



明輝國際控股有限公司*

Ming Fai International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號 : 03828)

Annual Report 2019 年報



* For identification purpose only 僅供識別

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. CHING Chi Fai (*Chairman*)
Mr. CHING Chi Keung
Mr. LIU Zigang
Mr. CHING Tsun Wah
Mr. KEUNG Kwok Hung

Non-Executive Director:

Ms. CHAN Yim Ching

Independent Non-Executive Directors:

Mr. HUNG Kam Hung Allan
Mr. MA Chun Fung Horace
Mr. NG Bo Kwong
Mr. SUN Eric Yung Tson

AUDIT COMMITTEE

Mr. MA Chun Fung Horace (*Chairman*)
Mr. HUNG Kam Hung Allan
Mr. NG Bo Kwong
Mr. SUN Eric Yung Tson

NOMINATION COMMITTEE

Mr. CHING Chi Fai (*Chairman*)
Mr. MA Chun Fung Horace
Mr. SUN Eric Yung Tson

REMUNERATION COMMITTEE

Mr. HUNG Kam Hung Allan (*Chairman*)
Mr. CHING Chi Fai
Mr. MA Chun Fung Horace
Mr. NG Bo Kwong
Mr. SUN Eric Yung Tson

EXECUTIVE COMMITTEE

Mr. CHING Chi Fai (*Chairman*)
Mr. CHING Chi Keung
Mr. LIU Zigang
Mr. CHING Tsun Wah
Mr. KEUNG Kwok Hung

INVESTMENT COMMITTEE

Mr. CHING Chi Fai (*Chairman*)
Mr. MA Chun Fung Horace
Mr. KEUNG Kwok Hung

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. KEUNG Kwok Hung *CPA*

PRINCIPAL BANKERS

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

董事會

執行董事：

程志輝先生 (*主席*)
程志強先生
劉子剛先生
程俊華先生
姜國雄先生

非執行董事：

陳艷清女士

獨立非執行董事：

孔錦洪先生
馬振峰先生
吳保光先生
孫榮聰先生

審核委員會

馬振峰先生 (*主席*)
孔錦洪先生
吳保光先生
孫榮聰先生

提名委員會

程志輝先生 (*主席*)
馬振峰先生
孫榮聰先生

薪酬委員會

孔錦洪先生 (*主席*)
程志輝先生
馬振峰先生
吳保光先生
孫榮聰先生

執行委員會

程志輝先生 (*主席*)
程志強先生
劉子剛先生
程俊華先生
姜國雄先生

投資委員會

程志輝先生 (*主席*)
馬振峰先生
姜國雄先生

首席財務官兼公司秘書

姜國雄先生 *會計師*

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司
恒生銀行有限公司
星展銀行(香港)有限公司

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

BRANCH SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited
Investors' enquiries:
17M Floor
Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

Transfer of shares:

Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

REGISTERED OFFICE

P.O. Box 309GT
Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit D3, 8/F, TML Tower
No. 3 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

Bainikeng, Pinghu, Longgang
Shenzhen, the PRC

WEBSITE

www.mingfaigroup.com

STOCK CODE

03828

核數師

羅兵咸永道會計師事務所
會計師
註冊公眾利益實體核數師
香港
中環
太子大廈二十二樓

開曼群島主要股份過戶登記處

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

香港股份過戶登記分處

香港中央證券登記有限公司
投資者諮詢:
香港
灣仔皇后大道東183號
合和中心
17M樓

股份過戶:

香港
灣仔皇后大道東183號
合和中心
17樓1712–1716號舖

註冊辦事處

P.O. Box 309GT
Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

總辦事處及香港主要營業地點

香港
新界荃灣
海盛路3號
TML廣場8樓D3室

中華人民共和國(「中國」) 主要營業地點

中國深圳市
龍崗區平湖白坭坑

網址

www.mingfaigroup.com

股份代號

03828

HIGHLIGHTS FOR THE YEAR 2019

二零一九年摘要

- Revenue decreased 0.5% to approximately HK\$2,043.1 million (2018: approximately HK\$2,052.7 million).
- 收入減少0.5%至約2,043.1百萬港元(二零一八年：約2,052.7百萬港元)。
- Gross profit increased 6.6% to approximately HK\$496.3 million (2018: approximately HK\$465.3 million).
- 毛利增加6.6%至約496.3百萬港元(二零一八年：約465.3百萬港元)。
- Gross profit margin increased 1.6 percentage points to 24.3% (2018: 22.7%).
- 毛利率上升1.6個百分點至24.3%(二零一八年：22.7%)。
- Operating profit is approximately HK\$126.4 million (2018: approximately HK\$128.7 million) and the profit attributable to owners of the Company is approximately HK\$97.9 million (2018: approximately HK\$100.2 million).
- 經營溢利約126.4百萬港元(二零一八年：約128.7百萬港元)及本公司擁有人應佔溢利約97.9百萬港元(二零一八年：約100.2百萬港元)。
- A proposed final dividend in respect of the year ended 31 December 2019 of HK3.0 cents per share of the Company (the "Share") was recommended, together with the interim dividend of HK1.5 cents per Share, representing a total of HK4.5 cents per Share (2018: HK7.0 cents per Share) and the dividend payout ratio of 33.3% (2018: 50.4%).
- 截至二零一九年十二月三十一日止年度的建議末期股息為每股本公司股份(「股份」)3.0港仙，連同中期股息每股1.5港仙，總額為每股4.5港仙(二零一八年：每股7.0港仙)以及派息率為33.3%(二零一八年：50.4%)。

FIVE YEARS FINANCIAL SUMMARY

五年財務概要

CONSOLIDATED RESULTS

綜合業績

		Years ended 31 December					
		截至十二月三十一日止年度					
		2015	2016	2017	2018	2019	
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
Revenue	收入	1,710,885	1,698,005	1,863,559	2,052,708	2,043,095	
(Loss)/profit before income tax	未計所得稅前 (虧損)/溢利	(199,299)	191,439	143,248	130,931	127,102	
Income tax expenses	所得稅開支	(26,839)	(42,355)	(34,408)	(34,850)	(35,022)	
(Loss)/profit for the year	年度(虧損)/溢利	(226,138)	149,084	108,840	96,081	92,080	

CONSOLIDATED ASSETS, EQUITY AND LIABILITIES

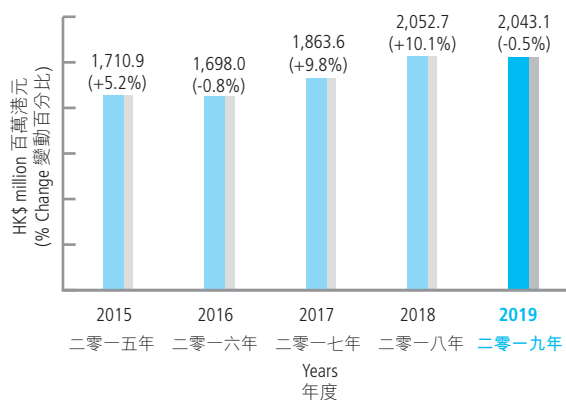
綜合資產、權益及負債

		As at 31 December					
		於十二月三十一日					
		2015	2016	2017	2018	2019	
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
ASSETS	資產						
Non-current assets	非流動資產	546,604	331,064	380,180	467,444	569,549	
Current assets	流動資產	1,075,041	1,322,931	1,269,650	1,237,607	1,269,396	
Total assets	資產總額	1,621,645	1,653,995	1,649,830	1,705,051	1,838,945	
EQUITY AND LIABILITIES	權益及負債						
Total equity	總權益	1,011,378	975,036	1,060,440	1,090,530	1,130,906	
Non-current liabilities	非流動負債	22,179	2,612	2,792	10,339	17,905	
Current liabilities	流動負債	588,088	676,347	586,598	604,182	690,134	
Total liabilities	負債總額	610,267	678,959	589,390	614,521	708,039	
Total equity and liabilities	總權益及負債	1,621,645	1,653,995	1,649,830	1,705,051	1,838,945	

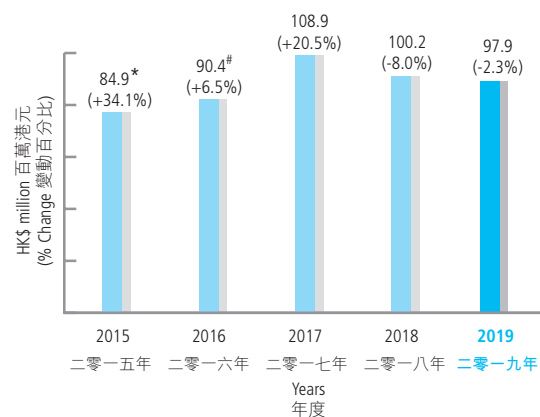
KEY SHAREHOLDER VALUE INDICES

主要股東價值指標

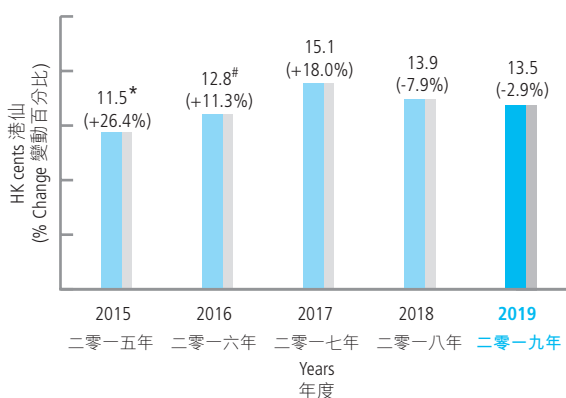
Revenue 收入



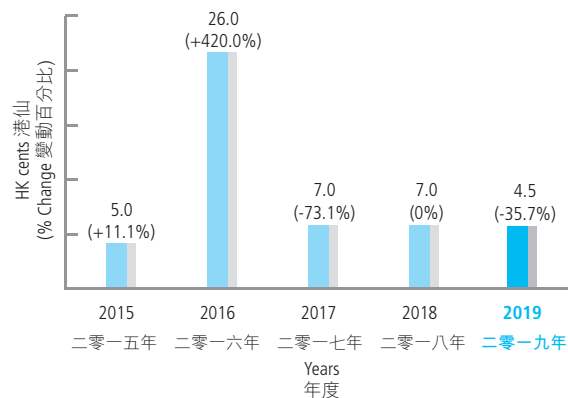
Profit attributable to owners of the Company 本公司擁有人應佔溢利



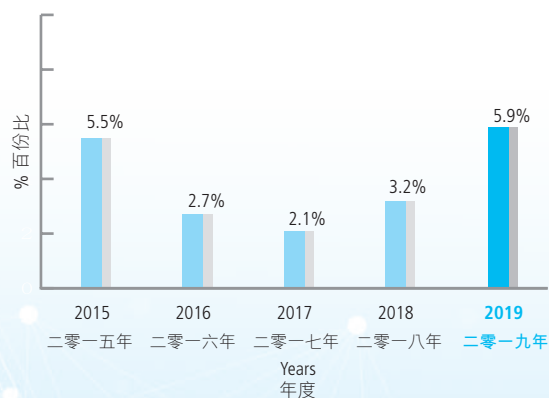
Basic earnings per Share attributable to owners of the Company 本公司擁有人應佔每股基本盈利



Dividend per Share 每股股息



Gearing ratio 資產負債比率



* Before recognition of significant non-recurring items
確認重大非經常性項目前

Excluding fair value gains
不包括公平值收益

CHAIRMAN'S STATEMENT 主席報告

Dear Shareholders,

On behalf of Ming Fai International Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), I am pleased to present the audited annual results of the Group for the year ended 31 December 2019.

According to the recent publication by UN World Tourism Organization ("UNWTO"), the growth of international tourist arrivals in 2019 was slower as compared with the previous two years. The slowdown affected mainly advanced economies and particularly Europe, Asia and the Pacific.

In addition to the slowing down in tourism, the China-U.S. trade war and the rising concerns to environmental protection leading to the changes in related laws and regulations around the world, these contributed a slight decrease to the performance of the Group's core hospitality supplies business in 2019. The Group recorded an overall revenue of approximately HK\$2,043.1 million, a 0.5% year-on-year decrease compared to 2018 of approximately HK\$2,052.7 million. Gross profit for 2019 was approximately HK\$496.3 million (2018: approximately HK\$465.3 million), a 6.6% increase compared with 2018. The gross profit margin increased by 1.6 percentage points to 24.3% (2018: 22.7%). Profit attributable to owners of the Company stood at approximately HK\$97.9 million (2018: approximately HK\$100.2 million), a 2.3% decrease compared with 2018.

各位股東：

本人謹代表明輝國際控股有限公司（「本公司」）及其附屬公司（統稱「本集團」），欣然提呈本集團截至二零一九年十二月三十一日止年度之經審核年度業績。

根據聯合國世界旅遊組織近期的公佈，二零一九年國際旅客人數增長較過去兩年放緩。此放緩主要影響發達經濟地區，尤其於歐洲、亞洲及太平洋地區。

除旅遊業放緩之外，中美貿易戰以及世界各地對環保日益關注帶來相關法規及規例之修訂，此等因素導致本集團之核心酒店供應品業務於二零一九年的表現輕微下降。本集團錄得整體收入約2,043.1百萬港元，較二零一八年之約2,052.7百萬港元下降0.5%。二零一九年之毛利約496.3百萬港元（二零一八年：約465.3百萬港元），較二零一八年上升6.6%。毛利率上升1.6個百分點至24.3%（二零一八年：22.7%）。本公司擁有人應佔溢利約97.9百萬港元（二零一八年：約100.2百萬港元），較二零一八年下跌2.3%。



CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

For the hospitality supplies business, the revenue was approximately HK\$1,868.4 million for the year ended 31 December 2019, representing a decrease of 1.3% as compared with approximately HK\$1,892.9 million for the year ended 31 December 2018.

For the Operating Supplies and Equipment (“OS&E”) business, the revenue was approximately HK\$168.4 million for the year ended 31 December 2019, representing an increase of 9.1% as compared with approximately HK\$154.3 million for the year ended 31 December 2018.

The Group has put a lot of effort into exploring new markets and enhancing cost efficiencies to mitigate risks from turbulent geopolitical events, including the China-U.S. trade war and the protests in second half of 2019 in Hong Kong. Since extending our production lines in Cambodia, the Group’s production capacity and client base have been further enhanced and extended respectively.

就酒店供應品業務而言，截至二零一九年十二月三十一日止年度之收入約1,868.4百萬港元，較截至二零一八年十二月三十一日止年度約1,892.9百萬港元下降1.3%。

就營運用品及設備(「營運用品及設備」)業務而言，截至二零一九年十二月三十一日止年度之收入約168.4百萬港元，較截至二零一八年十二月三十一日止年度約154.3百萬港元上升9.1%。

本集團致力開拓新市場及提升成本效益，以減輕動盪地緣政治事件帶來的風險，包括中美貿易戰及香港於二零一九年下半年的示威活動。自於柬埔寨擴充生產線以來，本集團的產能及客戶群分別得到進一步提高及擴展。



Looking ahead, 2020 will be a year full of challenges due to the outbreak of pneumonia infected by the novel coronavirus (COVID-19) (the "Epidemic"), and the continuation of the China-U.S. trade war and other turbulent geopolitical incidents around the world. The Epidemic has seriously affected the operation of tourism, hotel and aviation industries around the world, and is expected to have certain impact on the Group's hospitality supplies business and operating supplies and equipment business. The Group will continue to assess the impact of the Epidemic on the Group's financial performance and operations and closely monitor the Group's exposure to the risks and uncertainties in this connection.

As part of our corporate social responsibility, the Group has commenced the production of alcoholic instant hand sanitizers and face masks, and offered to our community at fair and reasonable prices, with special priority and attention to disadvantaged groups.

In a long run, we believe that the diversification in production bases will continue to help in strengthening the Group's competitiveness by reducing the operating costs and increasing manufacturing efficiencies. The Group will also continue to implement various prudent and flexible business strategies to enhance the Group's performance. We will also capitalise on every business opportunity on a prudent approach and continue to stay abreast of market trends.

On behalf of the Board, I am sincerely grateful to all Shareholders, business partners, and our dedicated and conscientious employees and management for their continued loyalty, professionalism, and contributions to the Group.

CHING Chi Fai
Chairman

Hong Kong, 25 March 2020

鑑於新型冠狀病毒性肺炎(COVID-19) (「疫情」)爆發、中美貿易戰持續以及世界各地其他動盪地緣政治事件，展望未來，二零二零年將充滿挑戰。疫情嚴重影響世界各地之旅遊業、酒店業及航空業營運，預期亦將為本集團之酒店供應品業務及營運用品及設備業務造成一定程度的影響。本集團將持續評估疫情對本集團財務表現及營運的影響，並密切監察本集團承受疫情相關的風險及不確定因素。

作為我們企業社會責任之一部分，本集團已開始生產酒精搓手液及口罩，並以公平合理的價格供應予我們的社區，且特別優先考慮及關注弱勢社群。

長遠而言，我們相信生產基地多元化將透過降低營運成本及提高生產效率以繼續幫助增強本集團的競爭力。本集團亦將繼續實施各種謹慎及靈活的業務策略以提升本集團之表現。我們亦將以審慎方針把握每個商機，並繼續緊貼市場趨勢。

本人謹此代表董事會，就全體股東、業務夥伴，及敬業且謹慎認真的僱員與管理層一直以來對本集團的持續忠誠、專業精神及貢獻，致以誠摯的謝意。

主席
程志輝

香港，二零二零年三月二十五日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2019, the total revenue of the Group recorded a mere decrease of 0.5% to approximately HK\$2,043.1 million compared with approximately HK\$2,052.7 million in 2018. The revenue of the hospitality supplies business was approximately HK\$1,868.4 million for the year under review, which represented 91.4% of the Group's total revenue. The revenue of OS&E business was approximately HK\$168.4 million, comprising 8.2% of the Group's total revenue.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 December 2019 increased 6.6% to approximately HK\$496.3 million, compared with approximately HK\$465.3 million for the year ended 31 December 2018. Gross profit margin increased 1.6 percentage points to 24.3% from 22.7% as compared with the prior year, benefiting from the depreciation of Renminbi ("RMB") and the cost efficiency brought by production expansion in Cambodia.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the year ended 31 December 2019 was approximately HK\$97.9 million (for the year ended 31 December 2018: approximately HK\$100.2 million).

Earnings per Share

Basic earnings per Share attributable to owners of the Company for the year ended 31 December 2019 was HK13.5 cents (for the year ended 31 December 2018: HK13.9 cents).

Final dividend

The Board has resolved to propose a final dividend of HK3.0 cents per Share for the year ended 31 December 2019. A sum of the interim and final dividends is expected to be HK4.5 cents per Share (2018: HK7.0 cents per Share). The proposed final dividend is subject to approval at the annual general meeting of the Company to be held on 27 May 2020 ("AGM").

財務回顧

收入

截至二零一九年十二月三十一日止年度，本集團總收入錄得輕微減幅0.5%至約2,043.1百萬港元（二零一八年：約2,052.7百萬港元）。於回顧年度內，酒店供應品業務收入約1,868.4百萬港元，佔本集團總收入之91.4%。營運用品及設備業務收入約168.4百萬港元，佔本集團總收入之8.2%。

毛利及毛利率

截至二零一九年十二月三十一日止年度，本集團之毛利約496.3百萬港元，較截至二零一八年十二月三十一日止年度約465.3百萬港元上升6.6%。毛利率為24.3%，較去年的22.7%增加1.6個百分點，受惠於人民幣（「人民幣」）貶值及擴充柬埔寨生產而帶來之成本效益。

本公司擁有人應佔溢利

截至二零一九年十二月三十一日止年度，本公司擁有人應佔溢利約97.9百萬港元（截至二零一八年十二月三十一日止年度：約100.2百萬港元）。

每股盈利

截至二零一九年十二月三十一日止年度，本公司擁有人應佔每股基本盈利為13.5港仙（截至二零一八年十二月三十一日止年度：13.9港仙）。

末期股息

董事會已議決建議就截至二零一九年十二月三十一日止年度派發末期股息每股3.0港仙。預期中期及末期股息將合計為每股4.5港仙（二零一八年：每股7.0港仙）。建議末期股息須待將於二零二零年五月二十七日舉行的本公司股東週年大會（「股東週年大會」）上批准後方可作實。

Set out below are the consolidated key financial highlights of the Group for the year ended 31 December 2019:

本集團截至二零一九年十二月三十一日止年度的綜合主要財務摘要載列如下：

		Year ended 31 December 截至十二月三十一日止年度		
		2019 二零一九年 HK\$ million 百萬港元	2018 二零一八年 HK\$ million 百萬港元	% Change 變動百分比
Revenue	收入	2,043.1	2,052.7	(0.5)%
Gross Profit	毛利	496.3	465.3	6.6%
Profit attributable to owners of the Company	本公司擁有人應佔溢利	97.9	100.2	(2.3)%
Net asset value	資產淨值	1,130.9	1,090.5	3.7%
Basic earnings per Share attributable to owners of the Company (HK cents)	本公司擁有人應佔每股基本盈利(港仙)	13.5	13.9	(2.9)%
Diluted earnings per Share attributable to owners of the Company (HK cents)	本公司擁有人應佔每股攤薄盈利(港仙)	13.4	13.8	(2.9)%

Liquidity and financial resources

The Group has always pursued a prudent treasury management policy and actively manages its liquidity position with standby banking facilities to cope with daily operation and potential capital demands for future development.

Cash and cash equivalents

As at 31 December 2019, the Group's cash and cash equivalents amounted to approximately HK\$348.8 million (as at 31 December 2018: approximately HK\$272.5 million).

流動資金及財務資源

本集團一貫奉行審慎資金管理政策及積極管理其流動資金狀況，並具備備用銀行融資授信額度，以應付日常營運和未來發展的潛在資金需求。

現金及現金等值項目

於二零一九年十二月三十一日，本集團的現金及現金等值項目約348.8百萬港元(於二零一八年十二月三十一日：約272.5百萬港元)。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Indebtedness and gearing ratio

In September and October 2015, the Group obtained two Hong Kong dollars (“HK\$”) denominated mortgage loans and certain banking facilities, which bore interest at the higher of 1.7% per annum over one-month Hong Kong Inter-bank Offered Rate (“HIBOR”) or the cost to the bank of funding the facilities, for acquiring certain properties in Hong Kong. In January 2019, the Group further drew down US dollars (“US\$”) 3 million (equivalent to approximately HK\$23.5 million) from the banking facility for its working capital, which bore interest at the higher rate of 1.7% per annum over one-month London Inter-bank Offered Rate (“LIBOR”) or the cost to the bank of funding the facility. As at 31 December 2019, the outstanding bank borrowings of these mortgage loans and banking facilities amounted to approximately HK\$33.1 million (31 December 2018: approximately HK\$14.6 million). As at 31 December 2019, these properties were pledged against the mortgage loans and certain banking facilities and included in property, plant and equipment and right-of-use assets in the consolidated financial statements of the Group, with net carrying values of approximately HK\$20.4 million (31 December 2018: approximately HK\$50.1 million) and approximately HK\$27.4 million respectively.

債務及資產負債比率

於二零一五年九月及十月，本集團就收購香港若干物業取得兩項以港元(「港元」)計值之按揭貸款及若干銀行融資，按一個月香港銀行同業拆息率(「香港銀行同業拆息率」)加年利率1.7%或銀行撥付融資成本之較高者計息。於二零一九年一月，本集團就其營運資金從此項銀行融資進一步提取3百萬美元(「美元」)(相當於約23.5百萬港元)，按一個月倫敦銀行同業拆息率(「倫敦銀行同業拆息率」)加年利率1.7%或銀行撥付融資成本之較高者計息。於二零一九年十二月三十一日，此等按揭貸款及銀行融資之未償還銀行借貸約33.1百萬港元(二零一八年十二月三十一日：約14.6百萬港元)。於二零一九年十二月三十一日，此等物業作為按揭貸款及若干銀行融資之抵押，並計入本集團綜合財務報表之物業、廠房及設備及使用權資產，賬面淨值分別約20.4百萬港元(二零一八年十二月三十一日：約50.1百萬港元)及約27.4百萬港元。



In October 2015, the Group obtained a HK\$ denominated loan from a banking facility which bore interest at 1.7% per annum over one-month HIBOR for its working capital. In January 2018 and January 2019, the Group further drew down HK\$20 million and US\$3 million (equivalent to approximately HK\$23.5 million), respectively for its working capital. These bank borrowings are from the banking facility which bore interest at 1.7% per annum over one-month HIBOR and LIBOR respectively. As at 31 December 2019, the outstanding bank borrowings of this facility amounted to approximately HK\$31.7 million (31 December 2018: approximately HK\$20.0 million). This banking facility was secured by property, plant and equipment and right-of-use assets in the consolidated financial statements of the Group, with net carrying values of approximately HK\$0.8 million (31 December 2018: approximately HK\$3.4 million) and approximately HK\$2.2 million respectively.

On 31 May 2019, the Group completed an acquisition of a subsidiary, Wayoutokushin Co., Ltd. ("Wayoutokushin"). As a result, the Group assumed three secured bank borrowings of approximately Japanese Yen ("JPY") 12.7 million (equivalent to approximately HK\$0.9 million). As at 31 December 2019, the outstanding secured bank borrowings amounted to approximately HK\$0.7 million, and bore interest rates of 1.3%, 1.3% and 1.4% per annum respectively. These bank borrowings were secured by personal guarantee of a non-controlling interest of Wayoutokushin.

As a result of the acquisition, the Group also assumed a secured other borrowing of approximately JPY14.8 million (equivalent to approximately HK\$1.1 million) at interest rate of 1.16% per annum for the working capital of Wayoutokushin on 31 May 2019. As at 31 December 2019, the outstanding secured other borrowing amounted to approximately HK\$0.9 million. This borrowing was secured by personal guarantee of a non-controlling interest of Wayoutokushin.

Details of the borrowings are set out in Note 22 to the consolidated financial statements.

The gearing ratio as at 31 December 2019, calculated on the basis of borrowings over total equity, was 5.9% as compared with 3.2% as at 31 December 2018.

Foreign currency exposure

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB. The Group currently does not deploy a foreign currency hedging policy.

The Group primarily sourced its raw materials in the PRC. The related currency exposure with respect to RMB is managed through increasing sales denominated in the same currency.

於二零一五年十月，本集團就其營運資金從一項銀行融資取得一筆以港元計值之貸款，按一個月香港銀行同業拆息率加年利率1.7%計息。於二零一八年一月及二零一九年一月，本集團就其營運資金分別進一步提取20百萬港元及3百萬美元（相當於約23.5百萬港元）貸款。此等銀行借貸來自銀行融資，分別按一個月香港銀行同業拆息率及倫敦銀行同業拆息率加年利率1.7%計息。於二零一九年十二月三十一日，此融資之未償還銀行借貸約31.7百萬港元（二零一八年十二月三十一日：約20.0百萬港元）。此銀行融資以本集團綜合財務報表內之物業、廠房及設備及使用權資產作抵押，賬面淨值分別約0.8百萬港元（二零一八年十二月三十一日：約3.4百萬港元）及約2.2百萬港元。

於二零一九年五月三十一日，本集團完成收購一間附屬公司株式會社和楊德信（「和楊德信」）。因此，本集團承擔三筆有抵押銀行借貸共約12.7百萬日圓（「日圓」）（相當於約0.9百萬港元）。於二零一九年十二月三十一日，未償還之有抵押銀行借貸約0.7百萬港元，分別按年利率1.3%、1.3%及1.4%計息。此等銀行借貸以和楊德信非控股權益之個人擔保作抵押。

由於收購事項，於二零一九年五月三十一日，本集團亦承擔一筆有抵押其他借貸約14.8百萬日圓（相當於約1.1百萬港元），按年利率1.16%計息，乃用作和楊德信之營運資金。於二零一九年十二月三十一日，未償還有抵押其他借貸約0.9百萬港元。此借貸以和楊德信非控股權益之個人擔保作抵押。

借貸詳情載於綜合財務報表附註22。

於二零一九年十二月三十一日之資產負債比率為5.9%，計算基準為借貸除以總權益，而於二零一八年十二月三十一日之資產負債比率為3.2%。

外匯風險

本集團面對以人民幣為主之各種外匯風險。本集團目前並無制定外匯對沖政策。

本集團主要於中國採購其原材料。有關人民幣之貨幣風險乃透過增加以相同貨幣計值之銷售額進行管理。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Charges on Group assets

As at 31 December 2019, certain subsidiaries of the Company pledged assets with aggregate carrying value of approximately HK\$50.8 million (as at 31 December 2018: approximately HK\$53.6 million) to secure drawn bank borrowings.

Capital commitments and contingent liabilities

Details of the capital commitments is set out in Note 35 to the consolidated financial statements. The Group has no material contingent liabilities as at 31 December 2019.

BUSINESS REVIEW**Hospitality Supplies Business**

According to the recent publication by UNWTO, there were 1.5 billion international tourist arrivals globally in 2019, which was a 4% increase compared to arrivals in 2018. Despite all regions seeing a rise in total tourist arrivals, growth in 2019 was still low compared with the exceptionally high rates from 2017 and 2018. The advanced economies were the most affected by the slowdown of tourism, particularly in Europe, Asia and the Pacific, together with the continuing geopolitical tensions, including uncertainty surrounding the China-U.S. trade war, Brexit, protests in second half of 2019 in Hong Kong, and the rising trend of environmental protection and “plastic free” driving the changes in related laws and regulations around the world, the revenue from the Group’s hospitality supplies business for the year ended 31 December 2019 decreased 1.3% to approximately HK\$1,868.4 million (for the year ended 31 December 2018: approximately HK\$1,892.9 million), which contributed 91.4% (2018: 92.2%) to the Group’s total revenue. Gross profit from the hospitality supplies business increased 7.1% to approximately HK\$450.8 million for the year ended 31 December 2019 (for the year ended 31 December 2018: approximately HK\$420.9 million). The segment’s gross profit margin increased 1.9 percentage points to 24.1%, compared with 22.2% for the year ended 31 December 2018.

集團資產抵押

於二零一九年十二月三十一日，本公司若干附屬公司抵押總賬面值約50.8百萬港元(於二零一八年十二月三十一日：約53.6百萬港元)之資產，作為已提取銀行借貸之擔保。

資本承擔及或然負債

資本承擔之詳情載於綜合財務報表附註35。於二零一九年十二月三十一日，本集團概無重大或然負債。

業務回顧**酒店供應品業務**

根據聯合國世界旅遊組織近期的公佈，二零一九年全球國際旅客人數為15億，較二零一八年之人數增長4%。儘管各地區總旅客人數有所上升，與二零一七年及二零一八年的特殊地高的增長率比較，二零一九年的增長仍然偏低。發達經濟地區受旅遊業放緩的影響較大，尤其於歐洲、亞洲及太平洋地區，加上地緣政治持續緊張，包括中美貿易戰的不確定性、英國脫歐、香港於二零一九年下半年的示威活動，以及世界各地不斷升溫的環保及「走塑」趨勢，推動相關法律規例之修訂，截至二零一九年十二月三十一日止年度，本集團酒店供應品業務的收入下降1.3%至約1,868.4百萬港元(截至二零一八年十二月三十一日止年度：約1,892.9百萬港元)，佔本集團總收入91.4%(2018年：92.2%)。截至二零一九年十二月三十一日止年度，酒店供應品業務毛利上升7.1%至約450.8百萬港元(截至二零一八年十二月三十一日止年度：約420.9百萬港元)。分類毛利率為24.1%，較截至二零一八年十二月三十一日止年度之22.2%上升1.9個百分點。

Revenue of the hospitality supplies business from the PRC decreased 2.6% to approximately HK\$614.1 million for the year ended 31 December 2019 (for the year ended 31 December 2018: approximately HK\$630.3 million), representing 32.9% (2018: 33.3%) of the hospitality supplies business segment revenue. Revenue from Hong Kong increased 6.9% to approximately HK\$300.2 million (for the year ended 31 December 2018: approximately HK\$280.9 million), which accounted for 16.1% (2018: 14.8%) of the hospitality supplies business segment revenue.

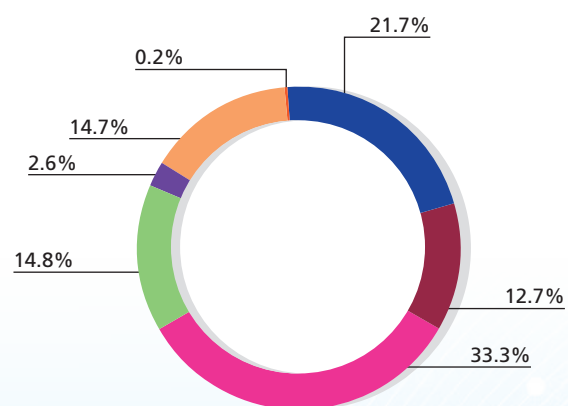
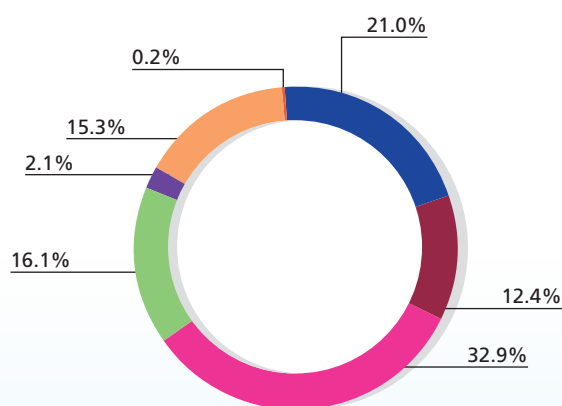
截至二零一九年十二月三十一日止年度，來自中國之酒店供應品業務收入下降2.6%至約614.1百萬港元(截至二零一八年十二月三十一日止年度：約630.3百萬港元)，佔酒店供應品業務分類收入32.9%(二零一八年：33.3%)。來自香港之收入上升6.9%至約300.2百萬港元(截至二零一八年十二月三十一日止年度：約280.9百萬港元)，佔酒店供應品業務分類收入16.1%(二零一八年：14.8%)。

For the year ended 31 December 2019, revenue from North America was approximately HK\$393.0 million (for the year ended 31 December 2018: approximately HK\$411.3 million), and accounted for 21.0% (2018: 21.7%) of the hospitality supplies business segment revenue. Revenue from the European market was approximately HK\$232.3 million (for the year ended 31 December 2018: approximately HK\$240.5 million) and accounted for 12.4% (2018: 12.7%) of the hospitality supplies business segment revenue. Revenue from the other Asia Pacific regions was approximately HK\$285.3 million (for the year ended 31 December 2018: approximately HK\$277.4 million), which comprised 15.3% (2018: 14.7%) of the hospitality supplies business segment revenue. Revenue from Australia was approximately HK\$39.6 million (for the year ended 31 December 2018: approximately HK\$48.6 million), contributing 2.1% (2018: 2.6%) of the hospitality supplies business segment revenue.

截至二零一九年十二月三十一日止年度，來自北美之收入約393.0百萬港元(截至二零一八年十二月三十一日止年度：約411.3百萬港元)，佔酒店供應品業務分類收入21.0%(二零一八年：21.7%)。來自歐洲市場之收入約232.3百萬港元(截至二零一八年十二月三十一日止年度：約240.5百萬港元)，佔酒店供應品業務分類收入12.4%(二零一八年：12.7%)。來自其他亞太地區之收入約285.3百萬港元(截至二零一八年十二月三十一日止年度：約277.4百萬港元)，佔酒店供應品業務分類收入15.3%(二零一八年：14.7%)。來自澳洲之收入約39.6百萬港元(截至二零一八年十二月三十一日止年度：約48.6百萬港元)，佔酒店供應品業務分類收入2.1%(二零一八年：2.6%)。

Hospitality supplies business segment revenue by geographical location

按地區劃分之酒店供應品業務分類收入



2019
二零一九年

2018
二零一八年

- The PRC 中國
- Hong Kong 香港
- North America 北美
- Europe 歐洲
- Australia 澳洲
- Other Asia Pacific regions 其他亞太地區
- Others 其他

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

During the year ended 31 December 2019, the Group expanded the scale of its production in Cambodia to lessen the impact of the China-U.S. trade war and stabilise the performance of its hospitality supplies business. The Group believes that extending new hospitality supplies production lines in Cambodia in future will reduce overall production costs, as well as increase the Group's market share in Cambodia and other Southeast Asian countries.

Operating Supplies and Equipment Business

Benefiting from the growing number of hotel projects in the other markets, revenue from the Group's OS&E business increased to approximately HK\$168.4 million for the year ended 31 December 2019, representing an increase of 9.1% as compared with approximately HK\$154.3 million for the year ended 31 December 2018, and contributing 8.2% (2018: 7.5%) to the Group's total revenue. Gross profit from the OS&E business increased by 10.7% to approximately HK\$40.3 million for the year ended 31 December 2019, compared with approximately HK\$36.4 million for the year ended 31 December 2018. The segment's gross profit margin slightly increased 0.3 percentage point to 23.9% for the year ended 31 December 2019 (for the year ended 31 December 2018: 23.6%).

For the year ended 31 December 2019, OS&E business revenue from the PRC decreased 2.3% to approximately HK\$102.1 million (for the year ended 31 December 2018: approximately HK\$104.5 million), representing 60.6% (2018: 67.8%) of the OS&E business segment revenue. Revenue from the other markets was approximately HK\$66.3 million (for the year ended 31 December 2018: approximately HK\$49.8 million), accounted for 39.4% (2018: 32.2%) of the OS&E business segment revenue.

