H.K) Company Limited (Tung Chit Group Limited的附屬公司，主要從事分派及生產中國品牌香煙)擔任首席財務總監一職。

馮先生於2003年10月在英國Bolton University of Higher Education獲取會計學士學位，並於2004年11月在香港大學專業進修學院獲取中國營銷及電子業務深造文憑。彼自2004年12月起為英國皇家特許會計師公會資深會員、自2005年1月起為香港會計師公會會員及自2013年1月為香港董事學會會員。

REPORT OF THE DIRECTORS

董事會報告

Mr. Richard Phillip Ringeisen, aged 62, was appointed as the president of Charming US in February 2011 and is the director of Charming US. Mr. Ringeisen studied at the Western Michigan University from 1979 to 1980. Prior to joining our Group, Mr. Ringeisen worked as a western region sales manager at US Label Corporation, a company primarily sells and markets apparel identification products, from 1999 to 2001. Mr. Ringeisen worked as a sales manager in the western region of the United States at Alkahn Labels Inc, a company primarily engaged in the sales business, from 2001 to 2003. Mr. Ringeisen then worked as a vice president at 28 Packaging Inc, a company primarily engaged in the sales and marketing business from 2003 to 2008. He later worked as a vice president at Integra Trim, a company primarily engaged in the sales and marketing business from 2008 to 2010 where he was responsible for overseeing and managing the sales business of the company.

Mr. Liao Wenwei (廖文偉), aged 52, was appointed as the general manager of Charming China in August 2009. He obtained a diploma in business administration from the Huizhou University in July 1997. From April 1992 to July 2000, Mr. Liao worked as a salesman at Huizhou Jiangbei Building Material Company* (惠州市江北建材公司), a company primarily engaged in the trading business, with his last position being a manager. Mr. Liao then worked as a factory manager at Boluo County Shiwan Chuangmei Printing Factory* (博羅縣石灣創美印刷廠) from August 2000 to July 2009.

Company Secretary

Mr. Chan Wai Shing Kevin (陳偉成), aged 46, was appointed as the finance and accounts manager of Charming Printing in February 2016 and the company secretary on 17 May 2019. Mr. Chan obtained a diploma in accounting from Hong Kong Shue Yan University (formerly known as Shue Yan College) in July 1998. He was then awarded a diploma in operating business in China and a diploma in professional management for China business from the City University of Hong Kong in April 2004 and October 2004, respectively. Mr. Chan has been a fellow member of the Association of Chartered Certified Accountants since August 2008 and a member of The Institute of Chartered Secretaries and Administration since February 2010.

In view of Mr. Chan's experience in legal and company secretarial functions and with stock exchange rules and regulations, our Directors believe that Mr. Chan has the appropriate expertise for the purposes of Rule 3.28 of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the 2021 AGM has a service contract with the Company which is not determined by the Company within one year without payment of compensation, other than statutory compensation.

Richard Phillip Ringeisen 先生，62歲，於2011年2月獲委任為Charming US的總裁，並為Charming US的董事。Ringeisen先生於1979年至1980年在西密歇根大學就讀。於加入本集團前，Ringeisen先生於1999年至2001年在US Label Corporation(為一間主要銷售及營銷服裝識別產品的公司)擔任西岸銷售經理。Ringeisen先生於2001年至2003年在美國西岸的Alkahn Labels Inc(為一間主要從事銷售業務的公司)擔任銷售經理。Ringeisen先生其後於2003年至2008年擔任28 Packaging Inc(為一間主要從事銷售及營銷業務的公司)的副總裁。彼其後於2008年至2010年擔任Integra Trim(為一間主要從事銷售及營銷業務的公司)的副總裁，彼負責監察及管理該公司的銷售業務。

廖文偉先生，52歲，於2009年8月獲委任為常美中國的總經理。彼於1997年7月取得惠州大學的工商管理文憑。於1992年4月至2000年7月，廖先生為惠州市江北建材公司(為一間主要從事貿易業務的公司)的推銷員，最後職位為經理。廖先生其後於2000年8月至2009年7月擔任博羅縣石灣創美印刷廠的工廠經理。

公司秘書

陳偉成先生，46歲，於2016年2月獲委任為集美印刷的財務及會計經理，並於2019年5月17日獲委任為公司秘書。陳先生於1998年7月取得香港樹仁大學(前稱樹仁學院)的會計文憑。彼其後分別於2004年4月及2004年10月獲香港城市大學頒授中國營商實務文憑及中國企業專修文憑。陳先生自2008年8月起一直為英國皇家特許公認會計師公會資深會員，而自2010年2月起，彼一直為英國特許秘書及行政人員公會會員。

鑒於陳先生於法律及公司秘書職能方面以及聯交所規則及規例之經驗，董事相信就上市規則第3.28條而言，陳先生擁有適當之專業知識。

董事之服務合約

擬於2021年股東週年大會上重選連任之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賠償(法定賠償除外)之服務合約。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' REMUNERATION

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

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association and subject to the provisions of the Companies Law of the Cayman Islands, every Director or other officer of the Company shall be entitled to be indemnified out of assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

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

DISCLOSURE OF INTERESTS

A. Directors' and chief executive's interests and/or short positions in shares and underlying shares of the Company or its associated corporations

As at 31 December 2020, the interests and short positions of the Directors and the chief executives of the Company in the shares of the Company ("Shares"), underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) 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 and short positions which they have taken, or are deemed to have taken, under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

董事酬金

董事袍金須於股東大會上獲股東批准。其他酬金則由董事會參照董事職責、責任及表現以及本集團之業績予以釐定。

獲准許的彌償保證條文

根據組織章程細則及開曼群島公司法條文，本公司的每名董事或其他高級職員均有權就或因履行其職責而承受或產生的所有虧損或負債，自本公司資產獲得彌償。本公司已為本集團董事及高級職員投購適當的董事及高級職員責任險。

董事於交易、安排或合約之權益

董事或董事之關連實體概無於本公司或本公司任何附屬公司於年內訂約的對本集團業務而言屬重大的任何交易、安排或合約中直接或間接擁有重大權益。

權益披露

A. 董事及主要行政人員於本公司或其相聯法團股份及相關股份之權益及／或淡倉

於2020年12月31日，本公司董事及主要行政人員在本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的本公司股份(「股份」)、相關股份及債券中擁有(a)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和淡倉(包括根據證券及期貨條例有關條文被當作或視作擁有的權益和淡倉)；或(b)根據證券及期貨條例第352條須記錄於本公司備置登記冊內的權益和淡倉；或(c)根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益和淡倉如下：

REPORT OF THE DIRECTORS

董事會報告

Long positions in shares of the Company or any of its associated corporations 於本公司或其任何相聯法團股份之好倉

Name of director	Company/ name of associated company	Nature of interest and capacity	Number and class of securities	Approximate percentage of the Company's/ the associate company's total issued share capital 佔本公司/ 聯營公司 已發行股本總額 的概約百分比
董事姓名	本公司／聯營公司名稱	權益性質及身份	證券數目及類別	
Barry Chan 陳醒明	The Company 本公司	Interest in a controlled corporation (Note 1) (Note 2) 受控制法團權益 (附註1)(附註2)	1,404,000,000 shares 1,404,000,000股 股份	70.2%
	Charming International Limited ("Charming International") Charming International Limited ("Charming International")	Beneficial owner 實益擁有人	51 shares of US\$1.00 each 51股 每股1.00美元的股份	51.0%
Candy Law 羅妙蘭	The Company 本公司	Interest in a controlled corporation (Note 1) (Note 2) 受控制法團權益 (附註1)(附註2)	1,404,000,000 shares 1,404,000,000股 股份	70.2%
	Charming International	Beneficial owner 實益擁有人	49 shares of US\$1.00 each 49股 每股1.00美元的股份	49.0%
James Chan 陳梓峰	–	Beneficial owner 實益擁有人	12,000,000 shares 12,000,000股 股份	0.6%

Notes:

- Each of Mr. Barry Chan and Ms. Candy Law owns as to 51% and 49% of the issued share capital of Charming International which, in turn, holds 1,404,000,000 Shares. Accordingly, Mr. Barry Chan and Ms. Candy Law are deemed to be interested in 1,404,000,000 Shares held by Charming International by virtue of the disclosure requirements of the SFO.
- Mr. Barry Chan is the spouse of Ms. Candy Law. Accordingly, Mr. Barry Chan and Ms. Candy Law are deemed to be interested in the Shares held by each other by virtue of the SFO.

附註：

- 陳醒明先生及羅妙蘭女士各自擁有 Charming International 的 51% 及 49% 已發行股本，而 Charming International 則持有 1,404,000,000 股股份。因此，根據證券及期貨條例的披露規定，陳醒明先生及羅妙蘭女士被視為於 Charming International 持有的 1,404,000,000 股股份中擁有權益。
- 陳醒明先生為羅妙蘭女士之配偶。因此，根據證券及期貨條例，陳醒明先生及羅妙蘭女士被視作擁有各自持有之股份之權益。

REPORT OF THE DIRECTORS

董事會報告

B. Substantial shareholders' and other persons' interests and/or short positions in the Shares and underlying shares of the Company

As at the date of this report, the following persons (other than the Directors or the chief executive of the Company) have interests of 5% or more in the Shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares of the Company

Name of shareholder	Capacity/ nature of interest	Number of shares	Approximate percentage of the Company's total issued share capital 佔本公司 已發行股本總額 的概約百分比
股東名稱	身份／權益性質	股份數目	
Charming International	Beneficial interest (Note) 實益權益(附註)	1,404,000,000	70.2%

Note:

Each of Mr. Barry Chan and Ms. Candy Law owns as to 51% and 49% of the issued share capital of Charming International which, in turn, holds 1,404,000,000 Shares. Accordingly, Mr. Barry Chan and Ms. Candy Law are deemed to be interested in 1,404,000,000 Shares held by Charming International by virtue of the disclosure requirements of the SFO.

Short positions in shares of the Company or any of its associated corporations

As at the date of this report, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and/or short positions in Shares and underlying shares of the Company" above, had registered an interest or a short position in the Shares or underlying shares of the Company as recorded in the register of interests required to be kept pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

A share option scheme (the "Scheme") was approved and adopted by the Company on 21 February 2020. The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group.

B. 主要股東及其他人士於本公司股份及相關股份之權益及／或淡倉

於本報告日期，以下人士(本公司董事或主要行政人員除外)於本公司股份及相關股份中擁有記入本公司根據證券及期貨條例第336條須存置之權益登記冊之5%或以上權益：

於本公司普通股之好倉

附註：

陳醒明先生及羅妙蘭女士各自擁有Charming International已發行股本51%及49%，而Charming International則持有1,404,000,000股股份。因此，根據證券及期貨條例的披露規定，陳醒明先生及羅妙蘭女士被視為於Charming International持有的1,404,000,000股股份中擁有權益。

於本公司或其任何相聯法團股份之淡倉

於本報告日期，除本公司董事及主要行政人員(彼等之權益載於上文「董事及主要行政人員於本公司股份及相關股份之權益及／或淡倉」一節)外，概無其他人士於本公司股份或相關股份中擁有記入本公司根據證券及期貨條例第336條須存置之權益登記冊中的權益或淡倉。

購股權計劃

本公司於2020年2月21日批准及採納購股權計劃(「該計劃」)。該計劃的目的在於容許本公司向獲挑選的參與者授出購股權，作為其對本集團作出貢獻的獎勵或回報。

REPORT OF THE DIRECTORS

董事會報告

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares under the Scheme: (a) any employee or proposed employee (whether full-time or part-time and including any executive Director), consultants or advisers of, or, to the Company, any of the subsidiaries or any entity (the “**Invested Entity**”) in which the Company holds an equity interest (collectively, the Company, any of the subsidiaries or the Invested Entity are referred to as the “**Relevant Parties**”); (b) any non-executive Directors (including independent non-executive Directors) of, any supplier of goods or services to, any customer of and any person or entity that provides research, development or other technological support to, the Relevant Parties; and (c) any Shareholders or any shareholder of any of its subsidiaries or any Invested Entity or any holder of any securities issued by the Relevant Parties. For the purposes of the Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants.

The maximum number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the issued share capital of the Company from time to time. No options may be granted under any schemes of the Company or the subsidiary of the Company if such grant will result in the maximum number being exceeded. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue (i.e. 200,000,000 Shares as at the date of this annual report). Options lapsed in accordance with the terms of the Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

The total number of Shares issued and to be issued upon exercise of all options granted under Scheme and any other share option schemes of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the Shares then in issue. Any further grant of the options in excess of this limit is subject to Shareholders’ approval in a general meeting. Each grant of option under the Scheme to a Director, chief executive or substantial Shareholder, or to any of their associates, is subject to approval in advance by the independent non-executive Directors. In addition, any grant of option under the Scheme to a substantial Shareholder or an independent non-executive Director, or to any of their associates, in excess of 0.1% of the Shares in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to Shareholders’ approval in advance in a general meeting.

An option may be accepted by a participant within 28 days from the date of the grant of the option. The Directors may, at their absolute discretion, fix any minimum period for which an option must be held, any performance targets that must be achieved and any other conditions that must be fulfilled before the options can be exercised upon the grant of an option to a participant.

董事可全權酌情邀請屬於下列參與者類別的任何人士接納購股權，以認購該計劃項下的股份：(a)本公司、其任何附屬公司或本公司於其中擁有股權的任何實體(「投資實體」)的任何僱員或擬定僱員(不論全職或兼職，包括任何執行董事)、顧問或諮詢人(本公司、任何附屬公司或投資實體均統稱為「有關人士」)；及(b)任何貨品或服務供應商的任何非執行董事(包括獨立非執行董事)及向有關人士提供研究、開發或其他技術支援的任何人士或實體；及(c)任何股東或其任何附屬公司或任何投資實體的股東或有關人士發行的任何證券之任何持有人。就該計劃而言，購股權可授予屬於上述任何參與者類別的一名或多名人士全資擁有的任何公司。

根據該計劃及本集團任何其他購股權計劃授出而尚未行使的所有尚未行使購股權而發行的股份最高數目合共不得超過本公司不時已發行股本之30%。倘有關授出將導致超出最高數目，則概無可根據本公司或本公司附屬公司的任何計劃授出的購股權。根據該計劃及本公司任何其他計劃授出的所有購股權獲行使而可能發行的股份總數不得超過已發行股份的10%(於本年報日期即200,000,000股)。就計算10%限額而言，根據該計劃或任何其他計劃的條款而失效之購股權將不會計算在內。

根據該計劃及本集團任何其他購股權計劃(包括已行使及尚未行使的購股權)授出的所有購股權獲行使後於任何12個月期間內向各參與者已發行及將發行的股份總額不得超過當時已發行股份的1%。進一步授予任何超過此限額之購股權須獲得股東於股東大會上批准。根據該計劃向董事、主要行政人員或主要股東或其任何聯營公司每次授出購股權均須待獲得獨立非執行董事事先批准後方可作實。此外，根據該計劃於任何12個月期間向主要股東或獨立非執行董事或其任何聯營公司授出超過於任何時候的已發行股份的0.1%或總價值(基於本公司股份於授出日期的價格)超過5,000,000港元之任何購股權均須獲得董事於股東大會事先批准後方可作實。

參與者可自授出購股權要約日期起計28日內接納購股權。董事可於授出購股權予參與者時全權酌情釐定必須持有購股權的最短期間、任何必須達致的表現目標及於購股權可予行使前必須達成的任何其他條件。

REPORT OF THE DIRECTORS

董事會報告

The subscription price of a Share in respect of any option granted under the Scheme, subject to any adjustments made in accordance with the Share Option Scheme, shall be such price as the Board in its absolute discretion shall determine, provided that such price shall not be less than the highest of (i) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days (as defined in the Listing Rules) immediately preceding the date of grant of the option (which must be a business day (as defined in the Listing Rules)); (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day (as defined in the Listing Rules)); and (iii) the nominal value of the Shares. A consideration of HK\$1.00 is payable on acceptance of the offer of the grant of an option.

The Scheme is effective for a period of 10 years commencing on the Listing Date.

On 15 September 2020, the Company granted share options with the rights to subscribe for up to a total of 2,000,000 Shares to one of our senior management entitled under the Scheme. The details are set out in note 30 to the financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, no equity-linked agreement was entered into by or subsisted in the Company, and there was no provision to enter into any agreement which will or may result in the Company issuing shares during the year.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Option Scheme" above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company or chief executives or any of their spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTEREST OF THE COMPLIANCE ADVISER

In accordance with Rule 3A.19 of the Listing Rules, the Company has appointed Elstone Capital Limited ("Elstone") as the compliance adviser. As notified by Elstone, compliance adviser of our Company, neither Elstone nor any of its close associates (as defined in the Listing Rules) and none of the directors or employees of Elstone had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) which is required to be notified to the Company pursuant to the Listing Rules as at the date of this report.

根據該計劃授出的任何購股權相關股份的認購價，須由董事會全權酌情釐定(可根據購股權計劃作出任何調整)，惟該價格不得低於下列各項的最高者：(i)股份於緊接授出購股權日期(必須為營業日)前五個營業日(定義見上市規則)在聯交所每日報價表所示的平均收市價；(ii)股份於授出購股權日期(必須為營業日(定義見上市規則))在聯交所每日報價表所示收市價；及(iii)股份的面值。接納授出購股權要約時須支付代價1.00港元。

該計劃自上市日期起10年期間內有效。

於2020年9月15日，本公司向我們一名根據該計劃有權獲授購股權的高級管理人員授出購股權，賦予權利認購最多合共2,000,000股股份。詳情載於財務報表附註30。

股權掛鈎協議

年內，除本年報披露者外，本公司概無訂立或存在股權掛鈎協議，亦概無有關訂立任何協議將導致或可能導致本公司發行股份的條文。

董事收購股份或債券的權利

除上文「購股權計劃」一節項下所披露者外，本公司或其任何附屬公司概無於年內任何時間訂立任何安排，以使本公司董事或主要行政人員或其任何配偶或18歲以下的子女收購本公司或任何其他法團的股份或債券而獲益。

合規顧問之權益

根據上市規則第3A.19條，本公司已委聘千里碩融資有限公司(「千里碩」)為合規顧問。誠如本公司合規顧問千里碩所告知，於本報告日期，千里碩及其任何緊密聯繫人(定義見上市規則)以及千里碩董事或僱員概無於本公司或本集團任何成員公司之股本(包括期權或認購有關證券之權利(如有))中擁有根據上市規則須知會本公司之任何權益。

REPORT OF THE DIRECTORS

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

The Company has appointed Ernst & Young as the auditor of the Company for the year ended 31 December 2020. A resolution for their reappointment as auditors of the Company will be proposed at the 2021 AGM.

By Order of the Board

Chan Sing Ming Barry

Chairman and Executive Director

Hong Kong, 29 March 2021

公眾持股量充足

根據本公司公開可得資料及據董事所知，於本報告日期，本公司已發行股本總額的最少25%由公眾人士持有。

核數師

本公司已委任安永會計師事務所為本公司截至2020年12月31日止年度的核數師。一項有關續聘其為本公司核數師的決議案將於2021年股東週年大會上提呈。

承董事會命

主席兼執行董事

陳醒明

香港，2021年3月29日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the shareholders of Cirtek Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

安永會計師事務所
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OPINION

We have audited the consolidated financial statements of Cirtek Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 47 to 144, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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.

致常達控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見

吾等已審核列載於第47至144頁的常達控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，當中包括於2020年12月31日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(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」)頒佈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2020年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見基礎

吾等已根據香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審核。吾等於該等準則下承擔的責任已於本報告核數師就審計綜合財務報表須承擔的責任中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，吾等獨立於貴集團，並已履行守則中的其他道德責任。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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter

關鍵審計事項

Impairment assessment of trade receivables

貿易應收款項的減值評估

As at 31 December 2020, the Group recorded trade receivables of approximately HK\$36,889,000 before impairment of HK\$165,000. Under HKFRS 9, the Group accounted for the impairment on trade receivables with an expected credit loss ("ECL") approach. The measurement on the Group's trade receivables under the ECL approach was estimated by management through the application of judgements and use of highly subjective assumptions. The impact of current economic factors, and forward-looking factors specific to the debtors were also considered in management's assessment of the likelihood of recovery from customers.

於2020年12月31日，貴集團錄得貿易應收款項約36,889,000港元(扣除165,000港元的減值前)。根據香港財務報告準則第9號，貴集團以預期信貸虧損(「預期信貸虧損」)方法將貿易應收款項減值入賬。以預期信貸虧損方法計量貴集團貿易應收款項乃由管理層透過應用判斷及高度主觀假設作出估計。管理層就收回客戶款項的可能性所作評估亦已考慮目前經濟因素的影響以及債務人的特定前瞻性因素。

Due to the significance of trade receivables and the application of significant judgement and estimates, we considered it as a key audit matter.

由於貿易應收款項屬重大，且已應用重大判斷及估計，故吾等認為其為關鍵審計事項。

The related disclosures are included in notes 4 and 20 to the consolidated financial statements.

有關披露載於綜合財務報表附註4及20。

關鍵審計事項

關鍵審計事項乃根據吾等的專業判斷，認為對本期間綜合財務報表的審計最為重要的事項。該等事項於吾等審核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。就下述各項而言，吾等的審計如何處理有關事項的描述乃以此為背景。

吾等已履行本報告核數師就審計綜合財務報表須承擔的責任一節闡述的責任，包括與該等事項相關的責任。相應地，吾等的審計工作包括執行為應對評估綜合財務報表重大錯誤陳述風險而設計的程序。吾等執行審計程序(包括處理下述事項所執行的程序)的結果為綜合財務報表審計意見提供基礎。

How our audit addressed the key audit matter

吾等的審計如何處理關鍵審計事項

Our audit procedures included assessing the controls over the monitoring of trade receivables; evaluating the methodologies, inputs and assumptions used by the Group in calculating the ECLs; understanding and discussing with management for judgement used under the ECL approach; assessing historical loss pattern and reviewing subsequent settlements after the year end; and assessing the current economic condition and forward-looking information by checking to the economic indicators.

吾等的審計程序包括評估監察貿易應收款項的監控措施；評核貴集團於計算預期信貸虧損時使用的方法、輸入值及估計；與管理層瞭解及討論預期信貸虧損方法下使用的判斷；評估過往虧損模式及於年末後審閱其後結付情況；及透過檢查經濟指標評估目前經濟狀況及前瞻性資料。

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
吾等的審計如何處理關鍵審計事項

Provision for inventories
存貨撥備

As at 31 December 2020, the Group recorded inventories of approximately HK\$52,943,000 and write-down of inventories to net realisable value of HK\$1,466,000 was recognised during the year. The write-down of inventories to net realisable value was estimated by management through the application of judgement and the use of highly subjective assumptions, such as the estimated selling price.

於2020年12月31日，貴集團錄得存貨約52,943,000港元，並於年內確認存貨撇減至可變現淨值1,466,000港元。存貨撇減至可變現淨值乃由管理層透過應用判斷及高度主觀假設作出估計（如估計出售價格）。

The related disclosures are included in notes 4 and 19 to the consolidated financial statements.
有關披露載於綜合財務報表附註4及19。

Our audit procedures included obtaining an understanding of management's controls over identifying and valuing obsolete, damaged, slow-moving, excess and other inventory items whose costs may not be fully recoverable; evaluating the methodologies, inputs and assumptions used by the Group in calculating the provision; assessing the inventory provision by reviewing subsequent sales and usage after the year end and checking the latest selling price; and observing physical condition of inventories by performing physical inventory inspection.

吾等的審計程序包括瞭解管理層對於識別陳舊、損壞、滯銷、過剩及成本不一定可全數收回的其他存貨項目及就此進行估值的監控措施；評估貴集團於計算撥備時所用方法、輸入值及假設；透過於年末後審閱其後銷售及使用情況評估存貨撥備及檢查最近期出售價格；以及透過進行實物存貨檢查觀察存貨的實質狀況。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

年報所載的其他資料

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

貴公司董事須對其他資料承擔責任。其他資料包括年報中所包含的資料，但不包括綜合財務報表及吾等就此發出的核數師報告。

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

吾等對綜合財務報表作出的意見並不涵蓋其他資料，吾等亦不就此發表任何形式的核證結論。

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.

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，在此過程中考慮其他資料是否與綜合財務報表或吾等於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。倘若吾等基於已完成的工作認為其他資料存在重大錯誤陳述，吾等須報告該事實。吾等就此並無任何事項須報告。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

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

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

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

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，以及落實董事認為必要的有關內部監控措施，以確保綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(倘適用)。除非貴公司董事有意將貴集團清盤或停止營運，或別無其他實際的替代方案，否則董事須採用持續經營為會計基礎。

貴公司董事在審核委員會的協助下履行職責，監督貴集團的財務報告流程。

核數師就審計綜合財務報表須承擔的責任

吾等的目標為合理核證整體上綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含吾等意見的核數師報告。吾等僅向閣下(作為整體)報告，除此之外，本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理核證屬高層次的核證，但不能保證根據香港核數準則進行的審核於重大錯誤陳述存在時總能發現。錯誤陳述可由欺詐或錯誤引起，倘個別或整體於合理預期情況下可影響使用者依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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

核數師就審計綜合財務報表須承擔的責任(續)

在根據香港核數準則進行審核的過程中，吾等運用專業判斷，於整個審核過程中保持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述，因應該等風險設計及執行審計程序，獲取充足及適當的審核憑證為吾等的意見提供基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕於內部控制之上，故未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤所導致者為高。
- 瞭解與審核有關的內部控制，以設計在有關情況下屬恰當的審計程序，但並非旨在對 貴集團內部控制的有效性發表意見。
- 評估所用會計政策是否恰當，以及董事所作出的會計估計及相關披露是否合理。
- 就董事採用持續經營會計基礎是否恰當作出總結，並根據已獲取的審核憑證，確定是否有對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘吾等總結認為存在重大不確定因素，則吾等須於核數師報告中提請注意綜合財務報表內的相關披露，或倘相關披露不足，則吾等須發表非無保留意見。吾等的結論為基於直至核數師報告日期所獲取的審核憑證。然而，未來事件或情況或會導致 貴集團不再具有持續經營的能力。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ip Hing Lam.

Ernst & Young
Certified Public Accountants
Hong Kong

29 March 2021

核數師就審計綜合財務報表須承擔的責任(續)

- 評估綜合財務報表的整體呈列、架構及內容(包括披露資料)以及綜合財務報表是否公平反映相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲取充分而適當的審核憑證，以就綜合財務報表發表意見。吾等負責指導、監督及執行 貴集團的審核工作。吾等為審核意見承擔全部責任。

吾等與審核委員會就(其中包括)計劃審計範圍及時間安排以及重大審計發現(包括吾等在審計中識別出的內部控制的任何重大缺陷)進行溝通。

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的相關道德要求，並就或會合理地被認為會影響吾等獨立性的所有關係及其他事項以及(倘適用)為解除威脅而作出的行動及已採取的相關防範措施進行溝通。

從與審核委員會溝通的事項中，吾等確定該等對本期綜合財務報表的審核最為重要的事項，因而構成關鍵審計事項。吾等在核數師報告中描述此等事項，除非法律或規例不允許公開披露此等事項，或在極端罕見的情況下，倘合理預期在吾等報告中談及某事項造成的負面後果超出所產生的公眾利益，則吾等決定不應在報告中談及該事項。

出具本獨立核數師報告的審核項目合夥人為葉慶霖。

安永會計師事務所
執業會計師
香港

2021年3月29日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

Year ended 31 December 2020
截至2020年12月31日止年度

		Notes 附註	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
REVENUE	收益	6	259,314	352,937
Cost of sales	銷售成本		(129,117)	(178,168)
Gross profit	毛利		130,197	174,769
Other income and gains	其他收入及收益	6	9,694	5,701
Selling and distribution expenses	銷售及分銷開支		(36,451)	(44,053)
Administrative expenses	行政開支		(78,247)	(83,808)
Other expenses	其他開支		(7,413)	(928)
Finance costs	融資成本	8	(2,381)	(2,735)
Listing expenses	上市開支	7	(10,607)	(11,030)
PROFIT BEFORE TAX	除稅前溢利	7	4,792	37,916
Income tax expenses	所得稅開支	11	(3,145)	(11,434)
PROFIT FOR THE YEAR	年內溢利		1,647	26,482
Attributable to:	以下人士應佔：			
Owners of the Company	本公司擁有人		1,647	25,331
Non-controlling interests	非控股權益		–	1,151
			1,647	26,482
EARNINGS PER SHARE	本公司擁有人應佔每股盈利		HK cents	HK cents
ATTRIBUTABLE TO OWNERS OF THE COMPANY			港仙	港仙
– Basic	– 基本	13	0.09	1.69
			HK cents	HK cents
– Diluted	– 攤薄		港仙	港仙
			0.09	1.69

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 December 2020
截至2020年12月31日止年度

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
PROFIT FOR THE YEAR	年內溢利	1,647	26,482
OTHER COMPREHENSIVE INCOME	其他全面收益		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:	於其後期間將可能重新分類至損益的其他全面收益：		
Exchange differences:	匯兌差額：		
Exchange differences on translation of foreign operations, net	換算海外業務產生的匯兌差額淨額	4,938	772
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收益總額	6,585	27,254
Attributable to:	以下人士應佔：		
Owners of the Company	本公司擁有人	6,585	26,178
Non-controlling interests	非控股權益	-	1,076
		6,585	27,254

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2020
於2020年12月31日

	Notes 附註	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
NON-CURRENT ASSETS			
Property, plant and equipment	14	90,980	76,559
Right-of-use assets	15	43,117	58,486
Prepayments and deposits	21	6,560	1,307
Goodwill	16	1,523	–
Other intangible assets	17	270	–
Financial asset at fair value through profit or loss	18	5,404	–
Deferred tax assets	28	402	–
Total non-current assets		148,256	136,352
CURRENT ASSETS			
Inventories	19	52,943	44,565
Trade receivables	20	36,724	48,327
Prepayments, deposits and other receivables	21	8,143	12,972
Due from the ultimate holding company	22	–	22
Due from a director	23	–	290
Cash and cash equivalents	24	114,743	43,807
Tax recoverable		883	65
Total current assets		213,436	150,048
CURRENT LIABILITIES			
Trade payables	25	34,651	35,381
Other payables and accruals	26	30,665	32,557
Interest-bearing bank borrowings	27	20,530	18,257
Due to directors	23	–	403
Lease liabilities	15	12,107	11,626
Tax payable		3,766	10,353
Total current liabilities		101,719	108,577
NET CURRENT ASSETS		111,717	41,471
TOTAL ASSETS LESS CURRENT LIABILITIES		259,973	177,823
NON-CURRENT LIABILITIES			
Other payables	26	750	841
Interest-bearing bank borrowings	27	633	2,469
Lease liabilities	15	21,340	30,209
Deferred tax liabilities	28	1,124	334
Total non-current liabilities		23,847	33,853
Net assets		236,126	143,970
EQUITY			
Equity attributable to owners of the Company			
Share capital	29	20,000	–*
Reserves	31	216,126	143,970
Total equity		236,126	143,970

* Less than HK\$500

* 少於500港元

CHAN Sing Ming Barry 陳醒明
Chairman and Executive Director
主席兼執行董事

LAW Miu Lan 羅妙蘭
Chief Executive Officer and Executive Director
行政總裁兼執行董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2020
截至2020年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interest		Total equity
		Share capital	Share premium	Merger reserve	Share option reserve	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interest	Total equity	
		股本	股份溢價	合併儲備	購股權儲備	外匯波動儲備	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	
		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 29)	(note 31(c))	(note 31(a))	(note 30)	(note 31(b))	(note 30)	(note 31(b))	(note 31(b))	(note 31(b))	
		(附註29)	(附註31(c))	(附註31(a))	(附註30)	(附註31(b))	(附註30)	(附註31(b))	(附註31(b))	(附註31(b))	
At 1 January 2019	於2019年1月1日	-	-	2,920	-	(6,373)	116,215	112,762	3,954	116,716	
Profit for the year	年內溢利	-	-	-	-	-	25,331	25,331	1,151	26,482	
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	-	-	-	-	-	
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	-	847	-	847	(75)	772	
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	847	25,331	26,178	1,076	27,254	
Issue of a new share upon incorporation of the Company	註冊成立本公司後發行1股新股份	-#	-	-	-	-	-	-#	-	-#	
Acquisition of subsidiaries under common control pursuant to the Reorganisation	根據重組收購共同控制的附屬公司	-	201,488	(196,458)	-	-	-	5,030	(5,030)	-	
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	-#	201,488*	(193,538)*	-*	(5,526)*	141,546*	143,970	-	143,970	
Profit for the year	年內溢利	-	-	-	-	-	1,647	1,647	-	1,647	
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	-	-	-	-	-	
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	-	4,938	-	4,938	-	4,938	
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	4,938	1,647	6,585	-	6,585	
Issue of new shares pursuant to the capitalisation (note 29(c))	根據資本化發行新股份(附註29(c))	15,000	(15,000)	-	-	-	-	-	-	-	
New shares issued pursuant to the share offer (note 29(d))	根據股份發售發行新股份(附註29(d))	5,000	120,000	-	-	-	-	125,000	-	125,000	
Share issuance cost	股份發行成本	-	(29,437)	-	-	-	-	(29,437)	-	(29,437)	
Equity settled share option arrangement (note 30)	股本結算購股權安排(附註30)	-	-	-	8	-	-	8	-	8	
Special dividend (note 12)	特別股息(附註12)	-	-	-	-	-	(10,000)	(10,000)	-	(10,000)	
At 31 December 2020	於2020年12月31日	20,000	277,051*	(193,538)*	8*	(588)*	133,193*	236,126	-	236,126	

* These reserve accounts comprise the consolidated reserves of HK\$216,126,000 (2019: HK\$143,970,000) in the consolidated statement of financial position.

* 於綜合財務狀況表，該等儲備賬包括綜合儲備216,126,000港元(2019年：143,970,000港元)。

Less than HK\$500

少於500港元

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2020
截至2020年12月31日止年度

	Notes 附註	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES			
經營活動之現金流量			
Profit before tax		4,792	37,916
Adjustments for:			
Finance costs	8	2,381	2,735
Interest income	6	(1,419)	(7)
Gain on disposal of items of property, plant and equipment, net	7	(687)	(87)
Loss on disposal of items of right-of-use assets	7	-	58
Depreciation of property, plant and equipment	7	14,902	17,326
Gain on derecognition of right-of-use assets, net	7	(63)	-
Fair value loss on a financial asset through profit or loss at fair value	7	1,333	-
Depreciation of right-of-use assets	7	10,510	11,224
Impairment losses on trade receivables	7	1,397	833
Provision for inventories	7	1,466	-
Equity-settled share option expense		8	-
Amortisation of a government grant		(135)	(135)
		34,485	69,863
Increase in inventories		(8,087)	(3,409)
Decrease/(increase) in trade receivables		10,435	(7,712)
Decrease/(increase) in prepayments, deposits and other receivables		4,409	(2,624)
Decrease/(increase) in an amount due to the ultimate holding company		22	(22)
Increase/(decrease) in trade payables		(2,566)	6,188
Decrease in other payables and accruals		(1,428)	(959)
Cash generated from operations		37,270	61,325
Purchase of a financial asset at fair value through profit or loss		(6,737)	-
Hong Kong profits tax paid		(9,816)	-
Overseas taxes paid		(338)	(1,731)
Net cash flows from operating activities		20,379	59,594
CASH FLOWS FROM INVESTING ACTIVITIES			
投資活動之現金流量			
Interest received		1,419	7
Purchases of items of property, plant and equipment, including a related prepayment		(23,077)	(11,072)
Proceeds from disposal of items of property, plant and equipment		1,722	87
Acquisition of a business		(1,899)	-
Payment to acquire right-of-use assets		(249)	-
Proceeds from disposal of items of right-of-use assets		-	72
Repayment from a director		290	796
Net cash flows used in investing activities		(21,794)	(10,110)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2020
截至2020年12月31日止年度

		Notes 附註	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量			
Proceeds from issue of shares, net of expenses	發行股份的所得款項 (扣除開支)		95,563	—
New bank loans	新增銀行貸款		4,580	20,320
Repayment of bank loans	償還銀行貸款		(4,143)	(12,331)
Interest paid	已付利息		(2,381)	(2,735)
Principal portion of lease payments	租賃付款的本金部分		(11,297)	(15,096)
Dividend paid	已付股息		(10,000)	(10,500)
Repayment to directors	向董事還款		(403)	(8,207)
Net cash flows from/(used in) financing activities	融資活動所得/(所用) 現金流量淨額		71,919	(28,549)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 增加淨額		70,504	20,935
Cash and cash equivalents at beginning of year	年初現金及現金等價物		43,807	22,958
Effect of foreign exchange rate changes, net	匯率變動的影響淨額		432	(86)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物		114,743	43,807
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析			
Cash and bank balances	現金及銀行結餘	24	55,510	43,807
Time deposits	定期存款	24	59,233	—
			114,743	43,807

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020
2020年12月31日

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at 1/F, Wing Ming Industrial Centre, 15 Cheung Yue Street, Lai Chi Kok, Kowloon, Hong Kong.

On 12 March 2020, the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. During the year, the Group’s subsidiaries were principally engaged in the manufacturing and sale of printing products.

Charming International Limited (“Charming International”), a company incorporated in the British Virgin Islands (the “BVI”) on 2 January 2019, is the immediate holding company of the Company, and, in the opinion of the Directors, is also the ultimate holding company of the Company.

1. 公司及集團資料

本公司為於開曼群島註冊成立的有限公司。本公司的註冊辦事處地址為PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands。本公司的主要營業地點為香港九龍荔枝角長裕街15號永明工業中心1樓。

於2020年3月12日，本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為一間投資控股公司。於年內，本集團的附屬公司主要從事生產及銷售印刷產品。

Charming International Limited(「Charming International」，一間於2019年1月2日在英屬處女群島(「英屬處女群島」)註冊成立的公司)為本公司的直接控股公司，董事認為該公司亦為本公司的最終控股公司。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020
2020年12月31日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information of subsidiaries

Particulars of the Company's subsidiaries are as follows:

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊地點及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Charming Printing Limited 集美印刷有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	100	Sale of printing products 銷售印刷產品
Charming Printing (Boluo) Ltd. (note (a)) 博羅縣常美印刷有限公司(附註(a))	People's Republic of China ("PRC") 中華人民共和國(「中國」)	US\$6,234,178 6,234,178美元	-	100	Manufacturing of printing products 生產印刷產品
Charming Trim & Packaging (VN) Co., Ltd	Vietnam 越南	US\$3,100,000 3,100,000美元	-	100	Manufacturing of printing products 生產印刷產品
Charming Trim & Packaging Company Limited	Hong Kong 香港	HK\$2 2港元	-	100	Dormant (2019: Sale of printing products) 並無業務(2019年：銷售印 刷產品)
Charming Trim & Packaging (BD) Ltd	Bangladesh 孟加拉	BDT50,000,000 50,000,000 孟加拉塔卡	-	100	Manufacturing of printing products 生產印刷產品
Charming Trim (BD) Co. Ltd	Bangladesh 孟加拉	BDT5,000,000 5,000,000 孟加拉塔卡	-	100	Sale of printing products 銷售印刷產品
Charming Trim India Private Limited	India 印度	INR100,000 100,000印度盧比	-	100	Sale of printing products 銷售印刷產品
Charming Trim & Packaging (PVT.) Limited	Pakistan 巴基斯坦	PKR100,000 100,000 巴基斯坦盧比	-	100	Sale of printing products 銷售印刷產品

1. 公司及集團資料(續)

附屬公司的資料

本公司附屬公司的詳情載列如下：

NOTES TO FINANCIAL STATEMENTS
財務報表附註

1. CORPORATE AND GROUP INFORMATION (Continued)

Information of subsidiaries (Continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊地點及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Charming Trim & Packaging, Inc	United States of America 美利堅合眾國	US\$10,000 10,000美元	-	100	Sale of printing products and provision of customers services (2019: Sale of printing products) 銷售印刷產品及提供客戶 服務(2019年：銷售印刷 產品)
Lowatag Limited	Hong Kong 香港	HK\$150,002 150,002港元	-	100	Investment holding 投資控股
Charming Europe BVBA	Belgium 比利時	EUR50,000 50,000歐元	-	100	Provision of customer services 提供客戶服務
Charming Printing (SZ) Ltd (note (b)) 深圳集美南方印刷服務有限公司(附註(b))	PRC 中國	RMB50,000 人民幣50,000元	-	100	Provision of customer services 提供客戶服務
Cirtek Link Limited 常達智能科技有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	100 (2019: Nil) (2019年：無)	Investment holding 投資控股
Cirtek Link (Shenzhen) Limited (note(b)) 常達智能物聯(深圳)有限公司(附註(b))	PRC 中國	US\$1,000,000 1,000,000美元	-	100 (2019: Nil) (2019年：無)	Provision of customer services 提供客戶服務
Cirtek Investment Limited	BVI 英屬處女群島	US\$1 1美元	100	-	Investment holding 投資控股
Charming Trim Etiket Limited Sirketi	Turkey 土耳其	TL10,000,000 10,000,000 土耳其里拉	-	100 (2019: Nil) (2019年：無)	Dormant 並無業務

Notes:

(a) This entity is registered as a wholly-foreign-owned enterprise under the laws of the PRC.

(b) This entity is registered as a limited liability company under the laws of the PRC.

1. 公司及集團資料(續)

附屬公司的資料(續)

附註：

(a) 該實體根據中國法律註冊為外商獨資企業。

(b) 該實體根據中國法律註冊為有限責任公司。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020
2020年12月31日

2.1 BASIS OF PRESENTATION

For the listing of the Company's shares, the Company underwent a group reorganisation (the "Reorganisation"), further details of which are set out in the Company's prospectus dated 28 February 2020. Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 28 May 2019. The companies now comprising the Group were under the common control of Mr. Barry Chan Sing Ming ("Mr. Barry Chan") and Ms. Law Miu Lan ("Ms. Candy Law") (collectively the "Controlling Shareholders"), who are spouses and have been acting in concert for control over the Group before and after the Reorganisation. Accordingly, these financial statements have been prepared by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the year ended 31 December 2019.

The consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the years ended 31 December 2020 and 2019 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries and/or businesses first came under the common control of the Controlling Shareholders, where this is a shorter period. The consolidated statements of financial position of the Group as at 31 December 2020 and 2019 have been prepared to present the assets and liabilities of the subsidiaries and/or business using the existing book values from the Controlling Shareholders' perspectives. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

Equity interests in subsidiaries and/or businesses held by the parties other than the controlling shareholders prior to the Reorganisation are presented as non-controlling interests in equity in applying the principles of merger accounting.

All intra-group transactions and balances have been eliminated on consolidation.

2.1 呈列基準

為進行本公司股份上市，本公司已進行集團重組（「重組」），進一步詳情載於本公司日期為2020年2月28日的招股章程。根據重組，本公司於2019年5月28日成為現時組成本集團各公司之控股公司。於重組前後，現時組成本集團各公司受陳醒明先生（「陳醒明先生」）及羅妙蘭女士（「羅妙蘭女士」）（統稱「控股股東」，彼等為配偶及就本集團的控制權而言為一致行動人士）共同控制。因此，該等財務報表乃透過應用合併會計原則編製，猶如重組已於截至2019年12月31日止年度開始時完成。

本集團截至2020年及2019年12月31日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表包括現時組成本集團所有公司自所呈列的最早日期或自該等附屬公司及／或業務首次受到控股股東共同控制當日起（以較短期間為準）的業績及現金流量。本集團於2020年及2019年12月31日的綜合財務狀況表已使用就控股股東角度而言的現有賬面值編製，以呈列附屬公司及／或業務的資產及負債。本公司並無作出調整以反映公平值，或確認因重組而產生的任何新資產或負債。

重組前由控股股東以外各方於附屬公司及／或業務持有的股權應用合併會計原則呈列為股本中的非控股權益。

所有集團內交易及結餘已於綜合入賬時對銷。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, except for a financial asset at fair value through profit or loss which has been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between shareholders of the Group are eliminated in full on consolidation.