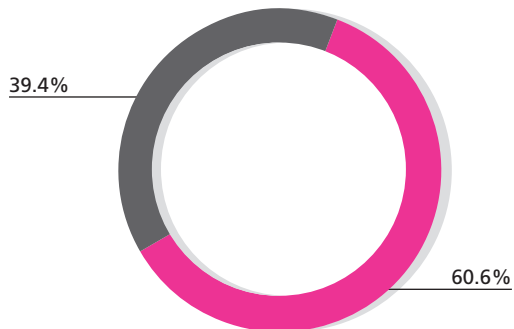
於截至二零一九年十二月三十一日止之年度內，本集團擴大其在柬埔寨的生產規模，以減輕中美貿易戰的影響，並穩定其酒店供應品業務的表現。本集團相信，未來於柬埔寨擴展新的酒店供應品生產線將降低整體生產成本，並增加本集團於柬埔寨及其他東南亞國家的市場份額。

營運用品及設備業務

受惠於其他市場之酒店項目數量增長，截至二零一九年十二月三十一日止年度，本集團的營運用品及設備業務之收入上升至約168.4百萬港元，較截至二零一八年十二月三十一日止年度約154.3百萬港元上升9.1%，佔本集團總收入8.2%（二零一八年：7.5%）。截至二零一九年十二月三十一日止年度，營運用品及設備業務之毛利約40.3百萬港元，較截至二零一八年十二月三十一日止年度約36.4百萬港元上升10.7%。截至二零一九年十二月三十一日止年度，分類毛利率稍微上升0.3個百分點至23.9%（截至二零一八年十二月三十一日止年度：23.6%）。

截至二零一九年十二月三十一日止年度，來自中國之營運用品及設備業務收入下降2.3%至約102.1百萬港元（截至二零一八年十二月三十一日止年度：約104.5百萬港元），佔營運用品及設備業務分類收入60.6%（二零一八年：67.8%）。來自其他市場之收入約66.3百萬港元（截至二零一八年十二月三十一日止年度：約49.8百萬港元），佔營運用品及設備業務分類收入39.4%（二零一八年：32.2%）。

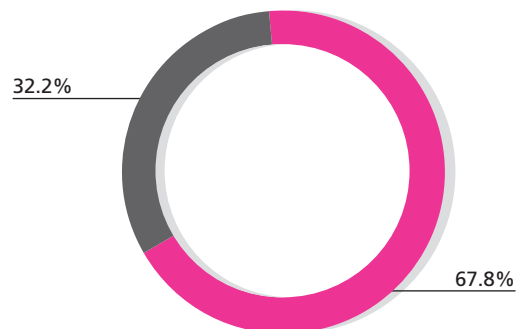
OS&E business segment revenue by geographical location



2019
二零一九年

● The PRC 中國

按地區劃分之營運用品及設備業務分類收入



2018
二零一八年

● Others 其他

The re-order frequency from long-term customers will be a key revenue factor for OS&E business, as such, the Group will continue to focus on building long-term cooperative relationships with its customers by providing vertically-integrated services for hotel products purchasing in a long run. Additionally, the Group will also continue to grow its customer base among newly established, high-end and mid-level hotels in China and other Southeast Asian countries.

長期客戶的補貨頻率將為營運用品及設備業務的關鍵收入因素，因此，本集團長遠將繼續就酒店產品採購向客戶提供一站式服務，集中於建立與其客戶的長期合作關係。此外，本集團亦將繼續發展中國及其他東南亞國家新建高檔及中檔酒店之客戶群。

OUTLOOK

Proactive monitoring of external risks and weakened global markets

In addition to pressure from the ongoing China-U.S. trade war, the protests in the second half of 2019 in Hong Kong, and further with the outbreak of COVID-19, the tourism, hospitality and aviation industries were seriously affected. With an even greater decline in both the global and domestic economies, and in international tourist arrivals ahead in 2020, we expect that there will be certain impact on the Group's hospitality supplies and OS&E businesses from 2020 onwards. We will continue to assess the Group's financial performance and operations and closely monitor the Group's exposure to risks and uncertainties in this connection.

前景

積極監察外在風險及疲弱之全球市場

除了受壓於持續之中美貿易戰、香港於二零一九年下半年的示威活動，加上COVID-19疫情爆發，旅遊業、酒店業、航空業均受到嚴重影響。就全球及本地經濟以至二零二零年的國際旅客人數將出現更大跌幅，我們預期從二零二零年開始，本集團之酒店供應品業務及營運用品及設備業務將受到一定程度的影響。本集團將持續評估此等事宜對本集團財務表現及營運之影響，並密切監察本集團承受相關之風險及不確定因素。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Disposable Infection Control Products and Personal Health Care Products Business

We have been producing the disposable infection control products, such as the medical equipment cover, and the personal health care products under our self-labeled brands “Pasion” and “everybody LABO”. After the outbreak of COVID-19, the Group has switched some of the production lines to produce anti-epidemic products and has commenced the production of alcoholic instant hand sanitizers and face masks. In response to the increasing worldwide market demand and consciousness of personal hygiene of the general public, the Group will further expand its product lines and contribute resources to cover more disposable infection control products and personal health care related products.

Strategic diversification of manufacturing footprint

In order to reduce further potential impacts of the China-U.S. trade war, the Group will continue to develop its production base in Cambodia to reinforce its overall competitiveness through reducing labour costs and increase manufacturing efficiencies.

Continued focus on margin improvement

By increasing production efficiencies and adopting prudent and flexible business strategies to enhance the performance, the Group will continue to work on improving its margins to face the uncertainties ahead. Furthermore, the Group will continue to improve the performance of its hospitality supplies and OS&E businesses, and expand its manufacturing facilities in Cambodia.

Continued exploration of new business opportunities

By capitalising on the Group’s existing partnerships and closely and cautiously monitoring potential new business streams and strategies, the Group will continue to put effort on expanding the market shares of its hospitality supplies and OS&E businesses to reduce the impact from the China-U.S. trade war, the outbreak of COVID-19 and other geopolitical incidents.

感染控制之即棄產品及個人健康護理產品業務

我們已在生產感染控制之即棄產品，例如醫用儀器罩，以及自家品牌「Pasion」及「 everybody LABO」下個人健康護理產品。COVID-19疫情爆發後，本集團已調整部分生產線生產抗疫用品及已開始生產酒精搓手液及口罩。響應全球市場需求增長及公眾對個人衛生意識加強，本集團將進一步擴展其生產線並投入資源以涵蓋更多感染控制之即棄產品及個人健康護理相關產品。

策略性生產基地多元化

為了減低中美貿易戰的進一步潛在影響，本集團將持續發展其於柬埔寨的生產基地，透過降低勞動成本及提高生產效率以增強其整體競爭力。

持續聚焦於提升利潤率

透過提高生產效率及採取謹慎而靈活的業務策略以提升表現，本集團將繼續致力提高其利潤率以應付未來之不明朗因素。此外，本集團將繼續改善其酒店供應品業務與營運用品及設備業務之表現，並擴大其於柬埔寨之生產設施。

不斷探索新商機

透過本集團現有合作夥伴關係及密切與審慎監察潛在新業務及策略，本集團將繼續致力於擴大其酒店供應品業務及營運用品及設備業務之市場份額，從而減少中美貿易戰、COVID-19疫情爆發及其他地緣政治事件的影響。

New environmental protection laws and regulations

On the other hand, the Group's hospitality supplies business is expected to face additional challenges due to new environmental protection laws and regulations and the rising "plastic free" trend around the world. Some of the countries and cities, especially in Europe and the PRC, are adjusting their regulations and practices to encourage businesses and hotels to eliminate plastic and disposable products, including single-use plastic bottles, plastic drink stirrers and many more items. In response, the Group will allocate resources to research and development of new eco-friendly hospitality supplies products appropriately, and keep abreast of market trends, and strengthen its core competitiveness.

The impacts of COVID-19 outbreak

The impacts of the COVID-19 outbreak on the Group's customers' financial positions and the macro-economic conditions as a whole are still uncertain, thus the Group is unable to quantify the related financial effects. However, it is noted that the purchase orders of the Group's hospitality supplies and OS&E businesses has dropped as compared with the corresponding period of 2019. The Group will pay close attention to the development of the COVID-19 and perform further assessment on its impact and take relevant measures.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group, including short-term contract workers, was approximately 5,200 as at 31 December 2019. The employee benefit expenses including Directors' emoluments were approximately HK\$481.5 million for the year ended 31 December 2019. The remuneration of employees (including the Directors) of the Group are generally structured by reference to market terms and individual merits, which is reviewed on a regular basis. The Group also provides various other benefits to designated staff, including discretionary bonus, social insurance or medical insurance, share option scheme, share award scheme, continuing education and training programmes. The Group also launched key performance indicators assessment scheme and commendation annual award scheme to boost individual performance and operational efficiency.

新的環保法律及規例

另一方面，由於世界各地新的環保法律及規例和「走塑」趨勢上升，本集團的酒店供應品業務預期面臨更多挑戰。部分國家及城市，特別在歐洲及中國，正調整其規則及慣例以鼓勵企業及酒店減少塑膠及即棄產品，包括一次性使用之塑膠瓶、塑膠飲料攪拌棒及其他更多項目。為此，本集團將適當地分配資源於研發新的環保酒店供應品類產品，並緊貼市場趨勢及增強其核心競爭力。

COVID-19疫情爆發之影響

COVID-19疫情爆發對本集團客戶財務狀況及整體宏觀經濟條件之影響仍存在不確定性，因此本集團無法量化有關財務影響。然而，值得注意的是本集團酒店供應品業務及營運用品及設備業務之採購訂單較二零一九年同期下跌。本集團將繼續密切關注COVID-19疫情之發展以及進一步評估其影響並採取相關措施。

僱員及薪酬政策

於二零一九年十二月三十一日，本集團的僱員總數(包括短期合約工人)約5,200人。截至二零一九年十二月三十一日止年度，僱員福利開支(包括董事酬金)約481.5百萬港元。本集團僱員(包括董事)之薪酬一般乃參照市場條款及個人資歷而釐定，並定期作出檢討。本集團亦向特定員工提供多項其他福利，包括酌情花紅、社會保險或醫療保險、購股權計劃、股份獎勵計劃、持續教育及培訓課程。本集團亦推行關鍵績效指標評核計劃及年度嘉勉狀計劃，以提升僱員個人表現及營運效率。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

EXECUTIVE DIRECTORS

Mr. CHING Chi Fai, aged 58, is an Executive Director and Chairman of the Company since 2007. He is the chairman of the Nomination Committee, the Executive Committee and the Investment Committee of the Company, a member of the Remuneration Committee of the Company and a director of certain subsidiaries of the Company. Mr. CHING Chi Fai is also a founder of the Group. He has been responsible for sales and marketing, production of the products and the formulation of the overall corporate direction and business strategies of the Group. Mr. CHING Chi Fai has over 30 years of experience in the hospitality supplies industry. Mr. CHING Chi Keung is a brother of Mr. CHING Chi Fai and Mr. CHING Tsun Wah is the son of Mr. CHING Chi Fai.

Mr. CHING Chi Keung, aged 55, is an Executive Director of the Company since 2007. He is a member of the Executive Committee of the Company and a director of certain subsidiaries of the Company. Mr. CHING Chi Keung joined the Group with the founders. He has been responsible for human resources and administrative matters of the Group. Mr. CHING Chi Keung has over 30 years of experience in the hospitality supplies industry. Mr. CHING Chi Fai is a brother of Mr. CHING Chi Keung and Mr. CHING Tsun Wah is a nephew of Mr. CHING Chi Keung.

Mr. LIU Zigang, aged 54, is an Executive Director of the Company since 2007. He is a member of the Executive Committee of the Company and a director of certain subsidiaries of the Company. Mr. LIU has been responsible for sales and marketing since he joined the Group in May 1995. He oversees direct sales in the Greater China Region as well as the Southeast Asia markets. Mr. LIU has over 20 years of experience in the hospitality supplies industry. He obtained a Master degree of Business Administration in Centenary College of New Jersey, USA in 2011. Mr. LIU also holds a diploma from Shenzhen University, the PRC and completed a course on International Business Management of Tsinghua University organised by Yangtze Delta Region Institute of Tsinghua University, the PRC.

Mr. CHING Tsun Wah, aged 38, is an Executive Director of the Company since 2014. He is a member of the Executive Committee of the Company, a director of certain subsidiaries of the Company and the business development director of the Group. He joined the Group since 2006 to assist in production and has been actively involved in both the business and product development of the Group. Mr. CHING Tsun Wah has extensive experience in the hospitality supplies industry. He graduated in Seneca College Toronto of Canada in marketing administration in 2003. Mr. CHING Tsun Wah is the son of Mr. CHING Chi Fai and a nephew of Mr. CHING Chi Keung.

執行董事

程志輝先生，58歲，自二零零七年起為本公司之執行董事兼主席。彼為本公司提名委員會、執行委員會及投資委員會主席、本公司薪酬委員會成員及本公司若干附屬公司之董事。程志輝先生亦為本集團之始創人。彼負責銷售及市場推廣、產品生產以及制定企業整體方向及本集團業務策略。程志輝先生於酒店供應品行業擁有逾30年經驗。程志強先生為程志輝先生之胞弟及程俊華先生為程志輝先生之兒子。

程志強先生，55歲，自二零零七年起為本公司之執行董事。彼為本公司執行委員會成員及本公司若干附屬公司之董事。程志強先生與始創人一同加盟本集團。彼負責本集團人力資源及行政事務。程志強先生於酒店供應品行業擁有逾30年經驗。程志輝先生為程志強先生之胞兄及程俊華先生為程志強先生之侄子。

劉子剛先生，54歲，自二零零七年起為本公司之執行董事。彼為本公司執行委員會成員及本公司若干附屬公司之董事。自彼於一九九五年五月加盟本集團以來，劉先生一直負責銷售及市場推廣工作。彼負責監督大中華區以及東南亞市場的直銷業務。劉先生於酒店供應品行業擁有逾20年經驗。彼於二零一一年取得美國Centenary College of New Jersey頒授之工商管理碩士學位。劉先生亦持有中國深圳大學的文憑及完成由中國清華大學長三角研究院舉辦的清華大學國際工商管理課程。

程俊華先生，38歲，自二零一四年起為本公司之執行董事。彼為本公司之執行委員會成員、本公司若干附屬公司之董事及本集團之業務發展部總監。彼於二零零六年加盟本集團以協助生產，並積極參與本集團的業務及產品開發。程俊華先生於酒店供應品行業擁有豐富經驗。彼於二零零三年畢業於加拿大多倫多聖力嘉學院市場營銷管理學系。程俊華先生為程志輝先生之兒子及程志強先生之侄子。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員之履歷詳情(續)

Mr. KEUNG Kwok Hung, aged 47, is an Executive Director of the Company since 2014. He is the Chief Financial Officer, the Company Secretary, a member of the Executive Committee and the Investment Committee of the Company and a director of certain subsidiaries of the Company. Mr. KEUNG joined the Group in July 2010 and he is responsible for finance and accounting matters. He has over 20 years of experience in accounting and financial management. He holds a Bachelor degree in Accountancy from the Hong Kong Polytechnic University and is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. KEUNG is an independent non-executive director of Milestone Builder Holdings Limited and Acme International Holdings Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

NON-EXECUTIVE DIRECTOR

Ms. CHAN Yim Ching, aged 52, is a Non-Executive Director of the Company since 2015. She is a director of a subsidiary of the Company. Ms. CHAN joined the Group in 1995 and was responsible for sales and marketing and oversaw export sales to overseas markets. She was an Executive Director of the Company from 2007 to 2015. Ms. CHAN has over 30 years of experience in the hospitality supplies industry. Prior to joining the Group, she worked in several companies engaged in hospitality supplies business.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. HUNG Kam Hung Allan, aged 65, is an Independent Non-Executive Director of the Company since 2007. He is the chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Mr. HUNG has over 30 years of senior management experience in managing hotel operations and hotel investments. He was a deputy managing director in 1992 and an executive director from July 1997 to January 2001 of Top Glory International Holdings Limited ("Top Glory"), a former Hong Kong listed company which was privatised in August 2003. During the period with Top Glory, Mr. HUNG assisted Top Glory to develop and manage hotels/resorts. In 2005, Mr. HUNG started a hotel development consultancy service to work with various hotel developers and prestigious hotel chains on design and project management.

Mr. MA Chun Fung Horace, aged 49, is an Independent Non-Executive Director of the Company since 2007. He is the chairman of the Audit Committee and a member of the Nomination Committee, the Remuneration Committee and the Investment Committee of the Company. Mr. MA is a seasoned accountant with extensive experience in risk and internal control. Mr. MA is a Certified Public Accountant (Practicing) registered with the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, a Certified Internal Auditor registered with the Institute of Internal Auditors and holder of Certification of Control Self-Assessment of the Institute of Internal Auditors. Mr. MA also holds various degrees including Master of Science and Bachelor of Business Administration conferred by The Chinese University of Hong Kong and Bachelor of Laws conferred by the University of London.

姜國雄先生，47歲，自二零一四年起為本公司之執行董事。彼為本公司之首席財務官、公司秘書、執行委員會及投資委員會成員及本公司若干附屬公司之董事。姜先生於二零一零年七月加盟本集團並負責財務及會計事務。彼擁有逾20年會計及財務管理經驗。彼持有香港理工大學授予之會計學學士學位，並為香港會計師公會及英國特許公認會計師公會之資深會員。姜先生為進階發展集團有限公司及益美國際控股有限公司(兩間公司之股份於香港聯合交易所有限公司主板上市)之獨立非執行董事。

非執行董事

陳艷清女士，52歲，自二零一五年起為本公司之非執行董事。彼為本公司一間附屬公司之董事。陳女士於一九九五年加盟本集團並負責銷售及市場推廣工作，以及監督出口銷售至海外市場。彼於二零零七年至二零一五年曾擔任本公司之執行董事。陳女士於酒店供應品行業擁有逾30年經驗。在加盟本集團前，彼曾任職數間從事酒店供應品業務的公司。

獨立非執行董事

孔錦洪先生，65歲，自二零零七年為本公司之獨立非執行董事。彼為本公司薪酬委員會主席及審核委員會成員。孔先生於酒店營運及酒店投資方面擁有逾30年的資深管理經驗。彼於一九九二年為鵬利國際集團有限公司(「鵬利」)(前香港上市公司，其於二零零三年八月私有化)之副董事總經理及於一九九七年七月至二零零一年一月為該公司之執行董事。在鵬利任職期間，孔先生協助鵬利發展及管理酒店/度假村。於二零零五年，孔先生開始酒店發展顧問服務，於設計及項目管理方面與多個酒店發展商及知名酒店連鎖集團合作。

馬振峰先生，49歲，自二零零七年為本公司之獨立非執行董事。彼為本公司審核委員會主席，亦為本公司提名委員會、薪酬委員會及投資委員會成員。馬先生為一名經驗豐富之會計師並於風險及內部監控方面擁有豐富經驗。馬先生為香港會計師公會註冊會計師(執業)、英國特許公認會計師公會資深會員、內部核數師公會之註冊內部核數師及控制自我評價專業認證持有人。馬先生亦持有多個大學學位，包括香港中文大學所頒授的理學碩士學位及工商管理學士學位，以及倫敦大學所頒授的法律學士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員之履歷詳情(續)

Mr. NG Bo Kwong, aged 63, is an Independent Non-Executive Director of the Company since 13 June 2013. He was a Non-Executive Director of the Company from 9 July 2007 to 31 December 2012. He is a member of the Audit Committee and the Remuneration Committee of the Company. Mr. NG has over 30 years of management experience in different industries (including the hospitality supplies industry). He is the chairman of the International Quality Service Management Promotion Association and a full member of the Hong Kong Management Association. He had assisted a number of medium to large sized enterprises in formulating company development strategies and establishing management systems in the areas of sales and marketing, human resources and production management. Mr. NG is also a guest lecturer of Master of Business Administration programs and senior executive development programs of several universities. He had been a director of a number of non-listed companies and is currently a director of Advance Management Consultants Limited and Guangzhou Advance Cultural Events Limited. He received a Master degree of Business Administration from the University of East Asia and a Doctor degree of Philosophy in Business Administration from Tarlac State University.

Mr. SUN Eric Yung Tson, aged 43, is an Independent Non-Executive Director of the Company since 2016. He is a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. He graduated with Bachelor degree of Commerce in the University of New South Wales, Australia in July 2000. Mr. SUN has been the managing director of Kin Hip Metal & Plastic Factory, Limited and KINOX Trading Limited since 2006. He has been dedicated to explore and position the products of KINOX, an international quality manufacturer of fashionable cookware, houseware and electrical appliances in household and catering industries, in emerging and global markets. Mr. SUN is also the honorary and founding president of Youth Executive Council of Federation of Hong Kong Industries ("FHKI"), the chairman of Hong Kong Quality Brands Alliance Limited, the chairman of The Hong Kong Plastics Manufacturers Association Limited, the founding vice chairman and secretary general of Hong Kong O2O E-Commerce Federation, the vice chairman of Hong Kong Q-Mark Council, the vice chairman of The Hong Kong Exporters' Association and a committee member of FHKI Pearl River Delta Council. Mr. SUN dedicates his effort on social responsibilities and practices active roles in different public services in both Hong Kong and China.

SENIOR MANAGEMENT

Ms. CHAN Yick Ning, aged 57, is the research and development director of the Group and a director of certain subsidiaries of the Company. Ms. CHAN is responsible for overseeing various aspects of our chemical production such as chemical production quality control, research and development of product formulations, the operations of the chemical and microbiological laboratory, the performance of the senior chemists and technicians, quality control and research and development. Ms. CHAN is also the vice chairman of Compliance Committee of the Group to provide the technical expertise in various aspects to ensure the regulatory compliance and product safety. Ms. CHAN joined the Group in 2005 and has over 30 years of experience in cosmetics production and laboratory operation. Ms. CHAN was awarded a Master of Science degree from University of Warwick in 2013 and a Diploma in Management Studies jointly by The Hong Kong Polytechnic University and Hong Kong Management Association in 1992. Ms. CHAN is also a founder member and the President of Hong Kong Society of Cosmetic Chemists, which is in affiliate member of The International Federation of Societies of Cosmetic Chemists.

吳保光先生，63歲，自二零一三年六月十三日起為本公司之獨立非執行董事。彼自二零零七年七月九日至二零一二年十二月三十一日為本公司之非執行董事。彼為本公司審核委員會及薪酬委員會成員。吳先生於不同行業(包括酒店供應品行業)擁有逾30年管理經驗。彼為國際優質服務管理促進會之會長，並為香港管理專業協會之正式會員。彼協助多間中型至大型企業制定公司發展策略，並於銷售及市場推廣、人力資源及生產管理等領域建立管理制度。吳先生亦兼任數間大學工商管理碩士課程及高級管理人員培訓課程的客席講師。彼曾擔任多間非上市公司的董事，現為艾雲斯管理顧問有限公司及廣州艾雲斯文化活動策劃有限公司的董事。彼持有東亞大學工商管理碩士學位及太歷國立大學工商管理哲學博士學位。

孫榮聰先生，43歲，自二零一六年為本公司之獨立非執行董事。彼為本公司審核委員會、提名委員會及薪酬委員會成員。彼於二零零零年七月於澳洲新南威爾斯大學畢業及獲頒商學學士學位。孫先生自二零零六年起擔任建業五金塑膠廠有限公司及KINOX Trading Limited之董事總經理。彼致力於探索及定位KINOX產品，其為一家於新興及全球市場涉足家居及餐飲行業之優質時尚廚具、家居用品及電器的國際生產商。孫先生亦為香港工業總會(「香港工業總會」)青年委員會之名譽及創會主席、香港名牌薈萃有限公司之主席、香港塑膠業廠商會有限公司之主席、香港O2O電子商務總會之創會副會長兼秘書長、香港優質標誌局副主席、香港出口商會副主席及香港工業總會珠三角工業協會執委。孫先生致力於社會責任並積極參與香港及中國各項公共事務。

高級管理人員

陳亦寧女士，57歲，為本集團之研發部總監及本公司若干附屬公司之董事。陳女士主管本集團之各類化工生產事務，如化工生產之質量監控、配製產品之研究及開發、日化及微生物實驗室之運作、高級化學工程師及技術員之表現、質量監控及研究與開發。陳女士亦為本集團法規委員會之副主席，於多個範疇提供技術專業知識以確保遵守法規及產品的安全。陳女士於二零零五年加盟本集團及於化妝品生產及實驗室運作方面擁有逾30年經驗。陳女士於二零一三年獲得University of Warwick頒發理學碩士及於一九九二年獲香港理工大學與香港管理專業協會聯合頒發管理學文憑。陳女士亦為附屬國際化妝品化學家協會聯合會之香港化妝品化學師協會之創會會員兼主席。

DIRECTORS' REPORT

董事會報告

The Directors of Ming Fai International Holdings Limited are pleased to present their annual report together with the audited financial statements of the Group for the year ended 31 December 2019.

明輝國際控股有限公司董事欣然提呈本集團截至二零一九年十二月三十一日止年度的年報及經審核財務報表。

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in manufacturing and trading of hospitality supplies products and trading of operating supplies and equipment. Details of the principal activities of the principal subsidiaries of the Group are set out in Note 30 to the consolidated financial statements.

主要業務

本公司為一間投資控股公司。其附屬公司主要從事製造及銷售酒店供應品類產品及銷售營運用品及設備。本集團主要附屬公司的主要業務詳情載於綜合財務報表附註30。

RESULTS AND DIVIDENDS

Results

The Group's results for the year ended 31 December 2019 are set out in the consolidated financial statements on pages 58 to 156 of this annual report.

業績及股息

業績

本集團截至二零一九年十二月三十一日止年度的業績載於本年報第58至156頁的綜合財務報表內。

Dividend policy

The Board intend to strike a balance between maintaining sufficient capital to grow the business of the Group and rewarding the Shareholders. The declaration and payment of any dividends by the Company would be subject to the Board's decision and any final dividend for a financial year of the Company would be subject to the Shareholders' approval. The decision to declare or to pay any dividend, and the amount of any dividends, will depend on the Group's earnings, financial condition, cash requirements and availability, and any other factors the Board may consider relevant. These factors and the payment of dividends is at the discretion of the Board and the Board reserves the right to change its plan on any future payment of dividends. The payment of dividend is also subject to any restrictions under the laws of Hong Kong and the Cayman Islands and the Articles of Association of the Company.

股息政策

董事會有意於業務發展維持充足資本與股東回報之間取得平衡。本公司任何股息之宣派及派發均取決於董事會之決定，而本公司財政年度之任何末期股息將取決於股東之批准。宣派或派發任何股息以及任何股息之金額的決策將取決於本集團之盈利、財務狀況、現金需求及可動用現金，以及董事會可能認為有關的任何其他因素。此等因素及股息之派發乃由董事會酌情決定及董事會保留更改其任何未來股息派發計劃之權利。股息之派發亦受香港及開曼群島法例以及本公司之組織章程細則規定之任何限制。

Dividend

An interim dividend of HK1.5 cents per Share for the six months ended 30 June 2019, amounting to a total dividend of approximately HK\$11,014,000 was paid on 4 October 2019, including dividend paid to Shares held for the share award scheme (the "Share Award Scheme").

股息

本公司已於二零一九年十月四日支付截至二零一九年六月三十日止六個月之中期股息每股1.5港仙，股息總額約11,014,000港元，包括就股份獎勵計劃（「股份獎勵計劃」）下持有股份獲派發之股息。

The Board recommend a final dividend of HK3.0 cents per Share for the year ended 31 December 2019. Subject to the approval by the Shareholders at the AGM, the final dividend will be paid on or around 12 June 2020 to the Shareholders whose names appear on the register of members of the Company on 4 June 2020.

董事會建議派發截至二零一九年十二月三十一日止年度的末期股息為每股3.0港仙。待股東於股東週年大會上批准後，本公司將於二零二零年六月十二日或前後，向於二零二零年六月四日名列本公司股東名冊的股東派發末期股息。

DIRECTORS' REPORT (CONTINUED)

董事會報告 (續)

CLOSURE OF REGISTER OF MEMBERS

For ascertaining the eligibility of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 22 May 2020 to Wednesday, 27 May 2020 (both dates inclusive), during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all documents in respect of transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 21 May 2020.

For ascertaining the entitlement of the Shareholders to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 2 June 2020 to Thursday, 4 June 2020 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend, all documents in respect of transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 1 June 2020.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2019 is set out in "Chairman's Statement" on pages 07 to 09 and "Management Discussion and Analysis" on pages 10 to 19 of this annual report.

Analysis of financial key performance indicators

The financial key performance indicators and analysis of the Group's business are set out in "Five Years Financial Summary" on page 05 and "Management Discussion and Analysis" on pages 10 to 19 of this annual report.

Principal risks and uncertainties facing the Group

Risks pertaining to the reliance on direct sales customers and distributors for the sale of products

Our hospitality supplies products are sold either by direct sales to our customers, mainly hotels and airline operators, or to distributors for supplying to other end-users. There is no assurance that such customers will continue to purchase or maintain their purchase volumes of our products in the future. In addition, there is no assurance that we will be able to maintain business relationship with our customers. In the event that any of our customers ceases to purchase from us or reduces the purchase volume of orders placed with us and we are unable to obtain replacement orders, our business and profitability may be adversely affected.

暫停辦理股份過戶登記手續

為釐定股東出席股東週年大會並於會上投票的資格，本公司之股份過戶登記手續將於二零二零年五月二十二日(星期五)至二零二零年五月二十七日(星期三)(包括首尾兩日)暫停辦理，期間將不會進行股份過戶。為符合出席股東週年大會並於會上投票的資格，所有有關股份過戶文件連同有關股票，須於二零二零年五月二十一日(星期四)下午四時三十分前送達本公司於香港之股份過戶登記分處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖)登記。

為釐定股東享有建議末期股息之資格，本公司之股份過戶登記手續將於二零二零年六月二日(星期二)至二零二零年六月四日(星期四)(包括首尾兩日)暫停辦理，期間將不會進行股份過戶。為符合獲派建議末期股息的資格，所有有關股份過戶文件連同有關股票，須於二零二零年六月一日(星期一)下午四時三十分前送達本公司於香港之股份過戶登記分處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖)登記。

業務回顧

本集團截至二零一九年十二月三十一日止年度之業務回顧載於本年報第07至09頁之「主席報告」及第10至19頁之「管理層討論及分析」。

財務關鍵表現指標分析

本集團業務之財務關鍵表現指標及分析載於本年報第05頁之「五年財務概要」及第10至19頁之「管理層討論及分析」。

本集團面對的主要風險及不明朗因素 *倚賴直銷客戶及分銷商進行產品銷售的相關風險*

我們的酒店供應品類產品透過直接銷售予客戶(主要為酒店及航空營運商)或供應其他最終用戶的分銷商進行銷售。我們無法保證該等客戶於未來將持續購買我們的產品或維持其購買量。此外，我們亦無法保證將能夠與客戶維持業務關係。倘任何我們的客戶終止向我們購買或減少購買訂單數量而我們亦無法獲得替代訂單，我們的業務及盈利能力或會受到不利影響。

Risks pertaining to price fluctuations of raw materials

The principal raw materials used in our production may be subject to substantial price volatility and periodic shortages caused by external conditions, such as fluctuations in commodity prices and foreign exchange rates. There is no guarantee that the costs of raw materials will be stable in the future. To the extent that we are unable to cover any increased costs of raw materials by either reduction in other production costs or increase of our product prices, our profits will be adversely affected.

Operation risks

The operation of the Group is subject to a number of risk factors distinctive to the respective markets. Default on the part of the Group's customers, distributors, suppliers and business partners, and inadequacies or failures of internal processes, people and systems or other external factors may have various levels of negative impact on the results of operations. Additionally, accidents may happen despite systems and policies set up for their prevention, which may lead to finance loss, litigation or damage in reputation.

Market risks

The Group is also subject to market risks such as currency fluctuations, volatility of interest rates, credit risks and liquidity risks in the normal course of the Group's businesses. Particulars of financial risk management of the Group are set out in Note 3 to the consolidated financial statements.

Risks relating to compliance with laws and regulations

We are required to comply with all relevant laws and regulations promulgated by the governments of the respective jurisdictions. There is no assurance that the existing laws and regulations will not be changed or additional or more stringent requirement will not be imposed, compliance with which may cause us to incur significant expenditure. Moreover, if we fail to comply with the present or future laws and regulations, we may be required to pay substantial fines, suspend production or cease operations. Consequently, our financial condition, business and reputation may be adversely affected.

Compliance with laws and regulations

The Group strives to enhance governance, promote employee benefits and development, protect the environment and fulfill social responsibilities in order to achieve sustainable growth. The Group has complied with the relevant laws and regulations that have significant impact on the Group.

原材料價格波動的相關風險

我們生產所用的主要原材料可能受商品價格及匯率波動等外在條件所引起的價格大幅波動及週期性短缺所影響。我們無法保證原材料成本將於未來維持穩定。倘我們未能透過降低其他生產成本或提高我們的產品價格以彌補任何上漲的原材料成本，我們的溢利將受到不利影響。

營運風險

本集團的營運受各市場若干特有的風險因素所影響。本集團之客戶、分銷商、供應商及業務夥伴的違約、內部流程、人員及系統不足或故障或失職或其他外在因素或會對營運業績構成不同程度的負面影響。此外，儘管本集團已設立預防意外的系統及政策，意外仍有可能發生，從而可能引致財務損失、訴訟或聲譽受損。

市場風險

本集團在其正常業務過程中亦面臨貨幣波動、利率波動、信貸風險及流動資金風險等市場風險。本集團財務風險管理之詳情載於綜合財務報表附註3。

遵守法律及規例的相關風險

我們須遵守各司法權區政府頒佈的所有相關法律及規例。我們無法保證現有法律及規例將維持不變或不會施加額外或更嚴厲的規定，而遵守有關規定可能導致我們產生重大支出。此外，倘我們未能遵守現行或未來之法律及規例，我們或可能須支付重大罰款、停產或終止營運。因此，我們的財務狀況、業務及聲譽或可能受到不利影響。

遵守法律及規例

本集團致力於提升管治、促進僱員福利及發展、保護環境及履行社會責任，從而實現可持續發展。本集團已遵守對本集團有重大影響的有關法律及規例。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Environmental policies and performance

The Group is committed to the principle of sustainable development and fulfill corporate social responsibilities (“CSR”) by applying “commercial morality, the kindness towards people and protecting environment”. Being one of the world’s leading suppliers of hospitality supplies products, we comply with the laws and respect commercial morality. We manage our operation based on the legal, compliant and reasonable basics. We respect human rights, care for public welfare. We value integrity and achieve win-win situation by cooperation. We follow our philosophy of respecting morality and giving back to society. We value resources and promote environmental protection. Relying on scientific improvements to reduce impacts on the environment, while we are seeking for environmental technologies to maintain sustainable development.

The Group believes that CSR is not just about philanthropy, but also a responsibility towards the community and being able to provide a good platform to contribute in any way that is meaningful, fulfilling and sustainable. CSR will remain a prominent matter in the Group’s agenda, and environmental management is always an integral part of the Group’s business planning and daily operations.

Details of environmental policies and performance of the Group in 2019 are set out in the “Environmental, Social and Governance Report 2019”, which is being prepared in accordance with “Environmental, Social and Governance Reporting Guide” contained in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) and will be published on the HKEXnews website of the Stock Exchange and the Company’s website.

Key relationships with employees, customers and suppliers

The Group recognises the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees.

The Group maintains working relationships with suppliers to meet our customers’ needs in an effective and efficient manner. Our departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group’s requirements and standards are also well-communicated to suppliers.

The Group values the views and opinions of all customers through various means and channels to understand customers’ trends and needs and regularly analyses on customers’ feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

環保政策及表現

本集團秉承可持續發展原則，努力遵循「行商有道、與人為善、崇尚自然」的企業社會責任（「企業社會責任」）。作為世界領先的酒店供應品類產品供應商之一，我們有法可依、有道可循。我們的經營基於合法、合規、合理基礎之上。我們尊重人權、公益為重，並以誠信至上、合作共贏。我們和德為先、回饋社會。我們珍惜資源、促進環保。我們依靠科技進步降低生態影響，尋求環保技術永葆可持續發展。

本集團深信企業社會責任不僅是慈善事業，亦為本集團對社區的責任及可為本集團提供良好平台，以有意義、可行及可持續的方式回饋社會。企業社會責任將繼續為本集團議程中之重要事項及環境管理乃本集團業務規劃及日常營運中的主要部分。

本集團於二零一九年度之環境政策及表現詳情載於根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄二十七《環境、社會及管治報告指引》而正在編製之「二零一九年環境、社會及管治報告」，其將於聯交所披露易網站及本公司網站刊載。

與僱員、客戶及供應商之重要關係

本集團為僱員提供全面福利待遇、事業發展機會及就個別需要提供適當的內部培訓，以肯定僱員的貢獻。本集團為所有僱員提供一個健康而安全的工作環境。

本集團與供應商維持合作關係，有效及高效地滿足我們客戶的需要。我們各部門緊密合作以確保招標及採購過程公開、公平及公正。本集團亦向供應商清楚說明規定及標準。

本集團重視所有客戶的觀點及意見，並透過各種方式及渠道了解客戶傾向及需要並定期分析客戶反饋。本集團亦進行全面測試及檢驗以確保向客戶僅提供優質產品及服務。

THE GROUP'S FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out in "Five Years Financial Summary" on page 05 of this annual report.

SHARES AND DEBENTURES ISSUED

During the year ended 31 December 2019, 6,087,000 Shares were issued with proceeds of approximately HK\$3,774,000 received by the Company, due to the exercise of share options of the Company.

The Group did not issue any debentures during the year ended 31 December 2019.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year ended 31 December 2019 are set out in the consolidated statement of changes in equity on page 62 and Note 19 and Note 38 to the consolidated financial statements.

As at 31 December 2019, distributable reserves of the Company amounted to approximately HK\$1,020,863,000.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under the Company's Articles of Association, or the laws of the Cayman Islands, in which the Company incorporated.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

本集團的財務概要

本集團最近五年的業績及資產與負債概要載於本年報第05頁之「五年財務概要」。

已發行股份及債權證

截至二零一九年十二月三十一日止年度，因行使本公司購股權而發行6,087,000股股份，本公司收取約3,774,000港元之款項。

截至二零一九年十二月三十一日止年度，本集團概無發行任何債權證。

儲備

本集團及本公司截至二零一九年十二月三十一日止年度的儲備變動詳情載於第62頁之綜合權益變動表及綜合財務報表附註19及附註38。

於二零一九年十二月三十一日，本公司之可供分派儲備約1,020,863,000港元。

優先購買權

本公司組織章程細則或開曼群島(本公司之註冊地點)法律並無訂明優先購買權。

購買、出售或贖回本公司之上市證券

截至二零一九年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

DIRECTORS' REPORT (CONTINUED)

董事會報告 (續)

DIRECTORS

The Directors during the year ended 31 December 2019 and up to the date of this report were as follows:

Executive Directors

Mr. CHING Chi Fai (*Chairman*)
 Mr. CHING Chi Keung
 Mr. LIU Zigang
 Mr. CHING Tsun Wah
 Mr. KEUNG Kwok Hung

Non-Executive Director

Ms. CHAN Yim Ching

Independent Non-Executive Directors

Mr. HUNG Kam Hung Allan
 Mr. MA Chun Fung Horace
 Mr. NG Bo Kwong
 Mr. SUN Eric Yung Tson

In accordance with article 130 of the Company's Articles of Association, Messrs. LIU Zigang, CHING Tsun Wah, HUNG Kam Hung Allan and NG Bo Kwong will retire from office at the AGM and, being eligible, will offer themselves for re-election at the AGM.

Confirmation of independence of Independent Non-Executive Directors

The Company has received from each Independent Non-Executive Director an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that Messrs. HUNG Kam Hung Allan, MA Chun Fung Horace, NG Bo Kwong and SUN Eric Yung Tson are independent. Details are set out in the section headed "Board responsibilities and delegation" in the "Corporate Governance Report" on pages 40 to 41.

DIRECTORS' SERVICE CONTRACTS

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

董事

截至二零一九年十二月三十一日止年度及截至本報告日期之董事如下：

執行董事

程志輝先生 (*主席*)
 程志強先生
 劉子剛先生
 程俊華先生
 姜國雄先生

非執行董事

陳艷清女士

獨立非執行董事

孔錦洪先生
 馬振峰先生
 吳保光先生
 孫榮聰先生

根據本公司的組織章程細則第130條，劉子剛先生、程俊華先生、孔錦洪先生及吳保光先生將於股東週年大會上退任，並符合資格及願意於股東週年大會上重選連任。

獨立非執行董事的獨立性確認

本公司已收到每位獨立非執行董事根據上市規則第3.13條提交其年度獨立性書面確認函。本公司認為孔錦洪先生、馬振峰先生、吳保光先生及孫榮聰先生均具獨立性。詳情載於第40至41頁之「企業管治報告」內「董事會職責及授權」一節。

董事的服務合約

建議於應屆股東週年大會上重選的董事概無訂立僱主不可於一年內不付賠償(法定賠償除外)而終止的服務合約。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 31 December 2019, none of the Directors has any interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in which a Director or an entity connected with a Director had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2019.

MANAGEMENT CONTRACTS

Other than Directors' service contracts and employment contracts with the Group's senior management in full-time employment, no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year ended 31 December 2019.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision was in force during the year ended 31 December 2019 and up to the date of this report.

Pursuant to the Company's Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour, or in which he/she is acquitted. There is appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

CONNECTED TRANSACTIONS

The significant related party transactions entered into by the Group during the year ended 31 December 2019 are set out in Note 37 to the consolidated financial statements. None of them constituted discloseable non-exempted connected transactions or non-exempted continuing connected transactions under Chapter 14A of the Listing Rules.

董事於競爭業務之權益

截至二零一九年十二月三十一日止年度，概無董事於任何與本集團業務以外之業務（直接或間接構成競爭或可能構成競爭）中擁有任何權益。

董事於重要交易、安排或合約之權益

於年末或截至二零一九年十二月三十一日止年度內任何時間，概無存續與董事或與董事有關連之實體直接或間接擁有重大權益的重要交易、安排或合約。

管理合約

除董事的服務合約及本集團高級管理人員的全職僱傭合約外，截至二零一九年十二月三十一日止年度，概無訂立或存在與本集團業務全部或任何重大部分有關的管理及行政合約。

獲准許之彌償條文

截至二零一九年十二月三十一日止年度及截至本報告日期，獲准許之彌償條文已生效。

根據本公司之組織章程細則，每位董事將有權就其作為董事因抗辯任何判其勝訴或裁定無罪之民事或刑事法律訴訟而產生或蒙受之一切損失或責任從本公司資產中獲得彌償。本集團董事及高級職員已有適當的董事及高級職員責任保險作為保障。

關連交易

本集團於截至二零一九年十二月三十一日止年度訂立之重大關聯方交易載於綜合財務報表附註37。上述交易概無構成根據上市規則第14A章下之須予披露不獲豁免關連交易或不獲豁免持續關連交易。

DIRECTORS' REPORT (CONTINUED)
董事會報告(續)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2019, the interests and short positions of the Directors in shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") set out in Appendix 10 to the Listing Rules were as follows:

董事於本公司及其相聯法團股份、相關股份及債權證之權益及淡倉

於二零一九年十二月三十一日，董事於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」))之股份、相關股份及債權證中，擁有記入根據證券及期貨條例第352條須予備存之登記冊中或已根據上市規則附錄十《上市發行人董事進行證券交易的標準守則》(「標準守則」)通知本公司及聯交所之權益及淡倉如下：

Long positions in Shares and underlying Shares

於股份及相關股份之好倉

Name of Directors 董事姓名	Number of Shares held 持有股份數目			Number of underlying Shares held under equity derivatives (Note 1) 以股本衍生工具持有之相關股份數目 (附註1)	Personal Interests (beneficial owner) 個人權益(實益擁有人)	Total 總計	Approximate percentage of issued Shares (734,262,697 Shares) as at 31 December 2019 於二零一九年十二月三十一日已發行股份(734,262,697股)之概約百分比
	Personal Interests (beneficial owner) 個人權益(實益擁有人)	Family Interests (interests of spouse) 家族權益(配偶權益)	Corporate Interests (interests of controlled corporation) 法團權益(受控法團權益)				
Mr. CHING Chi Fai 程志輝先生	16,444,000	-	197,666,200 (Note 2 & 3) (附註2及3)	-	214,110,200	29.16%	
Mr. CHING Chi Keung 程志強先生	4,000,000	-	32,499,600 (Note 3) (附註3)	-	36,499,600	4.97%	
Mr. LIU Zigang 劉子剛先生	4,000,000	-	20,057,200 (Note 4) (附註4)	-	24,057,200	3.28%	
Mr. CHING Tsun Wah 程俊華先生	3,734,000	775,000 (Note 5) (附註5)	-	-	4,509,000	0.61%	
Mr. KEUNG Kwok Hung 姜國雄先生	-	-	-	1,158,000	1,158,000	0.16%	

Name of Directors 董事姓名	Number of Shares held 持有股份數目			Corporate Interests (interests of controlled corporation) 法團權益 (受控法團權益)	Number of underlying Shares held under equity derivatives (Note 1) 以股本衍生 工具持有之 相關股份數目 (附註1)	Personal Interests (beneficial owner) 個人權益 (實益擁有人)	Total 總計	Approximate percentage of issued Shares (734,262,697 Shares) as at 31 December 2019 於二零一九年 十二月三十一日 已發行股份 (734,262,697股) 之概約百分比
	Personal Interests (beneficial owner) 個人權益 (實益擁有人)	Family Interests (interests of spouse) 家族權益 (配偶權益)	Personal Interests (beneficial owner) 個人權益 (實益擁有人)					
Ms. CHAN Yim Ching 陳艷清女士	-	-	32,499,600 (Note 3) (附註3)	-	-	32,499,600	4.43%	
Mr. HUNG Kam Hung Allan 孔錦洪先生	600,000	-	-	-	-	600,000	0.08%	
Mr. MA Chun Fung Horace 馬振峰先生	600,000	-	-	-	-	600,000	0.08%	
Mr. NG Bo Kwong 吳保光先生	600,000	-	-	-	-	600,000	0.08%	

Notes:

- These underlying Shares held under equity derivatives represented the share options granted by the Company (being regarded as unlisted physically settled equity derivatives). Details of the share options granted to the Directors are set out in the section headed "Share Option Scheme" of this report.
- 165,166,600 Shares were held by Prosper Well International Limited, which was wholly-owned by Mr. CHING Chi Fai.
- 32,499,600 Shares were held by Targetwise Trading Limited, which was owned as to 50%, 19.23% and 30.77% by Mr. CHING Chi Keung, Ms. CHAN Yim Ching and Mr. CHING Chi Fai respectively.
- 20,057,200 Shares were held by Favour Power Limited, which was wholly-owned by Mr. LIU Zigang.
- 775,000 Shares were held by Ms. SO Wai Yin Tracy, the spouse of Mr. CHING Tsun Wah.

附註:

- 此等以股本衍生工具持有之相關股份乃本公司授出之購股權(被視為以實物結算之非上市股本衍生工具)。授予董事之購股權詳情載於本報告「購股權計劃」一節。
- 165,166,600股股份由Prosper Well International Limited持有，而該公司由程志輝先生全資擁有。
- 32,499,600股股份由Targetwise Trading Limited持有，而該公司由程志強先生、陳艷清女士及程志輝先生分別擁有50%、19.23%及30.77%權益。
- 20,057,200股股份由Favour Power Limited持有，而該公司由劉子剛先生全資擁有。
- 775,000股股份由程俊華先生之配偶蘇瑋賢女士持有。

Save as disclosed above, as at 31 December 2019, none of the Directors had any interest or short positions in shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一九年十二月三十一日，概無董事於本公司或其任何相聯法團(定義見證券及期貨條例)之股份、相關股份及債權證中擁有任何記入根據證券及期貨條例第352條規定須予備存之登記冊中或根據標準守則須通知本公司及聯交所之權益或淡倉。

DIRECTORS' REPORT (CONTINUED)
董事會報告(續)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, so far as it was known by or otherwise notified by any Director, the interests and short positions of the substantial shareholders and other persons (other than a Director), in Shares and underlying Shares as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long positions in Shares

大股東及其他人士於本公司股份及相關股份之權益及淡倉

於二零一九年十二月三十一日，就任何董事所知悉或彼等以其他方式獲通知，大股東及其他人士(董事除外)於股份及相關股份中擁有記入根據證券及期貨條例第336條須予備存的登記冊中之權益及淡倉如下：

於股份之好倉

Name 名稱/姓名	Number of Shares held 持有股份數目					Total 總計	Approximate percentage of issued Shares (734,262,697 Shares) as at 31 December 2019 於二零一九年十二月三十一日已發行股份(734,262,697股)之概約百分比
	Personal Interests (beneficial owner) 個人權益(實益擁有人)	Family Interests (interests of spouse) 家族權益(配偶權益)	Corporate Interests (beneficial owner) 法團權益(實益擁有人)	Corporate Interests (investment manager) 法團權益(投資經理)	Corporate Interests (interests of controlled corporation) 法團權益(受控法團權益)		
Prosper Well International Limited (Note 1) Prosper Well International Limited (附註1)	-	-	165,166,600	-	-	165,166,600	22.49%
Ms. LO Kit Ling (Note 1) 盧潔玲女士(附註1)	-	214,110,200	-	-	-	214,110,200	29.16%
Mr. David Michael WEBB (Note 2) David Michael WEBB先生(附註2)	33,495,504	-	-	-	61,057,496	94,553,000	12.88%
Preferable Situation Assets Limited (Note 2) Preferable Situation Assets Limited (附註2)	-	-	61,057,496	-	-	61,057,496	8.32%
Wykeham Capital Asia Value Fund (Note 3) Wykeham Capital Asia Value Fund (附註3)	-	-	44,570,000	-	-	44,570,000	6.07%
Wykeham Capital Limited (Note 3) Wykeham Capital Limited (附註3)	-	-	-	44,570,000	-	44,570,000	6.07%
Mr. Howel Gruffudd Rhys THOMAS (Note 3) Howel Gruffudd Rhys THOMAS先生(附註3)	-	-	-	-	44,570,000	44,570,000	6.07%

Notes:

- 165,166,600 Shares were held by Prosper Well International Limited, which was wholly-owned by Mr. CHING Chi Fai (an Executive Director and the Chairman of the Company). 32,499,600 Shares were held by Targetwise Trading Limited, which was owned as to 30.77% by Mr. CHING Chi Fai. Mr. CHING Chi Fai also beneficially held 16,444,000 Shares. Ms. LO Kit Ling, being the spouse of Mr. CHING Chi Fai, was deemed to be interested in the 214,110,200 Shares in which Mr. CHING Chi Fai interested.
- Based on the disclosure of interests notice of Preferable Situation Assets Limited with the date of relevant event on 10 July 2017 received by the Company, 58,035,665 Shares were held by Preferable Situation Assets Limited, which was wholly-owned by Mr. David Michael WEBB, representing 8.00% of the issued Shares as at that day. Based on the disclosure of interests notice of Mr. David Michael WEBB with the date of relevant event on 26 April 2018 received by the Company, 61,057,496 Shares were held by Preferable Situation Assets Limited, which was wholly-owned by Mr. David Michael WEBB, who also beneficially held 33,495,504 Shares. Save as disclosed above, no further respective disclosure of interests notices of Mr. David Michael WEBB and Preferable Situation Assets Limited with the date of relevant event on or before 31 December 2019 were received by the Company.
- Based on the disclosure of interests notices with the date of relevant event on 17 May 2017 received by the Company, Mr. Howel Gruffudd Rhys THOMAS was deemed to be interested in the 44,570,000 Shares owned by Wykeham Capital Asia Value Fund by virtue of his 100% shareholding interest in Wykeham Capital Limited (which was the investment manager of Wykeham Capital Asia Value Fund). Save as disclosed above, no further respective disclosure of interests notices of Wykeham Capital Asia Value Fund, Wykeham Capital Limited and Mr. Howel Gruffudd Rhys THOMAS with the date of relevant event on or before 31 December 2019 were received by the Company.

Save as disclosed above and in the section headed "Directors' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations" of this report, as at 31 December 2019, so far as it was known by or otherwise notified by any Director, none of the substantial shareholders and other persons (other than a Director), had any interest or short positions in Shares and underlying Shares as recorded in the register required to be kept under Section 336 of the SFO.

附註：

- 165,166,600股股份由Prosper Well International Limited持有，而該公司由執行董事兼本公司主席程志輝先生全資擁有。32,499,600股股份由 Targetwise Trading Limited持有，而該公司由程志輝先生擁有30.77%權益。程志輝先生亦實益持有16,444,000股股份。盧潔玲女士為程志輝先生的配偶，被視為於程志輝先生擁有權益的214,110,200股股份中擁有權益。
- 根據本公司收到Preferable Situation Assets Limited於有關事件日期為二零一七年七月十日之權益披露通知，Preferable Situation Assets Limited(由David Michael WEBB先生全資擁有)持有58,035,665股股份，佔當天已發行股份之8.00%。根據本公司收到David Michael WEBB先生於有關事件日期為二零一八年四月二十六日之權益披露通知，61,057,496股股份由Preferable Situation Assets Limited(由David Michael WEBB先生全資擁有)持有，而David Michael WEBB先生亦實益持有33,495,504股股份。除以上披露者外，本公司概無收到David Michael WEBB先生及Preferable Situation Assets Limited各自於有關事件日期為二零一九年十二月三十一日或以前之進一步權益披露通知。
- 根據本公司收到有關事件日期為二零一七年五月十七日之權益披露通知，Howel Gruffudd Rhys THOMAS先生因持有Wykeham Capital Limited(為Wykeham Capital Asia Value Fund之投資經理)之100%股權，故其被視為於Wykeham Capital Asia Value Fund所持有的44,570,000股股份中擁有權益。除以上披露者外，本公司概無收到Wykeham Capital Asia Value Fund、Wykeham Capital Limited及Howel Gruffudd Rhys THOMAS先生各自於有關事件日期為二零一九年十二月三十一日或以前之進一步權益披露通知。

除上文及本報告「董事於本公司及其相聯法團股份、相關股份及債權證之權益及淡倉」一節所披露者外，於二零一九年十二月三十一日，就任何董事所知悉或彼等以其他方式獲通知，概無大股東及其他人士(董事除外)於股份及相關股份中擁有任何記入根據證券及期貨條例第336條須予備存的登記冊中之權益或淡倉。

DIRECTORS' REPORT (CONTINUED)
董事會報告(續)

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the "Share Option Scheme") on 5 October 2007. Particulars of movements in the share options during the year ended 31 December 2019 were as follows:

購股權計劃

本公司於二零零七年十月五日有條件採納購股權計劃(「購股權計劃」)。截至二零一九年十二月三十一日止年度，購股權之變動詳情如下：

Grantee	Date of grant	Exercise period	Exercise Price	Number of share options					Outstanding as at 31 December 2019
				Outstanding as at 1 January 2019	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	
承授人	授出日期	行使期	行使價 HK\$ 港元	於二零一九年一月一日尚未行使	年內授出	年內行使	年內註銷	年內失效	於二零一九年十二月三十一日尚未行使
Directors									
董事									
Mr. CHING Chi Keung 程志強先生	04-09-2012 二零一二年九月四日	23-06-2013 to 22-06-2019 二零一三年六月二十三日至 二零一九年六月二十二日	0.62	2,000,000	-	(2,000,000)	-	-	-
Mr. LIU Zigang 劉子剛先生	04-09-2012 二零一二年九月四日	23-06-2013 to 22-06-2019 二零一三年六月二十三日至 二零一九年六月二十二日	0.62	2,000,000	-	(2,000,000)	-	-	-
Mr. KEUNG Kwok Hung 姜國雄先生	04-09-2012 二零一二年九月四日	09-09-2012 to 08-09-2021 二零一二年九月九日至 二零二一年九月八日	0.62	579,000	-	-	-	-	579,000
	04-09-2012 二零一二年九月四日	09-09-2013 to 08-09-2021 二零一三年九月九日至 二零二一年九月八日	0.62	579,000	-	-	-	-	579,000
Employees									
僱員									
In aggregate 合計	04-09-2012 二零一二年九月四日	04-09-2012 to 22-06-2019 二零一二年九月四日至 二零一九年六月二十二日	0.62	1,049,000	-	(679,000)	-	(370,000)	-
	04-09-2012 二零一二年九月四日	23-06-2013 to 22-06-2019 二零一三年六月二十三日至 二零一九年六月二十二日	0.62	1,674,000	-	(1,161,000)	-	(513,000)	-
	04-09-2012 二零一二年九月四日	09-09-2012 to 08-09-2021 二零一二年九月九日至 二零二一年九月八日	0.62	894,000	-	(50,000)	-	-	844,000
	04-09-2012 二零一二年九月四日	09-09-2013 to 08-09-2021 二零一三年九月九日至 二零二一年九月八日	0.62	894,000	-	(50,000)	-	-	844,000
	04-09-2012 二零一二年九月四日	04-09-2013 to 03-09-2022 二零一三年九月四日至 二零二二年九月三日	0.62	298,500	-	(73,500)	-	-	225,000
	04-09-2012 二零一二年九月四日	04-09-2014 to 03-09-2022 二零一四年九月四日至 二零二二年九月三日	0.62	410,500	-	(73,500)	-	-	337,000
Total 合計				10,378,000	-	(6,087,000)	-	(883,000)	3,408,000

The weighted average closing price of the Shares immediately before the dates on which the share options were exercised for the year ended 31 December 2019 was HK\$1.12 per Share (for the year ended 31 December 2018: HK\$1.15 per Share).

於截至二零一九年十二月三十一日止年度，股份在緊接購股權行使日期之前的加權平均收市價為每股1.12港元(截至二零一八年十二月三十一日止年度：每股1.15港元)。

The following is a summary of the principal terms of the rules of the Share Option Scheme:

以下為購股權計劃規則之主要條款概要：

(1) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme was to enable the Board to grant options to selected employees (whether full time or part time, including the Directors) of any member of the Group (the "Eligible Persons") as incentives or rewards for their contribution or potential contribution to the Group.

The terms of the Share Option Scheme provided that in granting options under the Share Option Scheme, the Board was entitled to determine whether there is any minimum holding period, and whether there is any performance target which must be achieved, before an option granted under the Share Option Scheme is exercised. The Board was also entitled to determine the option price per Share payable on the exercise of an option (the "Exercise Price") according to the terms of the Share Option Scheme. Such terms, together with the incentives that the option would bring about, the Board believed, would serve the purpose of the Share Option Scheme.

(2) Period of the Share Option Scheme

The Share Option Scheme was effective during the period of ten years commencing on 2 November 2007 (the date on which the Share Option Scheme become unconditional) and the Share Option Scheme was expired on 1 November 2017. On expiry of the Share Option Scheme, no further option shall be granted but in all other respects the provisions of the Share Options Scheme shall remain in force. All options granted and accepted prior to such expiry shall continue to be valid and exercisable in accordance with their terms and terms of the Share Option Scheme.

(3) Basis of eligibility

The Board at its absolute discretion and on such terms as it might think fit, granted options to any Eligible Person to subscribe at the Exercise Price for such number of Shares as determined in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any of the Eligible Persons to the grant of options were determined by the Board on the basis of his contribution or potential contribution to the development and growth of the Group.

(4) Price for subscription of Shares

The Exercise Price was determined by the Board at the higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant of the options which must be a business day; and
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant,

provided that the Exercise Price shall in no event be less than the nominal amount of one Share.

(1) 購股權計劃的目的

購股權計劃旨在讓董事會向本集團任何成員公司之獲選僱員（不論是全職或兼職，包括董事在內）（「合資格人士」）授出購股權，作為彼等對本集團作出貢獻或潛在貢獻的獎勵或報酬。

購股權計劃條款規定，在根據購股權計劃授出購股權時，董事會有權決定就根據購股權計劃所授出之購股權於行使前，是否設定任何最少持有期限，及是否達到任何表現目標。董事會亦有權釐定根據購股權計劃條款行使購股權時應付的每股股份購股權價格（「行使價」）。該等條款加上購股權產生的獎勵，董事會相信可實現購股權計劃的目的。

(2) 購股權計劃期限

購股權計劃於二零零七年十一月二日（購股權計劃變為無條件之日）起計的十年期間內有效，而購股權計劃已於二零一七年十一月一日到期。於購股權計劃屆滿時，概將不會進一步授出購股權，惟購股權計劃之條文於所有其他方面仍將維持有效。於該屆滿前已授出及接納之所有購股權將根據彼等之條款及購股權計劃之條款繼續有效及可予行使。

(3) 合資格的準則

董事會可全權酌情及根據其可能認為適合的條款，向任何合資格人士授出購股權，以供彼等按行使價認購根據購股權計劃的條款所釐定數目的股份。

董事會決定任何合資格人士獲授購股權的合資格準則，並根據彼對本集團的發展及增長所作出的貢獻或潛在的貢獻釐定。

(4) 股份的認購價

行使價按以下之較高者由董事會釐定：

- (a) 聯交所日報表所載股份於授出購股權當日（須為營業日）的收市價；及
- (b) 聯交所日報表所載股份於緊接授出日期前五個營業日的平均收市價，

惟行使價無論如何不得低於一股股份的面值。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

(5) Acceptance of offers

The amount payable to the Company as acceptance of the offer for the grant of an option was HK\$1.

(6) Maximum number of Shares

The maximum number of Shares which might be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of the Shares in issue on the listing date (i.e. 2 November 2007) (the "Scheme Limit").

The Scheme Limit could be refreshed at any time subject to Shareholders' approval provided that such limit as refreshed should not exceed 10% of the Shares in issue as at the date of approval of the renewed limit. Share options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed or exercised) would not be counted for the purpose of calculating the Scheme Limit as refreshed. On 23 May 2013, the refreshment of the Scheme Limit was approved by the Shareholders at the annual general meeting. As at the date of this annual report, the number of Shares available for issue under the Share Option Scheme is 3,408,000 Shares which represents approximately 0.46% of the total number of issued Shares.

(7) Maximum entitlement of each Eligible Person

The maximum number of Shares issued and to be issued upon the exercise of options granted under the Share Option Scheme and any other share option schemes of the Company to any Eligible Person (including cancelled, exercised and outstanding options), in any 12-month period should not exceed 1% of the Shares in issue from time to time.

(5) 接納要約

就接納授出每份購股權的要約須向本公司支付的金額為1港元。

(6) 股份數目上限

因行使根據購股權計劃及本公司任何其他購股權計劃所授出之所有購股權(就此而言,並不包括根據購股權計劃或本公司任何其他購股權計劃的條款而已失效的購股權)而可發行的股份數目上限,合共不得超過於上市日期(即二零零七年十一月二日)已發行股份的10%(「計劃上限」)。

計劃上限可在股東批准的任何時間予以更新,惟更新後該上限不得超過批准更新上限當日已發行股份的10%。就計算更新計劃上限而言,過往根據購股權計劃授出之購股權(包括尚未行使、已註銷、已失效或已行使之購股權)將不會計算在內。於二零一三年五月二十三日,股東在股東週年大會上已批准更新計劃上限。於本年報日期,根據購股權計劃可發行之股份數目為3,408,000股股份,相當於已發行股份總數約0.46%。

(7) 每位合資格人士的最高權益

在任何12個月期間內,任何合資格人士因行使根據購股權計劃及本公司任何其他購股權計劃而已授出的購股權(包括已註銷、已行使及尚未行使的購股權)而發行及將發行的股份數目上限,不得超過不時已發行股份的1%。

SHARE AWARD SCHEME

On 23 September 2016, the Company adopted the Share Award Scheme in which the Group's employees, directors, consultants or advisers will be entitled to participate. During the year ended 31 December 2019, no Shares were acquired from the market by the independent trustee (Bank of Communications Trustee Limited), which is independent and not connected with the Company. No Shares have been granted to eligible persons under the Share Award Scheme up to the date of this report.

The objectives of the Share Award Scheme are (i) to recognise the contributions by certain eligible persons; and (ii) to offer suitable incentives to attract and retain targeted talents and personnel for the continuance of operations and future development of the Group.

股份獎勵計劃

於二零一六年九月二十三日,本公司採納股份獎勵計劃,而本集團的僱員、董事、諮詢人或顧問將有權參與其中。截至二零一九年十二月三十一日止年度,獨立於本公司且與本公司無關連的獨立受託人(交通銀行信託有限公司)概無於市場上購買任何股份。截至本報告日期,概無向根據股份獎勵計劃下之合資格人士授出任何股份。

股份獎勵計劃之目標為(i)肯定某些合資格人士所作出的貢獻;及(ii)提供適當獎勵以吸引及挽留目標人才及人員以讓本集團持續經營及發展未來。

The Share Award Scheme shall be subject to the administration of the Board and the independent trustee in accordance with the scheme rules and the trust deed of the Share Award Scheme. Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of ten years commencing on its adoption date (i.e. 23 September 2016).

The Board shall not make any further award of awarded Shares which will result in the nominal value of the Shares awarded by the Board under the Share Award Scheme exceeding 5% of the issued share capital of the Company from time to time. The maximum number of Shares which may be awarded to a selected person under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

Details of the Share Award Scheme were set out in the announcement of the Company dated 23 September 2016.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Share Option Scheme" and "Share Award Scheme" of this report, neither the Company nor any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at the end of the year or at any time during the year ended 31 December 2019.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 37 to the consolidated financial statements, no contract of significance between the Company or any of its subsidiaries and a controlling Shareholder or any of its subsidiaries; nor for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder or any of its subsidiaries were entered into or subsisted during the year ended 31 December 2019.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed "Share Option Scheme" and "Share Award Scheme" of this report, no equity-linked agreement was entered into or subsisted during the year ended 31 December 2019.

MAJOR SUPPLIERS AND CUSTOMERS

The aggregate purchases attributable to the Group's five largest suppliers accounted for less than 30% of the Group's total purchases for the year ended 31 December 2019.

The aggregate revenue attributable to the Group's five largest customers accounted for less than 30% of the Group's total revenue for the year ended 31 December 2019.

根據股份獎勵計劃的計劃規則及信託契據，股份獎勵計劃須受董事會及獨立受託人管理。股份獎勵計劃之有效期及生效期自其採納日期(即二零一六年九月二十三日)起計為期十年，惟董事會或可決定提前終止。

倘董事會授出獎勵股份後將導致董事會根據股份獎勵計劃下授出的股份面值超過本公司不時已發行股本之5%，董事會將不得進一步授出任何獎勵股份。獲選人士根據股份獎勵計劃可獲授的股份數目上限不得超過本公司不時已發行股本之1%。

股份獎勵計劃的詳情載於本公司日期為二零一六年九月二十三日的公告。

購入股份或債權證的安排

除本報告「購股權計劃」及「股份獎勵計劃」各節所披露者外，本公司或其任何附屬公司概無於年末或截至二零一九年十二月三十一日止年度內任何時間訂立任何安排，以使董事可藉購入本公司或任何其他法人團體的股份或債權證而獲益。

重要合約

除綜合財務報表附註37所披露者外，於截至二零一九年十二月三十一日止年度，本公司或其任何附屬公司與控股股東或其任何附屬公司之間概無；或就控股股東或其任何附屬公司向本公司或其任何附屬公司提供的服務亦無訂立或存續重要合約。

股票掛鈎協議

除本報告「購股權計劃」及「股份獎勵計劃」各節所披露者外，於截至二零一九年十二月三十一日止年度概無訂立或存續任何股票掛鈎協議。

主要供應商及客戶

本集團於截至二零一九年十二月三十一日止年度向五大供應商之合計採購額，佔本集團總採購額少於30%。

本集團於截至二零一九年十二月三十一日止年度於五大客戶之合計收入，佔本集團總收入少於30%。

DIRECTORS' REPORT (CONTINUED)
董事會報告(續)

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 number of issued Shares was held by the public as at the date of this report.

CHARITABLE DONATIONS

During the year ended 31 December 2019, the Group made charitable donations amounting to approximately HK\$19,000.

AUDITOR

The Company's auditor, PricewaterhouseCoopers who shall retire and, being eligible, offer themselves for re-appointment at the AGM.

On behalf of the Board

CHING Chi Fai
Chairman
Hong Kong, 25 March 2020

足夠公眾持股量

根據本公司從公眾所得資料及據董事所知，於本報告日期，本公司已發行股份總數最少25%由公眾人士持有。

慈善捐款

截至二零一九年十二月三十一日止年度，本集團的慈善捐款約19,000港元。

核數師

本公司核數師羅兵咸永道會計師事務所將於股東週年大會退任，符合資格並願意被重選續聘。

代表董事會

主席
程志輝
香港，二零二零年三月二十五日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices. The corporate governance principles of the Company emphasise accountability and transparency and are adopted in the best interest of the Company and the Shareholders. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of the Shareholders and to fulfill its commitment to excellence in corporate governance.

During the year ended 31 December 2019, the Board has reviewed its policies and practices on corporate governance, and policies and practices on compliance with legal and regulatory requirements.

CORPORATE GOVERNANCE CODE

The Group has complied with all the code provisions as set out in the "Corporate Governance Code" (the "CG Code") during the year ended 31 December 2019, as set out in Appendix 14 to the Listing Rules, except the deviation of code provision A.2.1 of the CG Code that the Board has not appointed an individual to the post of chief executive officer up to the date of this report and the role of the chief executive officer has been performed collectively by all Executive Directors, including the Chairman of the Company. The Board considers that this arrangement allows contributions from all Executive Directors with different expertise and is beneficial to the continuity of the Company's policies and strategies.

BOARD OF DIRECTORS

During the year and up to the date of this report, the Board comprises the following Directors:

Executive Directors

Mr. CHING Chi Fai (*Chairman*)
 Mr. CHING Chi Keung
 Mr. LIU Zigang
 Mr. CHING Tsun Wah
 Mr. KEUNG Kwok Hung

Non-Executive Director

Ms. CHAN Yim Ching

Independent Non-Executive Directors

Mr. HUNG Kam Hung Allan
 Mr. MA Chun Fung Horace
 Mr. NG Bo Kwong
 Mr. SUN Eric Yung Tson

本公司致力維持及確保高標準的企業管治常規。本公司之企業管治原則強調問責性及透明度，符合本公司及股東之最佳利益而獲採納。董事會不時審閱其企業管治常規，以配合股東不斷提升之期望，同時履行其達致卓越企業管治之承諾。

截至二零一九年十二月三十一日止年度，董事會已檢討其企業管治之政策及常規，以及遵守法律及監管規定之政策及常規。

企業管治守則

截至二零一九年十二月三十一日止年度，本集團已遵守上市規則附錄十四所載之《企業管治守則》（「企管守則」）之所有守則條文，惟偏離企管守則之守則條文第A.2.1條規定：董事會於截至本報告日期尚未委任一名人士擔任行政總裁之職務及行政總裁之職責由全體執行董事（包括本公司主席）共同履行。董事會認為此安排有利於全體執行董事利用不同專長為本公司作出貢獻，並有利於保持本公司一貫政策及策略。

董事會

於年內及截至本報告日期，董事會包括下列董事：

執行董事

程志輝先生 (*主席*)
 程志強先生
 劉子剛先生
 程俊華先生
 姜國雄先生

非執行董事

陳艷清女士

獨立非執行董事

孔錦洪先生
 馬振峰先生
 吳保光先生
 孫榮聰先生

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Board responsibilities and delegation

The Board collectively determines the overall strategies of the Company and monitors performance and risks in pursuit of the strategic objectives of the Company. Day-to-day management of the Company is delegated to the Executive Directors or the senior management in charge of each division. All Directors (including Non-Executive Director and Independent Non-Executive Directors) have been consulted on all major and material matters of the Group.

The Board has delegated some of its function to the Board committees, details of which are set out below. Matters specifically reserved for the Board, including convening Shareholders' meetings, implementing the Shareholders' resolutions, determining the Group's business plans and strategies, formulating the Group's annual budget and final accounts, formulating proposals for dividend and bonus distributions and for increase or reduction of share capital, determining the Group's corporate structure, formulating investment plans as well as exercising other powers, functions and duties as conferred by the Articles of Association of the Company.

The attendance of the Directors at Board meetings, committee meetings and annual general meeting of the Company during the year ended 31 December 2019 were as follows:

董事會職責及授權

董事會共同釐定本公司之整體策略及監察本公司尋求戰略目標之業績及風險。本公司日常管理下放予執行董事或領導各部門之高級管理人員。就本集團所有主要及重大事項均已徵詢全體董事(包括非執行董事及獨立非執行董事)。

董事會已將其部分職能下放予董事委員會，其詳情載於下文。特定保留給董事會之職務，包括召開股東會議、執行股東決議案、釐定本集團的業務計劃及策略、編製本集團的年度預算及全年賬目、制定派息、分紅和增加或削減股本的方案、釐定本集團的企業架構、制定投資計劃，以及行使本公司組織章程細則所賦予之其他權力、職能及職責。

截至二零一九年十二月三十一日止年度，於本公司董事會會議、委員會會議及股東週年大會的董事出席率如下：

		Number of meetings attended/held 出席/舉行會議次數						
		Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Executive Committee Meeting 執行委員會會議	Investment Committee Meeting 投資委員會會議	Annual General Meeting 股東週年大會
Executive Directors	執行董事							
Mr. CHING Chi Fai	程志輝先生	4/4	-	1/1	1/1	4/4	1/1	1/1
Mr. CHING Chi Keung	程志強先生	4/4	-	-	-	4/4	-	1/1
Mr. LIU Zigang	劉子剛先生	4/4	-	-	-	4/4	-	1/1
Mr. CHING Tsun Wah	程俊華先生	4/4	-	-	-	4/4	-	1/1
Mr. KEUNG Kwok Hung	姜國雄先生	4/4	-	-	-	4/4	1/1	1/1
Non-Executive Director	非執行董事							
Ms. CHAN Yim Ching	陳艷清女士	4/4	-	-	-	-	-	1/1
Independent Non-Executive Directors	獨立非執行董事							
Mr. HUNG Kam Hung Allan	孔錦洪先生	4/4	2/2	-	1/1	-	-	1/1
Mr. MA Chun Fung Horace	馬振峰先生	4/4	2/2	1/1	1/1	-	1/1	1/1
Mr. NG Bo Kwong	吳保光先生	4/4	2/2	-	1/1	-	-	1/1
Mr. SUN Eric Yung Tson	孫榮聰先生	4/4	2/2	1/1	1/1	-	-	1/1

Each Executive Director has entered into a service contract with the Company for a term of three years while each Non-Executive Director and Independent Non-Executive Director has entered into a letter of appointment with the Company for a term of one year. All the aforesaid service contracts or letters of appointment may be terminated by either party by giving written notice in accordance with the terms of the respective service contracts or letters of appointment. All the Directors are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company.

The Company has appointed sufficient number of Independent Non-Executive Directors in accordance to the requirements of the Listing Rules and Mr. MA Chun Fung Horace has appropriate accounting professional qualifications. The Company has received from each Independent Non-Executive Director, namely Messrs. HUNG Kam Hung Allan, MA Chun Fung Horace, NG Bo Kwong and SUN Eric Yung Tson, an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Directors are of the view that all Independent Non-Executive Directors meet the independence requirements as set out in Rule 3.13 of the Listing Rules.

Mr. CHING Chi Fai (the Chairman of the Company and an Executive Director) and Mr. CHING Chi Keung (Executive Director) are brothers. Mr. CHING Tsun Wah (Executive Director) is the son of Mr. CHING Chi Fai and a nephew of Mr. CHING Chi Keung.

During the year ended 31 December 2019, four Board meetings were held. Minutes of the Board meetings are being kept by the Company Secretary of the Company and are available for inspection by the Directors.

BOARD COMMITTEES

The Board has established the following committees:

- Audit Committee;
- Nomination Committee;
- Remuneration Committee;
- Executive Committee; and
- Investment Committee.