2.2 編製基準

該等財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例的披露規定編製。

該等財務報表乃按歷史成本法編製，惟按公平值計入損益的金融資產按公平值計量。該等財務報表以港元列值，除另有指明外，所有數值已約整至最接近的千位(千港元)。

綜合入賬基準

綜合財務報表包括本集團截至2020年12月31日止年度的財務報表。附屬公司指由本公司直接或間接控制的實體(包括結構性實體)。當本集團通過參與投資對象的相關活動而承擔可變回報的風險或有權享有可變回報，並且有能力透過對投資對象的權力(即賦予本集團現有有能力以主導投資對象的相關活動的現有權利)影響該等回報時，即表示擁有控制權。

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

- (a) 與投資對象其他投票權持有人的合約安排；
- (b) 其他合約安排產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃按與本公司於同一報告期間一致的會計政策編製。附屬公司之業績自本集團取得控制權當日起綜合入賬，並持續至該控制權終止當日。

損益及其他全面收益的各組成部分屬本集團的母公司擁有人及非控股權益應佔部分，即使此導致非控股權益結餘出現虧絀結餘。所有集團內與本集團股東之間交易有關的資產及負債、權益、收入、開支及現金流量均於綜合入賬時全面對銷。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020
2020年12月31日

2.2 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to HKFRS 16	<i>COVID-19-Related Rent Concessions (early adopted)</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

2.2 編製基準(續)

綜合入賬基準(續)

倘有事實及情況顯示上述控制權三項元素中有一項或以上出現變化，本集團會重新評估其是否對投資對象擁有控制權。並無喪失控制權的附屬公司之所有權益變動列作權益交易入賬。

倘本集團失去對附屬公司的控制權，則其終止確認(i)附屬公司之資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)於權益中記錄之累計匯兌差額；並確認(i)已收取代價之公平值；(ii)任何保留投資之公平值；及(iii)於損益中任何因此產生之盈餘或虧絀。本集團先前於其他全面收益中確認之應佔部分重新分類至損益或保留溢利(如適用)，按猶如本集團已直接出售有關資產或負債所需的相同基準確認。

2.3 會計政策變動及披露

本集團已就本年度財務報表首次採納2018年財務報告概念框架及下列經修訂香港財務報告準則。

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
香港財務報告準則第16號 (修訂本)	COVID-19 相關 租金優惠 (提早採納)
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

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(Continued)

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs are described below:

- (a) *Conceptual Framework for Financial Reporting 2018* (the “Conceptual Framework”) sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.
- (b) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

2.3 會計政策變動及披露(續)

2018年財務報告概念框架及經修訂香港財務報告準則的性質及影響載述如下：

- (a) 2018年財務報告概念框架(「概念框架」)載列有關財務報告及標準制定的整套概念，並為財務報告編製者提供指引，以制定一致的會計政策，及協助各理解及詮釋準則。概念框架包括有關計量及報告財務表現的新章節，有關終止確認資產及負債的新指引以及資產及負債的更新定義及確認標準。其亦澄清監管、審慎及計量不確定性於財務報告之角色。概念框架並非一項準則，且當中包含的概念概無凌駕任何準則的概念或規定。概念框架並無對本集團的財務狀況及表現產生任何重大影響。
- (b) 香港財務報告準則第3號(修訂本)澄清並就業務的定義提供額外指引。該等修訂本澄清，一組活動及資產的彙集須至少包含一項輸入及一項實質性過程，而兩者共同對創造產出的能力具有重大貢獻，方被視作一項業務。在不包括創造產出所需的全部輸入和過程的情況下，一項業務仍可以存在。該等修訂本取消對市場參與者是否能夠購買業務並能持續創造產出的評估。反之，有關修訂本專注於所收購的輸入和所收購的實質性過程是否共同對創造產出的能力具有重大貢獻。該等修訂本亦收窄了產出的定義，專注於向客戶提供的貨品或服務、投資收入或日常活動所產生的其他收益。此外，就所購買的過程是否為實質性的評估而言，有關修訂本亦提供指引，並引入一項公平值集中度測試可供選擇，允許就所購買的一組活動和資產是否構成業務進行簡化評估。本集團已就於2020年1月1日或之後發生的交易或其他事件前瞻性應用有關修訂本。該等修訂本對本集團的財務狀況及表現並無任何影響。

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(Continued)

- (c) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“RFR”). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.
- (d) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively. The amendment did not have any significant impact on the financial position and performance of the Group.
- (e) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that 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. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

2.3 會計政策變動及披露(續)

- (c) 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)旨在於替代無風險利率取代現有利率基準前的期間處理影響財務報告的事項。該等修訂本提供暫時寬免措施，在引入替代無風險利率前的不明朗期間繼續進行對沖會計處理。此外，有關修訂本規定公司向投資者提供有關直接受該等不確定因素影響的對沖關係的額外資料。有關修訂本對本集團的財務狀況及表現並無任何影響，因為本集團並無任何利率對沖關係。
- (d) 香港財務報告準則第16號(修訂本)為承租人提供可行權宜方法，以選擇不就COVID-19疫情直接引致的租金優惠應用租賃修改會計處理。有關可行權宜方法僅適用於疫情直接引致的租金優惠，且僅於(i)租賃付款的變動使租賃代價有所修改，而經修改的代價大致相當於或低於緊接變動前租賃代價；(ii)租賃付款的任何扣減僅影響原訂於2021年6月30日或之前到期的付款；及(iii)租賃的其他條款及條件並無實質變動時適用。有關修訂本於2020年6月1日或之後開始的年度期間生效，允許提早應用，並須追溯應用。該等修訂本對本集團的財務狀況及表現並無任何重大影響。
- (e) 香港會計準則第1號及香港會計準則第8號(修訂本)為重大一詞提供新定義。根據新定義，倘可合理預期漏報、錯誤陳述或隱瞞個別資料將可影響使用財務報表作一般目的之主要使用者基於相關財務報表作出的決定，則有關資料則屬重大。該等修訂本釐清，重大性取決於有關資料的性質或程度(或兩者皆是)。該等修訂本對本集團的財務狀況及表現並無任何重大影響。

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2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Company has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i> ²
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4, and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 1</i>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
HKFRS 17	<i>Insurance Contracts</i> ³
Amendments to HKFRS 17	<i>Insurance Contracts</i> ^{3, 6}
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> ^{3, 5}
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i> ²
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i> ²
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41 ²

¹ Effective for annual periods beginning on or after 1 January 2021

² Effective for annual periods beginning on or after 1 January 2022

³ Effective for annual periods beginning on or after 1 January 2023

⁴ No mandatory effective date yet determined but available for adoption

⁵ As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

⁶ As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

2.4 已頒佈但尚未生效的香港財務報告準則

本集團並未提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第3號(修訂本)	概念框架的提述 ²
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、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 – 第二階段 ¹
香港財務報告準則第10號及香港會計準則第28號(2011年)(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 ⁴
香港財務報告準則第17號	保險合約 ³
香港財務報告準則第17號(修訂本)	保險合約 ^{3, 6}
香港會計準則第1號(修訂本)	將負債分類為流動或非流動 ^{3, 5}
香港會計準則第16號(修訂本)	物業、廠房及設備：擬定用途前所得款項 ²
香港會計準則第37號(修訂本)	虧損性合約 – 履行合約的成本 ²
香港財務報告準則2018年至2020年週期之年度改進	香港財務報告準則第1號、香港財務報告準則第9號、香港財務報告準則第16號所附說明示例及香港會計準則第41號(修訂本) ²

¹ 於2021年1月1日或之後開始的年度期間生效

² 於2022年1月1日或之後開始的年度期間生效

³ 於2023年1月1日或之後開始的年度期間生效

⁴ 尚未確定強制生效日期，惟可供採納

⁵ 香港會計準則第1號(修訂本)導致香港詮釋第5號財務報表的呈列 – 借款人對載有按要求償還條款的定期貸款的分類已於2020年10月進行修訂，以使相應措辭保持一致而結論並無變動

⁶ 香港財務報告準則第17號(修訂本)於2020年10月頒佈，以致香港財務報告準則第4號獲修訂，以擴大暫時豁免，允許保險公司於2023年1月1日之前開始的年度期間應用香港會計準則第39號而非香港財務報告準則第9號

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2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative RFR. The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 and shall be applied retrospectively, but entities are not required to restate the comparative information.

2.4 已頒佈但尚未生效的香港財務報告準則(續)

預期適用於本集團的香港財務報告準則的進一步資料載述如下。

香港財務報告準則第3號(修訂本)旨在以2018年6月頒佈的財務報告概念框架之提述取代先前財務報表編製及呈列框架之提述，而毋須大幅更改其規定。該等修訂亦對香港財務報告準則第3號有關實體參考概念框架以釐定資產或負債之構成之確認原則加入一項例外情況。該例外情況規定，對於屬香港會計準則第37號或香港(國際財務報告詮釋委員會)－詮釋第21號範圍內的負債及或然負債而言，倘該等負債屬單獨產生而非於業務合併中產生，則應用香港財務報告準則第3號的實體應分別參考香港會計準則第37號或香港(國際財務報告詮釋委員會)－詮釋第21號而非概念框架。此外，該等修訂澄清或然資產於收購日期不符合確認條件。本集團預計自2022年1月1日起前瞻性採納該等修訂。由於該等修訂前瞻性應用於收購日期為首次應用日期或之後的業務合併，因此本集團於過渡日期將不會受該等修訂的影響。

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)於替代無風險利率取代現有利率基準時解決先前修訂中未處理但影響財務報告之問題。第二階段之修訂提供一項可行權宜方法，允許對釐定金融資產及負債之合約現金流量之基準變動進行會計處理時更新實際利率而無需調整賬面值，前提是有關變動為利率基準改革之直接後果及釐定合約現金流量的新基準於經濟上相等於緊接變動前的先前基準。此外，該等修訂允許就對沖指定項目及對沖文件作出利率基準改革所規定的變動，而不會終止對沖關係。過渡期間可能產生的任何收益或虧損均通過香港財務報告準則第9號的正常規定進行處理，以計量及確認對沖無效性。該等修訂亦為實體提供暫時寬免，於無風險利率被指定為風險組成部分時毋須滿足可單獨識別之規定。該寬免允許實體於指定對沖後假定已滿足可單獨識別之規定，惟實體須合理預期無風險利率風險組成部分於未來24個月內將可單獨識別。此外，該等修訂要求實體須披露額外資料，以使財務報表的使用者能夠瞭解利率基準改革對實體的金融工具及風險管理策略的影響。該等修訂於2021年1月1日或之後開始的年度期間生效，並應追溯應用，惟實體毋須重列比較資料。

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2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

The Group had certain interest-bearing bank borrowings denominated in Hong Kong dollars and foreign currencies based on the Hong Kong Interbank Offered Rate and the London Interbank Offered Rate (“LIBOR”) as at 31 December 2020. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings when the “economically equivalent” criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to HKAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity’s right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

2.4 已頒佈但尚未生效的香港財務報告準則(續)

本集團於2020年12月31日有若干計息銀行借款根據香港銀行同業拆借利率及倫敦銀行同業拆借利率(「LIBOR」)以港元及外幣計值。倘有關借款的利率將在未來期間內由無風險利率所替代，本集團將在達致「經濟上相等」標準並預期不會出現對有關變動應用修訂所致的重大修訂損益時，在修訂有關借款後應用此可行權宜方法。

香港財務報告準則第10號及香港會計準則第28號(2011年)(修訂本)針對香港財務報告準則第10號及香港會計準則第28號(2011年)之間有關投資者與其聯營公司或合營企業之間的資產出售或注資兩者規定之不一致情況。該等修訂規定，當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務之資產時，由該交易產生之收益或虧損於該投資者之損益內確認，惟僅以不相關投資者於該聯營公司或合營企業之權益為限。該等修訂將予前瞻應用。香港會計師公會已於2016年1月剔除香港財務報告準則第10號及香港會計準則第28號(2011年)的修訂本的先前強制生效日期，而新訂強制生效日期將於對聯營公司及合營企業的會計處理完成更廣泛的檢討後釐定。然而，該等修訂現時可供採納。

香港會計準則第1號(修訂本)澄清將負債分類為流動或非流動的規定。該等修訂指明，倘實體延遲償還負債的權利受限於該實體須符合特定條件，則倘該實體於報告期末當日符合有關條件，其有權延遲償還負債。負債的分類不受該實體行使權利延遲償還負債的可能性所影響。該等修訂亦澄清被視為償還負債的情況。該等修訂於2023年1月1日或之後開始的年度期間生效，應追溯應用，並允許提早應用。該等修訂預期不會對本集團的財務報表產生任何重大影響。

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2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 已頒佈但尚未生效的香港財務報告準則(續)

香港會計準則第16號(修訂本)禁止實體從物業、廠房及設備項目的成本中扣除使資產達到管理層擬定之營運狀態所需位置與狀況的過程中銷售項目所產生的任何所得款項。相反，實體須於損益中確認銷售任何有關項目之所得款項及該等項目之成本。該等修訂於2022年1月1日或之後開始的年度期間生效，並僅追溯應用於實體首次應用該等修訂的財務報表中所呈列的最早期間開始或之後可供使用的物業、廠房及設備項目，允許提早應用。該等修訂預期不會對本集團的財務報表產生任何重大影響。

香港會計準則第37號(修訂本)澄清，就根據香港會計準則第37號評估合約是否屬虧損性而言，履行合約的成本包括與合約直接相關的成本。與合約直接相關的成本包括履行該合約的增量成本(例如直接勞工及材料)及與履行合約直接相關的其他成本分配(例如分配履行合約所用物業、廠房及設備項目的折舊費用以及合約管理及監督成本)。一般及行政成本與合約並無直接關連，除非根據合約明確向對手方收取，否則不予包括在內。該等修訂於2022年1月1日或之後開始的年度期間生效，並將應用於實體於其首次應用該等修訂的年度報告期間開始尚未履行其所有責任的合約。允許提早應用。初步應用該等修訂的任何累計影響將確認為對首次應用日期之初權益的調整，而毋須重列比較資料。該等修訂預期不會對本集團的財務報表產生任何重大影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Annual Improvements to HKFRSs 2018-2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.
- HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations other than those under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value, which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed 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. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

2.4 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則2018年至2020年週期之年度改進載列香港財務報告準則第1號、香港財務報告準則第9號、香港財務報告準則第16號所附說明示例及香港會計準則第41號的修訂本。預期將適用於本集團的修訂本詳情如下：

- 香港財務報告準則第9號金融工具：澄清實體於評估一項新訂或經修訂金融負債之條款是否與原金融負債之條款有重大差異時所計入之費用。該等費用僅包括借款人與貸款人之間已付或已收之費用，當中包括借款人或貸款人代表另一方支付或收取之費用。實體對於該實體首次採用修訂的年度報告期間開始或之後修訂或交換之金融負債應用有關修訂。有關修訂於2022年1月1日或之後開始的年度期間生效。允許提早應用。有關修訂預期不會對本集團的財務報表產生重大影響。
- 香港財務報告準則第16號租賃：於香港財務報告準則第16號所附第13項說明示例中移除出租人就租賃物業裝修作出之付款說明。此舉消除了應用香港財務報告準則第16號時對租賃優惠進行處理之潛在混淆。

3. 主要會計政策概要

業務合併及商譽

非共同控制下的業務合併使用收購法入賬。轉讓代價按收購日期公平值計量，即本集團所轉讓資產、本集團承擔的被收購方前擁有人負債與本集團為換取被收購方控股權而發行的股本權益於收購日期公平值的總和。就各項業務合併而言，本集團選擇是否按公平值或佔被收購方的可識別淨資產的比例計量於被收購方的非控股權益（為現有所有權權益及授權其持有人在清盤的情況下按比例分佔淨資產）。非控股權益的所有其他部分按公平值計量。收購相關成本於產生時支銷。

當本集團收購一組業務及資產，而當中包括共同對創造產出的能力具有重大貢獻的一項投入和實質性過程時，則確定其已收購一項業務。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or a liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

3. 主要會計政策概要(續)

業務合併及商譽(續)

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟狀況及相關條件評估所承擔的金融資產及負債，以作出適當分類及指定，包括將被收購方所訂立的主合約中的嵌入式衍生工具拆分。

倘業務合併分階段進行，則先前持有的股權按其於收購日期的公平值重新計量，而任何所導致的收益或虧損乃於損益確認。

將由收購方轉讓的任何或然代價按於收購日期的公平值確認。分類為資產或負債的或然代價按公平值計量且公平值變動於損益確認。分類為權益的或然代價不會重新計量，而其後續結算於權益內入賬。

商譽初步按成本計量，即已轉讓代價、已確認非控股權益金額及本集團先前持有的被收購方股權的任何公平值之總和超出所收購可識別淨資產及所承擔負債的差額。倘此代價及其他項目的總和低於所收購淨資產的公平值，則其差額將於重新評估後於損益確認為議價收購收益。

於初步確認後，商譽按成本減任何累計減值虧損計量。商譽每年會作減值測試，或倘有事件或情況變動顯示賬面值可能出現減值，則會更頻密地進行測試。本集團於12月31日對商譽進行年度減值測試。就減值測試而言，於業務合併中收購的商譽會自收購日期起分配至預期可從合併產生的協同效應中獲益的本集團各現金產生單位或現金產生單位組別，而不論本集團其他資產或負債是否分配至有關單位或單位組別。

減值按與商譽有關的現金產生單位(現金產生單位組別)的可收回金額的評估釐定。倘現金產生單位(現金產生單位組別)的可收回金額低於賬面值，則確認減值虧損。已確認的商譽減值虧損不會於後續期間撥回。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its financial assets at fair value through profit or loss at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3. 主要會計政策概要(續)

業務合併及商譽(續)

倘商譽分配至現金產生單位(或現金產生單位組別)，而該單位當中部分業務被出售，則於釐定出售損益時，與所出售業務有關的商譽計入該業務的賬面值。於有關情況下出售的商譽按所出售業務的相對價值及現金產生單位的保留部分計量。

公平值計量

本集團於各報告期末計量其按公平值計入損益的金融資產。公平值指於計量日期市場參與者之間的有序交易中為出售資產而收取或轉讓負債而支付的價格。公平值計量乃基於出售資產或轉讓負債之交易於該資產或負債之主要市場或(倘並無主要市場)就該資產或負債而言最具優勢的市場進行之假設。主要或最具優勢市場須為本集團可進入的市場。資產或負債的公平值乃使用市場參與者將資產或負債定價時使用的假設計量(假設市場參與者依照彼等的最佳經濟利益行事)。

非金融資產的公平值計量考慮市場參與者於資產最高及最佳使用狀態時使用或將其出售予另一個市場參與者所產生經濟利益能力。

本集團使用適用於有關情況且具備充足可供使用數據以計量公平值的估值技術，以盡可能使用相關可觀察輸入值及盡可能減少使用不可觀察輸入值。

於財務報表計量或披露公平值的所有資產及負債均根據對公平值計量整體而言屬重大的最低層輸入值按下述公平值層級進行分類：

- 第一級 – 基於相同資產或負債於活躍市場的報價(未經調整)
- 第二級 – 基於可直接或間接觀察就公平值計量而言屬重大的最低層輸入值的估值技術
- 第三級 – 基於無法觀察就公平值計量而言屬重大的最低層輸入值的估值技術

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Subsidiaries

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

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

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

3. 主要會計政策概要(續)

公平值計量(續)

就經常於財務報表確認的資產及負債而言，於各報告期末，本集團通過重新評估分類釐定各層級之間是否發生轉移(基於對公平值計量整體而言屬重大的最低層級的輸入)。

附屬公司

附屬公司指本公司對其直接或間接有控制權的實體(包括結構性實體)。當本公司能透過其參與投資對象而面臨或有權享有可變回報的風險或權利，並能夠向投資對象使用其權力影響回報金額(即現有權利可使本公司能於現時指揮投資對象的相關活動)，即代表達致控制權。

當本公司直接或間接擁有投資對象少於大多數的投票權或類似權利，本公司於評估其對投資對象是否擁有權力時會考慮所有相關事實及情況，包括：

- (a) 與投資對象的其他投票權持有人訂立的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本公司的投票權及潛在投票權。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Impairment of non-financial assets**

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

3. 主要會計政策概要(續)**非金融資產減值**

倘有顯示存在減值，或當需要對資產(存貨、遞延稅項資產及金融資產除外)作年度減值測試，則估計資產之可收回金額。資產之可收回金額為資產或現金產生單位之使用價值以及其公平值減出售成本之較高者計算，並就個別資產而釐定，惟倘資產並未能產生大致獨立於其他資產或資產組別的現金流入，則就資產所屬之現金產生單位釐定可收回金額。

減值虧損僅於資產之賬面值超過其可收回金額時確認。於評估使用價值時，估計未來現金流量乃採用反映當時市場對貨幣時間價值以及資產特定風險的除稅前貼現率貼現至其現值。減值虧損按該減值資產之功能相符的開支類別於產生期間自損益扣除。

於各報告期末須評估是否有跡象顯示先前確認之減值虧損可能不再存在或可能已減少。倘存在有關跡象，則對可收回金額作出估計。先前確認的資產(商譽除外)減值虧損僅於用以釐定資產之可收回金額之估計出現變動時方予撥回，惟有關金額不得超過倘有關資產於過往年度並未有確認減值虧損而將已釐定之賬面值(扣除任何折舊／攤銷)。有關減值虧損的撥回計入產生當期的損益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

3. 主要會計政策概要(續)

關聯人士

倘出現以下情況，有關人士將被視為與本集團有關聯：

- (a) 該人士為任何人士或其近親，而該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理人員；

或

- (b) 該人士為符合下列任何條件的實體：
 - (i) 該實體與本集團屬同一集團的成員；
 - (ii) 某實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；
 - (iii) 該實體與本集團為同一第三方的合營企業；
 - (iv) 某實體為第三方實體的合營企業，而另一實體為第三方實體的聯營公司；
 - (v) 該實體為本集團或與本集團有關聯的實體就僱員利益設立的離職後福利計劃；
 - (vi) 該實體受(a)所識別人士控制或共同控制；
 - (vii) 於(a)(i)所識別人士對該實體有重大影響或為該實體（或該實體的母公司）的主要管理人員；及
 - (viii) 該實體或任何集團成員為本集團或本集團的母公司提供主要管理人員服務。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred.