各執行董事均已與本公司簽訂為期三年之服務合約，而各非執行董事及獨立非執行董事已與本公司簽訂為期一年之委任函。所有上述服務合約或委任函之任何一方均可根據各服務合約或委任函之條款以書面通知提出終止。全體董事均須按本公司組織章程細則於本公司股東週年大會上輪值退任，並重選連任。

本公司已根據上市規則的規定委任足夠數目的獨立非執行董事及馬振峰先生具備適當的會計專業資格。本公司已收到每位獨立非執行董事(孔錦洪先生、馬振峰先生、吳保光先生及孫榮聰先生)根據上市規則第3.13條提交其年度獨立性書面確認函。董事認為全部獨立非執行董事均符合上市規則第3.13條所載的獨立性規定。

程志輝先生(本公司主席兼執行董事)及程志強先生(執行董事)乃兄弟之關係。程俊華先生(執行董事)為程志輝先生之兒子及程志強先生之侄子。

截至二零一九年十二月三十一日止年度，董事會已舉行四次會議。董事會的會議記錄由本公司之公司秘書存檔，並可供董事查閱。

董事委員會

董事會已成立下列委員會：

- 審核委員會；
- 提名委員會；
- 薪酬委員會；
- 執行委員會；及
- 投資委員會。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Audit Committee

The Audit Committee comprises Mr. MA Chun Fung Horace (Chairman of the Audit Committee), who has appropriate accounting professional qualifications and relevant expertise, and Messrs. HUNG Kam Hung Allan, NG Bo Kwong and SUN Eric Yung Tson, all are Independent Non-Executive Directors. The Audit Committee held two meetings during the year ended 31 December 2019.

The Audit Committee is responsible for assisting the Board in fulfilling its audit duties through the review and supervision of the Group's financial reporting system, risk management system and internal control procedures, details of responsibilities are set out in the terms of reference of the Audit Committee, which are published on the HKEXnews website of the Stock Exchange and the website of the Company.

The work performed by the Audit Committee during the year ended 31 December 2019 are summarised below:

- reviewed the interim and annual results, the relevant statements and reports of the Group, the significant financial reporting judgements, in order to monitor the integrity and whether in accordance with the accounting principles and practices adopted by the Group and the applicable accounting standard;
- reviewed the external auditor's audit plan and terms of engagement;
- reviewed management letter and any materials queries raised by the external auditor to the management in relation to the accounting records, financial accounts or systems of control and management's responses;
- reviewed the key audit matters and discussed with external auditor and the management;
- reviewed the independency and objectivity of the external auditor, the effectiveness of audit process and the non-audit service fee payable to the external auditor;
- recommended to the Board the re-appointment of the external auditor and the audit fee payable to the external auditor for Shareholders' approval at the annual general meeting;
- reviewed the effectiveness of financial control, risk management and internal control systems of the Group involving financial, operational and compliance control;

審核委員會

審核委員會由馬振峰先生(審核委員會主席)(彼具備適當的會計專業資格及相關專長)、孔錦洪先生、吳保光先生及孫榮聰先生(全部均為獨立非執行董事)組成。截至二零一九年十二月三十一日止年度,審核委員會已舉行兩次會議。

審核委員會之職責為透過審閱及監管本集團之財務匯報系統、風險管理系統及內部監控程序協助董事會履行其審計職責,權責詳情載於審核委員會之職權範圍(刊載於聯交所披露易網站及本公司網站)。

審核委員會於截至二零一九年十二月三十一日止年度履行之工作概述如下:

- 審閱本集團的中期及全年業績、有關報表及報告以及重大財務報告判斷,藉以監察完整性及有否根據本集團採納的會計原則及慣例及適用會計準則;
- 檢討外聘核數師的審核計劃方案及委聘條款;
- 檢討外聘核數師給予管理層的審核情況說明函件及就會計記錄、財務賬目或監控系統提出之任何重大疑問以及管理層作出的回應;
- 檢討關鍵審計事項並與外聘核數師及管理層進行討論;
- 檢討外聘核數師之獨立性及客觀性、核數程序之有效性及應付予外聘核數師的非核數服務費用;
- 就外聘核數師之重新委任及應付予外聘核數師的核數服務費用向董事會提供推薦意見,以供股東於股東週年大會上批准;
- 檢討本集團之財務監控、風險管理及內部監控系統之有效性,包括財務、營運及合規監控;

- reviewed the internal audit report prepared by the internal auditor and the management's responses to the findings by the internal audit function;
- considered and reviewed the proposals of internal audit plan; and
- reviewed the adequacy of resources, staff qualifications and experience, budget of the Group's financial reporting and internal audit functions.
- 審閱內部核數師編製的內部審核報告以及管理層對於內部審核職能調查結果所作出的回應；
- 考慮及檢討內部審核計劃方案；及
- 檢討本集團在財務報告及內部審核職能方面的資源、員工資歷及經驗，以及有關預算是否充足。

Auditor's remuneration

For the year ended 31 December 2019, the fees payable by the Company to the external auditor of the Company, PricewaterhouseCoopers are HK\$2,680,000 for audit services and HK\$320,000 for non-audit services.

核數師酬金

截至二零一九年十二月三十一日止年度，本公司應付外聘核數師羅兵咸永道會計師事務所之核數服務費用為2,680,000港元及非核數服務費用為320,000港元。

Nomination Committee

The Nomination Committee comprises Mr. CHING Chi Fai (Chairman of the Nomination Committee), Executive Director and Messrs. MA Chun Fung Horace and SUN Eric Yung Tson, both are Independent Non-Executive Directors. The Nomination Committee held a meeting during the year ended 31 December 2019.

提名委員會

提名委員會由程志輝先生(提名委員會主席)(執行董事)、馬振峰先生及孫榮聰先生(兩位均為獨立非執行董事)組成。截至二零一九年十二月三十一日止年度，提名委員會已舉行一次會議。

The Nomination Committee is responsible for the identification and recommendation to the Board of possible appointees as Directors, making recommendations to the Board on matters relating to appointment or re-appointment of Directors, succession planning of Directors and assessing the independence of the Independent Non-Executive Directors, details of responsibilities are set out in the terms of reference of the Nomination Committee, which are published on the HKEXnews website of the Stock Exchange and the website of the Company.

提名委員會之職責乃為董事會物色及推薦董事人選，並就委任或重新委任董事、董事繼任計劃，以及評估獨立非執行董事的獨立性向董事會提出建議，權責詳情載於提名委員會之職權範圍(刊載於聯交所披露易網站及本公司網站)。

The work performed by the Nomination Committee during the year ended 31 December 2019 are summarised below:

提名委員會於截至二零一九年十二月三十一日止年度履行之工作概述如下：

- reviewed the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board;
- recommended to the Board regarding the re-election of Directors for Shareholders' approval at the annual general meeting; and
- assessed the independence of the Independent Non-Executive Directors.
- 檢討董事會之架構、人數及組成(包括董事技能、知識、經驗及多元化)；
- 就於股東週年大會上提呈股東批准董事重選向董事會作出推薦建議；及
- 評核獨立非執行董事之獨立性。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

*Nomination policy**Selection criteria*

The Nomination Committee would assess the suitability of a proposed candidate based on a number of factors, including but not limited to:

- character and integrity;
- professional qualifications, skills, knowledge and experience that are relevant to the Group's business and corporate strategy;
- potential time commitment to discharge duties as a Director and/or committee member and other directorships and significant commitments;
- Board diversity policy and any measurable objectives adopted for achieving the Board's diversity;
- relevant requirements as stipulated under the Listing Rules, the Hong Kong Companies Ordinance, other applicable laws and regulations in Hong Kong and the Cayman Islands and the Memorandum and Articles of Association of the Company; and
- independence requirements for the Independent Non-Executive Directors.

*Nomination procedures**Appointment of Director(s)*

- The Nomination Committee shall upon receipt of the biographical details of the proposed candidate(s), evaluate the candidate(s) based on the selection criteria of the nomination policy to determine his/her qualification as a Director and make recommendation for the Board's consideration. The selected individual(s) will be subject to re-election by Shareholders at the next general meeting of the Company after his/her initial appointment as Director(s) in accordance with the Company's Articles of Association.
- For any person as nominated by a Shareholder for election as a Director at a general meeting of the Company, the qualification of the candidate(s) shall be evaluated first by the Nomination Committee and then by the Board based on the selection criteria of the nomination policy. The Board shall make recommendation to the Shareholders in respect of such proposed election as Director(s) at the general meeting of the Company.

Re-election of Director(s)

- The Nomination Committee shall review and determine whether the retiring Director(s) continue to meet the selection criteria of the nomination policy and make recommendation for the Board's consideration. The Board shall then make recommendation to the Shareholders in respect of the proposed re-election of Director(s) at the general meeting.

*提名政策**甄選準則*

提名委員會在評估建議候選人是否合適時，將參考多項因素，包括但不限於：

- 品格與誠實；
- 專業資格、技巧、知識及與本集團業務及策略相關的經驗；
- 履行董事及／或委員會成員職責之潛在投入時間及其他董事職位和重大承擔職責；
- 所採納之董事會成員多元化政策及任何以達致董事會成員多元化的可計量目標；
- 上市規則、香港《公司條例》、香港和開曼群島之其他適用法律及規例，以及本公司之組織章程大綱和細則之相關規定；及
- 獨立非執行董事之獨立性規定。

*提名程序**委任董事*

- 提名委員會在收到建議候選人的履歷詳情後，將根據提名政策所載之甄選準則評估候選人，以決定其是否合資格擔任董事，並推薦予董事會作出考慮。獲選人士將須根據本公司之組織章程細則，於其始獲委任後之下一次本公司股東大會上獲股東重選。
- 任何經由股東提名於本公司股東大會上選舉為董事之人士，將首先經提名委員會及再經董事會根據提名政策所載之甄選準則評估其資格。董事會將就於本公司股東大會上擬選舉董事之事宜向股東作出建議。

重選董事

- 提名委員會將檢討及決定退任董事是否仍符合提名政策所載之甄選準則，並推薦予董事會作出考慮。董事會將就於股東大會上擬重選董事之事宜向股東作出建議。

Summary of the Board diversity policy

The Board diversity policy of the Company setting out the approach to diversity on the Board. The Company continuously seeks to enhance its effectiveness and to maintain the highest standards of corporate governance and recognises diversity at Board level as an essential element in maintaining a competitive advantage, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee and the Board will also take into account factors based on the Group's business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Remuneration Committee

The Remuneration Committee comprises Mr. CHING Chi Fai, Executive Director, and Messrs. HUNG Kam Hung Allan (Chairman of the Remuneration Committee), MA Chun Fung Horace, NG Bo Kwong and SUN Eric Yung Tson, all are Independent Non-Executive Directors. The Remuneration Committee held a meeting during the year ended 31 December 2019.

The Remuneration Committee is responsible for making recommendations to the Board on the Group's remuneration policy and structure, the remuneration packages of the Executive Directors and senior management, and the remuneration of Non-Executive Director and Independent Non-Executive Directors, details of responsibilities are set out in the terms of reference of the Remuneration Committee, which are published on the HKEXnews website of the Stock Exchange and the website of the Company.

The work performed by the Remuneration Committee during the year ended 31 December 2019 are summarised below:

- considered and reviewed the service contract of each Executive Director and the remuneration packages, including the discretionary bonus, and the performance, time commitment and responsibilities of each Executive Director and the senior management, with reference to the prevailing market conditions, and recommended for the Board's approval on the adjustments of remuneration of each Executive Director and the senior management;
- considered and reviewed the Group's remuneration policy; and
- reviewed the respective letter of appointment and director's fee of each Non-Executive Director and Independent Non-Executive Director and recommended for the Board's approval.

董事會成員多元化政策概要

本公司之董事會成員多元化政策載列為達致董事會成員多元化之方針。本公司一直務求提升其效率及維持最高水平之公司管治，以及認定在董事會層面的多元化為維持競爭優勢的重要元素，從多方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。提名委員會及董事會亦將根據本集團之業務模式及不時之特定需要去考慮各種因素。最終將按所選候選人之長處及可為董事會帶來之貢獻而作決定。

薪酬委員會

薪酬委員會由程志輝先生(執行董事)、孔錦洪先生(薪酬委員會主席)、馬振峰先生、吳保光先生及孫榮聰先生(四位均為獨立非執行董事)組成。截至二零一九年十二月三十一日止年度，薪酬委員會已舉行一次會議。

薪酬委員會之職責為就本集團之薪酬政策及架構、執行董事及高級管理人員之薪酬待遇、非執行董事及獨立非執行董事之酬金向董事會提出建議，權責詳情載於薪酬委員會之職權範圍(刊載於聯交所披露易網站及本公司網站)。

薪酬委員會於截至二零一九年十二月三十一日止年度履行之工作概述如下：

- 按當時市場狀況考慮及檢討各執行董事的服務合約及各執行董事及高級管理人員之薪酬待遇(包括酌情花紅)及表現、付出之時間及職責，並就各執行董事及高級管理人員之薪酬調整向董事會提出建議；
- 考慮及檢討本集團之薪酬政策；及
- 審閱及向董事會建議批准各非執行董事及獨立非執行董事之委任函及袍金。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The remuneration of senior management by band for the year ended 31 December 2019 is as follows:

截至二零一九年十二月三十一日止年度按範圍組別劃分的高級管理人員薪酬載列如下：

		Number of Individuals 人數 2019 二零一九年
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	-

Executive Committee

The Executive Committee comprises Messrs. CHING Chi Fai (Chairman of the Executive Committee), CHING Chi Keung, LIU Zigang, CHING Tsun Wah and KEUNG Kwok Hung, all are Executive Directors. The Executive Committee held four meetings during the year ended 31 December 2019.

The Executive Committee has been delegated with the general powers to deal with the daily operations and management of the Company, including but not limited to, setting up new companies, opening bank accounts, arranging banking facilities, affixing the Common Seal, issue of Shares upon exercise of any subscription or conversion rights under any share option schemes of the Company, warrants or convertible notes.

Investment Committee

The Investment Committee comprises Messrs. CHING Chi Fai (Chairman of the Investment Committee) and KEUNG Kwok Hung, both are Executive Directors and Mr. MA Chun Fung Horace, Independent Non-Executive Director. The Investment Committee held a meeting during the year ended 31 December 2019.

The Investment Committee has been delegated by the Board to assess, consider and approve/recommend any potential investments and/or divestments of the Group, which are less than US\$20 million, or 5% of the total market capitalisation of the Company, in aggregate in each financial year, whichever is lower, and approve each investment/divestment reaching/exceeding HK\$3 million but not exceeding 10% of the aforesaid aggregate amount.

執行委員會

執行委員會由程志輝先生(執行委員會主席)、程志強先生、劉子剛先生、程俊華先生及姜國雄先生(全部均為執行董事)組成。截至二零一九年十二月三十一日止年度，執行委員會已舉行四次會議。

執行委員會已獲授一般權力以處理本公司日常營運及管理工作，包括但不限於成立新公司、開立銀行賬戶、安排銀行融資、加蓋公司印鑑、於任何本公司購股權計劃、認股權證或可換股票據項下的任何認購權或兌換權獲行使時發行股份。

投資委員會

投資委員會由程志輝先生(投資委員會主席)、姜國雄先生(兩位均為執行董事)及馬振峰先生(獨立非執行董事)組成。截至二零一九年十二月三十一日止年度，投資委員會已舉行一次會議。

董事會授權投資委員會評估、考慮及批准/推薦任何本集團於每個財政年度涉及合共少於20百萬美元或佔本公司總市值5%(以較低者為準)之潛在投資及/或撤資項目，並批准每項達/超逾3百萬港元但不超逾上述累計金額10%之投資/撤資項目。

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions as set out in the code provision D.3.1 of the CG Code. During the year ended 31 December 2019, the Board reviewed the Company's corporate governance policies and practices, continuous professional development of the Directors and the senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Listing Rules and its updates, the compliance of the Model Code by the Directors and employees and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Directors' continuous professional development

Pursuant to code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All the Directors understand the importance of continuous professional development and are committed to participating any suitable training or reading relevant materials in order to develop and refresh their knowledge and skills. The Company has received from each Director his/her training record of participation in continuous professional development for the year ended 31 December 2019:

企業管治職能

董事會負責履行企管守則之守則條文第D.3.1條所載之職能。於截至二零一九年十二月三十一日止年度，董事會檢討本公司之企業管治政策及常規、董事及高級管理人員之持續專業發展、本公司在遵守法律及監管規定方面之政策及常規、遵守上市規則及其更新之情況、董事及僱員遵守標準守則之情況，以及本公司遵守企管守則之情況及於本企業管治報告內之披露。

董事之持續專業發展

根據企管守則之守則條文第A.6.5條，全體董事應參與持續專業發展以發展並更新彼等之知識及技能，為確保彼等繼續在具備全面資訊及切合所需之情況下對董事會作出貢獻。全體董事知悉持續專業發展之重要性，並承諾參與任何適合的培訓或閱讀相關資料，以發展並更新彼等之知識及技能。本公司已接獲每位董事有關彼等於截至二零一九年十二月三十一日止年度參與持續專業發展之培訓記錄：

		Attending seminar(s) 參加研討會	Reading materials 閱讀資料
Executive Directors	執行董事		
Mr. CHING Chi Fai	程志輝先生	-	✓
Mr. CHING Chi Keung	程志強先生	-	✓
Mr. LIU Zigang	劉子剛先生	-	✓
Mr. CHING Tsun Wah	程俊華先生	-	✓
Mr. KEUNG Kwok Hung	姜國雄先生	✓	✓
Non-Executive Director	非執行董事		
Ms. CHAN Yim Ching	陳艷清女士	-	✓
Independent Non-Executive Directors	獨立非執行董事		
Mr. HUNG Kam Hung Allan	孔錦洪先生	-	✓
Mr. MA Chun Fung Horace	馬振峰先生	✓	✓
Mr. NG Bo Kwong	吳保光先生	-	✓
Mr. SUN Eric Yung Tson	孫榮聰先生	-	✓

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions on 5 October 2007. Having made specific enquiries to all Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code for the year ended 31 December 2019.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for overseeing the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group, and of results and cash flow for the financial period. In preparing the financial statements for the year ended 31 December 2019, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made prudent and reasonable judgements and estimates and have prepared the financial statements on a going concern basis. The Directors also warrant that the Group's financial statements will be published in a timely manner.

The statement of the reporting responsibilities on the financial statements of the Group of the auditor of the Company is set out in the "Independent Auditor's Report" on pages 52 to 57 of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall responsibility for maintaining a sound and effective risk management and internal control systems of the Group and reviewing their effectiveness annually. The Group's internal control system includes a well-defined management structure with limits of authority which is designed for the achievement of business objectives, safeguarding assets against unauthorised use or disposition, ensuring proper maintenance of books and records for the provision of reliable financial information for internal use or publication, and ensuring compliance with relevant legislations and regulations. In addition, the Group has established risk management procedures to identify and prioritise risks for the business to be addressed by management. At least on an annual basis, management identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritises the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

董事進行證券交易的標準守則

於二零零七年十月五日，本公司採納上市規則附錄十所載標準守則作為董事進行證券交易之操守準則。經向全體董事作出特定查詢後，全體董事確認彼等已於截至二零一九年十二月三十一日止年度遵守標準守則所載之規定。

董事及核數師對財務報表的責任

董事確認須負責監督各財政期間編製財務報表工作，以確保能真實及公正地反映本集團的財務狀況、財政期內業績與現金流量。在編製截至二零一九年十二月三十一日止年度的財務報表時，董事已選擇並貫徹應用合適的會計政策；採納合適的香港財務報告準則及香港會計準則；作出審慎而合理的判斷和估計，以及按持續營運基準編製財務報表。董事亦須保證本集團的財務報表將依時刊發。

本公司核數師就彼等對本集團財務報表的申報責任聲明已載於本年報第52至57頁的「獨立核數師報告」。

內部監控及風險管理

董事會的整體責任為維持本集團的穩健和有效的風險管理及內部監控系統，並每年監察其有效性。本集團的內部監控系統包括清晰明確且權限分明的管理架構，以助達致業務目標、保障資產以防止未經授權的使用或出售、確定妥善保存賬目及記錄以提供可靠的財務資料供內部使用或公佈，以及確保符合相關法律及法規。此外，本集團已建立風險管理程序以識別和排列須提請管理層注意的業務風險的優先次序。管理層至少每年識別對達致本集團目標造成不利影響的風險，並根據一套標準準則評估及排列所識別風險的優先次序，從而對被視為重大的風險制定風險緩解計劃及指定風險負責人。

設計風險管理及內部監控系統旨在管理而並非消除未能達致業務目標的風險，且僅可就重大失實陳述或損失提供合理但非絕對的保證。

During the year ended 31 December 2019, the Board appointed a professional consulting firm with the responsibility to conduct internal audit function and assess risks of the Company and perform the agreed-upon procedures in relation to the internal controls of the business of the Group. The Audit Committee and the management will follow up the suggestions from the aforesaid professional consulting firm to further improve the risk management and internal control systems. The Group is committed to the identification, monitoring and management of risks associated with its business activities.

The Board conducts a review of the effectiveness of risk management and internal control systems of the Group annually. The review of the systems for the year ended 31 December 2019 included but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risks and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board satisfies with the scope of the risk management and internal control systems of the Group and considers that the systems are effective and adequate.

Procedures and internal controls for handling and dissemination of inside information

The Group complies with requirements of the SFO and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group will immediately disclose the information to the public. The Group is committed to ensuring that information contained in published documents are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders is given high priority by the Group. A Shareholder communication policy has been adopted for the purpose of ensuring that the Shareholders are provided with ready, equal and timely access to the balanced and understandable information about the Group.

於截至二零一九年十二月三十一日止年度內，董事會已委聘專業顧問公司負責履行內部審核職能及評估本公司的風險，並履行有關本集團業務的內部監控的商定程序。審核委員會及管理層將跟進前述專業顧問公司的建議，以進一步改善其風險管理及內部監控系統。本集團致力辨識、監測及管理有關其商業活動的風險。

董事會每年檢討本集團風險管理及內部監控系統之有效性。截至二零一九年十二月三十一日止年度的系統檢討包括但不限於本集團適應其業務轉型及不斷轉變的外在環境的能力；管理層檢討風險管理及內部監控系統的涵蓋範疇及素質；內部審計工作結果；就風險及內部監控檢討結果與董事會溝通的詳盡程度及次數；已識別的重大失誤或缺陷及其有關影響；以及上市規則的合規情況。董事會對本集團風險管理及內部監控系統涵蓋範疇感到滿意並認為系統屬有效及足夠。

處理及發佈內幕消息的程序及內部監控

本集團遵守證券及期貨條例及上市規則的規定。本集團於合理切實可行情況下盡快向公眾披露內幕消息，除非有關消息屬證券及期貨條例下任何安全港範圍內。在向公眾全面披露有關消息前，本集團確保消息嚴格保密。倘本集團認為無法保持必要的保密度，或可能已違反保密措施，本集團將即時向公眾披露消息。本集團致力確保發佈文件中所載資料就重大事實而言並不屬虛假或具誤導性，或鑑於以清晰平衡的方式呈列消息(就正面及負面事實需要相等披露而言)並不因遺漏重大事實而屬虛假或具誤導性。

與股東的溝通

本集團高度重視與股東的溝通。本集團採納股東通訊政策，旨在確保股東可適時取得全面、相同及容易理解的本集團資料。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Extensive information about the Group's activities has been provided in the annual reports and the interim reports which are sent to the Shareholders and are available on the HKEXnews website of the Stock Exchange and the Company's website. Shareholders may communicate with the Directors and senior management in the general meetings of the Company. External auditor is also invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the independent auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and independence of the auditor in relation to the conduct of the audit.

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting by the Shareholders

The procedures of convening an extraordinary general meeting by the Shareholders are as follows:

Pursuant to article 79 of the Articles of Association of the Company, general meetings may be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office, specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office, specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board, provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

年報及中期報告均已提供大量有關本集團業務的資料，該等報告將寄發予股東及載於聯交所披露易網站及本公司網站。股東或可於本公司的股東大會上與董事及高級管理人員溝通。外聘核數師亦獲邀請出席股東週年大會，以回答有關核數工作、獨立核數師報告之編製及內容、本公司就編製財務報表所採納之會計政策及核數師就審核工作之獨立性之問題。

股東權利

股東召開股東特別大會

股東召開股東特別大會之程序如下：

根據本公司的組織章程細則第79條，股東大會可應本公司任何兩名或以上股東的書面要求而召開，有關要求須送達本公司於香港的主要辦事處(或倘本公司不再設置上述主要辦事處，則為註冊辦事處)，當中列明大會的主要商議事項並由請求人簽署，惟該等請求人於送達要求之日須持有本公司附帶於本公司股東大會投票權不少於十分之一的繳足股本。股東大會亦可應本公司任何一名股東(為一間認可結算所(或其代名人)的書面要求而召開，有關要求須送達本公司於香港的主要辦事處(或倘本公司不再設置上述主要辦事處，則為註冊辦事處)，當中列明大會的主要商議事項並由請求人簽署，惟該請求人於送達要求之日須持有本公司附帶於本公司股東大會投票權不少於十分之一的繳足股本。倘董事會於送達要求之日起計21日內並無按既定程序召開將予在其後的21日內舉行的大會，請求人自身或代表彼等所持全部投票權一半以上的任何請求人可按盡量接近董事會召開大會的相同方式召開股東大會，惟按上述方式召開的任何大會不得於送達要求之日起計三個月屆滿後召開，且本公司須向請求人償付因應董事會未有召開大會而致使彼等須召開大會所產生的所有合理開支。

Putting forward proposals at Shareholders' meetings

There are no provisions allowing Shareholders to move new resolution at general meetings under the Articles of Association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting by following the procedures set out in the preceding paragraph.

Making enquires to the Board

Shareholders may make enquires to the Board in writing to the principal place of business of the Company in Hong Kong at Unit D3, 8/F, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the year ended 31 December 2019.

On behalf of the Board

CHING Chi Fai

Chairman

Hong Kong, 25 March 2020

於股東大會上提呈建議

本公司之組織章程細則並無列明股東可在股東大會上提呈任何新決議案。有意提呈決議案之股東可按上文所載程序要求本公司召開股東大會。

向董事會作出查詢

股東可向董事會作出書面查詢，該書面查詢可送至本公司香港主要營業地點，地址為香港新界荃灣海盛路3號TML廣場8樓D3室。

組織章程文件

截至二零一九年十二月三十一日止年度，本公司組織章程文件概無變動。

代表董事會

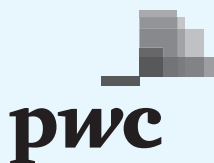
主席

程志輝

香港，二零二零年三月二十五日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



**TO THE SHAREHOLDERS OF
MING FAI INTERNATIONAL HOLDINGS LIMITED**
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Ming Fai International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 58 to 156, which comprise:

- the consolidated balance sheet as at 31 December 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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 2019, 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致明輝國際控股有限公司股東

(於開曼群島註冊成立之有限公司)

意見

我們已審核之內容

明輝國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第58至156頁的綜合財務報表，包括：

- 於二零一九年十二月三十一日的綜合資產負債表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，其中包括重大會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部份中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

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Independence

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.

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.

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

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

Key Audit Matter	關鍵審計事項
<p>Provision for impairment of trade receivables</p> <p><i>Refer to Notes 3(a)(iv), 4 and 13 to the consolidated financial statements for the related disclosures.</i></p> <p>As at 31 December 2019, the provision for impairment of trade receivables amounted to HK\$26.5 million, of which HK\$22.3 million was attributable to customers located in the People's Republic of China (the "PRC"). Provision is made for lifetime expected credit losses on trade receivables.</p> <p>Customers located in the PRC generally have a slower settlement pattern and may settle after the contractual credit period. Management applied judgement in assessing the expected credit losses. Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. Expected credit losses are also estimated by grouping the remaining receivables based on the shared credit risk characteristics and collectively assessed for the likelihood of recovery, taking into account the nature of the customer, its geographical location and its ageing category, and applying expected credit loss rates to the respective gross carrying amounts of the receivables. The expected credit loss rates are determined based on the historical credit losses experienced of up to past 3 years and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables.</p> <p>We focused on this area due to the estimation and judgement involved in determining the expected credit losses allowance of the trade receivables.</p>	<p>應收貿易賬款減值撥備</p> <p><i>有關相關事項的披露，請參閱綜合財務報表附註3(a)(iv)、4及13。</i></p> <p>於二零一九年十二月三十一日，應收貿易賬款的減值撥備為26.5百萬港元，其中22.3百萬港元來自位於中華人民共和國(「中國」)的客戶。撥備乃就應收貿易賬款整個存續期之預期信貸虧損而作出。</p> <p>位於中國的客戶清償速度一般較慢，其亦可能於合約信貸期後方清償款項。管理層評估預期信貸虧損時須運用判斷。會就已知出現財政困難或應收款項回收性存在重大疑問之客戶相關的應收款項作出減值撥備的個別評估。集團亦按共有之信貸風險特性將餘下應收款項組合以估計預期信貸虧損，並在考慮客戶性質、其所在地理位置及賬齡組別後，對各應收款項總賬面值應用預期信貸虧損比率，共同評估其可收回性。預期信貸虧損比率乃按過往最多三年的過往信貸虧損釐定，並作出調整以反映影響當前及前瞻資訊(例如有關影響客戶償還款項能力的宏觀經濟因素)。</p> <p>我們集中於此範疇，乃由於釐定應收貿易賬款的預期信用虧損撥備時涉及估計及判斷。</p>

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
獨立核數師報告(續)

Key Audit Matter

關鍵審計事項

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We understood and validated the credit control procedures performed by management, including its procedures on periodic review on aged trade receivables and assessment on the expected credit losses allowance of trade receivables. We tested on a sample basis, the accuracy of ageing profile of trade receivables by checking to the underlying sales invoices. We tested on sample basis, the subsequent settlement of trade receivables against bank receipts. We obtained management's assessment on the expected credit losses allowance of receivables. We corroborated and validated management's assessment based on the historical settlement pattern of up to past 3 years, correspondence with the customers and market research regarding the relevant forward-looking information such as macroeconomic factors used in management's assessment.

我們了解和驗證管理層執行的信用監控程序，包括其對逾期應收貿易賬款的定期審查程序，以及應收貿易賬款預期信貸虧損撥備的評估。我們已藉著抽樣檢查相關銷售發票測試應收貿易賬款的賬齡組合的準確性。我們已根據銀行收據抽樣測試應收貿易賬款的期後償付情況。我們取得管理層對應收款項預期信貸虧損撥備作出的評估。我們證實和驗證管理層按過往最多三年的過往收款模式、客戶通訊及相關前瞻資訊(例如管理層評估所用的宏觀經濟因素)有關的市場研究作出的評估。

Based upon the above, we found that the estimation and judgement made by management in respect of the expected credit losses allowance and the collectability of trade receivables were supportable by the available evidence.

根據上文所述，我們發現管理層就應收貿易賬款的預期信貸虧損撥備及可收回性所作出的估計及判斷有可得的憑證支持。

OTHER INFORMATION

其他信息

The directors of the Company are responsible for the other information. The other information comprises all of 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信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

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

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.

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

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.

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion 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 HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事及管理層就綜合財務報表須承擔的責任

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

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

管理層須負責監督 貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

As part of an audit in accordance with HKSAAs, 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.
 - 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.
- 在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
 - 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
 - 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
 - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
 - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
 - 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
獨立核數師報告(續)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Tak Wai, Daniel.

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

我們還向管理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

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

出具本獨立核數師報告的審計項目合夥人是陳德威。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 March 2020

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年三月二十五日

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 於十二月三十一日

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		Note 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Goodwill	商譽	10(a)	10,354	5,413
Land use rights	土地使用權	6	–	67,716
Property, plant and equipment	物業、廠房及設備	7	400,631	351,093
Right-of-use assets	使用權資產	8(a)	108,692	–
Investment property	投資物業	9	13,707	14,005
Intangible assets	無形資產	10(b)	1,512	2,598
Deferred income tax assets	遞延所得稅資產	11	3,850	3,610
Other non-current assets	其他非流動資產	16	24,146	16,923
Investment in an associated company	於一間聯營公司的投資		5,869	5,408
Investments in joint ventures	於合營企業的投資		363	307
Other financial assets at amortised cost	按攤銷成本列賬之 其他金融資產	15	425	371
Total non-current assets	非流動資產總額		569,549	467,444
Current assets	流動資產			
Inventories	存貨	12	271,064	243,817
Other current assets	其他流動資產	16	39,801	35,030
Tax recoverable	可收回稅項		194	4,100
Other financial assets at amortised cost	按攤銷成本列賬之 其他金融資產	15	12,363	11,863
Amounts due from joint ventures	應收合營企業款項	37	35	265
Amount due from an associated company	應收一間聯營公司款項	14	5,046	3,125
Trade and bills receivables	應收貿易賬款及票據	13	591,749	666,408
Short-term bank deposits	短期銀行存款	17	295	521
Cash and cash equivalents	現金及現金等值項目	18	348,849	272,478
Total current assets	流動資產總額		1,269,396	1,237,607
Total assets	資產總額		1,838,945	1,705,051
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人 應佔權益			
Share capital	股本	21	7,343	7,282
Reserves	儲備		1,139,045	1,078,847
Final dividend proposed	建議末期股息	33	22,028	36,428
			1,168,416	1,122,557
Non-controlling interests	非控股權益		(37,510)	(32,027)
Total equity	總權益		1,130,906	1,090,530

CONSOLIDATED BALANCE SHEET (CONTINUED)

綜合資產負債表(續)

As at 31 December 於十二月三十一日

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		Note 附註		
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Deferred income tax liabilities	遞延所得稅負債	11	7,361	7,460
Other non-current payables	其他非流動應付款項	24	6,495	2,879
Borrowings	借貸	22	1,120	–
Lease liabilities	租賃負債	8(a)	2,929	–
Total non-current liabilities	非流動負債總額		17,905	10,339
Current liabilities	流動負債			
Trade payables	應付貿易賬款	23	226,430	226,516
Accruals and other payables	應計費用及其他應付款項	24	332,166	299,246
Current income tax liabilities	即期所得稅負債		43,395	28,164
Borrowings	借貸	22	65,303	34,588
Lease liabilities	租賃負債	8(a)	5,208	–
Loans from non-controlling interests	來自非控股權益之貸款	25	17,446	15,492
Dividends payable	應付股息		186	176
Total current liabilities	流動負債總額		690,134	604,182
Total liabilities	負債總額		708,039	614,521
Total equity and liabilities	總權益及負債		1,838,945	1,705,051

The consolidated financial statements on page 58 to 156 were approved by the Board of Directors on 25 March 2020 and were signed on its behalf.

第58至156頁的綜合財務報表於二零二零年三月二十五日經董事會批准並由以下董事代表簽署。

CHING Chi Fai
程志輝
Director
董事

CHING Tsun Wah
程俊華
Director
董事

The notes on pages 64 to 156 are an integral part of these consolidated financial statements.

第64至156頁的附註為此等綜合財務報表的整體部份。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 截至十二月三十一日止年度

		Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收入	5	2,043,095	2,052,708
Cost of sales	銷售成本	26	(1,546,839)	(1,587,373)
Gross profit	毛利		496,256	465,335
Other income	其他收入	27	11,114	6,056
Distribution costs	分銷成本	26	(243,468)	(231,181)
Administrative expenses	行政開支	26	(127,813)	(122,817)
Net (impairment losses)/reversal of impairment losses on financial assets	金融資產(減值虧損)/減值虧損撥回淨額	26	(9,701)	11,351
Operating profit	經營溢利		126,388	128,744
Finance income	財務收入	29	1,515	877
Finance costs	財務成本	29	(1,754)	(1,206)
Share of profit of an associated company	應佔一間聯營公司溢利		897	1,948
Share of profit of a joint venture	應佔一間合營企業溢利		56	95
Fair value gain on an investment property	一項投資物業之公平值收益	9	-	473
Profit before income tax	未計所得稅前溢利		127,102	130,931
Income tax expenses	所得稅開支	31	(35,022)	(34,850)
Profit for the year	年度溢利		92,080	96,081
Other comprehensive loss	其他全面虧損			
<i>Items that may be subsequently reclassified to profit or loss</i>	<i>其後可能重新分類至損益之項目</i>			
Currency translation differences	貨幣換算差額		(6,894)	(12,358)
Realisation of exchange reserve upon dissolution of subsidiaries	解散附屬公司時變現匯兌儲備		(1,280)	-
Total comprehensive income for the year	年度全面收益總額		83,906	83,723
Profit/(loss) attributable to:	應佔溢利/(虧損):			
Owners of the Company	本公司擁有人		97,936	100,249
Non-controlling interests	非控股權益		(5,856)	(4,168)
			92,080	96,081
Total comprehensive income/(loss) attributable to:	應佔全面收益/(虧損)總額:			
Owners of the Company	本公司擁有人		89,469	87,426
Non-controlling interests	非控股權益		(5,563)	(3,703)
			83,906	83,723
Earnings per share attributable to owners of the Company (expressed in HK cents)	本公司擁有人應佔每股盈利(以港仙列示)			
Basic	基本	32(a)	13.5	13.9
Diluted	攤薄	32(b)	13.4	13.8

The notes on pages 64 to 156 are an integral part of these consolidated financial statements.

第64至156頁的附註為此等綜合財務報表的整體部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 截至十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔						
		Shares held for the share award scheme (the "Scheme") 就股份獎勵 計劃(「計劃」)				Sub-total	Non- controlling interests	Total equity
		Share capital	Share premium	Other reserves	Share premium			
		股本	持有之股份	股份溢價	其他儲備	小計	非控股權益	總權益
		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
Balance at 1 January 2018	於二零一八年 一月一日之結餘	7,265	(2,089)	608,538	475,050	1,088,764	(28,324)	1,060,440
Comprehensive income/(loss)	全面收益/(虧損)							
Profit/(loss) for the year	本年度溢利/(虧損)	-	-	-	100,249	100,249	(4,168)	96,081
Other comprehensive (loss)/income	其他全面(虧損)/ 收益							
Currency translation differences	貨幣換算差額	-	-	-	(12,823)	(12,823)	465	(12,358)
Total comprehensive income/(loss)	全面收益/(虧損) 總額	-	-	-	87,426	87,426	(3,703)	83,723
Exercise of share options (Note 20(a))	行使購股權 (附註20(a))	17	-	1,010	-	1,027	-	1,027
Purchase of shares for the Scheme (Note 20(b))	就計劃購入之股份 (附註20(b))	-	(3,962)	-	-	(3,962)	-	(3,962)
Final dividend relating to 2017	二零一七年度之 末期股息	-	-	-	(36,206)	(36,206)	-	(36,206)
Interim dividend relating to 2018	二零一八年度之 中期股息	-	-	-	(14,492)	(14,492)	-	(14,492)
Balance at 31 December 2018	於二零一八年十二月 三十一日之結餘	7,282	(6,051)	609,548	511,778	1,122,557	(32,027)	1,090,530

The notes on pages 64 to 156 are an integral part of these consolidated financial statements.