In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

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

Leasehold improvements	Over the lease terms
Plant and machinery	10%
Furniture and fixtures	20%
Motor vehicles	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

3. 主要會計政策概要(續)**物業、廠房及設備以及折舊**

物業、廠房及設備乃以成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括其購買價及促使資產達至其擬定用途的營運狀況及地點的任何直接應佔成本。

物業、廠房及設備項目開始運作後產生的開支(例如維修及保養)一般於產生開支期間自損益表中扣除。

若符合確認條件,大型檢查費用將於資產賬面值中撥充資本列作替換。倘需要定期更換物業、廠房及設備重大部分,則本集團確認該等部分為有特定可使用年期的個別資產,並據此折舊。

折舊乃按各項物業、廠房及設備項目的估計可使用年期使用直線基準撇銷其成本至其剩餘價值計算。就此所採用的主要年率如下:

租賃物業裝修	於租期內
廠房及機器	10%
傢俬及裝置	20%
汽車	20%

倘一項物業、廠房及設備項目的有關部分存在不同可使用年期,則該項目的成本將按合理基準於有關部分之間作出分配,而每部分則作獨立折舊處理。剩餘價值、可使用年期及折舊方法將至少在各財政年末進行檢討及調整(如適用)。

物業、廠房及設備項目(包括任何已初步確認的重大部分)在出售或在預計其使用或出售不會帶來未來經濟利益時終止確認。於資產終止確認的年度於損益中確認的出售或棄用的任何收益或虧損為相關資產的出售所得款項淨額與賬面值的差額。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Software

Purchased software is stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3. 主要會計政策概要(續)

無形資產(商譽除外)

單獨收購的無形資產於初步確認時按成本計量。於業務合併收購的無形資產的成本乃於收購日期的公平值。無形資產之可使用年期可評定為有限或無限。年期有限之無形資產其後按可使用經濟年期攤銷，並於有跡象顯示無形資產可能出現減值時進行減值評估。可使用年期有限之無形資產攤銷期及攤銷方法至少於各財政年度末進行一次審閱。

具無限可使用年期之無形資產於每年按個別基準或於現金產生單位層面進行減值測試。有關無形資產並不予攤銷。具無限年期之無形資產之可使用年期每年作評估，以釐定無限可使用年期之評估是否仍然具有理據支持。否則，可使用年期之評估按前瞻基準由無限年期改為有限年期列賬。

軟件

已購入之軟件按成本扣除任何減值虧損列賬，並按直線基準在其估計可使用年期10年內予以攤銷。

租賃

於合約成立時，本集團會評估合約是否屬於或包含租賃。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，則該合約屬於或包含租賃。

本集團為承租人

本集團就所有租賃應用單一確認及計量方法，惟短期租賃除外。本集團確認租賃負債以作出租賃付款，而使用權資產指使用相關資產的權利。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

Group as a lessee (Continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 30 years
Plant and machinery	10 years
Motor vehicles	5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

3. 主要會計政策概要(續)

租賃(續)

本集團為承租人(續)

(a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量,並就任何重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債金額、已產生初步直接成本及於開始日期或之前作出的租賃付款減任何已收取租賃獎勵。在適用的情況下,使用權資產的成本亦包括為拆卸並移除相關資產或復原相關資產或其所在場地而產生的估計成本。使用權資產按租期及資產估計可使用年期(以較短者為準)折舊:

樓宇	2至30年
廠房及機器	10年
汽車	5年

倘於租期結束時租賃資產的擁有權轉讓至本集團或成本反映行使購買權,則折舊以資產的估計可使用年期計算。

(b) 租賃負債

租賃負債於租賃開始日期按租賃期內作出的租賃付款之現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠及在租賃條款反映本集團行使終止租賃選擇權之情況下因終止租賃而支付的罰款。

於計算租賃付款之現值時,由於租賃中隱含的利率不易確定,本集團採用租賃開始日期的遞增借貸利率。於開始日期後,租賃負債金額會增加以反映利息的增長,並就所作出的租賃付款作出扣減。此外,當出現修改、租期變動、租賃付款變動(例如指數或利率變動導致的未來租賃付款變動)或購買相關資產的選擇權評估變動,則租賃負債的賬面值將予重新計量。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

Group as a lessee (Continued)

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

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

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

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

3. 主要會計政策概要(續)

租賃(續)

本集團為承租人(續)

(c) 短期租賃

本集團對其機器及設備的短期租賃(即該等於開始日期的租期為12個月或以下且不包含購買權的租賃)採用短期租賃確認豁免。短期租賃的租賃付款在租期內按直線基準確認為開支。

投資及其他金融資產

初步確認及計量

金融資產於初步確認時分類為其後按攤銷成本、按公平值計入其他全面收益及按公平值計入損益計量。

金融資產於初步確認時的分類視乎金融資產合約現金流量的特徵及本集團管理該等資產的業務模式而定。除不包含重大融資部分或本集團已應用可行權宜方法不就重大融資部分的影響作出調整的貿易應收款項外，本集團初步按其公平值加(倘並非按公平值計入損益的金融資產)交易成本計量金融資產。依據下文「收益確認」所載政策，並無重大融資部分或本集團並未就此應用可行權宜方法的貿易應收款項按照香港財務報告準則第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公平值計入其他全面收益分類及計量，需產生僅為支付本金及未償還本金利息(「僅為支付本金及利息」)的現金流量。不論業務模式為何，現金流量並非僅為支付本金及利息的金融資產乃按公平值計入損益分類及計量。

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

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefit associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

本集團管理金融資產的業務模式指為產生現金流量管理金融資產的方式。業務模式釐定現金流量會否因收取合約現金流量、出售金融資產(或以上兩者)而產生。持有按攤銷成本分類及計量的金融資產的業務模式旨在收取合約現金流量，而持有按公平值計入其他全面收益分類及計量的金融資產的業務模式旨在收取合約現金流量及出售金融資產。並非按上述業務模式持有的金融資產按公平值計量計入損益入賬分類及計量。

所有以常規方式購買及出售的金融資產均於交易日期(即本集團承諾購買或出售資產當日)確認。以常規方式購買或出售指需在市場規例或慣例規定的期限內交付的金融資產購買或出售。

後續計量

金融資產的後續計量視乎下文所述分類而定：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產其後使用實際利率法計量，並可予減值。收益及虧損於資產終止確認、修改或減值時於損益表中確認。

按公平值計入損益的金融資產

按公平值計入損益的金融資產按公平值於財務狀況表入賬，其公平值變動淨額於損益表中確認。

該類別包括本集團不可撤回地選擇按公平值計入其他全面收益進行分類的衍生工具及股本投資。就分類為按公平值計入損益的金融資產的股本投資的股息而言，當獲派股息的權利確立時，股息所涉及的經濟利益可能會流入本集團，且股息金額能夠可靠計量，則有關股息亦於損益確認為其他收入。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

3. 主要會計政策概要(續)

終止確認金融資產

金融資產(或金融資產或類似金融資產組別的一部分(倘適用))主要在下列情況終止確認(即自本集團的財務狀況表移除):

- 從資產收取現金流量的權利已屆滿; 或
- 本集團已轉讓其從資產收取現金流量的權利, 或已承擔根據「轉付」安排而並無重大延誤下悉數將已收取現金流量支付有關第三者的責任; 且(a)本集團已將資產的絕大部分風險及回報轉讓, 或(b)本集團並無轉讓或保留資產的絕大部分風險及回報, 但已轉讓資產的控制權。

倘本集團已轉讓從資產收取現金流量的權利或已訂立轉付安排, 則評估是否已保留與該資產相關的風險及回報以及有關程度。倘其並無轉讓或保留資產的絕大部分風險及回報亦無轉讓資產的控制權, 本集團會視乎持續參與的程度繼續確認已轉讓資產。在該情況下, 本集團亦確認相關負債。轉讓的資產及相關負債按反映本集團保留的權利及責任的基準計量。

以擔保形式持續參與已轉移的資產, 乃按資產原賬面值與本集團可能被要求償還的最高代價金額的較低者計量。

金融資產減值

本集團就所有並非按公平值計入損益持有的債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於合約項下應收合約現金流量與本集團預期將收取的全部現金流量的差額釐定, 並按與原有實際利率相近的差額進行貼現。預期現金流量包括來自出售所持有抵押品的現金流量或為合約條款組成部分的其他信貸增強措施。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Impairment of financial assets** *(Continued)**General approach*

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

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

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

3. 主要會計政策概要(續)

金融資產減值(續)

一般方式

預期信貸虧損分兩個階段確認。就自首次確認起未有顯著增加的信貸風險而言，預期信貸虧損乃就於未來12個月內可能發生違約事件而導致的信貸虧損計提撥備(12個月預期信貸虧損)。就自初步確認起經已顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須計提虧損撥備(全期預期信貸虧損)。

於各報告日期，本集團於評估自初步確認後金融工具的信貸風險是否顯著增加時，本集團將於報告日期金融工具發生違約的風險與於初步確認日期金融工具發生違約的風險進行比較，並考慮合理且具有理據支持的資料，包括無需付出不必要的成本或努力而可得的過往及前瞻性資料。

本集團將合約付款逾期90天的金融資產視作違約。然而，於若干情況下，當內部或外部資料顯示本集團不可能在本集團採取任何信貸增強措施前悉數收回未償還合約金額時，本集團亦可能認為該金融資產違約。當並無合理預期可收回合約現金流量時，金融資產將予以撇銷。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment of financial assets (Continued)

General approach (Continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

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

Simplified approach

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

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

3. 主要會計政策概要(續)

金融資產減值(續)

一般方式(續)

按攤銷成本計量的金融資產在一般方法下可能會出現減值，並就預期信貸虧損計量分類為以下階段，惟貿易應收款項及合約資產採用下文詳述的簡化方式。

- 第一階段 – 金融工具自初步確認起信貸風險未顯著增加，且其虧損撥備乃按相當於12個月預期信貸虧損的金額計量
- 第二階段 – 金融工具自初步確認起信貸風險顯著增加，惟並非信貸減值金融資產且其虧損撥備乃按相當於全期預期信貸虧損的金額計量
- 第三階段 – 於報告日期信貸減值的金融資產（惟於購買或產生時並未信貸減值），其虧損撥備乃按相當於全期預期信貸虧損的金額計量

簡化方式

就不包括重大融資部分的應收款項而言，或當本集團應用可行權宜方法不就重大融資部分的影響作出調整時，本集團採用簡化方式計算預期信貸虧損。根據簡化方式，本集團不會追蹤信貸風險變動，惟將根據全期預期信貸虧損確認各報告日期的虧損撥備。本集團已根據其過往信貸虧損經驗訂立撥備矩陣，並按債務人及經濟環境具體的前瞻性因素作出調整。

就包括重大融資組成部分的貿易應收款項及租賃應收款項而言，本集團採納簡化方式為其會計政策，並按上述政策計算預期信貸虧損。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Financial liabilities***Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, financial liabilities included in other payables, lease liabilities and interest-bearing bank borrowings.

Subsequent measurement

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

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

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

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

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

3. 主要會計政策概要(續)

金融負債

初步確認及計量

金融負債於初步確認時分類為按公平值計入損益的金融負債、貸款及借款、應付款項或指定作有效對沖的對沖工具之衍生工具(視情況而定)。

所有金融負債初步按公平值確認。倘為貸款及借款以及應付款項，則須扣除直接應佔交易成本。

本集團的金融負債包括貿易應付款項、計入其他應付款項的金融負債、租賃負債及計息銀行借款。

後續計量

金融負債的後續計量乃視乎下文所述分類而定：

按攤銷成本計量的金融負債(貸款及借款)

於初步確認後，計息貸款及借款隨後以實際利率法按攤銷成本計量，惟倘貼現影響屬不重大，則按成本列賬。當負債終止確認及按實際利率進行攤銷程序時，其收益及虧損於損益表內確認。

攤銷成本乃經考慮收購的任何折讓或溢價，以及屬實際利率組成部分的費用或成本後計算。實際利率攤銷於損益表入賬列作融資成本。

終止確認金融負債

當金融負債項下的責任被解除或取消或到期，則終止確認金融負債。

倘現有金融負債由同一貸款人授予條款顯著不同的另一項負債取代，或現有負債的條款經重大修訂，則有關交換或修訂視作終止確認原有負債及確認新負債，其賬面值的差額於損益表確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

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

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

3. 主要會計政策概要(續)

抵銷金融工具

倘現時存在一項可合法強制執行權利可抵銷已確認金額，且有意以淨額基準結算或同時變現資產及償付債務，則金融資產及金融負債可予抵銷，而淨額則於財務狀況表中列報。

存貨

存貨按成本與可變現淨值兩者的較低者入賬。成本以加權平均基準計算，如屬在製品及製成品，則包括直接物料成本、直接勞工成本及適當比例的經常性開支。可變現淨值按估計售價減完成及出售所產生的任何估計成本釐定。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款以及可隨時兌換為已知數額現金的短期高流動性投資，價值波動風險不大，一般自取得日期起計三個月內到期，且須扣除按要求償還的銀行透支並屬本集團現金管理組成部分。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及銀行存款，其中包括並無限制用途的定期存款及與現金性質相似的資產。

撥備

當因過往事件導致現有法律或推定責任，而日後可能須動用資源履行有關責任，且有關責任所涉數額能可靠估計，則須確認撥備。

當貼現影響重大時，已確認的撥備金額為預期解除責任所需的未來支出於報告期末的現值。隨時間流逝而產生的貼現現值增加於損益入賬列作融資成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Income tax**

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

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

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

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

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

3. 主要會計政策概要(續)**所得稅**

所得稅包括即期及遞延稅項。有關損益以外確認項目的所得稅在損益外於其他全面收益或直接於股本確認。

即期稅項資產及負債按預期可自稅務機構收回或支付予稅務機構的金額計量，稅率乃按於報告期末已實施或實際上已實施的稅率(及稅法)計算，並會考慮本集團經營所在國家的現行詮釋及慣例。

遞延稅項乃就資產及負債的稅基與其用作財務報告用途的賬面值之間於報告期末的所有暫時差額採用負債法作出撥備。

所有應課稅暫時差額均確認為遞延稅項負債，惟不包括下列情況：

- 有關遞延稅項負債因初步確認商譽或非業務合併中交易的資產或負債所產生，而於交易當時並不影響會計溢利或應課稅溢利或虧損；及
- 就涉及附屬公司投資的應課稅臨時差額而言，臨時差額的撥回時間可予控制，而在可見將來將不會撥回。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Income tax (Continued)

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred taxes assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3. 主要會計政策概要(續)

所得稅(續)

遞延稅項資產就所有可扣稅暫時差額、未動用稅項抵免及任何未動用稅項虧損的結轉予以確認。遞延稅項資產於可能有可扣稅暫時差額、未動用稅項抵免及未動用稅項虧損的結轉可供用作抵銷應課稅溢利時予以確認，惟不包括下列情況：

- 可扣稅暫時差額的相關遞延稅項資產乃自非業務合併交易中初步確認的資產或負債產生，且在交易當時並不影響會計溢利或應課稅溢利或虧損；及
- 就涉及附屬公司投資的可扣稅暫時差額而言，遞延稅項資產僅於暫時差額在可預見未來可予撥回，且暫時差額可供用作抵銷應課稅溢利時確認。

遞延稅項資產賬面值於各報告期末進行審閱，當不再可能有足夠應課稅溢利可供動用全部或部分遞延稅項資產時將其相應扣減。未確認遞延稅項資產於報告期末重新評估，並於可能存有足夠應課稅溢利可供收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債乃按預期變現資產或清償負債期間適用的稅率計量，並基於在報告期末前已頒佈或實質上已頒佈的稅率(及稅法)計量。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產結算或清償時，擬按淨額基準結算即期稅項負債及資產或同時變現資產及結算負債的不同稅務實體徵收的所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

3. 主要會計政策概要(續)

政府補助

倘能合理保證將會收取補助並符合所有附帶條件，則政府補助按公平值確認。倘補助與開支項目相關，則於將該項補助擬補貼成本支銷期間有系統地確認為收入。

倘補助與資產有關，則將其公平值計入遞延收益賬，並於相關資產的預期可使用年內每年等額調撥至損益表，或從資產賬面值中扣減並以經扣減折舊開支方式調撥至損益表。

收益確認

客戶合約收益

客戶合約收益於貨物或服務的控制權轉移予客戶時確認，而該金額反映本集團預期就提供該等貨物或服務有權交換的代價。

當合約中的代價包含可變金額時，代價金額為本集團向客戶轉讓貨品或服務而有權交換的估計金額。可變代價於合約開始時估計並受約束，直至與可變代價相關的不確定因素其後得以解決時，確認的累計收入金額極有可能不會出現重大收入撥回。

倘合約包含融資部分向客戶轉讓貨品或服務超過一年而為客戶提供重大融資利益，則收益按本集團與客戶於合約開始時進行個別融資交易所反映貼現率貼現的應收款項現值計量。倘合約包含融資部分，為本集團提供重大財務利益超過一年，則根據該合約確認的收益包括按實際利率法計算合約負債累計的利息開支。就客戶付款及轉讓承諾貨品或服務之間相隔一年或以下的合約而言，交易價格不會就重大融資部分的影響採用香港財務報告準則第15號的可行權宜方法進行調整。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Sale of printing products

Revenue from the sale of printing products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the printing products.

Some contracts for the sale of printing products provide customers with rights of return. The rights of return give rise to variable consideration.

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the Group estimates the goods that will not be returned using the most likely amount method to predict the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(b) Freight and transportation income

Freight and transportation income is recognised when the services have been provided to customers.

3. 主要會計政策概要(續)

收益確認(續)

客戶合約收益(續)

(a) 銷售印刷產品

來自銷售印刷產品的收益於資產控制權轉移至客戶的時間點(一般為交付印刷產品時)確認。

個別銷售印刷產品的合約訂明客戶有權退貨。退貨權利產生可變代價。

(i) 退貨權利

就訂明客戶有權於指定期間內退貨的合約而言，本集團使用最可能金額法估計不會被退回的商品，以預計本集團有權收取的可變代價金額。香港財務報告準則第15號有關限制可變代價估計的規定已獲應用，以釐定計入交易成本內的可變代價金額。預期會被退回的商品會確認有關退款負債而非收益。退貨權資產(及對銷售成本作出的相應調整)亦就向客戶收回產品的權利予以確認。

(b) 貨運及運輸收入

貨運及運輸收入乃於向客戶提供服務時確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Revenue recognition** *(Continued)**Other income*

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

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

Share-based payments

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

The cost of Equity-Settled Transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 30 to the financial statements.

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

3. 主要會計政策概要(續)

收益確認(續)

其他收入

利息收入使用實際利率法以應計基準確認，所用利率為於金融工具的預期年期或較短期間(視情況而定)內將估計未來現金收款準確貼現至金融資產賬面淨值的利率。

合約負債

當客戶於本集團轉移有關貨品前已收取付款或付款到期時(以較早者為準)確認合約負債。當本集團履行合約項下責任(即向客戶轉移有關貨品的控制權)時，合約負債會確認為收益。

以股份為基礎付款

本公司設立購股權計劃，以提供獎勵及回報予對本集團經營成功作出貢獻的合資格參與者。本集團僱員(包括董事)會按以股份為基礎付款方式收取酬金，而僱員會提供服務作為收取股本工具的代價(「股本結算交易」)。

於2002年11月7日之後與僱員進行的股本結算交易的成本乃參照授出當日的公平值計算。公平值乃由外部估值師使用二項模型釐定，進一步詳情載於財務報表附註30。

股本結算交易的成本連同權益的相應升幅會於達到表現及/或服務條件的期間於僱員福利開支確認。於歸屬日前各報告期末就股本結算交易確認的累計開支反映歸屬期已屆滿部份及本集團對最終將歸屬的股本工具數目所作的最佳估計。損益表在某一期間內所錄得扣減或進賬乃反映於期初與期末所確認累計開支的變動。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

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

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

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

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

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

3. 主要會計政策概要(續)

以股份為基礎付款(續)

釐定獎勵的授出日期公平值時不會計及服務及非市場表現條件，惟會評估達成該等條件的可能性，作為本集團對最終將歸屬的股本工具數量的最佳估計。市場表現條件於授出日期公平值內反映。獎勵所附帶但並無相關服務要求的任何其他條件視為非歸屬條件。非歸屬條件於獎勵的公平值內反映，並將獎勵即時支銷，惟倘另有服務及／或表現條件則作別論。

因未能達成非市場表現及／或服務條件而最終並無歸屬的獎勵不會確認開支。倘獎勵包括市場或非歸屬條件，則在所有其他表現及／或服務條件均已達成的前提下，有關交易視為已歸屬，而不論市場或非歸屬條件是否達成。

當股本結算獎勵的條款修訂時，倘獎勵的原有條款已達成，會至少確認一項開支，猶如並無修訂條款。此外，倘任何修訂導致以股份為基礎付款於修訂日期計量的公平值總額增加或以其他方式對僱員有利，則就該等修訂確認開支。

當股本結算獎勵註銷時，會視作獎勵已於註銷當日歸屬，而就獎勵尚未確認的任何開支會即時確認。此包括未能達成本集團或僱員控制範圍內非歸屬條件的任何獎勵。然而，倘有新獎勵取代已註銷的獎勵，並於授出當日指定為替代獎勵，則已註銷的獎勵及新獎勵將被視為前段所述原有獎勵的修訂。

未行使購股權的攤薄影響已於計算每股盈利時反映為額外股份攤薄。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Employee benefits***Pension schemes*

The Group operates defined contribution retirement benefit schemes in Hong Kong and overseas for those employees who are eligible and have elected to participate in the schemes. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the schemes. The assets of the schemes are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the schemes, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the scheme.

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3. 主要會計政策概要(續)

僱員福利

退休金計劃

本集團於香港及海外為合資格並選擇參與計劃的僱員設立定額供款退休福利計劃。供款乃按僱員基本薪金的某百分比計算，並根據計劃的規則於應付時自損益扣除。計劃資產與本集團資產分開存放，由獨立管理的基金持有。本集團一經向計劃供款，有關僱主供款即全數撥歸僱員所有，惟本集團的僱主自願供款則除外。根據計劃的規則，倘僱員於供款全數歸屬前離職，有關僱主自願供款將會歸還本集團。

本集團於中國內地經營的附屬公司的僱員須參與地方市政府管理的中央退休金計劃。附屬公司須按其薪酬成本的若干百分比向中央退休金計劃供款。根據中央退休金計劃的規則，供款在其成為應付時於損益扣除。

借款成本

收購、建造或生產受限資產(即須花費較長時間以達至擬定用途或出售的資產)的直接應佔借款成本予以資本化作為該等資產的成本部分。該借款成本於有關資產大致可作擬定用途或出售時停止撥充資本。特定借款撥作受限資產開支前作為短暫投資所賺取的投資收入自撥充資本的借款成本扣除。所有其他借款成本均於產生期間支銷。借款成本包括實體所產生與借款有關的利息及其他成本。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the memorandum and bye-laws of the relevant companies grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

3. 主要會計政策概要(續)

股息

末期股息在股東大會上獲股東批准時確認為負債。建議末期股息於財務報表附註中披露。

由於相關公司的大綱及公司細則授權董事宣派中期股息，故中期股息同時獲建議及宣派。因此，中期股息於建議及宣派後隨即確認為負債。

外幣

該等財務報表以港元列值，而港元亦為本公司的功能貨幣。本集團旗下各實體自行決定其功能貨幣，而各實體財務報表內的項目均以該功能貨幣計量。本集團實體所錄得的外幣交易初步按其各自於交易日期的功能貨幣匯率入賬。以外幣計值的貨幣資產及負債按報告期末的功能貨幣匯率換算。結算或換算貨幣項目時產生的差額於損益確認。

根據歷史成本計量的外幣非貨幣項目按初步交易日期的匯率換算。按公平值計量的外幣非貨幣項目按計量公平值當日的匯率換算。換算按公平值計量的非貨幣項目所產生的損益的處理方式與確認該項目公平值變動產生的損益一致（即其公平值損益於其他全面收益或損益確認的項目產生的換算差額亦分別於其他全面收益或損益確認）。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

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

The functional currencies of overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rate prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rate for the year.

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

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

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

3. 主要會計政策概要(續)

外幣(續)

就終止確認預付代價相關的非貨幣資產或非貨幣負債而言，在釐定初步確認相關資產、開支或收入採用的匯率時，初步交易日期為本集團初步確認預付代價所產生的非貨幣資產或非貨幣負債日期。倘存在多筆預付或預收款項，則本集團就每筆預付代價的付款或收款釐定交易日期。

海外附屬公司的功能貨幣為港元以外貨幣。於報告期末，該等實體的資產及負債均按報告期末的通行匯率換算為港元，而該等公司的損益表按年內的加權平均匯率換算為港元。

所產生的匯兌差額於其他全面收益中確認及於外匯波動儲備累計。於出售海外業務時，與該特定海外業務相關的其他全面收益部分將於損益確認。

收購海外業務所產生的任何商譽及收購對資產及負債賬面值的公平值調整均視作海外業務的資產及負債處理，並按年末匯率換算。

就綜合現金流量表而言，海外附屬公司的現金流量按有關現金流量日期的匯率換算為港元。海外附屬公司於整個年度經常產生的現金流量按年內加權平均匯率換算為港元。

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Determining the method to estimate variable consideration and assessing the constraint for the sale of printing products

Certain contracts for the sale of printing products include a right of return that give rises to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for the sale of printing products with rights of return, given the large number of customer contracts that have similar characteristics.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

4. 重大會計判斷及估計

管理層編製本集團的財務報表時須作出判斷、估計及假設，而該等判斷、估計及假設會影響所申報的收益、開支、資產及負債的金額以及相關披露及或然負債的披露。有關此等假設及估計的不確定因素可能產生的結果或會導致未來受影響的資產或負債賬面金額須作出重大調整。

判斷

於應用本集團會計政策的過程中，除涉及估計的判斷外，管理層已作出以下對財務報表確認的金額構成最重大影響的判斷。

釐定估計可變代價的方法及評估出售印刷產品的限制

若干出售印刷產品的合約包括產生可變代價的退貨權利。於估計可變代價時，本集團須視乎何種方法可更能預測其有權收取的代價金額，以決定使用預期價值法或最可能金額法。

本集團確認，鑒於有大量特徵類似的客戶合約，最可能金額法為估計出售有退貨權的印刷產品之可變代價時使用的適當方法。

將任何可變代價金額計入交易價格前，本集團會考慮可變代價金額是否受到限制。本集團根據其過往經驗、業務預測及當前經濟狀況釐定可變代價的估計並無受到限制。此外，可變代價的不確定因素將於短時間內解決。

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES*(Continued)***Estimation uncertainty**

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

Useful lives and impairment of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its items of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and its competitor actions. Management will increase the depreciation charge where useful lives are shorter than those previously estimated, or it will write off or write down technically obsolete assets that have been abandoned.

The carrying value of an item of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with the accounting policy as disclosed in the relevant part of this section. The recoverable amount of an item of property, plant and equipment is calculated as the higher of its fair value less costs of disposal and value in use, the calculations of which involve the use of estimates.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography).

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

4. 重大會計判斷及估計(續)

估計的不確定因素

下文闡述有關未來的主要假設及於報告期末估計不明朗因素的其他主要來源，其具有導致須對下個財政年度的資產與負債賬面值作出重大調整的重大風險。

物業、廠房及設備的可使用年期及減值

本集團管理層對其物業、廠房及設備項目的估計可使用年期及相關折舊費用進行評估。有關估計乃基於類似性質及功能的物業、廠房及設備項目實際可使用年期的過往經驗而作出。此評估可能因技術革新及競爭對手的舉動而顯著改變。當可使用年期低於先前所估計者，則管理層將增加折舊費用，或將撇銷或撇減已被棄置且實質上已過時的資產。

當根據本節相關部分所披露的會計政策出現物業、廠房及設備項目的賬面值可能不可收回，則須對其賬面值進行減值審閱。物業、廠房及設備項目的可收回金額為公平值減去出售成本與使用價值中的較高者，有關計算涉及可使用年期的評估。

貿易應收款項的預期信貸虧損撥備

本集團使用撥備矩陣計量貿易應收款項的預期信貸虧損。撥備率基於具有類似虧損模式(即按地理位置)各客戶群分部的逾期日數。

撥備矩陣初步以本集團的歷史可觀察違約率為基準。本集團將調整矩陣，以就前瞻性資料對過往信貸虧損經驗作出調整。例如，若預測經濟狀況(即國內生產總值)於未來一年惡化，從而導致服裝產品行業的違約數量增加，歷史違約率將予調整。於各報告日期，歷史觀察違約率將會予以更新，並分析前瞻性估計的變化。

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables (Continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 20 to the financial statements.

Write-down of inventories

Management reviews the condition of inventories of the Group and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at the end of each reporting period and assesses whether any provision made against obsolete and slow-moving items. Management reassesses the estimation at the end of each reporting period.

The identification of obsolete and slow-moving inventory items requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact on the carrying values of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed. The carrying amount of inventories as at 31 December 2020 was HK\$52,943,000 (2019: HK\$44,565,000).

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2020 was HK\$1,523,000 (2019: Nil). Further details are given in note 16.

Purchase price allocation of a business combination

The purchase price allocation of the Group's business combination, as detailed in note 32 to the financial statements, requires the determination of fair values of the identifiable assets acquired and liabilities assumed. The net assets acquired, include amongst others, property, plant and equipment and other intangible assets, of which their fair values are dependent on a range of estimates including estimated future cash flows of the underlying business, discount rate and interest rate. Given the uncertainties in the estimation, the actual outcomes may be higher or lower than the estimated fair values of these items as at the date of acquisition. Where the actual outcomes of these items are different from the amounts initially recorded, such differences may impact the future financial results.

4. 重大會計判斷及估計(續)

估計的不確定因素(續)

貿易應收款項的預期信貸虧損撥備(續)

對歷史觀察違約率、預測經濟狀況及預期信貸虧損之間的相關性評估乃一項重大的估計。預期信貸虧損的金額對狀況的變動及預測經濟狀況敏感。本集團的歷史信貸虧損經驗及對經濟狀況的預測亦可能無法反映客戶於未來的實際違約情況。有關本集團貿易應收款項的預期信貸虧損資料於財務報表附註20披露。

撇銷存貨

管理層審閱本集團之存貨狀況，並就被識別為不再適合銷售或使用之過時及滯銷存貨項目作出撥備。管理層主要根據最近期發票價格及當時市況估計該等存貨之可變現淨值。本集團於各報告期末進行存貨審閱，並就過時及滯銷項目評估應否作出任何撥備。管理層於各報告期末重新評估有關估計。

識別過時及滯銷存貨項目需要使用判斷及估計。倘預期與原定估計有所差異，則有關差異將影響相關估計出現變動期間的存貨賬面值及確認的存貨撇銷。於2020年12月31日，存貨的賬面值為52,943,000港元(2019年：44,565,000港元)。

商譽減值

本集團至少每年釐定商譽是否出現減值。當中須估計獲分配商譽的現金產生單位的使用價值。估計使用價值時，本集團須估計現金產生單位的預期未來現金流量，亦須選擇合適的貼現率，以計算該等現金流量的現值。於2020年12月31日，商譽賬面值為1,523,000港元(2019年：無)。進一步詳情載於附註16。

業務合併的購買價格分配

本集團業務合併的購買價格分配(詳情載於財務報表附註32)須釐定已收購可識別資產及已承擔負債的公平值。已收購資產淨值(其中包括)物業、廠房及設備以及其他無形資產，而其公平值乃取決於一系列估計(包括相關業務的估計未來現金流量、貼現率及利率)。鑒於估計的不確定性，實際數值或會高於或低於此等項目於收購日期之估計公平值。當此等項目之實際數值與初步錄得之金額有所差異時，則有關差額或會影響未來財務業績。

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5. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is the manufacture and sale of printing products.

Geographical information

(a) Revenue from external customers

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Hong Kong	香港	60,364	97,895
Mainland China	中國內地	76,026	88,362
Bangladesh	孟加拉	28,660	34,264
Vietnam	越南	13,109	20,688
United States	美國	16,249	17,429
Others	其他	64,906	94,299
		259,314	352,937

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

(b) Non-current assets

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Hong Kong	香港	4,709	8,437
Mainland China	中國內地	99,246	93,355
Bangladesh	孟加拉	13,452	15,823
Other countries	其他國家	23,376	17,868
		140,783	135,483

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

5. 經營分部資料

就管理目的而言，本集團僅有一個可呈報經營分部，即生產及銷售印刷產品。

地域資料

(a) 外部客戶收益

上述收益資料乃根據客戶所在地呈列。

(b) 非流動資產

上述非流動資產資料乃根據資產所在地編製，並不包括金融工具及遞延稅項資產。

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5. OPERATING SEGMENT INFORMATION (Continued)

Information about a major customer

Revenue from a major customer, including a group of entities which are known to be under common control with that customer, which accounted for 10% or more of the Group's revenue is set out below:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Customer A	客戶A	31,150	38,908

The revenue from the above major customer was all derived from the sale of printing products.

5. 經營分部資料(續)

有關主要客戶的資料

來自佔本集團收益10%或以上的一名主要客戶(包括已知與該客戶受共同控制的一組實體)的收益載列如下:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Customer A	客戶A	31,150	38,908

來自上述主要客戶的收益均產生自銷售印刷產品。

6. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns, trade discounts and rebates.

An analysis of the Group's revenue and other income and gains is as follows:

6. 收益以及其他收入及收益

收益指已扣除退貨、貿易折扣及回扣撥備後已出售貨品的發票淨值。

本集團的收益以及其他收入及收益分析如下:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Revenue from contracts with customers	客戶合約收益		
<i>(i) Disaggregated revenue with information</i>	<i>(i) 收益劃分的資料</i>		
Types of goods or services	貨品或服務類型		
Sale of printing products	銷售印刷產品	259,314	352,937
Geographical markets	地域市場		
Hong Kong	香港	60,364	97,895
Mainland China	中國內地	76,026	88,362
Bangladesh	孟加拉	28,660	34,264
United States	美國	16,249	17,429
Vietnam	越南	13,109	20,688
Others	其他	64,906	94,299
		259,314	352,937
Timing of revenue recognition	確認收益的時間		
Goods transferred at a point in time	於某一時間點轉移的貨品	259,314	352,937

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6. REVENUE AND OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue with information (Continued)

The following table shows the amounts of revenue recognised that were included in the contract liabilities at the beginning of the years:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Sale of printing products	銷售印刷產品	3,979	8,416

(ii) Performance obligations

Sale of printing products

The performance obligation is satisfied upon delivery of the printing products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return which gives rise to variable consideration subject to constraint.

As the remaining performance obligations (unsatisfied or partially satisfied) as at 31 December 2020 and 2019 are part of contracts that have an original expected duration of one year or less, the transaction price allocated to such is not disclosed, as permitted by the practical expedient in HKFRS 15.

6. 收益以及其他收入及收益(續)

客戶合約收益(續)

(i) 收益劃分的資料(續)

下表列示於年初計入合約負債的已確認收益金額：

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Sale of printing products	銷售印刷產品	3,979	8,416

(ii) 履約責任

銷售印刷產品

履約責任於交付印刷產品後達成，而付款一般於交付起計30至90天內到期，惟新客戶一般需要預先付款。個別合約訂明客戶有權退貨，產生須受限制的可變代價。

由於2020年及2019年12月31日餘下未達成或部分達成的履約責任為原定預期年期為一年或以內的合約之一部分，故根據香港財務報告準則第15號的可行權宜方法所允許，並無披露分配至有關合約的交易價格。

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Other income and gains	其他收入及收益		
Freight and transportation income	貨運及運輸收入	462	536
Interest income	利息收入	1,419	7
Sale of scrap materials	銷售廢棄材料	1,410	2,011
Government grants*	政府補助*	4,332	532
Foreign exchange differences, net	匯兌差異淨額	-	1,446
Gain on disposal of items of property, plant and equipment, net	出售物業、廠房及設備的 收益淨額	687	-
Gain on derecognition of right-of-use assets, net	終止確認使用權資產的 收益淨值	63	-
Others	其他	1,321	1,169
		9,694	5,701

* As at 31 December 2020 and 2019, there were no unfulfilled conditions or other contingencies attaching to the government grants that had been recognised by the Group.

* 於2020年及2019年12月31日，本集團已確認的政府補助並無附帶未達成的條件或其他或然事項。

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7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

7. 除稅前溢利

本集團的除稅前溢利經扣除／(計入)下列各項後達致：

	Notes 附註	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Cost of sales [#]	銷售成本 [#]	129,117	178,168
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14,902	17,326
Depreciation of right-of-use assets	使用權資產折舊	10,510	11,224
Short-term lease expenses	短期租賃開支	821	43
Employee benefit expense (excluding directors' remuneration (note 9)): Wages and salaries	僱員福利開支(不包括董事薪酬(附註9)): 工資及薪金	94,396	104,710
Pension scheme contributions	退休金計劃供款	4,465	11,828
		98,861	116,538
Government grants**	政府補助**	(4,332)	(532)
Auditor's remuneration	核數師薪酬	2,152	1,611
Listing expenses	上市開支	10,607	11,030
Foreign exchange differences, net*	匯兌差異淨額*	4,683	(1,446)
Impairment of trade receivables*	貿易應收款項減值*	1,397	833
Gain on disposal of items of property, plant and equipment, net	出售物業、廠房及設備項目的收益淨額	(687)	(87)
Gain on derecognition of right-of-use assets, net	終止確認使用權資產的收益淨額	(63)	—
Loss on disposal of items of right-of-use assets*	出售使用權資產項目的虧損*	—	58
Fair value loss on a financial asset at fair value through profit or loss*	按公平值計入損益的金融資產公平值虧損*	1,333	—

* These items are included in "Other expenses" on the face of the consolidated statement of profit or loss for the year ended 31 December 2020.

** The government grants have been received from the local government. It mainly represented compensation of the unemployment insurance paid to the local government and the acquisition of the Group's new machines, which are transferred from deferred income to profit or loss over the useful lives of the relevant assets, and the government grant from the Employee Support Scheme from Hong Kong government in respect of COVID-19 related subsidies during the current year. There are no unfulfilled conditions or contingencies relating to these grants.

Cost of inventories sold includes HK\$52,485,000 (2019: HK\$64,003,000) of employee benefit expense, and depreciation of property, plant and equipment and right-of-use assets which are also included in the respective total amounts disclosed above for each of these types of expenses. Included in cost of sales was also provision for inventories of HK\$1,466,000 for the year ended 31 December 2020.

* 該等項目於截至2020年12月31日止年度的綜合損益表中「其他開支」列示。

** 政府補助乃自當地政府收取。其主要指向當地政府支付的失業保險補償及收購本集團的新機器，其於相關資產使用期限自遞延收益轉撥至損益，以及香港政府本年度就COVID-19相關資助授出的「保就業計劃」政府補貼。該等補助並無尚未達成的條件或或然項目。

已售存貨成本包括52,485,000港元(2019年: 64,003,000港元)的僱員福利開支及物業、廠房及設備以及使用權資產折舊(亦計入上文就該等各類開支披露的相關總額)。截至2020年12月31日止年度，存貨撥備1,466,000港元亦已計入銷售成本。

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8. FINANCE COSTS

An analysis of finance costs is as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Interest on bank loans	銀行貸款利息	854	601
Interest on lease liabilities	租賃負債利息	1,527	2,134
		2,381	2,735

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Fees	袍金	-	-
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,635	2,402
Performance related bonuses	表現相關花紅	1,800	1,496
Pension scheme contributions	退休金計劃供款	49	46
		4,484	3,944

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Dr. Wong Chi Wing	王志榮博士	206	-
Mr. Lee Tak Cheong	李德昌先生	155	-
Mr. Lam Chor Ki, Dick	林楚祺先生	155	-
		516	-

There were no other emoluments payable to independent non-executive directors during the year (2019: Nil).

8. 融資成本

融資成本分析如下：

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Interest on bank loans	銀行貸款利息	854	601
Interest on lease liabilities	租賃負債利息	1,527	2,134
		2,381	2,735

9. 董事及主要行政人員酬金

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部披露的本年度董事及主要行政人員酬金如下：

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Fees	袍金	-	-
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,635	2,402
Performance related bonuses	表現相關花紅	1,800	1,496
Pension scheme contributions	退休金計劃供款	49	46
		4,484	3,944

(a) 獨立非執行董事

年內支付予獨立非執行董事的袍金如下：

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Dr. Wong Chi Wing	王志榮博士	206	-
Mr. Lee Tak Cheong	李德昌先生	155	-
Mr. Lam Chor Ki, Dick	林楚祺先生	155	-
		516	-

年內並無應付予獨立非執行董事的其他酬金(2019年：無)。

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9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(Continued)

(b) Executive directors

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
		袍金	薪金、津貼及實物福利	表現相關花紅	退休金計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Year ended 31 December 2020	截至2020年12月31日止年度					
Mr. Barry Chan	陳醒明先生	-	1,042	900	18	1,960
Ms. Candy Law	羅妙蘭女士	-	838	900	18	1,756
Mr. James Chan	陳梓峰先生	-	239	-	13	252
		-	2,119	1,800	49	3,968
Year ended 31 December 2019	截至2019年12月31日止年度					
Mr. Barry Chan	陳醒明先生	-	1,200	748	17	1,965
Ms. Candy Law	羅妙蘭女士	-	960	748	17	1,725
Mr. James Chan	陳梓峰先生	-	242	-	12	254
		-	2,402	1,496	46	3,944

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

During the year, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

年內，董事概無訂立安排放棄或同意放棄任何薪酬(2019年：無)。

年內，本集團概無向董事支付薪酬，作為加入本集團或加入時的獎勵或離職補償。

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10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2019: two) directors of the Company, details of whose remuneration are set out in note 9 above. Details of the remuneration of the three (2019: three) remaining non-director, highest paid employees are as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	5,344	6,993
Pension scheme contributions	退休金計劃供款	289	301
		5,633	7,294

The number of the non-director, highest paid employees whose remuneration fell within the following bands is as follows:

		2020 2020年	2019 2019年
Nil to HK\$1,000,000	零至1,000,000港元	–	–
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	–
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	–	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	–
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	–	1
		3	3

During the year, no emoluments were paid by the Group to any of the non-director, highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2019: Nil).

10. 五名最高薪僱員

年內，五名最高薪僱員包括兩名(2019年：兩名)本公司董事，其薪酬詳情載於上文附註9。餘下三名(2019年：三名)非董事最高薪僱員的薪酬詳情列載如下：

屬於以下薪酬組別的非董事最高薪僱員人數如下：

年內，本集團概無向任何非董事最高薪僱員支付薪酬，作為加入本集團或加入時的獎勵或離職補償(2019年：無)。

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11. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI. Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profit tax rates regime. The first HK\$2,000,000 (2019: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2019: 8.25%) and the remaining assessable profits are taxed at 16.5% (2019: 16.5%). PRC tax has been provided at the rate of 25% (2019: 25%) on the estimated assessable profits arising in the PRC during the year. Pursuant to the rules and regulations of the United States, a company which is treated as a corporation for the United States federal income tax purposes was subject to a tax rate of 21% (2019: 21%) at the federal level during the year and was also subject to the statutory corporate income tax in state and local tax jurisdictions. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

11. 所得稅

根據開曼群島及英屬處女群島規則及規例，本集團毋須於開曼群島及英屬處女群島繳納任何所得稅。年內，香港利得稅已就於香港產生的估計應課稅溢利按16.5%（2019年：16.5%）稅率計提撥備，惟本集團一間附屬公司除外，該附屬公司為符合利得稅兩級制的實體。該附屬公司首筆2,000,000港元（2019年：2,000,000港元）的應課稅溢利按8.25%（2019年：8.25%）的稅率繳稅，餘下應課稅溢利則按16.5%（2019年：16.5%）的稅率繳稅。中國稅項乃就年內於中國產生的估計應課稅溢利按稅率25%（2019年：25%）計提撥備。根據美國的規則及規例，年內就聯邦所得稅而言被視為美國企業的公司須按21%的稅率（2019年：21%）繳納聯邦稅，亦須繳納州份及地方稅務司法權區的法定企業所得稅。在其他地方就應課稅溢利繳納的稅項已按本集團業務經營所在國家的當前稅率計算。

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Current – Hong Kong	即期 – 香港		
Charge for the year	年內開支	1,233	7,842
Overprovision in prior years	於過往年度超額撥備	(770)	–
Current – Elsewhere	即期 – 其他地區		
Charge for the year	年內開支	2,294	3,584
Deferred (note 28)	遞延(附註28)	388	8
Total tax charge for the year	年內稅項開支總額	3,145	11,434

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11. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate to the tax charge at the effective tax rate is as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Profit before tax	除稅前溢利	4,792	37,916
Tax at the statutory tax rate of 16.5%	按法定稅率16.5%計算的稅項	791	6,256
Lower tax rate enacted by local authority of 8.25% (2019: 8.25%)	地方當局頒佈的較低稅率 8.25%(2019年: 8.25%)	(165)	(165)
Effect of different tax rates for different jurisdictions	不同司法權區不同稅率的影響	778	989
Adjustments in respect of current tax of previous periods	就過往期間即期稅項 所作出的調整	(770)	-
Income not subject to tax	毋須課稅收入	(1,726)	(106)
Expenses not deductible for tax	不可扣稅開支	3,246	3,224
Tax losses utilised from previous periods	過往期間的已動用稅項虧損	-	(100)
Tax losses not recognised	未確認的稅項虧損	954	963
Others	其他	37	373
Tax charge at the Group's effective tax rate of 65.6% (2019: 30.2%)	按本集團實際稅率65.6% (2019年: 30.2%)計算的 稅項開支	3,145	11,434

11. 所得稅(續)

根據法定稅率適用於除稅前溢利的稅項開支與根據實際稅率的稅項開支對賬如下:

12. DIVIDENDS

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Proposed final dividend – HK0.075 cents (2019: Nil) per ordinary share	建議末期股息—每股普通股 0.075港仙(2019年: 無)	1,500	-
Special dividends	特別股息	-	10,000
		1,500	10,000

12. 股息

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

年度建議末期股息須待本公司股東於應屆股東週年大會上批准。

During the year ended 31 December 2020, in February 2020, special dividends of HK\$10,000,000 was declared and paid by the Company to the then shareholders. Investors who become shareholders of the Company ("Shareholders") after the listing of the Company on the Stock Exchange are not entitled to such special dividends.

截至2020年12月31日止年度，於2020年2月，本公司向當時股東宣派及派付特別股息10,000,000港元。在本公司於聯交所上市後方成為本公司股東(「股東」)的投資者無權獲派有關特別股息。

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13. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$1,647,000 (2019: HK\$25,331,000) and the weighted average number of ordinary shares in issue of 1,903,005,464 (2019: 1,500,000,000), on the assumption that the Reorganisation and the capitalisation has been completed on 1 January 2019.

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 December 2020 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

No adjustment had been made to the basic earnings per share amounts presented for the year ended 31 December 2019 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2019.

13. 本公司擁有人應佔每股盈利

每股基本盈利金額乃基於本公司普通權益持有人應佔年內溢利1,647,000港元(2019年：25,331,000港元)以及已發行普通股加權平均數1,903,005,464股(2019年：1,500,000,000股)計算，假設重組及資本化已於2019年1月1日完成。

由於尚未行使的購股權對已呈列的每股基本盈利金額具有反攤薄效應，故並無就攤薄而對截至2020年12月31日止年度所呈列的每股基本盈利金額作出調整。

由於本集團截至2019年12月31日止年度並無已發行潛在攤薄普通股，故並無就攤薄而對截至2019年12月31日止年度所呈列的每股基本盈利金額作出調整。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2020	2020年12月31日					
At 1 January 2020:	於2020年1月1日：					
Cost	成本	14,817	173,459	7,069	2,615	197,960
Accumulated depreciation	累計折舊	(7,462)	(106,432)	(6,169)	(1,338)	(121,401)
Net carrying amount	賬面淨值	7,355	67,027	900	1,277	76,559
At 1 January 2020, net of accumulated depreciation	於2020年1月1日，扣除累計折舊	7,355	67,027	900	1,277	76,559
Additions	添置	673	26,066	715	-	27,454
Acquisition through business combination (note 32)	透過業務合併進行收購(附註32)	-	-	163	-	163
Disposal	出售	-	(1,021)	(14)	-	(1,035)
Depreciation provided during the year (note 7)	年內折舊撥備(附註7)	(1,128)	(12,467)	(956)	(351)	(14,902)
Exchange realignment	匯兌調整	109	2,646	3	(17)	2,741
At 31 December 2020, net of accumulated depreciation	於2020年12月31日，扣除累計折舊	7,009	82,251	811	909	90,980
At 31 December 2020:	於2020年12月31日：					
Cost	成本	15,649	205,567	7,953	2,399	231,568
Accumulated depreciation	累計折舊	(8,640)	(123,316)	(7,142)	(1,490)	(140,588)
Net carrying amount	賬面淨值	7,009	82,251	811	909	90,980
31 December 2019	2019年12月31日					
At 1 January 2019:	於2019年1月1日：					
Cost	成本	13,634	166,616	6,837	1,736	188,823
Accumulated depreciation	累計折舊	(6,352)	(92,097)	(5,772)	(927)	(105,148)
Net carrying amount	賬面淨值	7,282	74,519	1,065	809	83,675
At 1 January 2019, net of accumulated depreciation	於2019年1月1日，扣除累計折舊	7,282	74,519	1,065	809	83,675
Additions	添置	1,305	8,916	307	824	11,352
Depreciation provided during the year (note 7)	年內折舊撥備(附註7)	(1,141)	(15,363)	(462)	(360)	(17,326)
Exchange realignment	匯兌調整	(91)	(1,045)	(10)	4	(1,142)
At 31 December 2019, net of accumulated depreciation	於2019年12月31日，扣除累計折舊	7,355	67,027	900	1,277	76,559
At 31 December 2019:	於2019年12月31日：					
Cost	成本	14,817	173,459	7,069	2,615	197,960
Accumulated depreciation	累計折舊	(7,462)	(106,432)	(6,169)	(1,338)	(121,401)
Net carrying amount	賬面淨值	7,355	67,027	900	1,277	76,559

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14. PROPERTY, PLANT AND EQUIPMENT (Continued)

At 31 December 2020, certain of the Group's plant and machinery with a net book value of approximately HK\$5,695,000 (2019: HK\$5,950,000) were pledged to secure certain of the bank loans of the Group as detailed in note 27.