第64至156頁的附註為此等綜合財務報表的整體部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

For the year ended 31 December 截至十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					Non-controlling interests	Total equity
		Share capital	Shares held for the Scheme 就計劃持有之股份	Share premium	Other reserves	Sub-total		
		股本	持有之股份	股份溢價	其他儲備	小計	非控股權益	
		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	
Balance at 1 January 2019	於二零一九年一月一日之結餘	7,282	(6,051)	609,548	511,778	1,122,557	(32,027)	1,090,530
Comprehensive income/(loss)	全面收益/(虧損)							
Profit/(loss) for the year	本年度溢利/(虧損)	-	-	-	97,936	97,936	(5,856)	92,080
Other comprehensive (loss)/income	其他全面(虧損)/收益							
Currency translation differences	貨幣換算差額	-	-	-	(7,187)	(7,187)	293	(6,894)
Realisation of exchange reserve upon dissolution of subsidiaries	解散附屬公司時變現匯兌儲備	-	-	-	(1,280)	(1,280)	-	(1,280)
Total comprehensive income/(loss)	全面收益/(虧損)總額	-	-	-	89,469	89,469	(5,563)	83,906
Exercise of share options (Note 20(a))	行使購股權(附註20(a))	61	-	3,713	-	3,774	-	3,774
Final dividend relating to 2018 (Note 33)	二零一八年度之末期股息(附註33)	-	-	-	(36,442)	(36,442)	-	(36,442)
Interim dividend relating to 2019 (Note 33)	二零一九年度之中期股息(附註33)	-	-	-	(10,942)	(10,942)	-	(10,942)
Non-controlling interest arising on acquisition of a subsidiary (Note 36)	收購一間附屬公司產生之非控股權益(附註36)	-	-	-	-	-	80	80
Balance at 31 December 2019	於二零一九年十二月三十一日之結餘	7,343	(6,051)	613,261	553,863	1,168,416	(37,510)	1,130,906

The notes on pages 64 to 156 are an integral part of these consolidated financial statements.

第64至156頁的附註為此等綜合財務報表的整體部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 截至十二月三十一日止年度

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash flows from operating activities	經營活動的現金流量			
Cash generated from operations	經營業務所得的現金	34(a)	252,663	109,718
Interests paid	已付利息		(1,754)	(1,206)
Income tax paid	已繳所得稅		(15,811)	(35,024)
Net cash generated from operating activities	經營活動所得現金淨額		235,098	73,488
Cash flows from investing activities	投資活動的現金流量			
Purchase of property, plant and equipment	購入物業、廠房及設備		(136,082)	(73,798)
Purchase of right-of-use asset	購入使用權資產		(6,840)	-
Purchase of land use rights	購入土地使用權		-	(33,029)
Purchase of intangible assets	購入無形資產		(1,064)	(637)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	34(b)	4,805	468
Payment for business combination, net of cash acquired	業務合併的付款，扣除已收購的現金	36	(956)	(16,290)
Interests received	已收利息		1,515	877
Short-term bank deposits with maturity over 3 months	到期日超過三個月的短期銀行存款		226	(460)
Dividends received from an associated company	已收一間聯營公司股息		472	286
Net cash used in investing activities	投資活動所用現金淨額		(137,924)	(122,583)
Cash flows from financing activities	融資活動的現金流量			
Purchase of shares for the Scheme	就計劃購入之股份		-	(3,962)
Proceeds from borrowings	借貸所得款項	34(c)	46,968	50,000
Repayments of borrowings	償還借貸	34(c)	(16,878)	(37,582)
Principal elements of lease payments	租賃付款的本金部份	34(c)	(5,420)	-
Dividends paid to Company's shareholders	已付本公司股東股息		(47,374)	(50,624)
Proceeds from loans from non-controlling interests	來自非控股權益貸款的所得款項	34(c)	500	1,000
Proceeds from exercise of share options	行使購股權所得款項	20(a)	3,774	1,027
Net cash used in financing activities	融資活動所用現金淨額		(18,430)	(40,141)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加/(減少)淨額		78,744	(89,236)
Cash and cash equivalents at the beginning of the year	年初的現金及現金等值項目		272,478	367,759
Exchange loss on cash and cash equivalents	現金及現金等值項目的匯兌虧損		(2,373)	(6,045)
Cash and cash equivalents at the end of the year	年末的現金及現金等值項目	18	348,849	272,478

The notes on pages 64 to 156 are an integral part of these consolidated financial statements.

第64至156頁的附註為此等綜合財務報表的整體部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL INFORMATION

Ming Fai International Holdings Limited (the “Company”) is an investment holding company. Its subsidiaries are principally engaged in manufacturing and trading of hospitality supplies products and trading of operating supplies and equipment.

The Company was incorporated in the Cayman Islands on 29 May 2007 as an exempted company with limited liability under the Companies Law (2007 Revision) of the Cayman Islands. Its registered address is at the offices of M&C Corporate Services Limited, P.O. Box 309GT, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (“HK\$’000”), unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors (the “Board”) on 25 March 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by revaluation of an investment property, which is carried at fair value.

1 一般資料

明輝國際控股有限公司(「本公司»)為一間投資控股公司，其附屬公司主要從事製造及銷售酒店供應品類產品及銷售營運用品及設備。

本公司根據開曼群島公司法(二零零七年修訂版)於二零零七年五月二十九日在開曼群島註冊成立為獲豁免有限責任公司。其註冊地址為M&C Corporate Services Limited, P.O. Box 309GT, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands的辦事處。

本公司於香港聯合交易所有限公司(「聯交所»)主板進行第一上市。

除另有所指外，此等綜合財務報表乃按千港元(「千港元»)列值。此等綜合財務報表已於二零二零年三月二十五日獲董事會(「董事會»)批准刊發。

2 重大會計政策概要

本附註載列編製此等綜合財務報表所採用的主要會計政策清單。除另有所指外，此等政策已於所有呈報年度貫徹採用。財務報表為本集團(由本公司及其附屬公司組成)編製。

(a) 編製基準

本集團的綜合財務報表乃按香港會計師公會(「香港會計師公會»)頒佈之香港財務報告準則(「香港財務報告準則»)以及香港《公司條例》的披露規定編製。綜合財務報表乃按歷史成本法編製，並經按公平值列賬之一項投資物業之重估予以修訂。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(b) New and amended standards adopted by the Group**

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- Annual Improvements to HKFRS Standards 2015 – 2017 Cycle;
- Amendments to HKAS 19 Plan Amendment, Curtailment or Settlement;
- Amendments to HKAS 28 Long-term Interests in Associates and Joint Ventures;
- Amendments to HKFRS 9 Prepayment Features with Negative Compensation;
- HKFRS 16 Leases (“HKFRS 16”); and
- Interpretation 23 Uncertainty over Income Tax Treatments.

The below explains the impact of adoption of HKFRS 16 on the Group’s consolidated financial statements and discloses the new accounting policies that have been applied from 1 January 2019. The other standards did not have any material impact on the Group’s accounting policies and did not require any adjustment.

2 重大會計政策概要(續)**(b) 本集團採納之新訂及經修訂準則**

本集團已於二零一九年一月一日開始之年度報告期間首次應用下列準則及修訂：

- 香港財務報告準則二零一五年至二零一七年週期的年度改進；
- 香港會計準則第19號(修訂本)計劃修訂、縮減或結算；
- 香港會計準則第28號(修訂本)於聯營公司及合營企業的長期權益；
- 香港財務報告準則第9號(修訂本)具有負補償的提早還款特性；
- 香港財務報告準則第16號租賃(「香港財務報告準則第16號」)；及
- 詮釋第23號所得稅處理的不確定性。

下文說明採納香港財務報告準則第16號對本集團綜合財務報表的影響，並披露已由二零一九年一月一日起應用的新會計政策。其他準則對本集團的會計政策並無任何重大影響及毋須作出任何調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) New and amended standards adopted by the Group (Continued)

(i) Accounting policies applied from 1 January 2019

Accounting for leases as lessee from 1 January 2019

From 1 January 2019, a lease is recognised as a right-of-use asset and a corresponding liability at the date on which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of comprehensive income over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed lease payments and variable lease payment that are based on an index or rate.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- prepayment;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

2 重大會計政策概要(續)

(b) 本集團採納之新訂及經修訂準則(續)

(i) 自二零一九年一月一日起應用之會計政策

自二零一九年一月一日起對作為承租人之租賃之會計處理

自二零一九年一月一日起，租賃確認為使用權資產，並在租賃資產可供本集團使用之日確認相應負債。每筆租賃付款會分配至負債及財務成本。財務成本於租期內從綜合全面收益表扣除，以計算出各期間餘下負債結餘的固定週期利率。使用權資產乃按資產可使用年期及租期(以較短者為準)以直線法折舊。

租賃所產生的資產及負債初步以現值進行計量。租賃負債包括固定租賃付款及按指數或利率計算的可變租賃付款的淨現值。

租賃付款採用租賃所隱含的利率(如能釐定該利率)或本集團之增量借款利率予以貼現。

使用權資產按包含以下各項之成本計量：

- 租賃負債的初步計量金額；
- 預付款項；
- 任何初始直接成本；及
- 修復成本。

與短期租賃及低價值資產租賃相關的付款以直線法於綜合全面收益表中確認為開支。短期租賃指租期為12個月或以下的租賃。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(b) New and amended standards adopted by the Group (Continued)***(i) Accounting policies applied from 1 January 2019 (Continued)*

Accounting for leases as lessor from 1 January 2019

The lessor accounting under HKFRS 16 did not have any significant impact on the Group's accounting policies.

(ii) Impact of adoption of HKFRS 16

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provision in the standard. The adjustments arising from the new leasing rules are therefore recognised in the opening consolidated balance sheet on 1 January 2019.

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of lease with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019; and
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.

2 重大會計政策概要(續)**(b) 本集團採納之新訂及經修訂準則(續)***(i) 自二零一九年一月一日起應用之會計政策(續)*

自二零一九年一月一日起對作為出租人之租賃之會計處理

根據香港財務報告準則第16號的出租人會計處理對本集團的會計政策並無任何重大影響。

(ii) 採納香港財務報告準則第16號

本集團自二零一九年一月一日起追溯採納香港財務報告準則第16號，但並無就二零一八年報告期間重列比較數字(此做法為準則中的特定過渡條文所允許)。因此，新租賃規則產生的調整於二零一九年一月一日在期初綜合資產負債表中確認。

於首次應用香港財務報告準則第16號時，本集團已使用該準則所允許的以下實務權宜安排：

- 對具有合理相似特徵的租賃組合使用單一貼現率；
- 依賴前期關於租賃是否為虧損合同的評估，來替代減值測試—於二零一九年一月一日概無虧損合約；及
- 對於二零一九年一月一日剩餘租期少於12個月之營運租賃，作為短期租賃進行會計處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) New and amended standards adopted by the Group (Continued)

(ii) Impact of adoption of HKFRS 16 (Continued)

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made applying HKAS 17 Leases (“HKAS 17”) and Hong Kong (Financial Reporting Interpretations Committee) 4 “Determining whether an Arrangement contains a Lease”.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of HKAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.77%.

For leases previously classified as finance leases, the Group recognised the carrying amounts of the lease assets and lease liabilities immediately before transition as the carrying amounts of the right-of-use assets and the lease liabilities at the date of initial application. The measurement principles of HKFRS 16 are only applied after that date. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

Some property leases contain variable payment terms that are linked to sales generated from a store. Variable lease payments that depend on sales are recognised in the consolidated statement of comprehensive income in the period in which the condition that triggers those payments occurs. During the year ended 31 December 2019, no variable lease payment was recognised in the consolidated statement of comprehensive income.

2 重大會計政策概要(續)

(b) 本集團採納之新訂及經修訂準則(續)

(ii) 採納香港財務報告準則第16號(續)

本集團亦已選擇不重新評估合約在首次應用日期是否屬於租賃或是否包含租賃。取而代之的是，就過渡日期前訂立的合約而言，本集團依賴其應用香港會計準則第17號租賃（「香港會計準則第17號」）及香港財務報告詮釋委員會第4號「釐定安排是否包含租賃」而作出之評估。

於採納香港財務報告準則第16號時，本集團就先前根據香港會計準則第17號的原則分類為營運租賃的租賃確認租賃負債。此等負債按租賃付款餘額的現值（使用承租人於二零一九年一月一日的增量借款利率貼現）計量。於二零一九年一月一日應用於租賃負債的加權平均承租人增量借款利率為5.77%。

就過往分類為融資租賃之租賃，本集團將租賃資產及租賃負債於緊接過渡前之賬面值確認為首次應用日期使用權資產及租賃負債之賬面值。香港財務報告準則第16號之計量原則僅於該日後適用。重新計量至租賃負債於緊隨首次應用日期後確認為有關使用權資產調整。

部分物業租賃包含與店舖產生銷售額相連的可變付款條款。取決於銷售額之可變租賃付款乃於觸發該等付款之條件出現之期間內於綜合全面收益表確認。於截至二零一九年十二月三十一日止年度，概無於綜合全面收益表確認可變租賃付款。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(b) New and amended standards adopted by the Group (Continued)***(ii) Impact of adoption of HKFRS 16 (Continued)*

On adoption of HKFRS 16, the Group did not need to make any adjustment to the accounting for investment property held as lessor as a result of adopting the new leasing standard.

Lease liabilities of Hong Kong dollars ("HK\$") 5,224,000 was recognised on 1 January 2019 as a result of adoption of HKFRS 16. It represents the net present value of the operating lease commitment as at 31 December 2018, discounted using the lessee's incremental borrowing rate on the date of initial application, excluding short term lease payments of HK\$3,945,000.

The associated right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

2 重大會計政策概要(續)**(b) 本集團採納之新訂及經修訂準則(續)***(ii) 採納香港財務報告準則第16號(續)*

於採納香港財務報告準則第16號後，本集團毋須因為採納新租賃準則而對於以出租人身份持有之投資物業之會計處理作出任何調整。

因採納香港財務報告準則第16號，租賃負債約5,224,000港元(「港元」)，乃於二零一九年一月一日確認。該款項是以二零一八年十二月三十一日的增量借款利率為營運租賃負擔予以貼現，並扣除於首次應用日期的短期租賃3,945,000港元所計算的。

租賃相關之使用權資產乃按相當於租賃負債的金額計量，並按於二零一八年十二月三十一日在綜合資產負債表確認之租賃有關的任何預付或應計租賃付款的款項進行調整。於首次應用日期概無任何須對使用權資產作出調整的虧損租賃合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) New and amended standards adopted by the Group (Continued)

(ii) Impact of adoption of HKFRS 16 (Continued)

The recognised right-of-use assets relate to the following types of assets:

		1 January 2019 二零一九年 一月一日 HK\$'000 千港元
Office premises	辦公室物業	89,771
Factory buildings	廠房樓宇	11,617
Warehouse	倉庫	2,506
Total right-of-use assets	使用權資產總額	103,894

The change in accounting policy resulted in the recognition of right-of-use assets and lease liabilities approximated to HK\$103,894,000 and HK\$5,224,000 in the opening consolidated balance sheet on 1 January 2019 respectively. Among the right-of-use assets recognised on 1 January 2019, balances approximated to HK\$30,920,000, HK\$67,716,000 and HK\$34,000 were reclassified from property, plant and equipment, land use rights and other current assets respectively.

The change in accounting policy did not have any impact on the Group's retained earnings as at 1 January 2019.

(c) New standards and interpretations not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 2019 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 重大會計政策概要(續)

(b) 本集團採納之新訂及經修訂準則(續)

(ii) 採納香港財務報告準則第16號(續)

已確認使用權資產與下列種類之資產有關：

		1 January 2019 二零一九年 一月一日 HK\$'000 千港元
Office premises	辦公室物業	89,771
Factory buildings	廠房樓宇	11,617
Warehouse	倉庫	2,506
Total right-of-use assets	使用權資產總額	103,894

會計政策變動導致於二零一九年一月一日之期初綜合資產負債表內確認使用權資產及租賃負債分別約103,894,000港元及5,224,000港元。於二零一九年一月一日確認之使用權資產中，約30,920,000港元、67,716,000港元及34,000港元之結餘分別從物業、廠房及設備、土地使用權及其他流動資產重新分類。

會計政策之變更對本集團於二零一九年一月一日之保留盈利並無任何影響。

(c) 本集團尚未採納之新訂準則及詮釋

若干已頒佈之新訂會計政策及詮釋並無於二零一九年報告期間強制生效，且並無獲本集團提前採納。預期此等準則不會於目前或未來報告期間對本集團及可見未來的交易造成重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(d) Principles of consolidation and equity accounting****(i) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2(e)).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (refer to Note 2(iv) below), after initially being recognised at cost.

(iii) Joint arrangements

Under HKFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has investments in joint ventures.

Joint ventures

Investments in joint ventures are accounted for using the equity method (refer to Note 2(iv) below), after initially being recognised at cost in the consolidated balance sheet.

2 重大會計政策概要(續)**(d) 合併及權益會計原則****(i) 附屬公司**

附屬公司指本集團對其有控制權之所有實體(包括結構性實體)。本集團對實體有控制權,是指本集團因參與該實體之營運而承受風險或有權享有其可變回報,並能夠運用其對實體活動之直接權力影響上述回報。附屬公司的業績乃自控股權轉至本集團當日起全面綜合計算,並自該控股權終止當日起不再綜合計算。

本集團的業務合併使用收購會計法會計入賬(請參閱附註2(e))。

集團內公司間的交易、本集團成員公司之間的交易結餘及未變現收益會予以對銷。除非有證據顯示交易所轉移的資產出現減值,否則未變現虧損亦會對銷。附屬公司的會計政策已按需要作出改變,以確保與本集團所採納者一致。

非控股權益的業績及附屬公司的權益分別於綜合全面收益表、綜合權益變動表及綜合資產負債表中獨立呈列。

(ii) 聯營公司

聯營公司指本集團對其有重大影響力但不擁有控制權或共同控制權之所有實體。本集團通常持有其20%至50%的投票權。於初步按成本確認後,聯營公司的投資採用會計權益法列賬(請參閱下文附註2(iv))。

(iii) 合營安排

根據香港財務報告準則第11號合營安排,於合營安排的投資分類為共同經營或合營企業。分類視乎各投資者的合約權益及責任(而非合營安排的法律架構)而定。本集團已於合營企業作出投資。

合營企業

初步按成本於綜合資產負債表中確認後,於合營企業的投資使用權益法會計入賬(請參閱下文附註2(iv))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Principles of consolidation and equity accounting (Continued)

(iv) Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2(n).

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

2 重大會計政策概要(續)

(d) 合併及權益會計原則(續)

(iv) 權益會計

根據權益會計法，投資初步按成本確認，並隨後於損益中作出調整以確認本集團收購後應佔被投資者溢利或虧損，於其他全面收益中作出調整以確認本集團應佔被投資者其他全面收益變動。自聯營公司及合營企業已收取或應收的股息確認為自投資賬面值扣除。

倘本集團應佔股權投資虧損等於或超過其於實體的權益(包括任何其他無抵押長期應收款項)，本集團不會確認進一步虧損，除非其代表其他實體承擔責任或支付款項。

本集團與其聯營公司及合營企業間所進行交易的未變現收益按本集團佔此等實體的權益予以抵銷。未變現虧損亦會抵銷，除非交易能提供證據表明所轉撥資產出現減值。被股權投資者的會計政策已於必要時作出變動，以確保與本集團採納之政策一致。

股權投資賬面值已根據附註2(n)所述的政策作出減值測試。

(v) 擁有權權益變動

本集團將不會導致喪失控股權的非控股權益交易視為與本集團股權擁有人進行交易。倘擁有權權益出現變動，將於控股及非控股權益的賬面值作出調整，以反映其各自於附屬公司擁有的權益。於非控股權益作出調整的任何差額及任何已付或應收代價於本集團擁有人應佔權益中確認為獨立儲備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(d) Principles of consolidation and equity accounting (Continued)****(v) Changes in ownership interests (Continued)**

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(e) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

2 重大會計政策概要(續)**(d) 合併及權益會計原則(續)****(v) 擁有權權益變動(續)**

倘本集團因喪失控制權、共同控制權或重大影響力而不再就投資綜合入賬或自權益中入賬，其於該實體的任何保留權益按其公平值重新計量，而賬面值變動則於損益內確認。就隨後入賬列作聯營公司、合營企業或金融資產的保留權益而言，公平值指初步賬面值。此外，先前於其他全面收入內確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。這可能意味著先前在其他全面收入內確認的金額重新劃分為溢利或虧損，或轉移至適用香港財務報告準則所指定/允許的另一類別權益。

倘於合營企業或聯營公司的擁有權權益減少，惟共同控制或重大影響力獲保留，則先前於其他全面收入內確認的金額僅有一定比例部分重新劃分為溢利或虧損(如適用)。

(e) 業務合併

所有業務合併均使用收購會計法會計入賬，而不論是否收購股本工具或其他資產。收購附屬公司的代價包括：

- 轉讓資產的公平值；
- 收購業務前擁有人所產生的負債；
- 本集團所發行的股權；
- 或然代價安排所產生的任何資產或負債公平值；及
- 該附屬公司的任何先前存在的股權公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Business combinations (Continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

2 重大會計政策概要(續)

(e) 業務合併(續)

在業務合併中所收購的可識別資產、所承擔的負債及或然負債，(在有限的例外情況下)均於收購當日按其公平值作出初步計量。本集團以個別收購的公平值或非控股權益分佔收購實體可識別淨資產的部分為基準確認於收購實體的任何非控股權益。

收購相關成本在產生時支銷。

倘

- 所轉讓代價；
- 所收購實體之任何非控股權益金額；及
- 任何先前於所收購實體之股權於收購日期之公平值

超逾所收購可識別淨資產公平值之差額，則入賬列作商譽。倘該等金額均低於所收購業務的可識別淨資產公平值，則差額直接於損益中確認為議價收購。

或然代價被分類為權益或金融負債。分類為金融負債的金額其後重新計量為公平值，而公平值的變動於損益中確認。

倘業務合併分階段進行，則收購方先前持有被收購方的股權的收購日賬面價值在收購日重新計量為公平值。有關重新計量所產生的任何收益或虧損均於損益中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(g) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board that makes strategic decisions.

(h) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income.

2 重大會計政策概要(續)

(f) 獨立財務報表

於附屬公司之投資按成本減減值列賬。成本包括投資的直接應佔費用。附屬公司的業績由本公司按已收股息及應收股息基準入賬。

當收取有關投資之股息時，倘有關股息高於宣派股息期間該附屬公司之全面收入總額，或倘有關投資於獨立財務報表之賬面值高於綜合財務報表內被投資公司資產淨值(包括商譽)的賬面值，則須對於該等附屬公司之投資進行減值測試。

(g) 分類報告

業務分類的呈報方式與向主要營運決策者提供的內部報告貫徹一致。主要營運決策者(負責分配資源及評估業務分類的表現)被確認為作出策略性決策的董事會。

(h) 外幣換算

(i) *功能及呈列貨幣*

本集團內各實體的財務報表所載的項目以該實體經營所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以本公司的功能及本集團的呈列貨幣港元呈列。

(ii) *交易及結餘*

外幣交易採用交易日期或項目重新計量時的估值日期所通用匯率換算為功能貨幣。

與借貸有關的匯兌收益及虧損乃於綜合全面收益表的融資成本內呈列。所有其他匯兌收益及虧損乃於綜合全面收益表內呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Foreign currency translation (Continued)

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

(iv) Disposal of foreign operation and partial disposal

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

2 重大會計政策概要(續)

(h) 外幣換算(續)

(iii) 集團公司

功能貨幣有別於呈列貨幣的所有集團實體(其中並無任何實體持有通脹嚴重的經濟體系的貨幣)的業績及財務狀況,均按以下方式換算為呈列貨幣:

- 於各資產負債表呈列的資產及負債乃按有關結算日的收市匯率換算;
- 各全面收益表的收支乃按平均匯率換算(除非該平均值並非合理地貼近交易日通行匯率的累積影響,在該情況下,收支於有關交易日期當日換算);及
- 所有因而產生的貨幣匯兌差額於其他全面收益中確認。

收購海外實體所產生的商譽及公平值調整視為海外實體的資產及負債處理,並按收市匯率換算。產生的貨幣換算差額於其他全面收益中確認。

(iv) 出售海外業務及出售部分權益

於出售海外業務(即出售本集團於一項海外業務的全部權益;或涉及失去包含海外業務的附屬公司控制權的出售;或涉及失去包含一項海外業務的一間合營企業共同控制權的出售;或涉及失去對包含海外業務的一間聯營公司重大影響力的出售)時,本公司擁有人應佔就有關業務於權益累計的所有貨幣換算差額重新分類至損益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(h) Foreign currency translation (Continued)****(iv) Disposal of foreign operation and partial disposal (Continued)**

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

(i) Property, plant and equipment

Except for freehold land with indefinite useful life which is not amortised and stated at historical cost less impairment, all other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial year in which they are incurred.

Until 31 December 2018, leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use and is amortised on a straight-line basis over the period of the lease. From 1 January 2019, the date of initial application of HKFRS 16, the leasehold land previously classified as finance lease is accounted for as right-of-use asset under HKFRS 16 (refer to Note 2(ab)).

Depreciation for buildings is calculated using the straight-line method to allocate cost over its estimated useful lives of 20 years.

2 重大會計政策概要(續)**(h) 外幣換算(續)****(iv) 出售海外業務及出售部分權益(續)**

如出售部分權益不會導致本集團失去對包含海外業務的附屬公司控制權，按比例所分佔的累計貨幣換算差額重新撥歸非控股權益，且不會於損益確認。就所有其他部分權益出售(即本集團於聯營公司或合營企業的擁有權權益減少，而並無導致本集團失去重大影響力或共同控制)，按比例所分佔的累計匯兌差額重新分類至損益。

(i) 物業、廠房及設備

除有永久使用權之永久業權土地不需攤銷及歷史成本法入賬，所有其他物業、廠房及設備按歷史成本減累計折舊及累計減值虧損入賬。歷史成本包括收購項目直接產生的開支。

僅當與該項目有關之日後經濟利益可能流入本集團，且該項目成本能可靠計量時，其後成本方會計入資產的賬面值或確認為一項獨立資產(如適用)。單獨資產中任何組成部分的賬面價值在更換時終止確認。所有其他維修及保養於產生的財政年度在綜合全面收益表內列賬。

直至二零一八年十二月三十一日止，分類為融資租賃的租賃土地於土地權益可供原定用途使用時開始攤銷，並按直線基準於租期內攤銷。於二零一九年一月一日(香港財務報告準則第16號的首次應用日期)，過往分類為融資租賃的租賃土地根據香港財務報告準則第16號作為使用權資產入賬(請參閱附註2(ab))。

樓宇的折舊是以直線法將成本按其估計可使用年期(20年)分攤而計算得出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Property, plant and equipment (Continued)

Depreciation for other property, plant and equipment is calculated using the straight-line method to allocate their cost over their estimated useful lives, at the following rates per annum:

Leasehold improvements	Shorter of 10 years or lease period
Plant and machinery	10% – 33%
Motor vehicles	20%
Furniture and fixtures	33%
Computer equipment	33%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the consolidated statement of comprehensive income.

Construction in progress represents property, plant and equipment under construction or pending installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

(j) Land use rights (included in right-of-use assets)

From 1 January 2019, the date of initial application of HKFRS 16, land use rights are accounted for as right-of-use assets (refer to Note 2(b)).

Until 31 December 2018, land use rights are stated at cost less accumulated amortisation and impairment losses. Cost represents up-front prepayments made for the rights to use the land for periods varying from 20 to 50 years.

Amortisation of land use rights is expensed in the consolidated statement of comprehensive income on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in the consolidated statement of comprehensive income.

2 重大會計政策概要(續)

(i) 物業、廠房及設備(續)

其他物業、廠房及設備的折舊概以直線法將其成本按其估計可使用年期分攤而計算得出，所採用之年率如下：

租賃物業裝修	10年或租賃期兩者之較短者
廠房及機器	10% – 33%
汽車	20%
傢俬及裝置	33%
電腦設備	33%

資產之剩餘價值及可使用年期會在各結算日予以檢討並加以調整(如適用)。

倘資產的賬面值較其估計可收回金額為高，該資產之賬面值會立即撇減至其可收回金額。

出售的盈虧按所得款項與賬面值的差額釐定，並於綜合全面收益表確認。

在建工程指興建中或有待安裝之物業、廠房及設備，乃按成本減減值虧損列賬。成本包括直接工程成本(包括於工程進行期間來自工程的借貸成本)。於有關資產完工及可作擬定用途前，不會就在建工程作出折舊撥備。

(j) 土地使用權(計入使用權資產)

自二零一九年一月一日(香港財務報告準則第16號的首次應用日期)起，土地使用權作為使用權資產入賬(請參閱附註2(b))。

直至二零一八年十二月三十一日止，土地使用權乃按成本減累計攤銷及減值虧損列賬。成本指就使用土地之權利(為期20至50年不等)而支付之預付款項。

土地使用權之攤銷於租期內按直線法於綜合全面收益表支銷，或當出現減值時，減值亦會於綜合全面收益表支銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(k) Investment property**

Property that is held for long-term rental yields or for capital appreciation or both and is not occupied by the Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value, representing open market value determined annually by external valuer. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices from less active markets or discounted cash flow projections. These valuations are reviewed annually by external valuer with changes in fair values recorded in the consolidated statement of comprehensive income.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the consolidated statement of comprehensive income.

(l) Goodwill

Goodwill is measured as described in Note 2(e). Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

2 重大會計政策概要(續)**(k) 投資物業**

本集團為獲得長期租金收益或為資本升值或兩者兼備而持有但並無佔用之物業分類為投資物業。

投資物業初步按其成本計量，包括相關之交易成本。在初步確認後，投資物業按公平值列賬，為外聘估值師每年所釐定之公開市值。公平值以活躍市場價格為依據，並在有需要時就個別資產之性質、地點或狀況差異作出調整。倘無法取得此方面資料，本集團則另覓其他可行估值方法，如參考活躍程度稍遜之市場最近期之價格或貼現現金流量預測等。此等估值每年由外聘估值師加以檢討，而有關公平值變動則計入綜合全面收益表內。

倘物業、廠房及設備項目因用途變更而成為投資物業，則該項目於轉撥當日的賬面值與公平值的任何差額於權益內確認為物業、廠房及設備的重估。然而，倘公平值收益將先前的減值虧損撥回，則該收益於綜合全面收益表內確認。

(l) 商譽

商譽按附註2(e)所述者計量。商譽毋須攤銷，惟須每年或(倘有事件或變動顯示其可能已減值)更頻密地進行減值測試，並按成本減累計減值虧損列賬。出售實體的盈虧包括所出售實體相關商譽之賬面值。

就減值測試而言，商譽分配至現金產生單位(「現金產生單位」)。商譽分配至預期受惠於產生商譽之業務合併之一個或一組現金產生單位。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Intangible assets

(i) Trademarks, investment in club debentures and software licences

Separately acquired trademarks, investment in club debentures and software licences are shown at historical cost. These assets have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

Amortisation is calculated using the straight-line method to allocate the cost of trademarks, investment in club debentures and software licences over their estimated useful lives of 5 to 10 years.

(ii) Brandname and operating licence

Brandname and operating licence acquired in a business combination are recognised at fair value at the acquisition date. These assets have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

Amortisation is calculated using the straight-line method over the expected life of the brand name and operating licence of 2 to 10 years.

(n) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

Impairment testing of the investments in subsidiaries, an associated company or joint ventures is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary, associated company or joint venture in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 重大會計政策概要(續)

(m) 無形資產

(i) 商標、會所債券投資及軟件特許權

單獨收購的商標、會所債券投資及軟件特許權按歷史成本列值。此等資產可使用年期有限，並按成本減累計攤銷及減值虧損列賬。

攤銷乃使用直線法計算，以於其估計可使用年期5至10年內分攤商標、會所債券投資及軟件特許權的成本。

(ii) 品牌名稱及經營牌照

於業務合併時獲得的品牌名稱及經營牌照按於收購日期的公平值確認。該等資產的可使用年期有限及按成本減累計攤銷及減值虧損列賬。

於品牌名稱及經營牌照的攤銷預計年期2至10年內採用直線法計算。

(n) 非金融資產的減值

無確定使用年期的資產毋須攤銷，惟須每年或(倘有事件或變動顯示其可能已減值)更頻密地進行減值測試。如出現任何事件或情況有變，顯示可能無法收回賬面值時，其他資產便會進行減值測試。當資產賬面值超過其可收回金額時則會就有關差額確認減值虧損。可收回金額乃資產公平值減出售成本與使用價值兩者之間的較高者。就評估減值而言，資產按獨立可識別的最小現金流入(現金產生單位)分類，而有關現金流入大致上獨立於其他資產或資產組別的現金流入。商譽以外的非金融資產如出現減值，則於各結算日檢討可否撥回減值。

倘投資附屬公司、聯營公司或合營企業收取的股息超過附屬公司、聯營公司或合營企業於股息宣派期間的全面收益總額或倘獨立財務報表中的投資的賬面值超過投資對象資產淨值(包括商譽)於綜合財務報表中的賬面值，則於從此等投資收到股息時須對附屬公司、聯營公司或合營企業的投資進行減值測試。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(o) Financial assets***(i) Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

The Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories to classify the debt instruments:

2 重大會計政策概要(續)**(o) 金融資產***(i) 分類*

本集團將其金融資產按以下計量類別分類：

- 隨後按公平值計量(不論計入其他全面收益或計入損益)；及
- 按攤銷成本計量。

分類乃取決於本集團管理金融資產之業務模式及現金流量之合約條款。

就按公平值計量之資產而言，收益及虧損將於損益或其他全面收益入賬。就並非持作買賣之股本工具投資而言，其入賬將取決於本集團於初步確認時有否不可撤回地選擇以按公平值計入其他全面收益(「按公平值計入其他全面收益」)之方式將股本投資入賬。

當及僅當本集團管理債務投資之業務模式變動時，本集團即將該等資產重新分類。

(ii) 確認及終止確認

定期收購及出售的金融資產於交易日確認，該日為本集團承諾收購或出售資產當日。當應收金融資產現金流量之權利已屆滿或轉讓而本集團已轉讓該項金融資產擁有權之絕大部分風險及回報時，有關金融資產會取消確認。

(iii) 計量

本集團按公平值加(就並非按公平值計入損益(「按公平值計入損益」)之金融資產而言)收購金融資產直接產生之交易成本計量金融資產。按公平值計入損益之金融資產交易成本於損益內支銷。

債務工具

債務工具之隨後計量乃取決於本集團管理資產之業務模式及資產之現金流量特性。債務工具之分類分為三個計量類別：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments (Continued)

- (1) Amortised cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

- (2) Fair value through other comprehensive income
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment expenses are presented as separate line item in the consolidated statement of comprehensive income.

- (3) Fair value through profit or loss
Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

2 重大會計政策概要(續)

(o) 金融資產(續)

(iii) 計量(續)

債務工具(續)

- (1) 攤銷成本
為收取合約現金流量(而該等現金流量純粹為本金及利息付款)而持有之資產乃按攤銷成本計量。此等金融資產之利息收入使用實際利率法計入財務收入。終止確認產生之任何收益或虧損乃直接於損益確認。減值虧損於綜合全面收益表獨立呈列為一個項目。

- (2) 按公平值計入其他全面收益
為收取合約現金流量及出售金融資產(而該等資產之現金流量純粹為本金及利息付款)而持有之資產乃按公平值計入其他全面收益。賬面值變動於其他全面收益入賬,惟確認減值收益或虧損、利息收入以及外匯收益及虧損於損益確認。終止確認金融資產時,先前於其他全面收益確認之累計收益或虧損由權益重新分類至損益。此等金融資產之利息收入使用實際利率法計入財務收入。減值支出於綜合全面收益表獨立呈列為一個項目。

- (3) 按公平值計入損益
並不符合攤銷成本或按公平值計入其他全面收益條件之資產按公平值計入損益。隨後按公平值計入損益之債務投資之收益或虧損於產生期間於損益確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(o) Financial assets (Continued)****(iv) Impairment**

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and bills receivables, amount due from an associated company and amounts due from joint ventures, the Group applies the simplified approach permitted by HKFRS 9 Financial instruments (“HKFRS 9”), which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other financial assets carried at amortised cost in the consolidated balance sheet, the expected credit loss is based on the 12-month expected credit loss. It is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

(p) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(q) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is assigned to individual items of inventory on the basis of weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity.

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

2 重大會計政策概要(續)**(o) 金融資產(續)****(iv) 減值**

本集團按前瞻基準評估其按攤銷成本列賬之債務工具相關之預期信用虧損。所應用之減值方法取決於信貸風險有否大幅增加。

就應收貿易賬款及票據、應收一間聯營公司款項及應收合營企業款項而言，本集團應用香港財務報告準則第9號金融工具(「香港財務報告準則第9號」)允許之簡化方法，其規定自初步確認應收款項起確認整個存續期內之預期虧損。

就綜合資產負債表中按攤銷成本列賬之其他金融資產而言，預測信貸虧損乃根據12個月預期信貸虧損計算。此乃金融工具於報告日期後12個月內可能發生的違約事件產生的全期預期信貸損失的一部分。然而，倘信貸風險自初期大幅增加，撥備將以全期預期信用損失計算。

(p) 抵銷金融工具

當有法定可強制執行權利可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在綜合資產負債表報告其淨額。法定可強制執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，亦必須具有約束力。

(q) 存貨

存貨乃按成本及可變現淨值兩者中之較低者列賬。成本乃按加權平均法分配至存貨的個別項目。製成品和在製品的成本包括原材料、直接人工、其他直接成本和按一般營運產能計算的相關生產費用。

可變現淨值指日常業務過程中之估計售價減適用可變銷售及銷售所必需的分銷成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Trade, bills and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade, bills and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less provision for impairment.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of comprehensive income.

(s) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks with original maturities of three months or less.

(t) Trade and other payables

Trade payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade and other payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are unsecured, recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 重大會計政策概要(續)

(r) 應收貿易賬款、票據及其他應收款項

應收貿易賬款為日常業務過程中就銷售商品或提供服務應收客戶的金額。若預期於一年或以內(或若更長,則在業務的正常經營週期內)能收回應收貿易賬款、票據及其他應收款項,則會獲分類為流動資產。否則,則獲呈列為非流動資產。

應收貿易賬款初步按無條件代價金額確認,除非其被視為包含重大融資成份則按公平值確認。本集團為收取合約現金流量而持有應收貿易賬款,因此隨後使用實際利息法按攤銷成本扣除減值撥備計量。

當應收貿易賬款無法收回時,即對應收貿易賬款撥備賬撇銷。隨後收回先前已撇銷之款項會撥入綜合全面收益表。

(s) 現金及現金等值項目

現金及現金等值項目包括原到期日為三個月或以內的現金及銀行通知存款。

(t) 應付貿易及其他賬款

應付貿易賬款指於財政年末前向本集團提供商品或服務且尚未付款的負債。若應付款項在一年或以內(或若更長,則在業務的正常經營週期內)到期,則應付貿易及其他賬款獲分類為流動負債。否則,則獲呈列為非流動負債。

應付貿易及其他賬款並無抵押,初步按公平值確認,並於隨後使用實際利息法按攤銷成本計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(u) Borrowings**

Borrowings are recognised initially at fair values, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

(v) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get 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 eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2 重大會計政策概要(續)**(u) 借貸**

借貸初步按公平值扣除已產生的交易成本確認。借貸其後按攤銷成本列值，所得款項(扣除交易成本)與贖回價值間之任何差額於借貸期間使用實際利息法在綜合全面收益表確認。

在貸款融資將很有可能部分或全部被提取的情況下，就設立貸款融資額度時支付的費用乃確認為貸款交易費用。在此情況下，該費用將遞延至提取發生為止。在並無跡象顯示該貸款將很有可能部分或全部提取的情況下，該費用資本化作為流動資金服務的預付款項，並於相關融資期間內予以攤銷。

當合約中規定的責任解除、取消或屆滿時，借貸從綜合資產負債表中剔除。已消除或轉讓予另一方的金融負債的賬面值與已支付代價(包括已轉讓的非現金資產或所承擔的負債)之間的差額，在損益中確認為其他收入或財務成本。

除非本集團具無條件權利遞延負債還款期至結算日起計最少十二個月，否則借貸分類為流動負債。

(v) 借貸成本

收購、建造或生產一項合資格資產直接應佔的一般及特定借貸成本乃於完成資產及準備將其作擬定用途或銷售所需之期間內撥充資本。合資格資產為需要經過相當長時間才能達到擬定用途或銷售之資產。

就特定貸款而言，在其用於合資格資產前作臨時投資所賺取之投資收入，乃從合資格資本化之貸款成本中扣除。

其他借貸成本於其產生期間支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries, associated company and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries, an associated company and joint ventures, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2 重大會計政策概要(續)

(w) 即期及遞延所得稅

期內所得稅開支或抵免指本期間按各司法權區適用所得稅稅率計算應課稅收入，並由遞延稅項資產及負債變動應佔暫時性差異及尚未動用稅項虧損所調整得出的應付稅項。

即期所得稅

即期所得稅開支按於結算日本公司、其附屬公司、聯營公司及合營企業營運以及產生可課稅收入之國家已頒佈或實質頒佈之稅法基準計算。管理層就適用稅務規例受詮釋規限的情況定期對申報於報稅表中的狀況進行評估。管理層在適當情況下按預期將支付予稅務部門的款項計提撥備。

遞延所得稅

遞延所得稅乃採用負債法就資產及負債之稅基與其於綜合財務報表內賬面值之暫時差額確認。然而，倘若遞延稅項負債乃於初步確認商譽時產生，該遞延稅項負債將不予確認。倘若於初步確認一項交易(業務合併除外)之資產或負債所產生之遞延所得稅於交易時不會對會計或應課稅溢利或虧損造成影響，則該等遞延所得稅亦不會列賬。遞延所得稅乃根據於結算日已頒佈或實質頒佈，且預期相關之遞延所得稅資產變現或遞延所得稅負債清償時適用之稅率(及法例)釐定。

遞延所得稅資產之確認以日後可能產生可動用暫時差額抵銷應課稅溢利之情況為限。

遞延所得稅負債按附屬公司、一間聯營公司及合營企業投資所產生之暫時差額作出撥備，惟遞延稅項負債於暫時差額撥回之時間由本集團控制及暫時差額於可見未來可能不會撥回時除外。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2 重大會計政策概要(續)****(w) Current and deferred income tax (Continued)***Deferred income tax (Continued)*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(x) Employee benefits*(i) Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

(ii) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(iii) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

(w) 即期及遞延所得稅(續)*遞延所得稅(續)*

當有法定可強制執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅資產和負債與同一稅務機關就應課稅實體或不同應課稅實體(倘有意按淨額基準結付餘額)徵收的所得稅有關時，則可將遞延所得稅資產與負債互相抵銷。

即期及遞延稅項在損益中確認，惟與在其他全面收益內或直接在權益內確認的項目有關之稅項除外。於此情況下，稅項亦分別在其他全面收益內或直接在權益內確認。

(x) 僱員福利*(i) 僱員應享假期*

僱員享有年假和長期服務休假之權利，並在僱員享有有關權利時確認。本集團為截至結算日止僱員已提供之服務而產生之年假和長期服務休假之估計負債作出撥備。

(ii) 應享花紅

當本集團因僱員提供服務而即時產生法律或推定責任，而有關責任可以可靠地估計時，則支付花紅之預期成本確認為負債。

花紅負債預期於十二個月內支付，並按清償時預期支付之數額計算。

(iii) 退休金責任

界定供款計劃為一項本集團向一個獨立實體支付固定供款之退休金計劃。倘該基金並無持有足夠資產，向所有僱員就其在當期及以往期間之僱用服務提供福利，則本集團亦無法定或推定責任作出進一步供款。界定福利計劃為退休金計劃並非界定供款計劃。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Employee benefits (Continued)

(iii) Pension obligations (Continued)

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The Group companies in the People's Republic of China (the "PRC") participate in defined contribution retirement benefit plans organised by relevant government authorities for its employees in the PRC and contribute to these plans based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities.

The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans.

The group companies in Hong Kong participate in a mandatory provident fund scheme ("MPF Scheme") for its employees in Hong Kong. MPF Scheme is a defined contribution scheme in accordance with the Mandatory Provident Fund Scheme Ordinance. Under the rules of MPF Scheme, the employer and its employees are required to contribute 5% of the employees' salaries, up to a maximum of HK\$1,500 per employee per month. The assets of MPF Scheme are held separately from those of the group companies in an independently administered fund.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employee without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after balance sheet date are discounted to their present value.

2 重大會計政策概要(續)

(x) 僱員福利(續)

(iii) 退休金責任(續)

界定福利計劃一般會釐定僱員在退休時可收取的退休福利金額，通常視乎年齡、服務年期及薪酬補償等一個或多個因素而定。

本集團位於中華人民共和國(「中國」)之公司為其中國僱員參與有關政府當局舉辦之界定供款退休福利計劃，並根據僱員月薪之若干百分比每月向此等計劃供款，但供款金額不會超過有關政府當局規定之最高固定金額。

根據此等計劃，政府當局承擔所有現有及未來退休僱員之應付退休福利責任。

本集團位於香港的公司為其香港僱員參與強制性公積金計劃(「強積金計劃」)。根據《強制性公積金計劃條例》，強積金計劃為界定供款計劃。根據強積金計劃規則，僱主及僱員須按僱員薪金的5%供款，惟每月就每名僱員作出的供款以1,500港元為上限。強積金計劃的資產與集團公司的資產分開並由獨立管理的基金持有。

(iv) 離職福利

離職福利是指僱員在正常退休日前被本集團終止聘用或僱員接受自願離職以換取此等福利時支付之福利。本集團在能證明以下承諾時確認離職福利：根據一項詳細的正式計劃終止現有僱員的聘用而設有撤回的可能。在提出要約以鼓勵自願離職的情況下，離職福利乃根據預期接受要約的僱員人數計量。在結算日後超過12個月到期支付之福利應貼現為現值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(x) Employee benefits (Continued)***(v) Share-based compensation*

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (shares or options) of the Company. The fair value of the employee services received in exchange for the grant of the shares or options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the shares or options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and;
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2 重大會計政策概要(續)**(x) 僱員福利(續)***(v) 以股份支付的酬金*

本集團設有以股權結算、以股份支付的酬金計劃，據此，有關實體接受僱員之服務作為本公司之授出股本工具(股份或購股權)之代價。按僱員所提供服務以換取授出股份或購股權之公平值乃確認為開支。將予支銷之總額乃參考所授出股份或購股權之公平值釐定：

- 包括任何市場表現狀況(如一間實體的股價)；
- 不包括任何服務及非市場表現歸屬條件之影響(例如有關實體於特定期間之盈利能力、銷售增長目標及繼續為僱員)；及
- 包括任何非歸屬條件之影響(如挽留僱員之規定)。

非市場歸屬條件包括在有關預期可予歸屬的購股權數目的假設中。總開支於歸屬期間確認，而所有特定歸屬條件於該期間內達成。於每個申報期末，實體修訂其對預期根據非市場歸屬條件可予歸屬購股權數目的估計。本公司在綜合全面收益表確認對原估計修訂(如有)的影響，並對權益作出相應調整。

本公司於購股權獲行使時發行新股份。當購股權獲行使時，所獲所得款項(扣除任何直接應佔交易成本)計入股本(面值)及股份溢價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Employee benefits (Continued)

(v) Share-based compensation (Continued)

When the options are cancelled during vesting periods, the Group recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

When the options are modified, the Group will include the incremental fair value granted in the measurement of the amount recognised for services received as consideration for the equity instruments granted. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognised over the remainder of the original vesting period. If the modification occurs after vesting date, the incremental fair value granted is recognised immediately.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

(y) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2 重大會計政策概要(續)

(x) 僱員福利(續)

(v) 以股份支付的酬金(續)

當購股權於歸屬期間內註銷時，本集團會即時確認就於餘下歸屬期間內接獲之服務原應確認之金額。

當購股權被修改時，本集團將計入於計量就作為已授出之股本工具之代價已收取服務之已確認金額時已授出之公平值增額。已授出公平值增額為已修改股本工具的公平值與原有股本工具公平值的差額，兩者均於修改日期作出估計。倘該修改於歸屬期間發生，則已授出公平值增額計入於修改日期直至已修改股本工具歸屬之日止之期間之就已收取服務確認之金額之計量，不包括根據授出日期原有股本工具的公平值金額，該公平值金額於餘下原有歸屬期間內確認。倘該修改於歸屬日期後發生，則已授出公平值增額將即時確認。

本公司向為本集團工作之附屬公司僱員所授出其股本工具之購股權乃視為資本出資。所獲得僱員服務之公平值乃參考授出日期之公平值計量，於歸屬期內確認為增加對附屬公司業務之投資，並相應計入母公司實體賬目內之權益。

(y) 撥備

撥備於本集團因過去的事件而產生現有之法律或推定責任；可能導致資源流出以清償該項責任；及有關金額能可靠估計時確認。日後經營虧損則不會確認撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Provisions (Continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the management's best estimates of the expenditures required to settle the present obligation of the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

(z) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminated sales within the Group.

(i) Sales of goods

Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customer has accepted the products, the collection of the related consideration is probable and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. The Group recognised its contract liabilities under accruals and other payables as receipt in advance from customers in the consolidated balance sheet.

2 重大會計政策概要(續)

(y) 撥備(續)

倘出現若干類似責任，償還有關責任所需之資源流出的可能性，乃經考慮責任總體類別後釐定。即使同一責任類別之任何一個項目導致資源流出的可能性不大，仍須確認撥備。

撥備按管理層於報告期末對履行現有責任所需的開支現值的最佳估計計量。用以釐定現值的折扣率為反映現時市場對貨幣時間價值的評估以及負債特定風險的稅前比率。隨時間流逝而產生之撥備增加確認為利息開支。

(z) 收入之確認

收入包括本集團日常業務過程中就銷售貨品及服務所收取或應收取代價之公平值。收入於扣除增值稅、回報、回扣及折扣以及對銷本集團內部銷售後呈列。

(i) 銷售貨品

銷售於產品的控制權轉移時(即產品交付予客戶、客戶接納產品、收取相關代價的可能性甚高，且概無足以影響客戶接納產品之未履行責任時)確認。

應收款項於貨品交付時確認，此乃由於此刻代價已為無條件，因為在付款到期前僅需等待一段時間。

合約負債於本集團確認相關收入前並客戶支付代價或受合約規定須支付代價且該款項已到期時確認。本集團於綜合資產負債表內將其合約負債確認為應計費用及其他應付款項下向客戶收取之預付款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Revenue recognition (Continued)

(ii) Rental income

Rental income from investment properties is recognised in the consolidated statement of comprehensive income on a straight-line basis over the period of the lease term.

(iii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(aa) Government grant

Grant from the government is recognised at its fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grant relating to costs is deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match it with the costs that it is intended to compensate.

Government grant relating to property, plant and equipment and service concession arrangement is included in accruals and other payables and is credited to the consolidated statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

(ab) Leases

Accounting policies applied from 1 January 2019

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

2 重大會計政策概要(續)

(z) 收入之確認(續)

(ii) 租金收入

來自投資物業之租金收入在租賃期間按直線法基準於綜合全面收益表中確認。

(iii) 利息收入

利息收入採用實際利息法按時間比例基準確認。

(aa) 政府補助

政府補助會於可合理保證將收到補助及本集團將符合所有附帶條件時按公平值確認。

與成本有關的政府補助將會遞延，並於將該等補助與其擬補償成本進行匹配所需期間內在綜合全面收益表確認。

與物業、廠房及設備以及服務特許權安排有關的政府補助列入應計費用及其他應付款項，並按直線法於相關資產的預期年內計入綜合全面收益表。

(ab) 租賃

自二零一九年一月一日起應用之會計政策

自二零一九年一月一日起，在租賃資產可供本集團使用之日，租賃確認為使用權資產，並相應確認一項負債。

合約可同時包含租賃及非租賃部份。本集團會根據租賃及非租賃部份的相對單獨價格將合約中的代價分配至各個部份。然而，就本集團作為承租人的房地產租賃而言，本集團已選擇不將租賃部分與非租賃部分分開，而是將該等部分作為單一租賃部分入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ab) Leases (Continued)

Accounting policies applied from 1 January 2019 (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, nature of the lease assets and the terms and conditions of the leases, such as the lease periods and geographical locations.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

2 重大會計政策概要(續)

(ab) 租賃(續)

自二零一九年一月一日起應用之會計政策(續)

租賃所產生的資產及負債初步以現值進行計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款(包括實質的固定付款)，減任何應收租賃獎勵；
- 按指數或利率計算的可變租賃付款，初步按開始日期的指數或利率計算；
- 本集團根據剩餘價值保證預期應付的金額；
- 購買選擇權的行使價(倘本集團合理確定行使該選擇權)；及
- 就終止租賃支付的罰款(倘租賃條款反映本集團行使該選擇權)。

計算負債時亦會計入在合理確定行使續期選擇權下將予支付的租賃付款。

租賃付款採用租賃所隱含的利率貼現。倘未能確定該利率(本集團的租賃一般均未能確定)，則會使用承租人增量借款利率，即個別承租人就於類似經濟環境中以相若條款、抵押品及條件取得價值與使用權資產相若的資產所必須借入的資金而須支付的利率。

為釐定增量借款利率，本集團採用個別承租人所收取的近期第三方融資作為起點，並進行調整以反映自收取第三方融資以來融資狀況的變動、租賃資產的性質及租賃的條款及條件，例如租賃期及地理位置。

本集團面對按指數或利率計算的可變租賃付款可能於未來上升的風險，在有關上升生效前不會將其計入租賃負債中。在對按指數或利率計算的可變租賃付款作出調整時，將會對照使用權資產對租賃負債進行重新評估及調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ab) Leases (Continued)

Accounting policies applied from 1 January 2019 (Continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- prepayment;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated balance sheet based on their nature. The group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2 重大會計政策概要(續)

(ab) 租賃(續)

自二零一九年一月一日起應用之會計政策(續)

租賃付款會分配為本金及財務成本。財務成本於租期內在損益中扣除，藉以令各期間的責任餘額的期間利率一致。

使用權資產按包含以下各項之成本計量：

- 租賃負債的初步計量金額；
- 預付款項；
- 任何初始直接成本；及
- 修復成本。

使用權資產一般於資產可使用年期及租期(以較短者為準)以直線法折舊。倘本集團合理確定會行使購買選擇權，使用權資產於相關資產的可使用年期折舊。

與短期租賃及低價值資產租賃相關的付款以直線法於綜合全面收益表中確認為開支。短期租賃指租期為12個月或以下的租賃。

本集團作為承租人的營運租賃租金收入於租期內按直線法在收入內確認。就營運租賃所產生的初始直接成本計入相關資產的賬面值中，並按與租金收入相同的基準在租期內確認為開支。各租賃資產根據其性質計入綜合資產負債表內。本集團毋須因為採納新租賃準則而對於以出租人身份持有之資產之會計處理作出任何調整。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ab) Leases (Continued)

Accounting policies applied until 31 December 2018

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor) are expensed in the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

(ac) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company's shares are acquired from the market by the Scheme (Note 20(b)), the total consideration of shares acquired from the market (including any directly attributable incremental costs) is presented as shares held for the Scheme and deducted from total equity.

(ad) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

2 重大會計政策概要(續)

(ab) 租賃(續)

於二零一八年十二月三十一日前應用的會計政策

出租人保留擁有權之大部分風險及回報之租賃分類為營運租賃。營運租賃之租金(扣除收取出租人提供之任何優惠後)在租約年內按直線法在綜合全面收益表內支銷。

(ac) 股本

普通股分類為權益。發行新股份直接產生的增加成本在權益內列值作為所得款項的除稅後扣減。

倘根據計劃(附註20(b))於市場上收購公司的股份，於市場上所收購股份的總收代價(包括任何直接應佔增加成本)乃呈列為於計劃下持有之股份，並自總權益中扣除。

(ad) 股息分派

向本公司股東分派之股息於股息獲本公司股東或董事(倘適用)批准期間在本集團及本公司之財務報表中確認為負債。

3 財務風險管理

(a) 財務風險因素

本集團業務承受多種財務風險：市場風險(包括外匯風險、利率風險及價格風險)、信貸風險及流動資金風險。本集團之整體風險管理計劃專注於金融市場之不可預測性，務求盡量減低對本集團財務表現可能構成的不利影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Foreign exchange risk

The Group's foreign currency transactions are mainly denominated in Renminbi ("RMB"), HK\$ and United States dollars ("US\$"). The majority of assets and liabilities are denominated in RMB, HK\$ and US\$, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than HK\$ or RMB, which are the functional currencies of the major operating companies within the Group.

As HK\$ is pegged to US\$, management believes that the exchange rate risk for translations between HK\$ and US\$ do not have a material impact to the Group. The exchange rate of RMB to HK\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

This currency exposure is managed primarily through sourcing raw materials denominated in the same currency. The Group has not considered it appropriate to substantially hedge against currency risks through forward exchange contracts upon consideration of the currency risk involved and the cost of obtaining such cover.

At 31 December 2019, if HK\$ had strengthened/weakened by 5% against the RMB, with all other variables held constant, post-tax profit for the year would have been approximately HK\$3,267,000, higher or lower (for the year ended 31 December 2018: post-tax profit for the year would have been approximately HK\$2,296,000, higher or lower), mainly as a result of foreign exchange differences on translation of RMB denominated net payables.

At 31 December 2019, if RMB had strengthened/weakened by 5% against the US\$, with all other variables held constant, post-tax profit for the year would have been approximately HK\$6,747,000, lower or higher (for the year ended 31 December 2018: post-tax profit for the year would have been approximately HK\$1,389,000, higher or lower), mainly as a result of foreign exchange differences on translation of US\$ denominated net receivables (2018: US\$ denominated net payables).

3 財務風險管理(續)

(a) 財務風險因素(續)

(i) 外匯風險

本集團的外幣交易主要以人民幣(「人民幣」)、港元及美元(「美元」)計值。大部分資產及負債以人民幣、港元及美元計值，及概無重大資產及負債以其他貨幣計值。本集團因以港元或人民幣(本集團旗下主要營運公司的功能貨幣)以外貨幣計值的未來商業交易及已確認資產及負債而承受外匯匯率風險。

由於港元與美元掛鈎，管理層相信，港元及美元進行換算的匯率風險對本集團並無重大影響。人民幣兌港元的匯率須遵守中國政府頒佈的外匯管制規則及條例。

此貨幣風險主要透過採購以相同貨幣計值的原材料進行管理。經考慮所涉及貨幣風險代價及取得有關保障的成本後，本集團認為不適宜透過遠期外匯合約就貨幣風險進行大量對沖。

於二零一九年十二月三十一日，倘港元兌人民幣匯率升/跌5%，而所有其他變數不變，本年度的除稅後溢利將增加或減少約3,267,000港元(截至二零一八年十二月三十一日止年度：年度除稅後溢利將增加或減少約2,296,000港元)，主要由於換算以人民幣計值的應付款項淨額而引致匯兌差額所致。

於二零一九年十二月三十一日，倘人民幣兌美元匯率升/跌5%，而所有其他變數不變，本年度的除稅後溢利將減少或增加約6,747,000港元(截至二零一八年十二月三十一日止年度：年度除稅後溢利將增加或減少約1,389,000港元)，主要由於換算以美元計值的應收款項淨額而引致匯兌差額所致(二零一八年：以美元計值的應付款項淨額)。

3 FINANCIAL RISK MANAGEMENT (Continued)**(a) Financial risk factors (Continued)****(ii) Interest rate risk**

The Group has cash balances placed with reputable banks and financial institutions, which generate interest income for the Group.

Borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates expose the Group to fair value interest-rate risk. Details of the Group's borrowings have been disclosed in Note 22 to the consolidated financial statements.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration of refinancing, renewal of existing positions, and alternative financing. Based on these scenarios, the Group calculates the impact on profit of a defined interest rate shift. For each simulation, the same interest rate shift is used. The scenarios are run only for assets and liabilities that represent the major interest-bearing positions.

Based on the simulations performed, the impact on post-tax profit of a 100 basis-point shift would be a maximum increase/decrease of approximately HK\$93,000 for the year ended 31 December 2019 (for the year ended 31 December 2018 approximately HK\$440,000) mainly as a result of change in interest rates on short-term bank deposits and borrowings.

(iii) Price risk

The Group is not exposed to equity securities price risk and commodity price risk.

(iv) Credit risk

Credit risk arises from cash and cash equivalents, short-term bank deposits, amount due from an associated company, amounts due from joint ventures, as well as credit exposures to trade and bills receivables and other financial assets at amortised cost.

3 財務風險管理(續)**(a) 財務風險因素(續)****(ii) 利率風險**

本集團於多家信譽良好的銀行及金融機構存放的現金結餘為本集團帶來利息收入。

按可變利率計息之借貸令本集團承受現金流量利率風險。按固定利率計息之借貸則令本集團承受公平值利率風險。本集團借貸詳情已於綜合財務報表附註22中披露。

本集團並無使用任何利率掉期對沖其利率風險。

本集團按動態基準分析其利率風險，並考慮再融資、更新現時持倉及其他融資之多個模擬情況。根據此等模擬情況，本集團計算界定利率調整之溢利之影響。就各模擬情況而言，均採用相同利率調整。模擬情況僅就反映主要計息持倉之資產及負債而作出。

根據所作出之模擬情況，截至二零一九年十二月三十一日止年度，100個基準點調整對除稅後溢利之影響將最多增加／減少約93,000港元（截至二零一八年十二月三十一日止年度：約440,000港元），乃主要由於短期銀行存款及銀行借貸利率變動。

(iii) 價格風險

本集團並無承受股本證券價格風險及商品價格風險。

(iv) 信貸風險

信貸風險來自現金及現金等值項目、短期銀行存款、應收一間聯營公司款項、應收合營企業款項，以及應收貿易賬款及票據及其他按攤銷成本列賬之金融資產信貸風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Credit risk (Continued)

(1) Risk management

Credit risk is managed on a group basis. Management has policies in place to monitor the exposures to these credit risks on an ongoing basis.

The Group has put in place policies to ensure that sales of products are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers based on their past repayment patterns, latest business developments and other factors. The Group's historical experience in collection of trade and bills receivables falls within the recorded allowances.

The table below shows the credit limit and balance of the five major debtors as at 31 December 2019 and at 31 December 2018.

Counterparty 對應方	2019 二零一九年		2018 二零一八年	
	Credit limit 信貸限額	Utilised 已使用	Credit limit 信貸限額	Utilised 已使用
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
A	40,000	39,226	35,000	34,835
B	37,000	36,844	34,000	32,367
C	36,000	32,035	36,000	34,670
D	38,000	28,844	38,000	35,522
E	26,000	22,950	26,000	24,253
F	34,000	5,376	30,000	27,466

(2) Impairment of financial assets

Trade and bills receivables, amount due from an associated company and amounts due from joint ventures for sales of goods of the Group are subject to the expected credit loss model. While cash and cash equivalents, short-term bank deposits and other financial assets at amortised cost are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

3 財務風險管理(續)

(a) 財務風險因素(續)

(iv) 信貸風險(續)

(1) 風險管理

信貸風險乃按組合基準管理。管理層已制定政策，持續監察此等信貸風險的水平。

本集團已制定政策確保產品銷售予信貸記錄良好之客戶，而本集團依據客戶過往的還款模式、最新業務發展及其他因素而對其客戶進行定期信用評估。本集團在收取應收貿易賬款及票據方面之過往經驗並無超出已記錄撥備之範圍。

下表載列五大債務人分別於二零一九年十二月三十一日及二零一八年十二月三十一日之信貸限額及結餘。

As at 31 December 於十二月三十一日

2019 二零一九年		2018 二零一八年	
Credit limit 信貸限額	Utilised 已使用	Credit limit 信貸限額	Utilised 已使用
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
40,000	39,226	35,000	34,835
37,000	36,844	34,000	32,367
36,000	32,035	36,000	34,670
38,000	28,844	38,000	35,522
26,000	22,950	26,000	24,253
34,000	5,376	30,000	27,466

(2) 金融資產減值

本集團銷售貨品之應收貿易賬款及票據、應收一間聯營公司款項及應收合營企業款項，須按預期信貸虧損模式計量。現金及現金等值項目、短期銀行存款以及按攤銷成本列賬之其他金融資產亦須遵從香港財務報告準則第9號之減值規定，惟已識別減值虧損輕微。

3 FINANCIAL RISK MANAGEMENT (Continued)**(a) Financial risk factors (Continued)***(iv) Credit risk (Continued)**(2) Impairment of financial assets (Continued)**Trade and bills receivables, amount due from an associated company and amounts due from joint ventures*

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade and bills receivables, amount due from an associated company and amounts due from joint ventures. The Group measures the expected credit losses on a combination of both individual and collective basis.

Measurement of expected credit loss on individual basis

The receivables relating to customers with known financial difficulties or with significant doubt on collection of receivables are assessed individually for provision for impairment allowance. As at 31 December 2019, the balance of loss allowance in respect of individually assessed receivables was approximately HK\$25,128,000 (31 December 2018: approximately HK\$22,274,000).

The following table presents the gross carrying amount and the loss allowance in respect of the individually assessed receivables as at 31 December 2019 and 31 December 2018:

		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
Gross carrying amount	賬面總值	25,128	22,274
Loss allowance	虧損撥備	(25,128)	(22,274)
Net carrying amount	賬面淨值	-	-

3 財務風險管理(續)**(a) 財務風險因素(續)***(iv) 信貸風險(續)**(2) 金融資產減值(續)**應收貿易賬款及票據、應收一間聯營公司款項及應收合營企業款項*

本集團應用香港財務報告準則第9號計量預期信貸虧損之簡化方法，其應收貿易賬款及票據、應收一間聯營公司款項及應收合營企業款項，採用整個存續期之預期虧損撥備。本集團按個別及集體基準一併計量預期信貸虧損。

按個別基準計量預期信貸虧損

與已知出現財政困難或收回應收款項成數存在重大疑問之客戶相關的應收款項，乃就減值撥備個別評估。於二零一九年十二月三十一日，該等個別評估應收款項有關之虧損撥備結餘約25,128,000港元(二零一八年十二月三十一日：約22,274,000港元)。

下表呈列於二零一九年十二月三十一日及二零一八年十二月三十一日個別評估應收款項之賬面總值及虧損撥備：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Credit risk (Continued)

(2) Impairment of financial assets (Continued)

Measurement of expected credit loss on collective basis

Expected credit losses are also estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for the likelihood of recovery, taking into account the nature of the customer, its geographical location and its ageing category, and applying expected credit loss rates to the respective gross carrying amounts of the receivables.

The expected credit loss rates are determined based on the historical credit losses experienced of up to past 3 years and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables.

As at 31 December 2019, the balance of loss allowance in respect of these collectively assessed receivables was approximately HK\$1,402,000 based on expected credit loss rates up to 17.63% applied on different groupings.

Impairment and reversal of impairment losses on receivables are presented as “net (impairment losses)/reversal of impairment losses on financial assets” in the consolidated statement of comprehensive income. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of comprehensive income.

Cash and cash equivalents, short-term bank deposits and other financial assets at amortised cost

There is no loss allowance for cash and cash equivalents, short-term bank deposits and other financial assets at amortised cost as at 31 December 2019 (31 December 2018: same).

3 財務風險管理(續)

(a) 財務風險因素(續)

(iv) 信貸風險(續)

(2) 金融資產減值(續)

按集體基準計量預期信貸虧損

本集團亦按共有之信貸風險特性將餘下應收款項組合以估計預期信貸虧損，並在考慮客戶性質、其所在地理位置及賬齡組別後，對各應收款項總賬面值應用預期信貸虧損比率，共同評估其可收回性。

預期信貸虧損比率乃按過往最多三年的過往信用虧損釐定，並作出調整以反映影響當前及前瞻資訊(例如有關影響客戶償還款項能力的宏觀經濟因素)。

於二零一九年十二月三十一日，按適用於不同組別的預期信貸虧損比率最高17.63%計算，該等集體評估應收款項結餘之虧損撥備結餘約1,402,000港元。

應收款項減值及減值虧損撥回乃於綜合全面收益表呈列為「金融資產(減值虧損)/減值虧損撥回淨額」。當應收款項無法收回時，即對應收款項撥備賬撇銷。隨後收回先前已撇銷之款項會撥入綜合全面收益表。

現金及現金等值項目、短期銀行存款及按攤銷成本列賬之其他金融資產

於二零一九年十二月三十一日，現金及現金等值項目、短期銀行存款以及按攤銷成本列賬之其他金融資產並無虧損撥備(二零一八年十二月三十一日：相同)。

3 FINANCIAL RISK MANAGEMENT (Continued)**(a) Financial risk factors (Continued)***(v) Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping sufficient cash.

As at 31 December 2019, the cash and cash equivalents of the Group approximated HK\$348,849,000 (31 December 2018: approximately HK\$272,478,000).

The following tables analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows and the earliest date the Group can be required to pay. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Specifically, as at 31 December 2019, for borrowings which contained repayment on demand clauses which could be exercised at the banks' sole discretion, the balances had been reclassified as current liabilities. The analysis shows the cash outflow based on earliest period in which the Group can be required to pay, that is if the lender were to invoke their unconditional rights to call the loans with immediate effect (31 December 2018: same).

3 財務風險管理(續)**(a) 財務風險因素(續)***(v) 流動資金風險*

審慎之流動資金風險管理包括維持充裕現金及透過足夠之承諾信貸融資提供所需資金。本集團旨在透過保留足夠現金維持資金之靈活性。

於二零一九年十二月三十一日，本集團的現金及現金等值項目約348,849,000港元(二零一八年十二月三十一日：約272,478,000港元)。

下表為將按相關到期組別將本集團的金融負債分類後作出的分析，分類方法基於結算日至合約到期日的剩餘期間。下表內披露的金額為合約未貼現現金流量及本集團可能被要求付款的最早日期。由於貼現的影響不大，於十二個月內到期的結餘與其賬面值相等。

具體而言，於二零一九年十二月三十一日，就包含須按要求償還條款(可由銀行全權酌情決定行使)的借貸而言，結餘已重新分類為流動負債。該分析按本集團可能被要求付款的最早期間(即放債人要即時援引其無條件權利以拆借)顯示現金流出(二零一八年十二月三十一日：相同)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(v) Liquidity risk (Continued)

		On Demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		按要求償還	1年內	1至2年之間	2至5年之間	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
At 31 December 2019	於二零一九年十二月三十一日						
Borrowings	借貸						
– principal portion	– 本金部分	64,778	525	420	700	–	66,423
Lease liabilities	租賃負債	–	5,354	2,522	846	–	8,722
Trade payables	應付貿易賬款	–	226,430	–	–	–	226,430
Accruals and other payables	應計費用及其他應付款項	–	187,678	–	–	–	187,678
Loans from non-controlling interests	來自非控股權益之貸款	17,446	–	–	–	–	17,446
Dividends payable	應付股息	–	186	–	–	–	186
At 31 December 2018	於二零一八年十二月三十一日						
Borrowings	借貸						
– principal portion	– 本金部分	34,588	–	–	–	–	34,588
Trade payables	應付貿易賬款	–	226,516	–	–	–	226,516
Accruals and other payables	應計費用及其他應付款項	–	166,771	–	–	–	166,771
Loans from non-controlling interests	來自非控股權益之貸款	15,492	–	–	–	–	15,492
Dividends payable	應付股息	–	176	–	–	–	176

3 財務風險管理(續)

(a) 財務風險因素(續)

(v) 流動資金風險(續)

3 FINANCIAL RISK MANAGEMENT (Continued)**3 財務風險管理(續)****(a) Financial risk factors (Continued)***(v) Liquidity risk (Continued)*

The table below analyses the borrowings of the Group into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date without taking into consideration the effect of repayment on demand clauses, while interest payments are computed using contractual rates.

		Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		1年內	1至2年 之間	2至5年 之間	5年以上	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
As at 31 December 2019	於二零一九年 十二月三十一日					
Borrowings:	借貸：					
– principal portion	– 本金部分	17,511	15,819	31,181	1,912	66,423
– interest portion	– 利息部分	2,049	1,480	1,467	34	5,030
		19,560	17,299	32,648	1,946	71,453
As at 31 December 2018	於二零一八年 十二月三十一日					
Borrowings:	借貸：					
– principal portion	– 本金部分	7,985	7,706	14,808	4,089	34,588
– interest portion	– 利息部分	1,036	754	967	107	2,864
		9,021	8,460	15,775	4,196	37,452

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(a) 財務風險因素(續)*(v) 流動資金風險(續)*

下表按照於報告期末至合約到期日的餘下期間分析本集團分類至相關到期組別的借貸，當中並無計及按要求償還條款的影響，而利息付款以合約利率計算。

(b) 資金管理風險

本集團的資金管理旨在保障本集團按持續經營基準繼續營運之能力，從而為股東帶來回報，同時兼顧其他權益持有人的利益，並維持最佳的資本結構以減低資金成本。

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額、向股東發還資金、發行新股或出售資產以減低債務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

(b) Capital risk management (Continued)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as borrowings divided by total equity. Management considers a gearing ratio of not more than 30% as reasonable.

		As at 31 December 於十二月三十一日	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Borrowings	借貸	66,423	34,588
Total equity	總權益	1,130,906	1,090,530
Gearing ratio	資產負債比率	5.9%	3.2%

Surplus cash held by the operating entities over the requirement for working capital management are transferred to interest bearing current accounts and time deposits, with appropriate maturities to manage its overall liquidity position. As at 31 December 2019, the Group maintains cash and cash equivalents of approximately HK\$348,849,000 (31 December 2018: approximately HK\$272,478,000) that are expected to be readily available to meet the cash outflows of its financial liabilities.

(c) Fair value estimation

The carrying amounts of the Group's financial assets and liabilities including cash and cash equivalents, short-term bank deposits, trade and bills receivables, other financial assets at amortised cost, amount due from an associated company, amounts due from joint ventures, trade payables, dividends payable, accruals and other payables and loans from non-controlling interests, approximate their fair values due to their short maturities.

See Note 9 for disclosures of investment property that is measured at fair value at 31 December 2019.

3 財務風險管理(續)

(b) 資金管理風險(續)

本集團利用資產負債比率監察其資本。此比率按照借貸除以總權益計算。管理層認為合理的資產負債比率應不高於30%。

		As at 31 December 於十二月三十一日	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Borrowings	借貸	66,423	34,588
Total equity	總權益	1,130,906	1,090,530
Gearing ratio	資產負債比率	5.9%	3.2%

經營實體所持超過營運資金管理所需的現金盈餘，乃轉撥入具合適到期日之計息往來賬戶及定期存款，以管理其總體流動資金狀況。於二零一九年十二月三十一日，本集團之現金及現金等值項目約348,849,000港元(二零一八年十二月三十一日：約272,478,000港元)，預期足以滿足其金融負債之現金流出。

(c) 公平值估計

本集團之金融資產及負債之賬面值包括現金及現金等值項目、短期銀行存款、應收貿易賬款及票據、按攤銷成本列賬之其他金融資產、應收一間聯營公司款項、應收合營企業款項、應付貿易賬款、應付股息、應計費用及其他應付款項及來自非控股權益之貸款，由於到期日短促，故上述各項的賬面值與其公平值相若。

有關於二零一九年十二月三十一日按公平值計量之投資物業的披露詳情敬請參閱附註9。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of trade and bills receivables

The Group makes provision for impairment of trade and bills receivables based on assumption about risk of default and expected credit loss rate (Note 3(a)(iv)). The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the Group's past history, existing market conditions as well as forward-looking estimates at the balance sheet date.