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings, plant and machinery and motor vehicles used in its operations. Leases of plant and machinery generally have lease terms of ten years, while buildings generally have lease terms between two to thirty years and motor vehicles have lease terms of five years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Buildings 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於2019年1月1日	41,800	25,907	150	67,857
Additions	添置	2,924	-	-	2,924
Disposal	出售	-	-	(130)	(130)
Depreciation charged (note 7)	折舊開支(附註7)	(8,296)	(2,910)	(18)	(11,224)
Exchange realignment	匯兌調整	(537)	(402)	(2)	(941)
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	35,891	22,595	-	58,486
Additions	添置	4,093	-	-	4,093
Lease modification	租賃修訂	(1,427)	-	-	(1,427)
Depreciation charged (note 7)	折舊開支(附註7)	(8,106)	(2,404)	-	(10,510)
Derecognition	終止確認	(1,263)	(8,664)	-	(9,927)
Exchange realignment	匯兌調整	1,632	770	-	2,402
At 31 December 2020	於2020年12月31日	30,820	12,297	-	43,117

14. 物業、廠房及設備(續)

於2020年12月31日，本集團賬面淨值約為5,695,000港元(2019年：5,950,000港元)的若干廠房及機器已抵押，以獲得授予本集團之若干銀行貸款(詳情見附註27)。

15. 租賃

本集團作為承租人

本集團就多項樓宇、廠房及機器以及汽車項目訂有租賃合約，以供其營運所用。廠房及機器的租賃一般租期為十年，而樓宇的租賃一般租期為二至三十年，而汽車的租賃一般租期為五年。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。

(a) 使用權資產

本集團年內使用權資產的賬面值及變動如下：

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15. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Carrying amount at 1 January	於1月1日的賬面值	41,835	54,555
New leases	新租賃	3,844	2,924
Accretion of interest recognised during the year	年內確認的利息增加	1,527	2,134
Lease modification	租賃修訂	(1,427)	-
Payments	付款	(12,824)	(17,230)
Termination of leases	終止租賃	(1,326)	-
Exchange realignment	匯兌調整	1,818	(548)
Carrying amount at 31 December	於12月31日的賬面值	33,447	41,835
Analysed into:	分析為：		
Current portion	流動部分	12,107	11,626
Non-current portion	非流動部分	21,340	30,209

The maturity analysis of lease liabilities is disclosed in note 39 to the financial statements.

Certain of the Group's lease liabilities were guaranteed by unlimited corporate guarantees given by the Company as at 31 December 2020 (2019: personal guarantees provided by the Controlling Shareholders of up to HK\$28,067,000).

15. 租賃(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債的賬面值與年內變動如下：

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Carrying amount at 1 January	於1月1日的賬面值	41,835	54,555
New leases	新租賃	3,844	2,924
Accretion of interest recognised during the year	年內確認的利息增加	1,527	2,134
Lease modification	租賃修訂	(1,427)	-
Payments	付款	(12,824)	(17,230)
Termination of leases	終止租賃	(1,326)	-
Exchange realignment	匯兌調整	1,818	(548)
Carrying amount at 31 December	於12月31日的賬面值	33,447	41,835
Analysed into:	分析為：		
Current portion	流動部分	12,107	11,626
Non-current portion	非流動部分	21,340	30,209

租賃負債的到期日分析於財務報表附註39披露。

於2020年12月31日，本集團若干租賃負債乃由本公司所給予的無限公司擔保所擔保(2019年：控股股東提供最高28,067,000港元的個人擔保)。

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15. LEASES (Continued)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	1,527	2,134
Depreciation charge of right-of-use assets	使用權資產折舊開支	10,510	11,224
Expense relating to short-term leases (included in administrative expenses)	與短期租賃有關的開支 (計入行政開支)	821	43
Gain on derecognition of right-of-use assets, net	終止確認使用權資產的 收益淨額	(63)	-
Total amount recognised in profit or loss	於損益確認的總金額	12,795	13,401

16. GOODWILL

Carrying amount:
At 1 January 2019, 31 December 2019 and
1 January 2020
Business combination (Note 32)

At 31 December 2020

賬面值：
於2019年1月1日、2019年12月31日及
2020年1月1日
業務合併(附註32)

於2020年12月31日

Total
總計
HK\$'000
千港元

-

1,523

1,523

Impairment testing of goodwill

The recoverable amount of the cash-generating unit acquired (note 32) has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a seven-year period approved by senior management, with reference to the expected useful lives of the property, plant and equipment and the intangible assets. The discount rate for the cash-generating unit applied to the cash flow projections is 14.5% for the year ended 31 December 2020.

The long-term growth rate used to extrapolate the cash flows of the cash-generating unit beyond the seven-year period is 2.0%.

15. 租賃(續)

本集團作為承租人(續)

(c) 於損益中確認與租賃有關的金額如下：

16. 商譽

商譽的減值測試

所收購的現金產生單位的可收回金額(附註32)按使用價值計算方式釐定，根據高級管理層批准的七年期財務預算採用現金流量預測，並參考物業、廠房及設備以及無形資產的預期可使用年期。截至2020年12月31日止年度，現金流量預測所採用的現金產生單位貼現率為14.5%。

用於推算七年期間以後現金產生單位的現金流量的長遠增長率為2.0%。

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16. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Key assumptions were used in the value in use calculation of the cash-generating unit for the year ended 31 December 2020. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue and gross margins – The basis used to determine the value assigned to the budgeted revenue and gross margins is the average revenue and gross margins achieved in the markets, adjusted for expected market development.

Discount rates – The discount rates used are before tax.

17. OTHER INTANGIBLE ASSETS

		Licences 許可
Cost at 1 January 2019, 31 December 2019 and 1 January 2020, net of accumulated amortisation	於2019年1月1日、2019年12月31日及2020年1月1日的成本，扣除累計攤銷	–
Acquisition through business combination (Note 32)	透過業務合併進行收購(附註32)	270
At 31 December 2020	於2020年12月31日	270
At 31 December 2020	於2020年12月31日	
Cost	成本	270
Accumulated depreciation	累計折舊	–
Net carrying amount	賬面淨值	270

The intangible assets represent computer software acquired from independent third parties, which have finite useful lives of 10 years and are amortised on a straight-line basis.

16. 商譽(續)

商譽的減值測試(續)

截至2020年12月31日止年度，計算現金產生單位的價值已使用主要假設。以下闡述管理層進行商譽的減值測試時的現金流量預測所依據的假設：

預算收入及毛利率—所採用於釐定分配於預算收入及毛利率價值的基準為於市場達成的平均收入及毛利率，為預期市場發展所調整。

貼現率—所用貼現率為除稅前貼現率。

17. 其他無形資產

無形資產指收購自獨立第三方的電腦軟件，其有限可使用年期為10年，並以直線基準攤銷。

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18. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

18. 按公平值計入損益的金融資產

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Key management insurance contract	主要管理人員保險合約	5,404	-
Analysed for reporting purpose as: Non-current assets	為報告目的分析為： 非流動資產	5,404	-

The key management insurance contract at 31 December 2020 was mandatorily classified as a financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest.

Note:

As at 31 December 2020, the key management insurance contract represented life insurance plans with investment elements relating to one member of key management personnel of the Group. The total sum insured is US\$2,000,000 (approximately HK\$15,500,000) with an annual minimum guaranteed return of 2%.

As at 31 December 2020, if the Group withdrew from the insurance contract, the accounts value, net of surrender charges of US\$140,000 (approximately HK\$1,089,000), would be refunded to the Group. The amount of surrender charges decreased over time and was no longer required from the 19th year of contract conclusion onwards.

於2020年12月31日的主要管理人員保險合約的合約現金流量並非僅為支付本金及利息，故其被強制分類為按公平值計入損益的金融資產。

附註：

於2020年12月31日，主要管理人員保險合約指人壽保險計劃，當中包含有關本集團一名主要管理人員的投資成分。總保額為2,000,000美元（約15,500,000港元），年度最低保證回報為2%。

於2020年12月31日，倘本集團放棄保險合約，則賬戶價值（經扣除退保費用140,000美元（約1,089,000港元））將退還予本集團。退保費用金額隨時間遞減，於合約終止後第19年起無需繳付。

19. INVENTORIES

19. 存貨

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Raw materials	原材料	15,404	19,537
Work in progress	在製品	20,472	11,660
Finished goods	製成品	17,067	13,368
		52,943	44,565

NOTES TO FINANCIAL STATEMENTS
財務報表附註

20. TRADE RECEIVABLES

20. 貿易應收款項

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Trade receivables	貿易應收款項	36,889	48,675
Impairment	減值	(165)	(348)
		36,724	48,327

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally within 30 to 90 days from the date of monthly statements. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

本集團主要以信貸方式與其客戶訂立貿易條款，惟新客戶一般需要預先付款。信貸期一般為月結單日期起計30至90天內。每名客戶有最高信貸限額。逾期結餘由高級管理層定期審閱。本集團並未就其貿易應收款項結餘持有任何抵押品或其他信貸增強措施。貿易應收款項不計息。

於報告期末，根據發票日期的貿易應收款項（扣除虧損撥備）賬齡分析如下：

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Within 1 month	一個月內	19,298	30,689
1 to 2 months	一至兩個月	12,362	12,539
2 to 3 months	兩至三個月	3,150	2,023
Over 3 months	超過三個月	1,914	3,076
		36,724	48,327

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20. TRADE RECEIVABLES (Continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
At beginning of year	年初	348	40
Impairment losses (note 7)	減值虧損(附註7)	1,397	833
Amount written off as uncollectible	撇銷不可收回的款項	(1,580)	(525)
At end of year	年末	165	348

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geography). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2020

		Current 即期	1 to 30 days 1至30日	1 to 3 months 1至3個月	Over 3 months 超過3個月	Total 總計
Expected credit loss rate	預期信貸虧損率	0.23%	0.33%	1.15%	2.92%	0.45%
Gross carrying amount (HK\$'000)	賬面總值(千港元)	21,567	9,795	4,431	1,096	36,889
Expected credit losses (HK\$'000)	預期信貸虧損(千港元)	50	32	51	32	165

As at 31 December 2019

		Current 即期	1 to 30 days 1至30日	1 to 3 months 1至3個月	Over 3 months 超過3個月	Total 總計
Expected credit loss rate	預期信貸虧損率	0.30%	0.69%	1.29%	4.08%	0.71%
Gross carrying amount (HK\$'000)	賬面總值(千港元)	28,670	13,427	3,560	3,018	48,675
Expected credit losses (HK\$'000)	預期信貸虧損(千港元)	86	93	46	123	348

20. 貿易應收款項(續)

貿易應收款項減值的虧損撥備變動如下：

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
At beginning of year	年初	348	40
Impairment losses (note 7)	減值虧損(附註7)	1,397	833
Amount written off as uncollectible	撇銷不可收回的款項	(1,580)	(525)
At end of year	年末	165	348

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率基於具有類似虧損模式(即按地區)各客戶群分部的逾期日數。該計算反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。

下表載列本集團採用撥備矩陣計量的貿易應收款項之信貸風險資料：

於2020年12月31日

於2019年12月31日

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21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		Note	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
		附註		
Prepayments	預付款項		8,642	9,123
Deposits and other receivables	按金及其他應收款項		6,061	5,156
			14,703	14,279
Less: Non-current portion	減：非流動部分	(a)	(6,560)	(1,307)
Current portion	流動部分		8,143	12,972

Note:

- (a) The amounts mainly represent prepayments for the acquisition of property, plant and equipment and the non-current portion of rental deposits.

The Group has applied the general approach to provide for expected credit losses for financial assets included in prepayments, deposits and other receivables. The Group considers the historical loss rate and adjusts for forward-looking macroeconomic data in calculating the expected credit loss rate. The Group has classified financial assets included in prepayments, deposits and other receivables in stage 1 and continuously monitors their credit risk. The financial assets included in the above balances related to receivables for which there was no recent history of default and past due amounts. As at 31 December 2020 and 2019, the loss allowance was assessed to be minimal.

22. BALANCE WITH THE ULTIMATE HOLDING COMPANY

The amount due from the ultimate holding company is unsecured, interest-free, repayable on demand and non-trade in nature. The carrying amount of the balance approximates to its fair value.

21. 預付款項、按金及其他應收款項

附註：

- (a) 有關金額主要指收購物業、廠房及設備的預付款項以及租賃按金的非流動部分。

本集團採用一般方式就計入預付款項、按金及其他應收款項的金融資產作出預期信貸虧損撥備。本集團計算預期信貸虧損率時考慮過往虧損率並按前瞻性宏觀經濟數據作出調整。本集團已將計入預付款項、按金及其他應收款項的金融資產劃分為第1級，並持續監察其信貸風險。計入上述結餘的金融資產的相關應收款項並無近期違約記錄及逾期金額。於2020年及2019年12月31日，虧損撥備被評定為不重大。

22. 與最終控股公司的結餘

應收最終控股公司款項為無抵押、免息、按要求償還及屬非貿易性質。該結餘的賬面值與其公平值相若。

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23. BALANCES WITH DIRECTORS

The Group's balances with directors, disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

Amounts due from a director

		Ms. Candy Law 羅妙蘭女士 HK\$'000 千港元
At 1 January 2019	於2019年1月1日	1,088
Maximum amount outstanding during the year	年內最高未償還金額	1,088
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	290
Maximum amount outstanding during the year	年內最高未償還金額	290
At 31 December 2020	於2020年12月31日	–

The Group has applied the general approach to provide for expected credit losses for the amount due from a director. The Group considers the historical loss rate and adjusts for forward-looking macroeconomic data in calculating the expected credit loss rate. The Group has classified the amount due from a director in stage 1 and continuously monitors its credit risk. As at 31 December 2019, the Group estimated that the expected credit loss rate for the amounts due from a director was insignificant.

The amounts due to directors represented amounts due to Mr. Barry Chan and Mr. James Chan as at 31 December 2019.

The balances with the directors are unsecured, interest-free, repayable on demand and non-trade in nature.

23. 與董事的結餘

按照香港公司條例第383(1)(d)條及公司(披露董事利益資料)規例第3部所披露的本集團與董事的結餘如下：

應收一名董事款項

本集團採用一般方式就應收一名董事款項作出預期信貸虧損撥備。本集團計算預期信貸虧損率時考慮過往虧損率並按前瞻性宏觀經濟數據作出調整。本集團將應收一名董事款項劃分為第1級，並持續監察其信貸風險。於2019年12月31日，本集團估計應收一名董事款項的預期信貸虧損率並不重大。

於2019年12月31日，應付董事款項指應付陳醒明先生及陳梓峰先生的款項。

與董事的結餘均為無抵押、免息、按要求償還及屬非貿易性質。

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24. CASH AND CASH EQUIVALENTS

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	55,510	43,807
Time deposits	定期存款	59,233	-
Cash and cash equivalents	現金及現金等價物	114,743	43,807

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$4,846,000 (2019: HK\$7,384,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between fourteen days and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalent approximate to their fair values.

25. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Within 1 month	一個月內	10,676	29,573
1 to 2 months	一至兩個月	7,331	3,762
2 to 3 months	兩至三個月	6,899	1,279
Over 3 months	超過三個月	9,745	767
		34,651	35,381

The trade payables are non-interest-bearing and are normally settled on 30 to 150-day terms (2019: 30 to 60-day terms).

24. 現金及現金等價物

於報告期末，本集團以人民幣（「人民幣」）計值的現金及銀行結餘為4,846,000港元（2019年：7,384,000港元）。人民幣不得自由兌換為其他貨幣，然而，根據中國內地外匯管理條例以及結匯、售匯及付匯管理規定，本集團可通過授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金按基於每日銀行存款利率的浮動利率賺取利息。短期定期存款之期限介乎十四日至三個月，視乎本集團的即時現金需求按相應短期定期存款率賺取利息。銀行結餘存放於信譽良好且並無近期欠款記錄的銀行。現金及現金等價物的賬面值與其公平值相若。

25. 貿易應付款項

於報告期末，根據發票日期的貿易應付款項賬齡分析如下：

貿易應付款項不計息，並通常於30日至150日內結付（2019年：30日至60日內）。

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26. OTHER PAYABLES AND ACCRUALS

26. 其他應付款項及應計費用

		Notes	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
		附註		
Other payables	其他應付款項	(a)	2,461	2,257
Accruals	應計費用		21,550	26,186
Contract liabilities	合約負債	(b)	6,511	3,979
Deferred government grant	遞延政府補助	(c)	893	976
			31,415	33,398
Less: Non-current portion	減：非流動部分	(d)	(750)	(841)
Current portion	流動部分		30,665	32,557

Notes:

(a) Other payables are non-interest-bearing and have generally no credit terms.

(b) Details of contract liabilities are as follows:

附註：

(a) 其他應付款項不計息，一般並無信貸期。

(b) 合約負債詳情如下：

	31 December 2020 2020年12月31日 HK\$'000 千港元	31 December 2019 2019年12月31日 HK\$'000 千港元	1 January 2019 2019年1月1日 HK\$'000 千港元
Short-term advances received from customers 自客戶收取的短期墊款	6,511	3,979	8,416

Contract liabilities include short-term advances received to deliver printing products to customers. The increase in contract liabilities in 2020 was mainly due to the increase in short-term advances received from customers in relation to the sales of printing products at the end of the year. The decrease in contract liabilities in 2019 was mainly due to the decrease in short-term advances received from customers in relation to the sales of printing products at the end of the year.

(c) The amount represents a government grant received from the Provincial Finance Bureau, Huizhou Province. This government grant is asset-related and is amortised over the useful lives of the related assets, which is ten years since May 2018.

(d) The amount represents the non-current portion of a government grant.

合約負債包括就向客戶交付印刷產品所收取的短期墊款。2020年合約負債增加乃主要由於年末自客戶收取有關銷售印刷產品的短期墊款增加所致。2019年合約負債減少乃主要由於年末自客戶收取有關銷售印刷產品的短期墊款減少。

(c) 有關金額指自惠州省財政廳收取的政府補助。該等政府補助乃資產相關及於有關資產可使用年期(即自2018年5月起計10年內)攤銷。

(d) 有關金額指政府補助的非流動部分。

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27. INTEREST-BEARING BANK BORROWINGS

27. 計息銀行借款

		2020 2020年			2019 2019年		
		Effective interest rate per annum 實際年利率	Maturity 到期日	HK\$'000 千港元	Effective interest rate per annum 實際年利率	Maturity 到期日	HK\$'000 千港元
Current	即期						
Bank loans – unsecured (note (a))	銀行貸款 – 無抵押(附註(a))	3.0%	On demand 按要求	14,347	2.4%–3.6%	On demand 按要求	16,516
Bank loans – secured (note (b)(i))	銀行貸款 – 有抵押(附註(b)(i))	5.3%	2021 2021年	1,835	5.4%	2020 2020年	1,741
Bank loans – secured (note (b)(ii))	銀行貸款 – 有抵押(附註(b)(ii))	2.5%	On demand 按要求	4,348	-	-	-
				20,530			18,257
Non-current	非即期						
Bank loan – secured (note (b)(i))	銀行貸款 – 有抵押(附註(b)(i))	5.3%	2022 2022年	633	5.4%	2022 2022年	2,469
				21,163			20,726

		2020 2020年 HK\$'000 千港元		2019 2019年 HK\$'000 千港元	
Analysed into:	分析為：				
Bank loans repayable:	應償還銀行貸款：				
Within one year or on demand	一年內或按要求	20,530		18,257	
In the second year	第二年	633		1,835	
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年)	-		634	
		21,163		20,726	

Notes:

(a) The bank loans are guaranteed by:

unlimited corporate guarantees given by the Company as at 31 December 2020 (2019: personal guarantees given by the Controlling Shareholders up to HK\$48,895,000 as at 31 December 2019).

(b) (i) Certain of the Group's bank loans are secured by plant and machinery with a net book value of approximately HK\$5,695,000 (2019: HK\$5,950,000) at the end of the reporting period as detailed in note 14 to the financial statements.

(ii) A life insurance policy with a carrying amount of approximately HK\$5,404,000 (2019: Nil) was pledged to secure certain bank loans granted to the Group.

(c) Except for the certain bank loan which is denominated in United States dollars, all borrowings are in Hong Kong dollars (2019: All bank loans were denominated in Hong Kong dollars).

附註：

(a) 銀行貸款乃由以下各項擔保：

本公司於2020年12月31日給予的無限公司擔保(2019年：控股股東於2019年12月31日給予最高48,895,000港元的個人擔保)。

(b) (i) 誠如財務報表附註14所詳述，本集團若干銀行貸款乃由報告期末賬面淨值約為5,695,000港元(2019年：5,950,000港元)的廠房及機器抵押。

(ii) 賬面值約5,404,000港元(2019年：無)的人壽保單已抵押，以獲得授予本集團之若干銀行貸款。

(c) 除若干以美元計值的銀行貸款外，所有借款均以港元計值(2019年：所有銀行貸款均以港元計值)。

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2020年12月31日

27. INTEREST-BEARING BANK BORROWINGS (Continued)

Ignoring the effect of any repayment on demand clause and based on the maturity terms of the bank loans, the amounts repayable in respect of the Group's interest-bearing bank borrowings were analysed as follows:

		31 December 2020 2020年12月31日 HK\$'000 千港元	31 December 2019 2019年12月31日 HK\$'000 千港元
Analysed into:	分析為：		
Bank loans repayable:	應償還銀行貸款：		
Within one year	一年內	7,541	5,831
In the second year	第二年	5,339	6,050
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年)	8,283	8,845
		21,163	20,726

27. 計息銀行借款(續)

撇除任何按要求償還條款的影響並根據銀行貸款的到期條款，本集團的計息銀行借款之應償還款項分析如下：

28. DEFERRED TAX

The movements in deferred tax liabilities are as follows:

Deferred tax liabilities

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元
At 1 January 2019	於2019年1月1日	326
Deferred tax charged to the consolidated statement of profit or loss during the year (note 11)	年內自綜合損益表扣除的遞延稅項(附註11)	8
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	334
Deferred tax charged to the consolidated statement of profit or loss during the year (note 11)	年內自綜合損益表扣除的遞延稅項(附註11)	790
At 31 December 2020	於2020年12月31日	1,124

28. 遞延稅項

遞延稅項負債變動如下：

遞延稅項負債

NOTES TO FINANCIAL STATEMENTS
財務報表附註

28. DEFERRED TAX (Continued)

Deferred tax assets

At 1 January 2019, 31 December 2019 and 1 January 2020
Deferred tax credited to the consolidated statement of profit or loss during the year (note 11)

At 31 December 2020

於2019年1月1日、2019年12月31日及2020年1月1日
年內計入綜合損益表的遞延稅項(附註11)

於2020年12月31日

–

402

402

The Group estimated unrecognised tax losses of approximately HK\$45,669,000 (2019: HK\$41,887,000). Unrecognised tax losses arising in Hong Kong and certain foreign operations of approximately HK\$10,706,000 (2019: HK\$10,416,000) are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group estimated tax losses arising from certain foreign operations other than Hong Kong in an aggregate amount of HK\$34,963,000 (2019: HK\$31,471,000) that will expire in five years to twenty years for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as, in the opinion of the directors, they have arisen in subsidiaries that have been loss-making for some time and in the opinion of the directors, it is not probable that future taxable profits will be available against which the tax losses can be utilised.

No deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China (2019: Nil). In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with the investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled HK\$17,455,000 (2019: HK\$8,015,000).

There are no income tax consequences attached to the payment of dividends by the Company to its shareholders.

28. 遞延稅項(續)

遞延稅項資產

Lease liabilities

租賃負債

HK\$'000

千港元

本集團估計未確認稅項虧損約45,669,000港元(2019年:41,887,000港元)。於香港及若干海外業務產生的未確認稅項虧損約10,706,000港元(2019年:10,416,000港元)可無限期用以抵銷產生該等虧損的公司之未來應課稅溢利。

本集團估計產生自香港以外的若干海外業務之稅項虧損合共為34,963,000港元(2019年:31,471,000港元)，該等稅項虧損將於五年至二十年內到期，乃用於抵銷產生該等虧損的公司之未來應課稅溢利。

董事認為，由於有關虧損乃產生自己持續產生虧損一段時間的附屬公司，而董事認為有未來應課稅溢利可供用作抵銷稅項虧損的可能性不大，故並無就該等虧損確認遞延稅項資產。

概無就在中國內地成立應繳納預扣稅的本集團附屬公司的未匯付盈餘之應繳預扣稅而確認遞延稅項(2019年:無)。董事認為，在可見將來，該等附屬公司不大可能分派該等盈餘。尚未確認遞延稅項負債於中國內地附屬公司投資的暫時差額合共為17,455,000港元(2019年:8,015,000港元)。

本公司向其股東派付股息概無所得稅影響。

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29. SHARE CAPITAL

29. 股本

		Number of shares in issue 已發行 股份數目	Share capital 股本 HK\$'000 千港元
Authorised: At 25 January 2019 (date of incorporation) with par value of HK\$0.01 each and as at 31 December 2019 (note a)	法定： 於2019年1月25日(註冊成立 日期)每股面值0.01港元及 於2019年12月31日(附註a)	3,800,000	38
Increase of authorised share capital with par value of HK\$0.01 each on 21 February 2020 (note b)	於2020年2月21日增加法定 股本每股面值0.01港元 (附註b)	4,996,200,000	49,962
As at 31 December 2020	於2020年12月31日	5,000,000,000	50,000

		Number of shares in issue 已發行 股份數目	Share capital 股本 HK\$'000 千港元
Issued and fully paid: Issue of a new share upon incorporation of the Company (note a)	已發行及繳足： 註冊成立本公司後發行1股 新股份(附註a)	1	—*
Acquisition of subsidiaries under common control pursuant to the Reorganisation	根據重組收購共同控制的 附屬公司	249	—*
As at 31 December 2019	於2019年12月31日	250	—*
Capitalisation of shares (note c)	股份資本化(附註c)	1,499,999,750	15,000
Shares issued pursuant to the share offer (note d)	根據股份發售已發行股份 (附註d)	500,000,000	5,000
As at 31 December 2020	於2020年12月31日	2,000,000,000	20,000

* Less than HK\$500

* 少於500港元

NOTES TO FINANCIAL STATEMENTS

財務報表附註

29. SHARE CAPITAL (Continued)

Notes:

- (a) The Company was incorporated on 25 January 2019 with initial authorised share capital of HK\$38,000 divided into 3,800,000 shares of a par value of HK\$0.01 each. On the date of incorporation, 1 ordinary share of HK\$0.01 was allotted and issued by the Company.
- (b) On 21 February 2020, the authorised share capital of the Company was increased from HK\$38,000 divided into 3,800,000 shares to HK\$50,000,000 divided into 5,000,000,000 shares by the creation of an additional 4,996,200,000 shares of par value of HK\$0.01 each.
- (c) Pursuant to the resolutions in writing of the shareholders of the Company passed on 21 February 2020, the directors were authorised to allot and issue a total of 1,499,999,750 shares credited as fully paid at par to each of the holders of the Company's shares whose names appear on the register of members of the Company at the close of business on 21 February 2020 in proportion of their shareholdings by way of capitalisation of the sum of HK\$14,999,997.50 standing to the credit of the share premium account of the Company.
- (d) The Company's shares were listed on the Main Board of the Stock Exchange on 12 March 2020 and 500,000,000 ordinary shares were issued at HK\$0.25 per share on 12 March 2020 in connection with the listing of the Company's shares on the Main Board of the Stock Exchange.

29. 股本(續)

附註：

- (a) 本公司於2019年1月25日註冊成立，初步法定股本為38,000港元，分為3,800,000股每股面值0.01港元的股份。於註冊成立日期，1股0.01港元的普通股已由本公司配發及發行。
- (b) 於2020年2月21日，透過增設額外4,996,200,000股每股面值0.01港元的股份，本公司法定股本由38,000港元（分為3,800,000股股份）增加至50,000,000港元（分為5,000,000,000股股份）。
- (c) 根據本公司股東於2020年2月21日通過的書面決議案，董事獲授權將本公司股份溢價賬項下的進賬額14,999,997.50港元撥充資本，藉以向於2020年2月21日營業時間結束時名列本公司股東名冊的各本公司股份持有人按其持股比例配發及發行合共1,499,999,750股按面值入賬列為繳足的股份。
- (d) 本公司股份於2020年3月12日在聯交所主板上市，並已於2020年3月12日就本公司股份於聯交所主板上市而按每股股份0.25港元發行500,000,000股普通股。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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2020年12月31日

30. SHARE OPTION SCHEME

A share option scheme (the “**Scheme**”) was approved and adopted by the Company on 21 February 2020. The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group.

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares under the Scheme: (a) any employee or proposed employee (whether full-time or part-time and including any executive Director), consultants or advisers of, or, to the Company, any of the subsidiaries or any entity (the “**Invested Entity**”) in which the Company holds an equity interest (collectively, the Company, any of the subsidiaries or the Invested Entity are referred to as the “**Relevant Parties**”); (b) any non-executive Directors (including independent non-executive Directors) of, any supplier of goods or services to, any customer of and any person or entity that provides research, development or other technological support to, the Relevant Parties; and (c) any Shareholders or any shareholder of any of its subsidiaries or any Invested Entity or any holder of any securities issued by the Relevant Parties. For the purposes of the Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants.

The maximum number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the issued share capital of the Company from time to time. No options may be granted under any schemes of the Company or the subsidiary of the Company if such grant will result in the maximum number being exceeded. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue (i.e. 200,000,000 as at the date of this annual report). Options lapsed in accordance with the terms of the Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

The total number of Shares issued and to be issued upon exercise of all options granted under Scheme and any other share option schemes of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the Shares then in issue. Any further grant of the Options in excess of this limit is subject to Shareholders’ approval in a general meeting. Each grant of option under the Scheme to a Director, chief executive or substantial Shareholder, or to any of their associates, is subject to approval in advance by the independent non-executive Directors. In addition, any grant of option grant of option under the Scheme to a substantial Shareholder or an independent non-executive Director, or to any of their associates, in excess of 0.1% of the Shares in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to Shareholders’ approval in advance in a general meeting.

30. 購股權計劃

本公司於2020年2月21日批准及採納購股權計劃(「該計劃」)。該計劃的目的在於容許本公司向獲挑選的參與者授出購股權，作為其對本集團作出貢獻的獎勵或回報。

董事可全權酌情邀請屬於下列參與者類別的任何人士接納購股權，以認購該計劃項下的股份：(a)本公司、其任何附屬公司或本公司於其中擁有股權的任何實體(「投資實體」)的任何僱員或擬定僱員(不論全職或兼職，包括任何執行董事)、顧問或諮詢人(本公司、任何附屬公司或投資實體統稱為「有關人士」)；及(b)有關人士的任何非執行董事(包括獨立非執行董事)、任何貨品或服務供應商、任何客戶及任何向有關人士提供研究、開發或其他技術支援的任何人士或實體；及(c)任何股東或其任何附屬公司的股東或任何投資實體或有關人士發行的任何證券之任何持有人。就該計劃而言，購股權可授予屬於上述任何參與者類別的一名或多名人士全資擁有的任何公司。

根據該計劃及本集團任何其他購股權計劃授出的所有尚未行使購股權而發行的股份最高數目合共不得超過本公司不時已發行股本之30%。倘有關授出將導致超出最高數目，則不可根據本公司或本公司附屬公司的任何計劃授出購股權。根據該計劃及本公司任何其他計劃授出的所有購股權獲行使而可能發行的股份總數不得超過已發行股份的10%(於本年報日期即200,000,000股)。就計算10%限額而言，根據該計劃或任何其他計劃的條款而失效之購股權將不會計算在內。

根據該計劃及本集團任何其他購股權計劃(包括已行使及尚未行使的購股權)授出的所有購股權獲行使後於任何12個月期間內向各參與者已發行及將發行的股份總額不得超過當時已發行股份的1%。進一步授予任何超過此限額之購股權須獲得股東於股東大會上批准。根據該計劃向董事、主要行政人員或主要股東或其任何聯繫人每次授出購股權均須待獲得獨立非執行董事事先批准後方可作實。此外，根據該計劃於任何12個月期間向主要股東或獨立非執行董事或其任何聯繫人授出超過於任何時候的已發行股份的0.1%或總價值(基於本公司股份於授出日期的價格)超過5,000,000港元之任何購股權均須獲得董事於股東大會事先批准後方可作實。

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30. SHARE OPTION SCHEME (Continued)

An option may be accepted by a participant within 28 days from the date of the grant of the option. The Directors may, at their absolute discretion, fix any minimum period for which an option must be held, any performance targets that must be achieved and any other conditions that must be fulfilled before the options can be exercised upon the grant of an option to a participant.

The subscription price of a Share in respect of any option granted under the Scheme, subject to any adjustments made in accordance with the Share Option Scheme, shall be such price as the Board in its absolute discretion shall determine, provided that such price shall not be less than the highest of (i) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days (as defined in the Listing Rules) immediately preceding the date of grant of the option (which must be a business day (as defined in the Listing Rules)); (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day (as defined in the Listing Rules)); and (iii) the nominal value of the Shares. A consideration of HK\$1.00 is payable on acceptance of the offer of the grant of an option.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Scheme during the year:

		2020 2020年	
		Weighted average exercise price 加權平均行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份
At 1 January	於1月1日	-	-
Granted during the year	於年內授出	0.057	2,000
At 31 December	於12月31日	0.057	2,000

No share options were exercised during the years of 2020 and 2019.

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

30. 購股權計劃(續)

參與者可自授出購股權當日起計28日內接納購股權。董事向參與者授出購股權時可全權酌情釐定必須持有購股權的最短期間、任何必須達致的表現目標及於購股權可予行使前必須達成的任何其他條件。

根據該計劃授出的任何購股權相關股份的認購價須由董事會全權酌情釐定(可根據購股權計劃作出任何調整)，惟該價格不得低於下列各項的最高者：(i)股份於緊接授出購股權日期(必須為營業日(定義見上市規則))前五個營業日在聯交所每日報價表所示的平均收市價；(ii)股份於授出購股權日期(必須為營業日(定義見上市規則))在聯交所每日報價表所示收市價；及(iii)股份的面值。接納授出購股權要約時須支付代價1.00港元。

購股權不賦予持有人獲派股息或於股東大會上投票的權利。

以下為於該計劃項下年內尚未行使的購股權：

2020年及2019年內概無購股權獲行使。

於報告期末尚未行使的購股權行使價及行使期如下：

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30. SHARE OPTION SCHEME (Continued)

2020

Number of options 購股權數目 '000 千份	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period 行使期
1,000	0.057	1-1-22 to 14-9-25 1-1-22至14-9-25
1,000	0.057	1-1-24 to 14-9-25 1-1-24至14-9-25
2,000		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The fair value of the share options granted during the year was HK\$50,000 (HK\$0.03 each) (2019: Nil), of which the Group recognised a share option expense of HK\$8,000 (2019: Nil) during the year ended 31 December 2020.

The fair value of equity-settled share options granted during the year was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2020 2020年
Spot price (HK\$)	0.055
Exercise price (HK\$)	0.057
Dividend yield (%)	—
Expected volatility (%)	56.65
Risk-free interest rate (%)	0.18
Exercise multiple	2.8
Expected life of options (years)	5

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 2,000,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 2,000,000 additional ordinary shares of the Company and additional share capital of HK\$20,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 2,000,000 share options outstanding under the Scheme, which represented approximately 0.1% of the Company's shares in issue as at that date.

30. 購股權計劃(續)

2020年

Number of options 購股權數目 '000 千份	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period 行使期
1,000	0.057	1-1-22 to 14-9-25 1-1-22至14-9-25
1,000	0.057	1-1-24 to 14-9-25 1-1-24至14-9-25
2,000		

* 倘出現供股或紅股發行或本公司股本出現其他類似變動，則購股權的行使價須予調整。

年內所授出購股權的公平值約為50,000港元(每份0.03港元)(2019年：無)，當中本集團於截至2020年12月31日止年度確認購股權開支8,000港元(2019年：無)。

本年度內已授出的股本結算購股權的公平值乃於授出日期使用二項期權定價模式，並經考慮授出購股權的條款及條件後估算。下表載列該模式所使用的輸入值：

	2020 2020年
Spot price (HK\$)	0.055
Exercise price (HK\$)	0.057
Dividend yield (%)	—
Expected volatility (%)	56.65
Risk-free interest rate (%)	0.18
Exercise multiple	2.8
Expected life of options (years)	5

計量公平值時並無計及已授出購股權的其他特性。

於報告期末，本公司根據該計劃有2,000,000份未行使購股權。根據本公司現時資本架構，悉數行使尚未行使的購股權將導致增發2,000,000股額外本公司普通股及產生20,000港元的額外股本(扣除發行開支前)。

於該等財務報表批准日期，本公司根據該計劃共有2,000,000份未行使購股權，佔該日期本公司已發行股份約0.1%。

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31. RESERVES

The amounts of the Group's reserves and the movements therein for current and prior years are presented in the consolidated statement of changes in equity on page 50 of the financial statements.

(a) Merger reserve

The merger reserve represents the aggregate of the paid up share capital of the subsidiaries now comprising the Group attributable to the Controlling Shareholders prior to the Reorganisation.

The balance of the merger reserve at 31 December 2020 mainly represented the deemed distribution to the Controlling Shareholders by issuance of the Company's shares pursuant to the Reorganisation.

(b) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all relevant exchange differences arising from the translation of the financial statements of foreign operations.

(c) Share premium

The share premium represents the difference between the par value of the shares issued and the consideration paid for the Reorganisation.

31. 儲備

本集團於本年度及過往年度的儲備及其變動金額於財務報表第50頁的綜合權益變動表呈列。

(a) 合併儲備

合併儲備指於重組前控股股東應佔現時組成本集團的附屬公司之繳足股本總額。

於2020年12月31日的合併儲備結餘主要指根據重組透過發行本公司股份視作向控股股東的分派。

(b) 外匯波動儲備

外匯波動儲備包括換算海外業務財務報表而產生的所有相關匯兌差額。

(c) 股份溢價

股份溢價指就重組而言已發行股份的面值與已付代價之間的差額。

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32. BUSINESS COMBINATION

In December 2020, the Group acquired the business of TrueCount Corporation (“TrueCount”). TrueCount is engaged in development and supply of software enabling the use of Radio Frequency Identification (“RFID”). The acquisition was made as part of the Group’s strategy to expand its business development. The purchase consideration of US\$245,000 (equivalent to HK\$1,899,000) for the acquisition was in the form of cash.

The fair values of the identifiable assets as at the date of acquisition were as follows:

32. 業務合併

於2020年12月，本集團收購 TrueCount Corporation(「TrueCount」)業務。TrueCount 從事發展及供應促使運用無線射頻識別(「RFID」)的軟件。收購事項乃本集團擴大業務發展策略的一部分。收購代價245,000美元(相當於1,899,000港元)以現金形式支付。

於收購日期，可識別資產的公平值如下：

		Notes 附註	Fair value recognised on acquisition 於收購確認公平值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	14	163
Other intangible assets	其他無形資產	17	270
Deferred tax liabilities	遞延稅項負債		(57)
Total identifiable net assets at fair value	計入公平值的可識別淨資產總值		376
Goodwill on acquisition	收購商譽	16	1,523
Satisfied by cash	以現金支付		1,899

NOTES TO FINANCIAL STATEMENTS

財務報表附註

32. BUSINESS COMBINATION (Continued)

Included in the goodwill of HK\$1,523,000 recognised above is an assembled workforce which is not recognised separately. It is not separable and does not meet the criteria for recognition as an intangible asset under HKAS 38 *Intangible Assets*. None of the goodwill recognised is expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the acquisition is as follows:

Cash consideration and net outflow of cash and cash equivalents included in cash flows from investing activities

現金代價以及計入投資活動之現金流量的現金及現金等價物流出淨額

HK\$'000
千港元

(1,899)

Since the acquisition, it contributed HK\$168,000 to the Group's revenue and HK\$86,000 to the consolidated profit for the year ended 31 December 2020.

Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and the profit of the Group for the year would have been HK\$840,000 and HK\$438,000, respectively.

32. 業務合併(續)

上表所確認計入商譽的1,523,000港元為人力資源合併，其並未單獨確認。該項目無法單獨確認，亦不符合香港會計準則第38號無形資產項下無形資產確認標準。預期概無已確認的商譽可用作扣減所得稅。

有關就收購的現金流量分析如下：

自收購後，其於截至2020年12月31日止年度為本集團貢獻收益168,000港元及綜合溢利86,000港元。

假設合併已於年初進行，則本集團年內來自持續經營的收益及本集團溢利將分別為840,000港元及438,000港元。

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33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

33. 綜合現金流量表附註

(a) Changes in liabilities arising from financing activities

(a) 融資活動產生的負債變動

		Interest-bearing bank borrowings 計息銀行借款 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Due to directors 應付董事款項 HK\$'000 千港元
At 1 January 2019	於2019年1月1日	12,737	54,555	8,655
Changes from financing cash flows	融資現金流量變動	7,989	(15,096)	(8,207)
New leases	新租賃	-	2,924	-
Foreign exchange movement	匯兌變動	-	(548)	(45)
Interest expense	利息開支	-	2,134	-
Interest paid classified as financing cash flows	分類為融資現金流量的已付利息	-	(2,134)	-
At 31 December 2019 and 1 January 2020	於2019年1月1日及2020年1月1日	20,726	41,835	403
Changes from financing cash flows	融資現金流量變動	437	(11,297)	(403)
New leases	新租賃	-	3,844	-
Lease modification	租賃修訂	-	(1,427)	-
Termination of leases	終止租賃	-	(1,326)	-
Foreign exchange movement	匯兌變動	-	1,818	-
Interest expense	利息開支	-	1,527	-
Interest paid classified as financing cash flows	分類為融資現金流量的已付利息	-	(1,527)	-
At 31 December 2020	於2020年12月31日	21,163	33,447	-

(b) Major non-cash transactions

(b) 主要非現金交易

Lease commencement recognition of HK\$3,844,000 (2019: HK\$2,924,000) was included in right-of-use assets and lease liabilities.

為數3,844,000港元(2019年: 2,924,000港元)的租賃開始確認已計入使用權資產及租賃負債。

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財務報表附註

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
(Continued)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Within operating activities	計入經營活動	821	43
Within financing activities	計入融資活動	12,824	17,230
		13,645	17,273

34. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank loans are included in note 27 to the financial statements.

35. COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Contracted, but not provided for: Plant and machinery	已訂約但未撥備： 廠房及機器	1,091	231

33. 綜合現金流量表附註(續)

(c) 租賃的現金流出總額

計入現金流量表的租賃現金流出總額如下：

34. 資產抵押

為取得本集團銀行貸款而抵押的本集團資產詳情載於財務報表附註27。

35. 承擔

於報告期末，本集團有以下資本承擔：

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財務報表附註

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36. RELATED PARTY TRANSACTIONS

(a) Outstanding balances with directors

Details of the Group's balances with directors as at 31 December 2019 are disclosed in note 21 to the financial statements.

(b) Other transactions with related parties

- (i) In the prior year, personal guarantees were given by the Controlling Shareholders of up to HK\$48,895,000 in favour of the banks in respect of banking facilities granted to the Group. Further details of the transactions are included in note 27(a)(i) to the financial statements.
- (ii) In the prior year, certain of the Group's lease liabilities were guaranteed by personal guarantees provided by the Controlling Shareholders of up to HK\$28,607,000. Further details of the transactions are included in note 15(b) to the financial statements.

(c) Compensation of key management personnel of the Group

Further details of directors' and the chief executive's emoluments are included in note 9 to the financial statements.

36. 關聯方交易

(a) 董事的未償還結餘

本集團與董事於2019年12月31日的結餘之詳情於財務報表附註21披露。

(b) 與關聯人士的其他交易

- (i) 於過往年度，控股股東就授予本集團的銀行融資以銀行為受益人作出個人擔保最多48,895,000港元。交易的進一步詳情載於財務報表附註27(a)(i)。
- (ii) 於過往年度，本集團若干租賃負債由控股股東提供最多28,607,000港元的個人擔保作擔保。交易的進一步詳情載於財務報表附註15(b)。

(c) 本集團主要管理人員酬金

董事及主要行政人員酬金的進一步詳情載於財務報表附註9。

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37. FINANCIAL INSTRUMENTS BY CATEGORY

37. 按類別劃分的金融工具

		Financial asset at fair value through profit or loss 按公平值計入 損益的金融資產 HK\$'000 千港元	Financial assets at amortised cost 按攤銷成本 計量的金融資產 HK\$'000 千港元	Total 總計 HK'000 千港元
2020	2020年			
Financial assets	金融資產			
Trade receivables	貿易應收款項	-	36,724	36,724
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	-	6,061	6,061
Financial asset at fair value through profit or loss	按公平值計入損益的金融資產	5,404	-	5,404
Cash and cash equivalents	現金及現金等價物	-	114,743	114,743
		5,404	157,528	162,932
			Financial assets at amortised cost 按攤銷成本計量的金融資產 HK\$'000 千港元	
2019	2019年			
Financial assets	金融資產			
Trade receivables	貿易應收款項			48,327
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產			5,156
Due from the ultimate holding company	應收最終控股公司款項			22
Due from a director	應收一名董事款項			290
Cash and cash equivalents	現金及現金等價物			43,807
				97,602

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37. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

37. 按類別劃分的金融工具(續)

		Financial liabilities at amortised cost 按攤銷成本計量的金融負債	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Financial liabilities	金融負債		
Trade payables	貿易應付款項	34,651	35,381
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	6,186	4,944
Interest-bearing bank borrowings	計息銀行借款	21,163	20,726
Lease liabilities	租賃負債	33,447	41,835
Due to directors	應付董事款項	-	403
		95,447	103,289

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

38. 金融工具的公平值及公平值層級

The carrying amount and fair value of the Group's financial instrument, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

本集團金融工具的賬面值及公平值(賬面值與公平值合理相若者除外)如下:

As at 31 December 2020

於2020年12月31日

		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Financial asset	金融資產		
Financial asset at fair value through profit or loss	按公平值計入損益的金融資產	5,404	5,404

The Group did not have any financial asset measured at fair value as at 31 December 2019.