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reports in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports.

The Group is principally engaged in manufacturing and trading of hospitality supplies products and trading of operating supplies and equipment. From a geographical perspective, the Board assesses the performance based on the Group's revenue by geographical location in which the customer is located. Altogether, the Group has two reportable segments: (a) Hospitality Supplies Business and (b) Operating Supplies and Equipment ("OS&E") Business.

The Board assesses the performance of the operating segments based on a measure of profit before income tax, share of profit of an associated company, share of profit of a joint venture and fair value gain on an investment property.

Information provided to the Board is measured in a manner consistent with that of the consolidated financial statements.

4 重大會計估計及判斷

估計及判斷會持續評估，並按過往經驗及其他因素(包括於有關情況下相信為合理之未來事件之預測)而作出。

本集團對未來作出估計及假設。根據定義，由此產生之會計估計於極少情況下會與其實際結果相同。極可能導致須對下個財政年度之資產及負債賬面值作出重大調整之估計及假設載列如下。

應收貿易賬款及票據減值

本集團根據有關違約風險及預期信貸虧損比率的假設就應收貿易賬款及票據計提撥備(附註3(a)(iv))。本集團於作出該等假設及挑選計算減值的輸入數據時運用判斷，並以本集團過往經驗、現時市況及於結算日的前瞻估計為基礎。

5 分類資料

董事會為主要營運決策者。董事會檢討本集團的內部報告以評估業績及分配資源。董事會基於此等報告確定經營分類。

本集團主要從事製造及銷售酒店供應品類產品以及銷售營運用品及設備。從地理區域角度，董事會評估業績時會依據本集團的客戶所在地域之收入來釐定。總括而言，本集團有兩個報告分類：(a) 酒店供應品業務；及(b) 營運用品及設備(「營運用品及設備」)業務。

董事會以未計所得稅前溢利、應佔一間聯營公司溢利、應佔一間合營企業溢利及一項投資物業之公平值收益為衡量基準以評估經營分類的表現。

向董事會呈報的資料採用與綜合財務報表一致的方式計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

5 SEGMENT INFORMATION (Continued)

Sales between segments are carried out at normal commercial terms. Depreciation and amortisation charges are apportioned with reference to respective segment revenue from external customers. Assets and liabilities of the Group are allocated by reference to the principal markets in which the Group operates.

Geographical

		Hospitality Supplies Business 酒店供應品業務							OS&E Business 營運用品及設備業務			Others 其他		
		North America	Europe	The PRC	Hong Kong	Australia	Other Asia Pacific regions (Note i)	Others (Note ii)	Sub-total	The PRC	Others (Note iii)	Sub-total	Total	
							Other Asia Pacific regions (附註i)	其他 (附註ii)			其他 (附註iii)			
		北美	歐洲	中國	香港	澳洲	亞太地區 (附註i)	其他 (附註ii)	小計	中國	其他 (附註iii)	小計	總計	
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元		
Year ended 31 December 2019	截至二零一九年 十二月三十一日 止年度													
Segment revenue	分類收入	393,011	232,250	616,189	303,393	39,597	285,302	3,937	1,873,679	111,392	69,054	180,446	6,395	2,060,520
Inter-segment revenue	分類間收入	-	-	(2,057)	(3,234)	-	-	-	(5,291)	(9,291)	(2,746)	(12,037)	(97)	(17,425)
Revenue from external customers	來自外部客戶的 收入	393,011	232,250	614,132	300,159	39,597	285,302	3,937	1,868,388	102,101	66,308	168,409	6,298	2,043,095
Earnings before interest, taxes, depreciation, amortisation and fair value gain on an investment property	未計利息、稅項、 折舊、攤銷及 一項投資物業之 公平值收益前 的盈利	43,512	27,519	44,653	25,765	5,899	21,747	961	170,056	5,099	3,671	8,770	4,425	183,251
Depreciation	折舊	(11,390)	(6,731)	(17,799)	(8,700)	(1,148)	(8,269)	(114)	(54,151)	(83)	(54)	(137)	(391)	(54,679)
Amortisation	攤銷	(429)	(254)	(671)	(328)	(43)	(312)	(4)	(2,041)	-	-	-	(143)	(2,184)
Finance income	財務收入	-	-	378	1,061	-	69	4	1,512	-	-	-	3	1,515
Finance costs	財務成本	-	-	(377)	(1,320)	(5)	(38)	-	(1,740)	-	-	-	(14)	(1,754)
Segment profit before income tax	未計所得稅前 分類溢利	31,693	20,534	26,184	16,478	4,703	13,197	847	113,636	5,016	3,617	8,633	3,880	126,149
Share of profit of an associated company	應佔一間 聯營公司溢利													897
Share of profit of a joint venture	應佔一間合營企業 溢利													56
Income tax expenses	所得稅開支													(35,022)
Profit for the year	本年度溢利													92,080

5 分類資料(續)

分類間的銷售按一般商業條款進行。折舊及攤銷費用乃參考來自外部客戶的各分類收入予以分配。本集團的資產及負債乃參照本集團所經營業務的主要市場進行分配。

地區

5 SEGMENT INFORMATION (Continued)

5 分類資料(續)

Geographical (Continued)

地區(續)

		Hospitality Supplies Business 酒店供應品業務						OS&E Business 營運用品及設備業務				Others 其他		Inter- segment elimination 分類間 抵銷	Total 總計	
		The PRC	Hong Kong		Australia	Cambodia	Other locations (Note iv) 其他地區 (附註iv)		The PRC	Hong Kong		Other locations	Sub-total			
			中國	Hong Kong			小計	中國		Hong Kong	其他地區					小計
				香港						香港						
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元			
As at	於二零一九年															
31 December 2019	十二月三十一日															
Total assets	資產總額	933,112	653,064	2,378	233,915	70,888	1,893,357	79,952	39,076	391	119,419	31,210	(205,041)	1,838,945		
Include:	包括:															
Investment in an associated company	於一間聯營公司的投資	-	5,869	-	-	-	5,869	-	-	-	-	-	-	5,869		
Investments in joint ventures	於合營企業的投資	-	363	-	-	-	363	-	-	-	-	-	-	363		
Additions to non-current assets (other than deferred income tax assets and other financial assets at amortised cost)	非流動資產添置(遞延所得稅資產按攤銷成本列賬之其他金融資產除外)	35,504	12,136	2	100,289	2,845	150,776	156	-	-	156	-	-	150,932		
Total liabilities	負債總額	(410,358)	(209,956)	(179)	(31,200)	(50,671)	(702,364)	(15,305)	(34,668)	-	(49,973)	(160,743)	205,041	(708,039)		

5 SEGMENT INFORMATION (Continued)

5 分類資料(續)

Geographical (Continued)

地區(續)

		Hospitality Supplies Business 酒店供應品業務						OS&E Business 營運用品及設備業務				Others 其他		Inter- segment elimination 抵銷 分類間	Total 總計	
		The PRC	Hong Kong		Australia	Cambodia	Other locations (Note iv) 其他地區	Sub-total	The PRC	Hong Kong		Other locations	Sub-total			
			中國	香港						香港	香港					
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000			HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元			
As at	於二零一八年															
31 December 2018	十二月三十一日															
Total assets	資產總額	1,009,945	615,478	1,224	116,295	48,342	1,791,284	50,122	13,817	378	64,317	36,636	(187,186)	1,705,051		
Include:	包括:															
Investment in an associated company	於一間聯營公司的投資	-	5,408	-	-	-	5,408	-	-	-	-	-	-	-	5,408	
Investments in joint ventures	於合營企業的投資	-	307	-	-	-	307	-	-	-	-	-	-	-	307	
Additions to non-current assets (other than deferred income tax assets and other financial assets at amortised cost)	非流動資產添置(遞延所得稅資產及按攤銷成本列賬之其他金融資產除外)	68,145	2,539	8	104,349	384	175,425	46	-	-	46	28	-	175,499		
Total liabilities	負債總額	(421,194)	(141,258)	(18)	(12,639)	(43,721)	(618,830)	(12,547)	(2,327)	-	(14,874)	(168,003)	187,186	(614,521)		

Notes:

- i Other Asia Pacific regions mainly include the Macau Special Administrative Region of the PRC, Japan, United Arab Emirates, Thailand, the Philippines, Malaysia, Singapore, Dubai and India.
- ii Others mainly include South Africa, Morocco and Algeria.
- iii Others mainly include the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and the United States of America.
- iv Other locations mainly include Singapore, India and Japan.

附註:

- i 其他亞太地區主要包括中國澳門特別行政區、日本、阿拉伯聯合酋長國、泰國、菲律賓、馬來西亞、新加坡、迪拜及印度。
- ii 其他主要包括南非、摩洛哥及阿爾及利亞。
- iii 其他主要包括中國香港特別行政區、中國澳門特別行政區及美國。
- iv 其他地區主要包括新加坡、印度及日本。

Additions to non-current assets mainly comprise additions to goodwill, right-of-use assets, property, plant and equipment, intangible assets and other non-current assets including additions due to business combination (2018: additions to non-current assets comprise additions to goodwill, land use rights, property, plant and equipment, intangible assets and other non-current assets including additions due to business combination).

非流動資產添置主要包括添置商譽、使用權資產、物業、廠房及設備、無形資產及其他非流動資產，包括因業務合併而添置(二零一八年：非流動資產添置包括添置商譽、土地使用權、物業、廠房及設備、無形資產及其他非流動資產，包括因業務合併而添置)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

6 LAND USE RIGHTS

6 土地使用權

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January, as previously presented	於一月一日，如過往呈列	67,716	39,888
Impact of adoption of HKFRS 16 (Note 2(b))	採納香港財務報告準則 第16號的影響(附註2(b))	(67,716)	-
At 1 January, as restated	於一月一日，經重列	-	39,888
Additions	添置	-	33,029
Amortisation (Note 26)	攤銷(附註26)	-	(1,970)
Exchange differences	匯兌差額	-	(3,231)
At 31 December	於十二月三十一日	-	67,716

As at 31 December 2018, the Group's interests in land use rights represent prepaid operating lease payments.

於二零一八年十二月三十一日，本集團於土地使用權之權益指營運租賃預付款。

From 1 January 2019, the date of initial application of HKFRS 16, the land use rights, as prepayments of lease payments, are accounted for as right-of-use assets under HKFRS 16. The carrying amounts of these prepayments were reclassified to right-of-use assets on 1 January 2019 (Note 2(b)).

自二零一九年一月一日(香港財務報告準則第16號的首次應用日期)起，土地使用權(作為租賃預付款)根據香港財務報告準則第16號作為使用權資產入賬。此等預付款的賬面值於二零一九年一月一日重新分類至使用權資產(附註2(b))。

Amortisation of the Group's land use rights has been charged to the consolidated statement of comprehensive income as follows:

本集團土地使用權之攤銷已於綜合全面收益表扣除，詳情如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of sales	銷售成本	-	236
Distribution costs	分銷成本	-	752
Administrative expenses	行政開支	-	982
		-	1,970

As at 31 December 2018, certain land use rights of aggregate net carrying value of approximately HK\$1,673,000 were pledged as securities for banking facility of the Group (Note 22).

於二零一八年十二月三十一日，總賬面淨值約1,673,000港元之若干土地使用權予以抵押，作為本集團銀行融資的擔保(附註22)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

7 PROPERTY, PLANT AND EQUIPMENT

7 物業、廠房及設備

		Land	Buildings	Leasehold	Motor	Furniture	Computer	Plant and	Construction	Total
		土地	樓宇	improvements	vehicles	and	equipment	machinery	in progress	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	fixtures	電腦設備	廠房及機器	在建工程	總計
		千港元	千港元	千港元	千港元	傢私及裝置	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日									
Cost	成本	35,208	193,849	99,385	25,277	19,173	20,342	210,118	-	603,352
Accumulated depreciation and impairment	累計折舊及減值	(3,203)	(81,171)	(72,133)	(17,146)	(16,529)	(18,399)	(125,279)	-	(333,860)
Net book amount	賬面淨值	32,005	112,678	27,252	8,131	2,644	1,943	84,839	-	269,492
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度									
Opening net book amount	年初賬面淨值	32,005	112,678	27,252	8,131	2,644	1,943	84,839	-	269,492
Additions	添置	7,345	4,477	8,016	2,237	860	512	26,051	27,276	76,774
Additions due to business combination	因業務合併而添置	10,422	34,890	-	322	745	-	11,540	-	57,919
Disposals (Note 34(b))	出售(附註34(b))	-	-	-	(14)	(2)	(3)	(981)	-	(1,000)
Depreciation (Note 26)	折舊(附註26)	(1,285)	(10,869)	(6,809)	(3,164)	(890)	(911)	(17,004)	-	(40,932)
Exchange differences	匯兌差額	(29)	(4,505)	(1,286)	(132)	(139)	(79)	(4,965)	(25)	(11,160)
Closing net book amount	年末賬面淨值	48,458	136,671	27,173	7,380	3,218	1,462	99,480	27,251	351,093
At 31 December 2018	於二零一八年十二月三十一日									
Cost	成本	52,946	224,441	101,945	25,044	19,687	19,855	230,530	27,251	701,699
Accumulated depreciation and impairment	累計折舊及減值	(4,488)	(87,770)	(74,772)	(17,664)	(16,469)	(18,393)	(131,050)	-	(350,606)
Net book amount	賬面淨值	48,458	136,671	27,173	7,380	3,218	1,462	99,480	27,251	351,093

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 綜合財務報表附註(續)

7 PROPERTY, PLANT AND EQUIPMENT (Continued) 7 物業、廠房及設備(續)

		Land	Buildings	Leasehold improvements	Motor vehicles	Furniture and fixtures	Computer equipment	Plant and machinery	Construction in progress	Total
		土地	樓宇	租賃物業裝修	汽車	傢私及裝置	電腦設備	廠房及機器	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2019	於二零一九年一月一日									
Cost, as previously presented	成本，如過往呈列	52,946	224,441	101,945	25,044	19,687	19,855	230,530	27,251	701,699
Impact of adoption of HKFRS 16 (Note 2(b))	採納香港財務報告準則第16號的影響(附註2(b))	(35,408)	-	-	-	-	-	-	-	(35,408)
Cost, as restated	成本，經重列	17,538	224,441	101,945	25,044	19,687	19,855	230,530	27,251	666,291
Accumulated depreciation and impairment, as previously presented	累計折舊及減值，如過往呈列	(4,488)	(87,770)	(74,772)	(17,664)	(16,469)	(18,393)	(131,050)	-	(350,606)
Impact of adoption of HKFRS 16 (Note 2(b))	採納香港財務報告準則第16號的影響(附註2(b))	4,488	-	-	-	-	-	-	-	4,488
Accumulated depreciation and impairment, as restated	累計折舊及減值，經重列	-	(87,770)	(74,772)	(17,664)	(16,469)	(18,393)	(131,050)	-	(346,118)
Net book amount, as restated	賬面淨值，經重列	17,538	136,671	27,173	7,380	3,218	1,462	99,480	27,251	320,173

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

7 PROPERTY, PLANT AND EQUIPMENT (Continued) 7 物業、廠房及設備(續)

		Land	Buildings	Leasehold improvements	Motor vehicles	Furniture and fixtures	Computer equipment	Plant and machinery	Construction in progress	Total
		土地	樓宇	租賃物業裝修	汽車	傢俬及裝置	電腦設備	廠房及機器	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Year ended	截至二零一九年									
31 December	十二月三十一日									
2019	止年度									
Opening net book amount, as restated	年初賬面淨值，經重列	17,538	136,671	27,173	7,380	3,218	1,462	99,480	27,251	320,173
Additions	添置	-	26,309	7,663	1,263	620	668	42,047	57,512	136,082
Additions due to business combination (Note 36)	因業務合併而添置(附註36)	-	-	20	305	16	-	-	-	341
Transfer	轉移	-	22,321	-	-	-	-	-	(22,321)	-
Disposals (Note 34(b))	出售(附註34(b))	-	-	(4)	(18)	(5)	-	(4,958)	-	(4,985)
Depreciation (Note 26)	折舊(附註26)	-	(12,077)	(6,413)	(2,963)	(997)	(1,262)	(22,203)	-	(45,915)
Exchange differences	匯兌差額	(95)	(2,012)	(511)	(48)	(47)	(18)	(1,990)	(344)	(5,065)
Closing net book amount	年末賬面淨值	17,443	171,212	27,928	5,919	2,805	850	112,376	62,098	400,631
At 31 December 2019	於二零一九年十二月三十一日									
Cost	成本	17,443	269,178	107,546	26,320	19,689	19,923	253,171	62,098	775,368
Accumulated depreciation and impairment	累計折舊及減值	-	(97,966)	(79,618)	(20,401)	(16,884)	(19,073)	(140,795)	-	(374,737)
Net book amount	賬面淨值	17,443	171,212	27,928	5,919	2,805	850	112,376	62,098	400,631

Depreciation of the Group's property, plant and equipment has been charged to the consolidated statement of comprehensive income as follows:

本集團的物業、廠房及設備的折舊已於綜合全面收益表扣除，詳情如下：

		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
Cost of sales	銷售成本	32,012	26,005
Distribution costs	分銷成本	3,474	4,033
Administrative expenses	行政開支	10,429	10,894
		45,915	40,932

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

7 PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2019, certain property, plant and equipment with aggregate net carrying value of approximately HK\$27,678,000 (31 December 2018: HK\$62,111,000) were pledged as securities for banking facilities of the Group (Note 22).

8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts related to leases:

		31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	1 January 2019 二零一九年 一月一日 HK\$'000 千港元
Right-of-use assets	使用權資產		
Office premises	辦公室物業	93,744	89,771
Factory buildings	廠房樓宇	13,897	11,617
Warehouse	倉庫	1,051	2,506
		108,692	103,894
Lease liabilities	租賃負債		
Current	即期	5,208	3,277
Non-current	非即期	2,929	1,947
		8,137	5,224

During the year ended 31 December 2019, additions to the right-of-use assets amounted to approximately HK\$15,117,000, including additions of approximately HK\$435,000 due to business combination were recognised by the Group in the consolidated financial statements.

As at 1 January 2019, leasehold land and land use rights amounted to approximately HK\$30,920,000 and approximately HK\$67,716,000 were reclassified from property, plant and equipment and land use rights to right-of-use assets respectively.

7 物業、廠房及設備(續)

於二零一九年十二月三十一日，總賬面淨值約27,678,000港元(二零一八年十二月三十一日：62,111,000港元)之若干物業、廠房及設備予以抵押，作為本集團銀行融資之擔保(附註22)。

8 使用權資產及租賃負債

(a) 於綜合資產負債表確認的金額

綜合資產負債表顯示下列與租賃有關的金額：

於截至二零一九年十二月三十一日止年度，添置使用權資產約15,117,000港元，包括已確認於本集團綜合財務報表內因業務合併而添置約435,000港元。

於二零一九年一月一日，分別約30,920,000港元及約67,716,000港元的租賃土地及土地使用權已由物業、廠房及設備及土地使用權分別重新分類至使用權資產。

8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

(a) Amounts recognised in the consolidated balance sheet (Continued)

As at 31 December 2019, certain right-of-use assets with an aggregate carrying value of approximately HK\$31,233,000 were pledged as securities for banking facilities of the Group (Note 22).

(b) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

(a) 於綜合資產負債表確認的金額(續)

於二零一九年十二月三十一日，若干總賬面值約31,233,000港元的使用權資產已質押作為本集團銀行融資的抵押品(附註22)。

(b) 於綜合全面收益表確認的金額

綜合全面收益表顯示下列與租賃相關的金額：

		2019 二零一九年 HK\$'000 千港元
Depreciation of right-of-use assets	使用權資產折舊	
Office premises	辦公室物業	4,141
Factory buildings	廠房樓宇	3,196
Warehouse	倉庫	1,427
		8,764
Interest expenses on lease liabilities (Note 29)	租賃負債利息開支(附註29)	496
Other lease expenses (Note 26)	其他租賃開支(附註26)	9,779

During the year ended 31 December 2019, the total cash outflows for leases of the Group amounted to approximately HK\$15,681,000.

The Group's leasing activities and how they are accounted for

The Group leases various land, office premises, factory buildings, warehouses and others. Rental contracts are typically made for fixed periods of 1 to 3 years, which do not contain any extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

截至二零一九年十二月三十一日止年度，本集團就租賃的現金流出總額約15,681,000港元。

本集團之租賃活動及該等活動計量

本集團租賃多項土地、辦公室物業、廠房樓宇、倉庫及其他。租務合約一般為1至3年的固定期限，並不包括任何續期選擇權。

租賃條款均單獨商定，並包含各種不同的條款及條件。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

9 INVESTMENT PROPERTY

9 投資物業

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	14,005	14,289
Revaluation gain	重估收益	-	473
Exchange differences	匯兌差額	(298)	(757)
At 31 December	於十二月三十一日	13,707	14,005

The following amounts have been recognised in the consolidated statement of comprehensive income:

以下款項已於綜合全面收益表確認：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Rental income (Note 27)	租金收入(附註27)	313	310
Direct operating expenses arising from an investment property that generates rental income (Note 26)	來自產生租金收入之一項投資物業之直接營運開支(附註26)	49	50

(a) Independent valuation of the Group's investment property was performed by the valuer, Asset Appraisal Limited, to determine the fair value of the investment property as at 31 December 2019 and 31 December 2018. The following table analyses the investment property carried at fair value.

(a) 本集團投資物業已由估值師中誠達資產評估顧問有限公司進行獨立估值，以釐定投資物業於二零一九年十二月三十一日及二零一八年十二月三十一日之公平值。下表乃對按公平值列賬之投資物業所作分析。

Fair value hierarchy

公平值層級

**Fair value measurements at
31 December 2019 using
於二零一九年十二月三十一日
公平值計量(按以下各項作出)**

Description 說明		Quoted price in active markets for identical assets (Level 1) 相同資產在 活躍市場的報價 (第一級) HK\$'000 千港元	Significant other observable inputs (Level 2) 其他重要的 可觀察輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重要的不可 觀察輸入數據 (第三級) HK\$'000 千港元
		Recurring fair value measurements: Investment property	經常性公平值 計量： 投資物業	-

9 INVESTMENT PROPERTY (Continued)

(a) (Continued)

Fair value hierarchy (Continued)

Description 說明	Fair value measurements at 31 December 2018 using 於二零一八年十二月三十一日 公平值計量(按以下各項作出)		
	Quoted price in active markets for identical assets (Level 1) 相同資產在 活躍市場的報價 (第一級) HK\$'000 千港元	Significant other observable inputs (Level 2) 其他重要的 可觀察輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重要的不可 觀察輸入數據 (第三級) HK\$'000 千港元
Recurring fair value measurements: Investment property	經常性公平值 計量: 投資物業	–	14,005

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the year.

Level 2 fair values of completed investment properties have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

9 投資物業(續)

(a) (續)

公平值層級(續)

Fair value measurements at
31 December 2018 using
於二零一八年十二月三十一日
公平值計量(按以下各項作出)

Quoted price in active markets for identical assets (Level 1) 相同資產在 活躍市場的報價 (第一級) HK\$'000 千港元	Significant other observable inputs (Level 2) 其他重要的 可觀察輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重要的不可 觀察輸入數據 (第三級) HK\$'000 千港元
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本集團之政策乃於導致轉移之事件或情況變化發生之日確認公平值層級之轉入及轉出。於年內，第一、二及三級之間概無轉移。

已竣工投資物業之第二級公平值一般以銷售比較法得出。鄰近可資比較物業的銷售價格因應物業規模等主要因素的差異予以調整。此估值方法最重要的輸入數據為每平方米的價格。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

9 INVESTMENT PROPERTY (Continued)

(b) Details of the investment property:

The investment property of the Group are leased to the tenant under operating lease with fixed monthly rental payable and the Group closely monitors the risk associated with its right retains in the underlying asset.

Address of investment property 投資物業地址	Existing use 目前用途	Tenure 租期
Room 101, Chuntian Garden, No. 6, Lane 999, Loushanguan Road, Changning District, Shanghai City, the PRC 中國上海市長寧區婁山關路999里 6號春天花園101室	31 December 2019: Rental (31 December 2018: Rental) 二零一九年十二月三十一日：租賃 (二零一八年十二月 三十一日：租賃)	The property is held under long term lease 物業乃根據長期租賃持有

(c) At 31 December 2019, the future aggregate minimum lease receipts under non-cancellable operating lease of the investment property not recognised in the consolidated financial statements, which are receivable by the Group as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內	179	314
Later than one year but no later than 5 years	遲於一年 但不遲於五年	-	183
		179	497

10 GOODWILL AND INTANGIBLE ASSETS

(a) Goodwill

On 31 May 2019, the Group acquired 51% of the equity interest of Wayoutokushin Co., Ltd. ("Wayoutokushin") in Japan (Note 36). As a result of this acquisition, goodwill of approximately HK\$4,974,000 was recognised in the consolidated financial statements at the date of acquisition. The goodwill represents the synergy attributable to the Group's business, including the workforce and synergies expected to arise after the Group's acquisition of the new subsidiary.

9 投資物業(續)

(b) 投資物業之詳情：

本集團之投資物業按每月固定應付租金的經營租賃向租戶租出，本集團密切監察相關資產所保留權利的有關風險。

(c) 於二零一九年十二月三十一日，本集團根據不可註銷投資物業營運租賃之應收未來最低租賃收入總額(未於綜合財務報表確認)如下：

10 商譽及無形資產

(a) 商譽

於二零一九年五月三十一日，本集團收購株式會社和楊德信(「和楊德信」)之51%股本權益(附註36)。此項收購帶來於收購日期在綜合財務報表中確認約4,974,000港元之商譽。商譽乃為本集團業務帶來之協同效益，包括本集團收購新附屬公司預期帶來之勞動力及協同效益。

10 GOODWILL AND INTANGIBLE ASSETS (Continued) 10 商譽及無形資產(續)**(a) Goodwill (Continued)**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	5,413	-
Addition due to business combination (Note 36)	因業務合併而添置 (附註36)	4,974	5,371
Exchange differences	匯兌差額	(33)	42
At 31 December	於十二月三十一日	10,354	5,413

Goodwill is allocated to the respective groups of CGUs, which represent the lowest level within the Group at which the relevant goodwill is monitored for internal management purposes, and not larger than an operating segment.

As at 31 December 2019, the Group's goodwill of approximately HK\$5,430,000 (2018: approximately HK\$5,413,000) and approximately HK\$4,924,000 are attributable to the operations in Cambodia and Japan respectively.

The recoverable amount of a CGU is determined based on a value in use calculation. The calculation uses pre-tax cash flow projection based on financial budgets approved by management covering a five-year period. Thereafter, the cash flows are extrapolated using the terminal growth rate not exceeding the long-term average growth rate of the countries in which the CGU operates.

Impairment test of goodwill arising from the business combinations in Cambodia and Japan

The key assumptions are as follows:

(a) 商譽(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	5,413	-
Addition due to business combination (Note 36)	因業務合併而添置 (附註36)	4,974	5,371
Exchange differences	匯兌差額	(33)	42
At 31 December	於十二月三十一日	10,354	5,413

商譽分配至相關組別之現金產生單位，即本集團內就內部管理而言監察商譽之最低水平(不大於經營分部)。

於二零一九年十二月三十一日，本集團約5,430,000港元(二零一八年：約5,413,000港元)及約4,924,000港元之商譽乃分別來自於柬埔寨及日本之業務運作。

現金產生單位之可收回金額乃按使用價值計算方法釐定。此計算方法使用稅前現金流預測基於管理層就涵蓋五年期的財政預算而計算。五年期後的現金流使用不超出現金產生單位經營所在國家長期平均增長率的最終增長率推算。

柬埔寨及日本業務合併所產生商譽的減值測試

主要假設如下：

		Operation in Cambodia 於柬埔寨之營運		Operation in Japan 於日本之營運	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年
Pre-tax discount rate	稅前折現率	20.2%	20.2%	22.4%	22.4%
Compound annual growth rate	複合年增長率	20.2%	15.6%	17.2%	17.2%
Terminal growth rate	終端增長率	3.0%	3.0%	1.0%	1.0%

The recoverable amount calculated based on value in use exceeded carrying value as at 31 December 2019. A decrease in compound annual growth rate by 3.3% (2018: 3.2%) and 4.4% would remove the remaining headroom for the operations in Cambodia and Japan respectively.

根據使用價值計算得出的可收回金額超出於二零一九年十二月三十一日之賬面值。將複合年增長率分別減少3.3%(二零一八年：3.2%)及4.4%會分別消除於柬埔寨及日本之營運超出部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

10 GOODWILL AND INTANGIBLE ASSETS (Continued) 10 商譽及無形資產(續)

(b) Intangible assets

(b) 無形資產

		Trademarks 商標 HK\$'000 千港元	Investment in club debentures 會所債券投資 HK\$'000 千港元	Brandname 品牌名稱 HK\$'000 千港元	Software licences 軟件特許權 HK\$'000 千港元	Operating licence 經營牌照 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日						
Cost	成本	1,608	968	16,731	8,628	-	27,935
Accumulated amortisation and impairment	累計攤銷 及減值	(1,141)	(968)	(16,731)	(7,209)	-	(26,049)
Net book amount	賬面淨值	467	-	-	1,419	-	1,886
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度						
Opening net book amount	年初賬面淨值	467	-	-	1,419	-	1,886
Additions	添置	43	-	-	594	-	637
Addition due to business combination	因業務合併 而添置	-	-	-	-	1,728	1,728
Amortisation (Note 26)	攤銷(附註26)	(185)	-	-	(875)	(575)	(1,635)
Exchange differences	匯兌差額	-	-	-	(14)	(4)	(18)
Closing net book amount	年末賬面淨值	325	-	-	1,124	1,149	2,598
At 31 December 2018	於二零一八年 十二月三十一日						
Cost	成本	1,651	968	-	9,222	1,728	13,569
Accumulated amortisation and impairment	累計攤銷 及減值	(1,326)	(968)	-	(8,098)	(579)	(10,971)
Net book amount	賬面淨值	325	-	-	1,124	1,149	2,598
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度						
Opening net book amount	年初賬面淨值	325	-	-	1,124	1,149	2,598
Additions	添置	84	-	-	980	-	1,064
Addition due to business combination (Note 36)	因業務合併而添置 (附註36)	37	-	-	-	-	37
Amortisation (Note 26)	攤銷(附註26)	(176)	-	-	(1,146)	(862)	(2,184)
Exchange differences	匯兌差額	-	-	-	(1)	(2)	(3)
Closing net book amount	年末賬面淨值	270	-	-	957	285	1,512
At 31 December 2019	於二零一九年 十二月三十一日						
Cost	成本	1,772	968	-	10,203	1,728	14,671
Accumulated amortisation and impairment	累計攤銷 及減值	(1,502)	(968)	-	(9,246)	(1,443)	(13,159)
Net book amount	賬面淨值	270	-	-	957	285	1,512

10 GOODWILL AND INTANGIBLE ASSETS (Continued)**(b) Intangible assets (Continued)**

Amortisation of the Group's intangible assets have been charged to the consolidated statement of comprehensive income as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of sales	銷售成本	863	575
Distribution costs	分銷成本	533	215
Administrative expenses	行政開支	788	845
		2,184	1,635

11 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes related to the same fiscal authority. The offsetting amounts are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred income tax assets	遞延所得稅資產	3,850	3,610
Deferred income tax liabilities	遞延所得稅負債	(7,361)	(7,460)
Deferred income tax liabilities, net	遞延所得稅負債淨額	(3,511)	(3,850)

The net movement on the deferred income tax account is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	(3,850)	3,319
Additions due to business combination	因業務合併而添置	-	(4,871)
Recognised in the consolidated statement of comprehensive income (Note 31)	於綜合全面收益表內確認 (附註31)	345	(2,175)
Exchange differences	匯兌差額	(6)	(123)
At 31 December	於十二月三十一日	(3,511)	(3,850)

10 商譽及無形資產(續)**(b) 無形資產(續)**

本集團無形資產的攤銷已於綜合全面收益表扣除，詳情如下：

11 遞延所得稅

當有法定可強制執行權利將即期稅項資產與即期稅項負債抵銷，而遞延所得稅涉及同一財政機關時，可將遞延所得稅資產與負債互相抵銷。抵銷金額如下：

遞延所得稅賬戶之變動淨額如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

11 DEFERRED INCOME TAX (Continued)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax liabilities

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Revaluation of an investment property 一項投資 物業重估 HK\$'000 千港元	Additions due to business combination 因業務 合併而添置 HK\$'000 千港元	Capitalisation of right-of-use assets 使用權資產 資本化 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	(953)	(1,839)	-	-	(2,792)
Additions due to business combination	因業務合併而添置	-	-	(4,871)	-	(4,871)
Recognised in the consolidated statement of comprehensive income	於綜合全面 收益表內確認	97	-	-	-	97
Exchange differences	匯兌差額	-	96	10	-	106
At 31 December 2018	於二零一八年十二月三十一日	(856)	(1,743)	(4,861)	-	(7,460)
Impact of adoption of HKFRS 16	採納香港財務報告準則 第16號之影響	-	-	-	(1,193)	(1,193)
Recognised in the consolidated statement of comprehensive income	於綜合全面 收益表內確認	90	-	1,416	(290)	1,216
Exchange differences	匯兌差額	-	37	18	21	76
At 31 December 2019	於二零一九年十二月三十一日	(766)	(1,706)	(3,427)	(1,462)	(7,361)

Deferred income tax assets

		Decelerated tax depreciation 減速稅項折舊 HK\$'000 千港元	Capitalisation of lease liabilities 租賃負債資本化 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年 一月一日	6,111	-	6,111
Recognised in the consolidated statement of comprehensive income	於綜合全面 收益表 內確認	(2,272)	-	(2,272)
Exchange differences	匯兌差額	(229)	-	(229)
At 31 December 2018	於二零一八年 十二月三十一日	3,610	-	3,610
Impact of adoption of HKFRS 16	採納香港財務報告 準則第16號之影響	-	1,193	1,193
Recognised in the consolidated statement of comprehensive income	於綜合全面 收益表 內確認	(1,221)	350	(871)
Exchange differences	匯兌差額	(52)	(30)	(82)
At 31 December 2019	於二零一九年 十二月三十一日	2,337	1,513	3,850

11 遞延所得稅(續)

不考慮於同一稅務司法權區產生的餘額互相抵銷的情況，年內遞延所得稅資產及負債之變動如下：

遞延所得稅負債

	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Revaluation of an investment property 一項投資 物業重估 HK\$'000 千港元	Additions due to business combination 因業務 合併而添置 HK\$'000 千港元	Capitalisation of right-of-use assets 使用權資產 資本化 HK\$'000 千港元	Total 總計 HK\$'000 千港元
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遞延所得稅資產

	Decelerated tax depreciation 減速稅項折舊 HK\$'000 千港元	Capitalisation of lease liabilities 租賃負債資本化 HK\$'000 千港元	Total 總計 HK\$'000 千港元
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11 DEFERRED INCOME TAX (Continued)

Deferred income tax liabilities of approximately HK\$13,022,000 as at 31 December 2019 (31 December 2018: approximately HK\$12,228,000) have not been recognised for the withholding tax that would be payable on the remittance of earnings of PRC subsidiaries. The related unremitted earnings of total approximately HK\$260,438,000 at 31 December 2019 (31 December 2018: approximately HK\$244,552,000), and the Group does not intend to remit these unremitted earnings from the relevant subsidiary to the Company in the foreseeable future.

12 INVENTORIES

The cost of inventories included in cost of sales during the year amounted to approximately HK\$1,082,056,000 (for the year ended 31 December 2018: approximately HK\$1,135,305,000).

Direct written off of and provision made for obsolete inventories for the year ended 31 December 2019 amounted to approximately HK\$1,132,000 (2018: approximately HK\$2,760,000) and approximately HK\$6,572,000 (2018: approximately HK\$7,484,000) respectively. These were recognised as an expense and included in "cost of sales" in the consolidated statement of comprehensive income.

11 遞延所得稅(續)

於二零一九年十二月三十一日，本集團並未就中國附屬公司的匯出盈利的應付預扣稅確認遞延所得稅負債約13,022,000港元(二零一八年十二月三十一日：約12,228,000港元)。於二零一九年十二月三十一日，相關未匯出盈利合共約260,438,000港元(二零一八年十二月三十一日：約244,552,000港元)，及本集團無意於可見未來來自相關附屬公司的此等未匯出盈利匯出至本公司。

12 存貨

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw materials	原材料	91,455	100,184
Work in progress	在製品	12,816	11,017
Finished goods	製成品	184,889	150,167
		289,160	261,368
Less: Provision for obsolete inventories	減：陳舊存貨撥備	(18,096)	(17,551)
Inventories, net	存貨淨額	271,064	243,817

於年內計入銷售成本的存貨成本約1,082,056,000港元(截至二零一八年十二月三十一日止年度：約1,135,305,000港元)。

截至二零一九年十二月三十一日止年度，直接撇銷及就陳舊存貨計提的撥備分別約1,132,000港元(二零一八年：約2,760,000港元)及約6,572,000港元(二零一八年：約7,484,000港元)。此等確認為開支，並計入綜合全面收益表中的「銷售成本」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

13 TRADE AND BILLS RECEIVABLES

13 應收貿易賬款及票據

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables	應收貿易賬款	613,655	684,716
Bills receivables	應收票據	4,624	4,687
		618,279	689,403
Less: provision for impairment of receivables	減：應收款項減值撥備	(26,530)	(22,995)
Trade and bills receivables, net	應收貿易賬款及票據淨額	591,749	666,408

The credit period granted by the Group ranges from 15 days to 120 days.