於2019年12月31日，本集團並無任何按公平值計量的金融資產。

Management has assessed that the fair values of cash and cash equivalents, the current portion of pledged deposits, trade receivables, an amount due from the ultimate holding company, balances with directors, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals and dividend payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

據管理層評估，現金及現金等價物、已抵押存款的流動部分、貿易應收款項、應收最終控股公司款項、董事結餘、計入預付款項、按金及其他應收款項的金融資產、貿易應付款項、計入其他應付款項及應計費用的金融負債以及應付股息之公平值與其賬面值相若，乃主要由於該等工具到期日較短所致。

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of non-current deposits and other payables, lease liabilities and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, and were assessed to approximated to their carrying amounts. The Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2020 and 2019 was assessed to be insignificant.

The fair value of a key management insurance contract classified as a financial asset at fair value through profit or loss is based on the account value less surrender charge, quoted by the vendor. The directors believe that the estimated fair value resulting from the valuation technique, which is recorded in the consolidated statement of financial position, and the related change in fair value, which is recorded in profit or loss, is reasonable, and that they were the most appropriate values at the end of the reporting period.

38. 金融工具的公平值及公平值層級(續)

本集團以財務經理為首的財政部門負責釐定金融工具之公平值計量的政策及程序。財務經理直接向財務總監及審核委員會報告。於各報告日期，財務部門分析金融工具價值的變動並釐定估值所用的主要輸入值。估值由財務總監審閱及批准，並與審核委員會每年兩次就中期及年度財務報告的估值過程及結果進行討論。

金融資產及負債的公平值按自願雙方(強迫或清盤出售除外)在當前交易下的可交換該工具的金額入賬。下列方法及假設用於估計公平值：

非流動存款及其他應付款項、租賃負債及計息銀行借款的公平值乃按使用有類似條款、信貸風險及餘下到期日的工具目前可得的利率折讓預期未來現金流量計算，並評估為與其賬面值相若。本集團於2020年及2019年12月31日的計息銀行借款不履約風險被評定為不重大。

分類為按公平值計入損益之金融資產的主要管理人員保險合約之公平值乃基於賬戶價值減退保費用(由供應商報價)計量。董事相信，以估值技術得出之估計公平值(計入綜合財務狀況表)及公平值之相關變動(計入損益)均為合理，並為於報告期末之時最合適價值。

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2020 and 2019:

38. 金融工具的公平值及公平值層級(續)

下表載列金融工具估值於2020年及2019年12月31日之重大不可觀察輸入值連同定量敏感度分析概要：

	Valuation technique	Significant unobservable input	Value	Sensitivity of fair value to the input
	估值技術	重大不可觀察輸入值	數值	公平值對輸入值之敏感度
Key management insurance contract classified as a financial asset at fair value through profit or loss 分類為按公平值計入損益之金融資產的主要管理人員保險合約	N/A 不適用	Account values 賬戶價值	HK\$6,492,000 6,492,000港元 (2019: Nil) (2019年：無)	5% (2019: Nil) increase (decrease) in account values would result in increase (decrease) in fair value by HK\$67,000 (2019: Nil) 賬戶價值上升(下降) 5%(2019年：無) 將導致公平值上升(下降)67,000港元(2019年：無)
		Surrender charge 退保費用	HK\$1,088,000 1,088,000港元 (2019: Nil) (2019年：無)	5% (2019: Nil) increase (decrease) in surrender charge would result in increase (decrease) in fair value by HK\$54,000 (2019: Nil) 退保費用上升(下降) 5%(2019年：無) 將導致公平值上升(下降)54,000港元(2019年：無)

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instrument:

Asset measured at fair value:

As at 31 December 2020

38. 金融工具的公平值及公平值層級(續)

公平值層級

下表闡述本集團金融工具之公平值計量層級：

按公平值計量之資產：

於2020年12月31日

		Fair value measurement using 計量公平值時使用			
		Quoted prices in active markets 於活躍市場 之報價 (Level 1) (第1級) HK\$'000 千港元	Significant observable inputs 重大可觀察 輸入值 (Level 2) (第2級) HK\$'000 千港元	Significant unobservable inputs 重大不可觀察 輸入值 (Level 3) (第3級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial asset at fair value through profit or loss	按公平值計入損益的 金融資產	-	-	5,404	5,404

The movement in fair value measurement within Level 3 during the year ended 31 December 2020 is as follows:

截至2020年12月31日止年度，第3級內的公平值計量變動如下：

		HK\$'000 千港元
At 1 January	於1月1日	-
Purchases	購買	6,737
Total losses recognised in profit or loss	於損益確認的虧損總額	(1,333)
At 31 December	於12月31日	5,404

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

The Group did not have any financial liabilities measured at fair value as at 31 December 2020 and 2019.

During the year, there were no transfer of fair value measurements between Level 1 and Level 2 and no transfers out of Level 3 for both financial assets and financial liabilities (2019: Nil).

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include cash and cash equivalents, trade receivables, deposits and other receivables, an amount due from the ultimate holding company, balances with directors, trade payables, other payables and accruals, interest-bearing bank borrowings and lease liabilities.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the Hong Kong dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair values of monetary assets and liabilities) and the Group's equity.

38. 金融工具的公平值及公平值層級(續)

公平值層級(續)

於2020年及2019年12月31日，本集團並無任何按公平值計量的金融負債。

年內，金融資產及金融負債第1級與第2級的公平值計量之間並無轉移，第3級亦無轉出(2019年：無)。

39. 財務風險管理目標及政策

本集團主要的金融工具包括現金及現金等價物、貿易應收款項、按金及其他應收款項、應收最終控股公司款項、董事結餘、貿易應付款項、其他應付款項及應計費用、計息銀行借款及租賃負債。

產生自本集團金融工具的主要風險為外幣風險、利率風險、信貸風險及流動資金風險。董事會審閱及協定有關管理各項風險的政策，概述如下。

外幣風險

本集團面臨交易貨幣風險。該等風險來自營運單位使用單位功能貨幣以外的貨幣所進行之銷售或採購。

下表說明於報告期末在所有其他可變因素維持不變的情況下，本集團的除稅前溢利(由於貨幣資產及負債的公平值變動所致)及本集團的權益對港元匯率合理可能變動的敏感度。

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
(Continued)

Foreign currency risk (Continued)

		Increase/ (decrease) in exchange rate 匯率上升/ (下降) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 千港元	Increase/ (decrease) in equity* 權益增加/ (減少)* HK\$'000 千港元
As at 31 December 2020	於2020年12月31日			
If Renminbi weakens against HK\$	倘人民幣兌港元貶值	5	(250)	—
If Renminbi strengthens against HK\$	倘人民幣兌港元升值	(5)	250	—
As at 31 December 2019	於2019年12月31日			
If Renminbi weakens against HK\$	倘人民幣兌港元貶值	5	(463)	—
If Renminbi strengthens against HK\$	倘人民幣兌港元升值	(5)	463	—

* Excluding retained profits

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with floating interest rates. The interest rates and terms of repayment of the Group's borrowings are disclosed in note 27 to the financial statements. The Group's policy is to obtain the most favourable interest rates available for its borrowings. Management monitors interest rate exposure and will consider hedging significant interest rate exposures should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates at the end of the reporting period, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

39. 財務風險管理目標及政策(續)

外幣風險(續)

		Increase/ (decrease) in exchange rate 匯率上升/ (下降) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 千港元	Increase/ (decrease) in equity* 權益增加/ (減少)* HK\$'000 千港元
As at 31 December 2020	於2020年12月31日			
If Renminbi weakens against HK\$	倘人民幣兌港元貶值	5	(250)	—
If Renminbi strengthens against HK\$	倘人民幣兌港元升值	(5)	250	—
As at 31 December 2019	於2019年12月31日			
If Renminbi weakens against HK\$	倘人民幣兌港元貶值	5	(463)	—
If Renminbi strengthens against HK\$	倘人民幣兌港元升值	(5)	463	—

* 不包括保留溢利

利率風險

本集團面臨的市場利率變動風險主要與本集團的浮息銀行借款有關。本集團借款的利率及償還條款於財務報表附註27披露。本集團的政策乃為其借款爭取最優惠利率。管理層監控利率風險，並於有需要時將考慮對沖重大的利率風險。

下表說明於報告期末在所有其他可變因素維持不變的情況下，本集團的除稅前溢利(透過對浮息借款的影響)對利率合理可能變動的敏感度。

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Interest rate risk (Continued)

		Increase/ (decrease) in basis points 基點上升/ (下降)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 千港元
As at 31 December 2020			
Hong Kong dollar	於2020年12月31日 港元	100	(212)
Hong Kong dollar	港元	(100)	212
As at 31 December 2019			
Hong Kong dollar	於2019年12月31日 港元	100	(207)
Hong Kong dollar	港元	(100)	207

The change in interest rates at the end of the reporting period, with all other variables held constant, had no impact on the Group's equity excluding retained profits for the years ended 31 December 2020 and 2019.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that only well-established customers will be considered for open account terms and the approval of credit terms is subject to stringent credit check procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

39. 財務風險管理目標及政策(續)

利率風險(續)

		Increase/ (decrease) in basis points 基點上升/ (下降)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 千港元
As at 31 December 2020			
Hong Kong dollar	於2020年12月31日 港元	100	(212)
Hong Kong dollar	港元	(100)	212
As at 31 December 2019			
Hong Kong dollar	於2019年12月31日 港元	100	(207)
Hong Kong dollar	港元	(100)	207

報告期末的利率變動(在所有其他可變因素維持不變的情況下)對本集團截至2020年及2019年12月31日止年度的權益(不包括保留溢利)概無影響。

信貸風險

本集團僅與受認可及信譽良好的第三方交易。本集團的政策為僅對歷史悠久的客戶考慮除賬條款且信貸期的批准須遵守嚴格信貸檢查程序。此外，本集團持續監控應收結餘，而本集團的壞賬風險並不重大。

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
(Continued)

Credit risk (Continued)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

		12-month	Lifetime ECLs			Simplified approach	Total
		ECLs	ECLs				
		12個月	全期預期信貸虧損			簡化方式	總計
		預期信貸虧損	Stage 1	Stage 2	Stage 3	HK\$'000	HK\$'000
			第1階段	第2階段	第3階段	千港元	千港元
			HK\$'000	HK\$'000	HK\$'000	千港元	千港元
As at 31 December 2020	於2020年12月31日						
Trade receivables*	貿易應收款項*	-	-	-	-	36,889	36,889
Financial assets included in prepayments, deposits and other receivables**	計入預付款項、按金及其他應收款項的金融資產**	6,061	-	-	-	-	6,061
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	5,404	-	-	-	-	5,404
Cash and cash equivalents	現金及現金等價物	114,743	-	-	-	-	114,743
		126,208	-	-	-	36,889	163,097

39. 財務風險管理目標及政策(續)

信貸風險(續)

最大風險及年末階段

下表載列於12月31日基於本集團信貸政策(主要根據逾期資料制定,除非其他資料毋須付出不必要成本或努力即可獲得)的信貸質素及最大信貸風險敞口以及年末階段分類。所列金額為金融資產之賬面總值。

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31 December 2020
2020年12月31日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

		12-month	Lifetime ECLs			Simplified approach	Total
		ECLs	ECLs				
		12個月	全期預期信貸虧損			簡化方式	總計
		預期信貸虧損	Stage 1	Stage 2	Stage 3	HK\$'000	HK\$'000
			第1階段	第2階段	第3階段	千港元	千港元
			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
As at 31 December 2019	於2019年12月31日						
Trade receivables*	貿易應收款項*	-	-	-	-	48,327	48,327
Financial assets included in prepayments, deposits and other receivables**	計入預付款項、按金及其他應收款項的金融資產**	5,156	-	-	-	-	5,156
Due from the ultimate holding company	應收最終控股公司款項	22	-	-	-	-	22
Due from a director	應收一名董事款項	290	-	-	-	-	290
Cash and cash equivalents	現金及現金等價物	43,807	-	-	-	-	43,807
		49,275	-	-	-	48,327	97,602

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 to the financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due or there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

Credit risk concentration

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. The Group had certain concentrations of credit risk as the trade receivables in terms of the following percentages were due from the Group's largest external customer and the Group's five largest external customers out of the Group's total trade receivables:

		2020	2019
		2020年	2019年
		%	%
Due from the Group's largest external customer	應收本集團最大外部客戶	12	11
Due from the Group's five largest external customers	應收本集團五大外部客戶	19	23

39. 財務風險管理目標及政策(續)

信貸風險(續)

最大風險及年末階段(續)

		12-month	Lifetime ECLs			Simplified approach	Total
		ECLs	ECLs				
		12個月	全期預期信貸虧損			簡化方式	總計
		預期信貸虧損	Stage 1	Stage 2	Stage 3	HK\$'000	HK\$'000
			第1階段	第2階段	第3階段	千港元	千港元
			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
As at 31 December 2019	於2019年12月31日						
Trade receivables*	貿易應收款項*	-	-	-	-	48,327	48,327
Financial assets included in prepayments, deposits and other receivables**	計入預付款項、按金及其他應收款項的金融資產**	5,156	-	-	-	-	5,156
Due from the ultimate holding company	應收最終控股公司款項	22	-	-	-	-	22
Due from a director	應收一名董事款項	290	-	-	-	-	290
Cash and cash equivalents	現金及現金等價物	43,807	-	-	-	-	43,807
		49,275	-	-	-	48,327	97,602

* 就本集團應用簡化方式進行減值的貿易應收賬款而言，基於撥備矩陣的資料於財務報表附註20披露。

** 計入預付款項、按金及其他應收款項的金融資產之信貸質素於未逾期或並無資料表明該等金融資產自初步確認起信貸風險顯著增加時被視為「正常」。

信貸風險集中

由於本集團僅與受認可及信譽良好的第三方交易，故無需作抵押。本集團有若干信貸集中風險，乃由於以下貿易應收款項佔本集團貿易應收款項總額的百分比乃由本集團最大外部客戶及本集團五大外部客戶結欠：

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財務報表附註

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings and funds generated from operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual and undiscounted payments, is as follows:

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	More than 5 years	Total
		按要求	少於3個月	3至12個月以下	1至5年	5年以上	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
As at 31 December 2020	於2020年12月31日						
Trade payables	貿易應付款項	-	34,651	-	-	-	34,651
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	220	5,966	-	-	-	6,186
Interest-bearing bank borrowings	計息銀行借款	18,695	480	1,441	640	-	21,256
Lease liabilities	租賃負債	-	2,994	8,501	23,907	5,785	41,187
		18,915	44,091	9,942	24,547	5,785	103,280
As at 31 December 2019	於2019年12月31日						
Trade payables	貿易應付款項	-	35,381	-	-	-	35,381
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	-	4,944	-	-	-	4,944
Interest-bearing bank borrowings	計息銀行借款	16,516	481	1,443	2,561	-	21,001
Lease liabilities	租賃負債	-	4,434	8,886	21,732	14,001	49,053
Due to directors	應付董事款項	403	-	-	-	-	403
		16,919	45,240	10,329	24,293	14,001	110,782

The Group's term loans with a repayment on demand clause in the amount of HK\$18,695,000 (2019: HK\$16,516,000) were repayable after one year in accordance with the terms of the loans. The loan agreements contained a repayment on demand clause giving the bank the unconditional right to call in the loans at any time and therefore, for the purpose of the above maturity profile, the amount is classified as "on demand".

39. 財務風險管理目標及政策(續)

流動資金風險

本集團使用經常性流動資金規劃工具監控其資金短缺風險。該工具計及其金融工具及金融資產兩者的到期日以及預測經營所得現金流量。

本集團的目標為透過使用銀行借款及營運所得資金，在資金之可持續性及靈活性之間取得平衡。

本集團於報告期末基於合約及未貼現付款的金融負債到期狀況如下：

本集團為數 18,695,000 港元 (2019 年：16,516,000 港元) 附帶按要求償還條款的定期貸款根據有關貸款的條款須於一年後償還。貸款協議包含按要求償還條款，該條款賦予銀行於任何時間無條件催繳貸款的權利，因此，就上述到期狀況而言，有關款項被分類為「按要求」。

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Liquidity risk (Continued)

Notwithstanding the above clause, the directors do not believe that the loans will be called in their entirety within 12 months, and they consider that the loans will be repaid in accordance with the maturity dates as set out in the loan agreements. This evaluation was made considering: the financial position of the Group at the date of this report; the Group's compliance with the loan covenants; the lack of events of default; and the fact that the Group has made all previously scheduled repayments on time.

As at 31 December 2020, in accordance with the terms of the loans, the contractual undiscounted payments were HK\$8,129,000 due within one year, HK\$5,707,000 due in the second year, and HK\$8,999,000 due beyond two years.

As at 31 December 2019, in accordance with the terms of the loans, the contractual undiscounted payments were HK\$6,451,000 due within one year, HK\$6,451,000 due in the second year, and HK\$9,159,000 due after two years.

Market price risk

Market price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to market price risk arising from key management insurance contracts classified as financial assets at fair value through profit or loss (note 18) as at 31 December 2020.

39. 財務風險管理目標及政策(續)

流動資金風險(續)

儘管有上述條款，董事並不認為有關貸款將在12個月內悉數召回，並認為有關貸款將根據貸款協議所載的到期日償還。有關評估經考慮下列情況後作出：本集團於本報告日期的財務狀況；本集團對貸款契諾的合規情況；未有出現違約事件；及本集團已按時償還先前所有預定還款。

於2020年12月31日，根據貸款條款，於一年內到期的合約未貼現付款為8,129,000港元，於第二年到期為5,707,000港元，於兩年以後到期為8,999,000港元。

於2019年12月31日，根據貸款條款，於一年內到期的合約未貼現付款為6,451,000港元，於第二年到期為6,451,000港元，於兩年後到期為9,159,000港元。

市場價格風險

市場價格風險乃由於股權指數水平及個別證券價值變動而導致股本證券之公平值下降導致之風險。於2020年12月31日，本集團面臨分類為按公平值計入損益的金融資產之主要管理人員保險合約所產生之市場價格風險(附註18)。

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Market price risk (Continued)

The following table demonstrates the sensitivity to every 5% change in the fair values of the key management insurance contracts with all other variables held constant, of the Group's profit before tax and the Group's equity, based on their carrying amounts at the end of the reporting period.

		Carrying amount	Increase/decrease in profit before tax
		賬面值 HK\$'000 千港元	除稅前溢利 增加/減少 HK\$'000 千港元
2020	2020年		
Key management insurance contract classified as a financial asset at fair value through profit or loss	分類為按公平值計入損益的主要管理人員保險合約	5,404	270

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital to shareholders. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 2019.

39. 財務風險管理目標及政策(續)

市場價格風險(續)

下表說明在所有其他可變因素維持不變的情況下，根據報告期末之賬面值，本集團除稅前溢利及本集團權益對主要管理人員保險合約的公平值每5%變動的敏感度。

資本管理

本集團進行資本管理主要旨在保障本集團的持續經營能力，以為股東提供回報及維持最佳的資本結構以減低資金成本。

本集團管理其資本結構及因應經濟狀況變動作出調整。為維持或調整資本結構，本集團可能會調整派予股東的股息款項或向股東退還資本。截至2020年及2019年12月31日止年度，管理資本的目標、政策或程序並無出現變動。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020
2020年12月31日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Capital management (Continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes interest-bearing bank borrowings and lease liabilities less cash and cash equivalents. Capital represents the equity attributable to owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Interest-bearing bank borrowings	計息銀行借款	21,163	20,726
Lease liabilities	租賃負債	33,447	41,835
Less: Cash and cash equivalents	減：現金及現金等價物	(114,743)	(43,807)
Net debt	淨債務	(60,133)	18,754
Equity attributable to owners of the parent	母公司擁有人應佔權益	236,126	143,970
Capital and net debt	資本及淨債務	175,993	162,724
Gearing ratio	資產負債比率	N/A 不適用	11.5%

39. 財務風險管理目標及政策(續)

資本管理(續)

本集團使用資產負債比率(即淨債務除以經調整資本加淨債務)監察資本。淨債務包括計息銀行借款及租賃負債減現金及現金等價物。資本指母公司擁有人應佔權益。於報告期末的資產負債比率如下：

NOTES TO FINANCIAL STATEMENTS
財務報表附註

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

40. 本公司財務狀況表

		Notes 附註	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Investments in subsidiaries	於附屬公司的投資	16	201,488	201,488
CURRENT ASSETS	流動資產			
Prepayments	預付款項		117	36
Due from subsidiaries	應收附屬公司款項		74,360	–
Cash and cash equivalents	現金及現金等價物		147	–
Total current assets	流動資產總值		74,624	36
CURRENT LIABILITIES	流動負債			
Other payables and accruals	其他應付款項及應付費用		363	20
Due to a subsidiary	應付一間附屬公司款項		1,925	1,214
Total current liabilities	流動負債總額		2,288	1,234
NET CURRENT ASSETS/(LIABILITIES)	流動資產淨值/ (負債淨額)		72,336	(1,198)
Net assets	資產淨值		273,824	200,290
TOTAL EQUITY	權益總額			
Share capital	股本	29	20,000	–*
Reserves	儲備		253,824	200,290
Total equity	權益總額		273,824	200,290

* Less than HK\$500

* 少於500港元

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020
2020年12月31日

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(Continued)

Note:

A summary of the Company's reserves is as follows:

		Share premium	Share option reserve	Accumulated losses	Total
		股份溢價	購股權儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Acquisition of subsidiaries under common control pursuant to the Reorganisation	根據重組收購共同控制的附屬公司	201,488	-	-	201,488
Loss for the period and total comprehensive loss for the period	期內虧損及期內全面虧損總額	-	-	(1,198)	(1,198)
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	201,488	-	(1,198)	200,290
Issue of new shares pursuant to the capitalisation	根據資本化發行新股份	(15,000)	-	-	(15,000)
New shares issued pursuant to the share offer	根據股份發售發行新股份	120,000	-	-	120,000
Share issuance cost	股份發行成本	(29,437)	-	-	(29,437)
Equity settled share option arrangement	股本結算購股權安排	-	8	-	8
Special dividend	特別股息	-	-	(10,000)	(10,000)
Loss for the year and total comprehensive loss for the period	年內虧損及期內全面虧損總額	-	-	(12,037)	(12,037)
At 31 December 2020	於2020年12月31日	277,051	8	(23,235)	253,824

40. 本公司財務狀況表(續)

附註：

本公司儲備概要如下：

41. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 29 March 2021.

41. 批准財務報表

財務報表於2021年3月29日獲董事會批准及授權刊發。



CIRTEK HOLDINGS LIMITED
常達控股有限公司