本集團所授予的信貸期介乎15日至120日。

Ageing analysis of trade and bills receivables by invoice date is as follows:

應收貿易賬款及票據按發票日期的賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
1–30 days	1至30日	324,893	399,708
31–60 days	31至60日	121,237	121,691
61–90 days	61至90日	69,635	76,875
91–180 days	91至180日	49,675	67,633
Over 180 days	180日以上	52,839	23,496
		618,279	689,403

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Denominated in:	按以下貨幣列值：		
– RMB	– 人民幣	317,909	349,271
– US\$	– 美元	225,780	257,422
– HK\$	– 港元	43,394	58,799
– Other currencies	– 其他貨幣	31,196	23,911
		618,279	689,403

13 TRADE AND BILLS RECEIVABLES (Continued)

The fair value of trade and bills receivables, net are as follows:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade and bills receivables, net	591,749	666,408

As at 31 December 2019, trade and bills receivables of approximately HK\$26,530,000 (31 December 2018: approximately HK\$22,995,000) are impaired and have been provided for. See Note 3(a)(iv) for information about how impairment losses are calculated. Net impairment losses on trade and bills receivables are presented as "net (impairment losses)/reversal of impairment losses on financial assets" in the consolidated statement of comprehensive income. Subsequent recoveries of amounts previously impaired and provided for are credited in the consolidated statement of comprehensive income. Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. As at 31 December 2019, the individually impaired trade receivables mainly represent receivables of approximately HK\$22,701,000 (31 December 2018: approximately HK\$22,086,000) from PRC customers which have remained long overdue and management considered the recoverability is remote.

Movements on the provision for impairment of trade and bills receivables are as follows:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	22,995	38,735
Net provision/(reversal) of provision of trade and bills receivables recognised during the year	9,701	(11,351)
Write-off of provision for impairment of trade and bills receivables	(5,652)	(2,931)
Exchange differences	(514)	(1,458)
At 31 December	26,530	22,995

13 應收貿易賬款及票據(續)

應收貿易賬款及票據淨額的公平值如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade and bills receivables, net	591,749	666,408

於二零一九年十二月三十一日，應收貿易賬款及票據約26,530,000港元(二零一八年十二月三十一日：約22,995,000港元)已出現減值及作出撥備。有關計算減值虧損的資料請參閱附註3(a)(iv)。應收貿易賬款及票據之減值虧損淨額於綜合全面收益表呈列為「金融資產(減值虧損)／減值虧損撥回淨額」。隨後收回先前已減值並計提撥備的款項會撥入綜合全面收益表。倘預期無法收回額外現金，則已確認減值撥備的應收款項於撥備中撤銷。於二零一九年十二月三十一日，個別出現減值的應收貿易賬款主要指應收中國客戶逾期已久的款項約22,701,000港元(二零一八年十二月三十一日：約22,086,000港元)且管理層認為可收回性甚微。

應收貿易賬款及票據的減值撥備的變動如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	22,995	38,735
Net provision/(reversal) of provision of trade and bills receivables recognised during the year	9,701	(11,351)
Write-off of provision for impairment of trade and bills receivables	(5,652)	(2,931)
Exchange differences	(514)	(1,458)
At 31 December	26,530	22,995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

13 TRADE AND BILLS RECEIVABLES (Continued)

The creation and release of provision for impaired receivables have been included in net (impairment losses)/reversal of impairment losses on financial assets in the consolidated statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the balance sheet date is the fair values of trade and bills receivables disclosed above.

14 AMOUNT DUE FROM AN ASSOCIATED COMPANY

The amount represents trade receivables from an associated company. The carrying value of the amount approximates its fair value. The amount is unsecured, interest-free and mainly denominated in HK\$. The credit period granted is 90 days. The ageing analysis of amount by invoice date is as follows:

13 應收貿易賬款及票據(續)

已減值應收款項撥備的計提及解除已計入綜合全面收益表內之金融資產(減值虧損)/減值虧損撥回淨額。計入撥備賬戶的款項一般於預期將不會收回額外現金時撇銷。

於結算日的最高信貸風險乃上文所披露的應收貿易賬款及票據的公平值。

14 應收一間聯營公司款項

該款項為應收一間聯營公司的貿易賬款。該款項之賬面值與其公平值相若。該款項無抵押、無利息及主要以港元計值。授予的信貸期為90日。按發票日期之賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
1-30 days	1至30日	2,123	3,103
31-60 days	31至60日	1,691	22
61-90 days	61至90日	1,232	-
		5,046	3,125

15 OTHER FINANCIAL ASSETS AT AMORTISED COST

Current:	流動：		
Deposits	按金	3,543	2,774
Other receivables	其他應收款項	8,820	9,089
		12,363	11,863

Non-current:	非流動：		
Long-term deposits	長期按金	425	371
		12,788	12,234

The carrying value of the amount approximates its fair value.

15 按攤銷成本列賬之其他金融資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current:	流動：		
Deposits	按金	3,543	2,774
Other receivables	其他應收款項	8,820	9,089
		12,363	11,863

該款項之賬面值與其公平值相若。

15 OTHER FINANCIAL ASSETS AT AMORTISED COST (Continued)**15 按攤銷成本列賬之其他金融資產(續)**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Denominated in:	按以下貨幣列值：		
– RMB	– 人民幣	10,514	9,765
– HK\$	– 港元	727	363
– Other currencies	– 其他貨幣	1,084	2,106
		12,325	12,234

As at 31 December 2019, the balance of other financial assets at amortised cost include receivables from joint ventures amounted to approximately HK\$463,000 arising from non-trading activities. These balance were unsecured in nature, interest-free and denominated in RMB.

於二零一九年十二月三十一日，按攤銷成本列賬之其他金融資產結餘包括產生自非貿易活動之應收合營企業款項約463,000港元。此等結餘無抵押、無利息及以人民幣計值。

16 OTHER ASSETS**16 其他資產**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current:	流動：		
Prepayments	預付款項	16,137	27,480
Others	其他	23,664	7,550
		39,801	35,030
Non-current:	非流動：		
Prepayments (Note)	預付款項(附註)	24,146	16,923
		63,947	51,953

Note:

As at 31 December 2018, the balance of non-current prepayments included prepayment to iBridge Technology (Shenzhen) Limited ("iBridge Technology"), a joint venture of the Group amounted to approximately HK\$78,000, arising from purchases of information technology services. Such balances are unsecured in nature, interest-free and denominated in RMB.

附註：

於二零一八年十二月三十一日，包括購買資訊科技服務而預付本集團合營企業恩博哲科技(深圳)有限公司(「恩博哲科技」)之款項之非流動預付款項為約78,000港元。該等結餘無抵押、無利息及以人民幣計值。

17 SHORT-TERM BANK DEPOSITS**17 短期銀行存款**

As at 31 December 2019, short-term bank deposits of approximately HK\$295,000 (2018: approximately HK\$521,000) represented bank deposits of the Group with original maturity over three months which are denominated in Indian Rupee.

於二零一九年十二月三十一日，短期銀行存款約295,000港元(二零一八年：約521,000港元)為原到期日超過三個月以印度盧比計值之本集團銀行存款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

18 CASH AND CASH EQUIVALENTS

18 現金及現金等值項目

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash at banks and on hand	銀行結餘及現金	308,169	272,478
Short term bank deposits (original maturities of less than three months)	短期銀行存款 (原到期日少於三個月)	40,680	-
		348,849	272,478
Denominated in:	按以下貨幣列值：		
- US\$	- 美元	100,159	89,007
- RMB	- 人民幣	93,196	71,447
- HK\$	- 港元	92,537	73,765
- EURO	- 歐元	27,138	20,635
- Other currencies	- 其他貨幣	35,819	17,624
		348,849	272,478

The Group's cash and bank balances and short-term bank deposits with banks in the PRC and India as at 31 December 2019 amounted to approximately HK\$105,489,000 (31 December 2018: approximately HK\$101,656,000) and approximately HK\$1,447,000 (31 December 2018: approximately HK\$1,113,000) respectively, where the remittance of funds is subject to foreign exchange control.

於二零一九年十二月三十一日，本集團存於中國及印度的銀行之現金及銀行結餘及短期銀行存款分別約105,489,000港元(二零一八年十二月三十一日：約101,656,000港元)及約1,447,000港元(二零一八年十二月三十一日：約1,113,000港元)，資金匯款受外匯管制規限。

19 RESERVES

Other reserves

19 儲備

其他儲備

		Merger reserve	Statutory reserve fund	Share-based compensation reserve	Other reserves	Exchange reserves	Retained earnings	Total
		合併儲備	法定儲備金	以股份支付的酬金儲備	其他儲備	匯兌儲備	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2018	於二零一八年一月一日的結餘	61,510	33,728	22,264	5,233	43,005	309,310	475,050
Comprehensive income	全面收益							
Profit for the year	本年度溢利	-	-	-	-	-	100,249	100,249
Other comprehensive loss	其他全面虧損							
Currency translation differences	貨幣折算差額	-	-	-	-	(12,823)	-	(12,823)
Total comprehensive (loss)/income	全面(虧損)/收益總額	-	-	-	-	(12,823)	100,249	87,426
Final dividend relating to 2017	二零一七年度之末期股息	-	-	-	-	-	(36,206)	(36,206)
Interim dividend relating to 2018	二零一八年度之中期股息	-	-	-	-	-	(14,492)	(14,492)
Exercise of share options	行使購股權	-	-	(820)	-	-	820	-
Balance at 31 December 2018	於二零一八年十二月三十一日的結餘	61,510	33,728	21,444	5,233	30,182	359,681	511,778

19 RESERVES (Continued)

19 儲備(續)

Other reserves (Continued)

其他儲備(續)

		Merger reserve	Statutory reserve fund	Share-based compensation reserve	Other reserves	Exchange reserves	Retained earnings	Total
		合併儲備	法定 儲備金	以股份支付 的酬金儲備	其他儲備	匯兌儲備	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2019	於二零一九年 一月一日的結餘	61,510	33,728	21,444	5,233	30,182	359,681	511,778
Comprehensive income	全面收益							
Profit for the year	本年度溢利	-	-	-	-	-	97,936	97,936
Other comprehensive loss	其他全面虧損							
Currency translation differences	貨幣折算差額	-	-	-	-	(7,187)	-	(7,187)
Realisation of exchange reserve upon dissolution of subsidiaries	解散附屬 公司時變現 匯兌儲備	-	-	-	-	(1,280)	-	(1,280)
Total comprehensive (loss)/income	全面(虧損)/收益 總額	-	-	-	-	(8,467)	97,936	89,469
Final dividend relating to 2018 (Note 33)	二零一八年度之 末期股息(附註33)	-	-	-	-	-	(36,442)	(36,442)
Interim dividend relating to 2019 (Note 33)	二零一九年度之 中期股息(附註33)	-	-	-	-	-	(10,942)	(10,942)
Exercise of share options	行使購股權	-	-	(3,192)	-	-	3,192	-
Lapse of share options	購股權失效	-	-	(423)	-	-	423	-
Balance at 31 December 2019	於二零一九年十二月 三十一日的結餘	61,510	33,728	17,829	5,233	21,715	413,848	553,863
Representing: Reserves	代表: 儲備							531,835
Final dividend proposed (Note 33)	建議末期股息 (附註33)							22,028
Balance at 31 December 2019	於二零一九年十二月 三十一日的結餘							553,863

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

19 RESERVES (Continued)

Other reserves (Continued)

Nature and purpose

Merger reserve

Merger reserve of the Group represents the difference between the cost of investments in subsidiaries and nominal value of the share capital and share premium of the subsidiaries in 2007 arising from the application of merger accounting in consolidating the financial information of the affected entities.

Statutory reserve fund

Under the relevant PRC laws and regulations, PRC companies are required to allocate 10% of the companies' net profit to the fund until such fund reaches 50% of the companies' registered capital. The statutory reserve fund can be utilised, upon approval by the relevant authorities, to offset against accumulated losses or to increase registered capital of the companies, provided that such fund is maintained at a minimum of 25% of the companies' registered capital.

Share-based compensation reserve

The share-based compensation reserve is used to recognise the grant date fair value of options issued to employees but not exercised (Note 20).

20 SHARE-BASED PAYMENT COMPENSATION

(a) Share options

As at 31 December 2019, 3,408,000 share options (31 December 2018: 10,378,000 share options) were outstanding and all of them are exercisable (31 December 2018: same). Among the outstanding share options, 2,846,000 (31 December 2018: 2,946,000) and 562,000 (31 December 2018: 709,000) share options will lapse on 9 September 2021 and 4 September 2022, respectively. As at 31 December 2018, there were also 6,723,000 share options outstanding and to be lapsed on 23 June 2019. These 6,723,000 share options were either exercised or lapsed as at 31 December 2019.

19 儲備(續)

其他儲備(續)

性質及用途

合併儲備

本集團的合併儲備指於附屬公司的投資成本及股本面值與附屬公司於二零零七年合併受影響實體財務資料時採用合併會計法所產生的股份溢價的差額。

法定儲備金

根據有關中國法律及規例，中國公司必須將公司純利的10%分配至該儲備金，直至該儲備金達至公司註冊資本的50%為止。法定儲備金經有關當局批准後可用於抵銷累計虧損或增加公司的註冊資本，惟該儲備金至少須維持於公司註冊資本25%的水平。

以股份支付的酬金儲備

以股份支付的酬金儲備乃用於確認授予僱員但尚未行使的購股權於授出日的公平值(附註20)。

20 以股份支付的酬金

(a) 購股權

於二零一九年十二月三十一日，3,408,000份購股權(二零一八年十二月三十一日：10,378,000份購股權)尚未行使，且全部均可予行使(二零一八年十二月三十一日：相同)。在尚未行使購股權中，2,846,000份(二零一八年十二月三十一日：2,946,000份)及562,000份(二零一八年十二月三十一日：709,000份)購股權將分別於二零二一年九月九日及二零二二年九月四日失效。於二零一八年十二月三十一日，6,723,000份購股權亦尚未行使及於二零一九年六月二十三日失效。此等6,723,000份購股權於二零一九年十二月三十一日已行使或失效。

20 SHARE-BASED PAYMENT COMPENSATION
(Continued)**20 以股份支付的酬金(續)****(a) Share options (Continued)**

During the year ended 31 December 2019, 6,087,000 share options (for the year ended 31 December 2018: 1,656,000 share options) were exercised at proceeds of approximately HK\$3,774,000 (for the year ended 31 December 2018: approximately HK\$1,027,000). Share options exercised during the year ended 31 December 2019 were issued at a weighted average exercise price of HK\$0.62 (for the year ended 31 December 2018: HK\$0.62) per share. The related weighted average closing price at the time of exercise for the year ended 31 December 2019 was HK\$1.10 (for the year ended 31 December 2018: HK\$1.15) per share.

During the year ended 31 December 2019, 883,000 share options were lapsed on 23 June 2019 (for the year ended 31 December 2018: Nil).

During the year ended 31 December 2019, no share options were forfeited (for the year ended 31 December 2018: 100,000 share options).

As all the share options were fully vested, no share-based payment expense was recognised during the year ended 31 December 2019 (for the year ended 31 December 2018: Nil).

Movements in the number of share options outstanding and their related exercise prices are as follows:

(a) 購股權(續)

截至二零一九年十二月三十一日止年度，6,087,000份購股權(截至二零一八年十二月三十一日止年度：1,656,000份購股權)按所得款項約3,774,000港元(截至二零一八年十二月三十一日止年度：約1,027,000港元)已行使。於截至二零一九年十二月三十一日止年度所行使之購股權按加權平均行使價每股0.62港元(截至二零一八年十二月三十一日止年度：0.62港元)發行。截至二零一九年十二月三十一日止年度，行使時相關加權平均收市價為每股1.10港元(截至二零一八年十二月三十一日止年度：1.15港元)。

截至二零一九年十二月三十一日止年度，883,000份購股權已於二零一九年六月二十三日失效(截至二零一八年十二月三十一日止年度：無)。

截至二零一九年十二月三十一日止年度，概無購股權被沒收(截至二零一八年十二月三十一日止年度：100,000份購股權)。

由於所有購股權均獲悉數歸屬，故截至二零一九年十二月三十一日止年度並無確認以股份支付的開支(截至二零一八年十二月三十一日止年度：無)。

尚未行使購股權之數目及其相關行使價變動如下：

		2019 二零一九年		2018 二零一八年	
		Average exercise price in HK\$ per share 每股以港元計值之平均行使價	Number of share options (thousands) 購股權數目(千份)	Average exercise price in HK\$ per share 每股以港元計值之平均行使價	Number of share options (thousands) 購股權數目(千份)
At 1 January	於一月一日	0.62	10,378	0.62	12,134
Granted	授出	-	-	-	-
Forfeited	沒收	-	-	0.62	(100)
Exercised	行使	0.62	(6,087)	0.62	(1,656)
Lapsed	到期	0.62	(883)	-	-
Cancelled	註銷	-	-	-	-
At 31 December	於十二月三十一日	0.62	3,408	0.62	10,378

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

20 SHARE-BASED PAYMENT COMPENSATION (Continued)

(b) Shares award

On 23 September 2016, the Company has adopted the Scheme, to (i) recognise the contributions by employees, directors, consultants or advisers of or to the Group (the "Eligible Persons"); and (ii) offer suitable incentives to attract and retain targeted talents and personnel for the continuance of operations and future development of the Group. Subject to the rules as set under the Scheme, the Board may at its absolute discretion to elect any Eligible Persons to participate in the Scheme (the "Selected Persons") and to award the Company's shares (the "Awarded Shares") to these Selected Persons, subject to vesting conditions, if any. These Awarded Shares will be transferred to the Selected Persons upon their fulfillment of all relevant vesting conditions.

In connection with the implementation of the Scheme, the Group has signed a trust deed with an independent third party to act as the trustee (the "Trustee") to hold certain shares on behalf of the Group and the Selected Persons before these Awarded Shares are granted and/or vested. The Group may from time to time instruct the Trustee to purchase the Company's shares from the market on the Stock Exchange and to hold them in trust for the benefit of the Selected Persons.

During the year ended 31 December 2019, no shares were purchased by the Group for the Scheme. During the year ended 31 December 2018, 3,550,000 shares were purchased on the Stock Exchange at a consideration of approximately HK\$3,962,000 by the Trustee on behalf of the Group. No shares were granted to Eligible Persons under the Scheme during the year ended 31 December 2019 (for the year ended 31 December 2018: same).

20 以股份支付的酬金(續)

(b) 股份獎勵

於二零一六年九月二十三日，本公司已採納計劃，以(i)肯定本集團的僱員、董事、諮詢人或顧問(「合資格人士」)所作出的貢獻；及(ii)提供適當獎勵以吸引及挽留目標人才及人員以讓本集團持續經營及發展未來。受限於計劃所載規則，董事會可全權酌情挑選任何合資格人士參與計劃(「獲選人士」)及向此等獲選人士授出本公司股份(「獎勵股份」)，惟須遵守歸屬條件(如有)。此等獎勵股份將於所有相關歸屬條件獲履行時轉讓至獲選人士。

就執行計劃而言，本集團已與獨立第三方(於若干獎勵股份獲授出及/或歸屬前，作為代表本集團及獲選人士持有此等股份的受託人(「受託人」)簽訂信託契據。本集團可不時指示受託人在聯交所市場購買本公司股份，並以獲選人士利益為依歸以信託持有有關股份。

截至二零一九年十二月三十一日止年度，本集團概無就計劃購買股份。截至二零一八年十二月三十一日止年度，3,550,000股股份已由受託人代表本集團按代價約3,962,000港元於聯交所購買。截至二零一九年十二月三十一日止年度，概無股份根據計劃向合資格人士授出(截至二零一八年十二月三十一日止年度：相同)。

21 SHARE CAPITAL

21 股本

		Number of shares 股份數目	HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股0.01港元的普通股		
Authorised:	法定：		
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	10,000,000,000	100,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2018	於二零一八年一月一日	726,519,697	7,265
Exercise of share options	行使購股權	1,656,000	17
At 31 December 2018	於二零一八年十二月三十一日	728,175,697	7,282
Exercise of share options	行使購股權	6,087,000	61
At 31 December 2019	於二零一九年十二月三十一日	734,262,697	7,343

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

22 BORROWINGS

22 借貸

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current:	非流動：		
Secured bank borrowings without repayable on demand clause	並無按要求償還條款之有抵押銀行借貸	405	-
Secured other borrowing without repayable on demand clause	並無按要求償還條款之有抵押其他借貸	715	-
		1,120	-
Current:	流動：		
Secured bank borrowings with repayable on demand clauses	具有按要求償還條款之有抵押銀行借貸	64,779	34,588
Secured bank borrowings without repayable on demand clause	並無按要求償還條款之有抵押銀行借貸	292	-
Secured other borrowing without repayable on demand clause	並無按要求償還條款之有抵押其他借貸	232	-
		65,303	34,588
		66,423	34,588

At 31 December 2019, the borrowings are denominated in the following currencies:

於二零一九年十二月三十一日，按以下貨幣列值之借貸如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
HK\$	港元	26,644	34,588
US\$	美元	38,135	-
Japanese Yen ("JPY")	日圓(「日圓」)	1,644	-
		66,423	34,588

The carrying amounts of borrowings approximate their fair values as the impact of discounting is not significant.

由於折現之影響並不重大，借貸之賬面值與其公平值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

22 BORROWINGS (Continued)

At 31 December 2019, the repayment terms of the borrowings without taking into account the effect of repayment on demand clauses are as follow:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 1 year	於1年內	17,511	7,985
Between 1 and 2 years	1至2年之間	15,819	7,706
Between 2 and 5 years	2至5年之間	31,181	14,808
Over 5 years	超過5年	1,912	4,089
		66,423	34,588

The weighted average effective interest rate per annum of the Group's borrowings at 31 December 2019 and 31 December 2018 are set out as follows:

		2019 二零一九年	2018 二零一八年
HK\$	港元	3.00%	2.95%

The Group has complied with the financial covenants of its borrowing facilities during the year ended 31 December 2019 and 31 December 2018.

Except for bank and other borrowings of HK\$1,644,000 as at 31 December 2019, which was secured by personal guarantee of a non-controlling interest of the Group, borrowings were secured by certain land use rights, property, plant and equipment and right-of-use assets.

The carrying amounts of assets pledged as security for borrowings are as follow:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Land use rights	土地使用權	-	1,673
Property, plant and equipment	物業、廠房及設備	27,678	62,111
Right-of-use assets	使用權資產	31,233	-
Total carrying amount of assets pledged as security	已抵押資產之賬面總額	58,911	63,784

22 借貸(續)

於二零一九年十二月三十一日，本集團的借貸在並無計及按要求償還條款的影響下，借貸的還款期如下：

於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團借貸的加權平均實際年利率載列如下：

截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度，本集團已遵守其借貸融資之財務契諾。

除於二零一九年十二月三十一日的銀行及其他借貸約1,644,000港元以本集團非控股權益之個人擔保作抵押外，借貸均以若干土地使用權、物業、廠房及設備及使用權資產作抵押。

就借貸之已抵押資產之賬面值如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

22 BORROWINGS (Continued)

At the balance sheet date, the following is the undrawn banking facilities of the Group:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Floating rate:	浮動利率：		
Expiring within one year	於一年內到期	309,545	358,947

22 借貸(續)

於結算日，本集團之尚未提取的銀行融資如下：

23 TRADE PAYABLES

The ageing analysis of trade payables by invoice date is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
1–30 days	1至30日	211,455	192,197
31–60 days	31至60日	8,037	15,088
61–90 days	61至90日	5,172	15,778
Over 90 days	90日以上	1,766	3,453
		226,430	226,516

23 應付貿易賬款

應付貿易賬款按發票日期的賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Denominated in:	按以下貨幣列值：		
– RMB	– 人民幣	180,759	189,563
– HK\$	– 港元	5,813	12,158
– US\$	– 美元	34,127	21,684
– Other currencies	– 其他貨幣	5,731	3,111
		226,430	226,516

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

24 ACCRUALS AND OTHER PAYABLES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current:	流動：		
Advance from customers (Note)	客戶預付款(附註)	19,634	16,465
Other payables	其他應付款項	133,260	124,715
Accruals	應計費用	179,272	158,066
		332,166	299,246
Non-current:	非流動：		
Other payables	其他應付款項	6,495	2,879
		338,661	302,125

The carrying values of these balances approximate their fair values.

Note:

Revenue recognised during the year ended 31 December 2019 that was included in the advance from customers balance at the beginning of the year amounted to approximately HK\$12,418,000 (2018: approximately HK\$13,026,000). The Group expects to deliver the goods to satisfy the remaining performance obligations of these contract liabilities within one year or less.

25 LOANS FROM NON-CONTROLLING INTERESTS

Loans from non-controlling interests are unsecured, interest-free and repayable on demand. The carrying value of these liabilities approximate their fair values.

At 31 December 2019, the loans from non-controlling interests are denominated in the following currencies:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
HK\$	港元	15,992	15,492
JPY	日圓	1,454	-
		17,446	15,492

24 應計費用及其他應付款項

此等結餘的賬面值與其公平值相若。

附註：

截至二零一九年十二月三十一日止年度，於年初計入客戶預付款結餘之已確認收入約12,418,000港元(二零一八年：約13,026,000港元)。本集團預期於一年或更短時間內交付貨品以履行此等合約負債之餘下履約責任。

25 來自非控股權益之貸款

來自非控股權益之貸款為無抵押、無利息及須按的要求償還。此等負債的賬面值與其公平值相若。

於二零一九年十二月三十一日，以下列貨幣列值來自非控股權益之貸款如下：

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綜合財務報表附註(續)

26 EXPENSES BY NATURE

The following expenses/(gains) are included in cost of sales, distribution costs, administrative expenses and net impairment losses/(reversal of impairment losses) on financial assets:

26 按性質呈列之開支

計入銷售成本、分銷成本、行政開支及金融資產減值虧損/(減值虧損撥回)淨額內的開支/(收益)列述如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Changes in inventories (Note 12)	存貨變動(附註12)	1,082,056	1,135,305
Auditor's remuneration	核數師酬金		
– Audit services	– 核數服務	2,680	2,680
– Non-audit services	– 非核數服務	320	381
Amortisation of land use rights (Note 6)	土地使用權的攤銷(附註6)	–	1,970
Depreciation of property, plant and equipment (Note 7)	物業、廠房及設備的折舊(附註7)	45,915	40,932
Depreciation of right-of-use assets (Note 8(b))	使用權資產的折舊(附註8(b))	8,764	–
Amortisation of intangible assets (Note 10(b))	無形資產的攤銷(附註10(b))	2,184	1,635
Operating lease rental in respect of buildings	樓宇的營運租賃租金	–	14,603
Other lease expenses (Note 8(b))*	其他租賃開支(附註8(b))*	9,779	–
Provision for obsolete inventories (Note 12)	陳舊存貨的撥備(附註12)	6,572	7,484
Direct written off of obsolete inventories (Note 12)	直接撇銷陳舊存貨(附註12)	1,132	2,760
Net impairment losses/(reversal of impairment losses) on financial assets (Note 13)	金融資產減值虧損/(減值虧損撥回)淨額(附註13)	9,701	(11,351)
Employee benefit expenses (Note 28)	僱員福利開支(附註28)	481,495	437,939
Transportation expenses	運輸費用	86,547	79,544
Exchange loss, net	匯兌虧損淨額	8,057	17,096
Advertising costs	廣告成本	15,814	14,857
Loss on disposal of property, plant and equipment (Note 34(b))	出售物業、廠房及設備的虧損(附註34(b))	180	532
Direct operating expenses arising from an investment property that generates rental income (Note 9)	來自產生租金收入之一項投資物業之直接營運開支(附註9)	49	50
Utilities expenses	公用開支	25,314	24,416

* These expenses relate to short-term leases. They are directly charged as expenses and are not included in the measurement of lease liabilities under HKFRS 16.

* 此等開支與短期租賃相關。此等金額直接計入開支，並不會在香港財務報告準則第16號下計量為租賃負債。

27 OTHER INCOME

27 其他收入

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Rental income (Note 9)	租金收入(附註9)	313	310
Income from sales of scrap materials	銷售廢料收入	1,820	1,778
Government grant	政府補助	7,052	2,898
Gain on dissolution of subsidiaries	解散附屬公司之收益	1,280	–
Others	其他	649	1,070
		11,114	6,056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

28 EMPLOYEE BENEFIT EXPENSES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, wages and bonuses	薪金、工資及花紅	432,163	390,222
Pension costs – defined contribution plans	退休金成本 — 界定供款計劃	1,521	1,695
Welfare and other expenses	福利及其他開支	47,811	46,022
		481,495	437,939

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2019 include five directors (for the year ended 31 December 2018: five directors) whose emoluments are reflected in the analysis shown in Note 39.

No emoluments have been paid to the individual or the directors as an inducement to join or upon joining the Group or as compensation for loss of office for the year ended 31 December 2019 (for the year ended 31 December 2018: Nil).

28 僱員福利開支

五名最高薪酬人士

截至二零一九年十二月三十一日止年度，本集團五名最高薪酬人士包括五名董事（截至二零一八年十二月三十一日止年度：五名董事），其薪酬分析已反映於附註39。

截至二零一九年十二月三十一日止年度，本集團並無為促使個別人士或董事加盟本集團或在其加盟本集團時支付酬金或因其失去職位而支付離職補償（截至二零一八年十二月三十一日止年度：無）。

29 FINANCE INCOME AND FINANCE COSTS

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest expenses on borrowings	借貸之利息開支	(2,630)	(1,206)
Less: amount capitalised on qualifying assets	減：就合資格資產撥充資本之金額	1,372	–
		(1,258)	(1,206)
Interest expenses on lease liabilities	租賃負債之利息開支	(496)	–
Finance costs	財務成本	(1,754)	(1,206)
Finance income	財務收入	1,515	877
Finance costs, net	財務成本淨額	(239)	(329)

During the year ended 31 December 2019, interest expenses on borrowings were capitalised at the weighted average rate of its general borrowings of approximately 3.00%.

截至二零一九年十二月三十一日止年度，借貸之利息開支資本化按其一般借貸的加權平均利率約3.00%。

30 SUBSIDIARIES

30 附屬公司

Name of company 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法律實體類型	Principal activities and place of operation 主要業務及經營所在地	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本之 詳情	Proportion of ordinary shares held directly 所持普通股比例		Proportion of ordinary shares held by non- controlling interests 非控股權益 所持普通股 之比例
				by parent 由母公司 直接持有	by the Group 由本集團 直接持有	
Ming Fai Holdings Limited 明輝控股有限公司	British Virgin Islands, limited liability company 英屬處女群島， 有限責任公司	Investment holding; Hong Kong 投資控股；香港	US\$100 100美元	100%	-	-
Ming Fai Asia Pacific Company Limited 明輝亞太有限公司	Hong Kong, limited liability company 香港，有限責任公司	Trading of hospitality supplies products and operating supplies and equipment; Hong Kong 銷售酒店供應品類產品及 營運用品及設備；香港	HK\$10,000,000 10,000,000港元	-	100%	-
Ming Fai Enterprise International Company Limited 明輝實業國際 有限公司	Hong Kong, limited liability company 香港，有限責任公司	Trading of hospitality supplies products and operating supplies and equipment; Hong Kong 銷售酒店供應品類產品及 營運用品及設備；香港	HK\$1,000,000 1,000,000港元	-	100%	-
Ming Fai Industrial (Shenzhen) Company Limited 明輝實業(深圳)有限公司	The PRC, limited liability company 中國，有限責任公司	Manufacturing and trading of hospitality supplies products and trading of operating supplies and equipment; the PRC 製造及銷售酒店供應品類產品及 銷售營運用品及設備；中國	HK\$50,000,000 50,000,000港元	-	100%	-
H-Square Hospitality Total Solution Company Limited 悅空間酒店配套有限公司	Hong Kong, limited liability company 香港，有限責任公司	Trading of operating supplies and equipment; Hong Kong 銷售營運用品及設備；香港	HK\$1,000 1,000港元	-	100%	-
Shenzhen H-Square Hospitality Total Solution Company Limited 深圳悅空間酒店配套有限公司	The PRC, limited liability company 中國，有限責任公司	Trading of operating supplies and equipment; the PRC 銷售營運用品及設備；中國	HK\$50,000,000 50,000,000港元	-	100%	-
IKONE Design Limited 千壹品牌形象設計有限公司	Hong Kong, limited liability company 香港，有限責任公司	Provision of professional solutions in product design, corporate branding, gifts & premiums, and event management services; Hong Kong 提供專業產品設計、企業及 品牌建構方案、禮品及 活動策劃服務；香港	HK\$1,000 1,000港元	-	100%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

30 SUBSIDIARIES (Continued)

30 附屬公司(續)

Name of company 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法律實體類型	Principal activities and place of operation 主要業務及經營所在地	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本之 詳情	Proportion of ordinary shares held directly 所持普通股比例		Proportion of ordinary shares held by non- controlling interests 非控股權益 所持普通股 之比例
				by parent 由母公司 直接持有	by the Group 由本集團 直接持有	
IKONE Design (Shenzhen) Limited	The PRC, limited liability company	Provision of professional solutions in product design, corporate branding, gifts & premiums, and event management services; the PRC	HK\$1,000,000	-	100%	-
千壹品牌形象設計(深圳)有限公司	中國·有限責任公司	提供專業產品設計、企業及品牌建構方案、禮品及活動策劃服務；中國	1,000,000港元	-	100%	-
Ming Fai Innovative Skin Care Lab Limited	Hong Kong, limited liability company	Manufacturing and trading of hospitality supplies products; Hong Kong	HK\$100,000	-	100%	-
明輝創新護膚研究有限公司	香港·有限責任公司	製造及銷售酒店供應品類產品；香港	100,000港元	-	100%	-
Wayoutokushin Co., Ltd.	Japan, limited liability company	Product development and trading of body care products; Japan	JPY140,000,000	-	51%	49%
株式會社和楊德信	日本·有限責任公司	身體護膚產品開發及貿易；日本	140,000,000日圓	-	51%	49%
Quality Amenities Supply Pte. Limited	Singapore, limited liability company	Trading of hospitality supplies products and operating supplies and equipment; Singapore	Singapore dollar 100,000	-	100%	-
Quality Amenities Supply Pte. Limited	新加坡·有限責任公司	銷售酒店供應品類產品及營運用品及設備；新加坡	100,000新加坡元	-	100%	-
Teng Xun Limited	Cambodia, limited liability company	Manufacturing and trading of hospitality supplies products and trading of operating supplies and equipment; Cambodia	US\$4,000,000	-	100%	-
Teng Xun Limited	柬埔寨·有限責任公司	製造及銷售酒店供應品類產品及銷售營運用品及設備；柬埔寨	4,000,000美元	-	100%	-
Oriental Lotus Hotel Supplies Private Limited	India, limited liability company	Manufacturing and trading of hospitality supplies products and trading of operating supplies and equipment; India	Indian Rupee ₹38,300,530	-	51%	49%
Oriental Lotus Hotel Supplies Private Limited	印度·有限責任公司	製造及銷售酒店供應品類產品及銷售營運用品及設備；印度	38,300,530印度盧比	-	51%	49%

31 INCOME TAX EXPENSES

The amount of income tax charged/(credited) to the consolidated statement of comprehensive income represents:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current income tax:	即期所得稅：		
– Hong Kong profits tax	– 香港利得稅	20,546	18,588
– PRC enterprise income tax	– 中國企業所得稅	12,995	12,783
– Other overseas profits tax	– 其他海外利得稅	906	1,404
Adjustments in respect of prior year	過往年度調整	920	(100)
		35,367	32,675
Deferred income tax (Note 11)	遞延所得稅(附註11)	(345)	2,175
		35,022	34,850

Taxation has been provided at the appropriate rates prevailing in the countries in which the Group operates.

Hong Kong profits tax, PRC enterprise income tax, Singapore corporate income tax and Cambodia corporate income tax are calculated at 16.5% (2018: 16.5%), 25% (2018: 25%), 17% (2018: 17%) and 20% (2018: 20%) on the estimated assessable profits for the year ended 31 December 2019 respectively.

Taxes on other overseas profits have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

31 所得稅開支

於綜合全面收益表扣除/(撥回)的所得稅金額為：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current income tax:	即期所得稅：		
– Hong Kong profits tax	– 香港利得稅	20,546	18,588
– PRC enterprise income tax	– 中國企業所得稅	12,995	12,783
– Other overseas profits tax	– 其他海外利得稅	906	1,404
Adjustments in respect of prior year	過往年度調整	920	(100)
		35,367	32,675
Deferred income tax (Note 11)	遞延所得稅(附註11)	(345)	2,175
		35,022	34,850

稅項乃按本集團經營所在國家通用的適用稅率計提撥備。

香港利得稅、中國企業所得稅、新加坡企業所得稅及柬埔寨企業所得稅乃按照截至二零一九年十二月三十一日止年度估計應課稅溢利分別以16.5% (二零一八年：16.5%)、25% (二零一八年：25%)、17% (二零一八年：17%) 及20% (二零一八年：20%) 計算。

其他海外溢利之稅項乃按本集團經營所在司法權區之當前稅率根據當地現行法例、詮釋及慣例計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

31 INCOME TAX EXPENSES (Continued)

The difference between the actual income tax charged to the consolidated statement of comprehensive income and the amounts which would result from applying the enacted tax rates to profit before income tax can be reconciled as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before income tax	未計所得稅前溢利	127,102	130,931
Tax calculated at domestic tax rates applicable to profits in the respective countries	按適用於各個國家的溢利的當地稅率計算的稅項	21,722	23,939
Income not subject to tax	毋須課稅的收入	(6,915)	(6,020)
Expenses not deductible for tax purposes	不可抵扣稅項的開支	7,455	7,724
Utilisation of prior year tax losses	動用過往年度之稅務虧損	(121)	(111)
Adjustments in respect of prior year	過往年度調整	920	(100)
Tax losses for which no deferred income tax asset was recognised	不涉及確認遞延所得稅資產的稅項虧損	11,961	9,418
Tax charge	稅項支出	35,022	34,850

The weighted average applicable tax rate was 17% per annum for the year ended 31 December 2019 (for the year ended 31 December 2018: 18% per annum). The change is caused by a change in the profitability of the Group's subsidiaries in respective countries.

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxation profits is probable. The Group has unrecognised tax losses of approximately HK\$196,965,000 (31 December 2018: approximately HK\$188,823,000) as at 31 December 2019 to offset against future taxable income. These tax losses expire in the following years:

綜合全面收益表中實際所得稅支出與按已生效稅率就未計所得稅前溢利計算所得金額之差額對賬如下：

截至二零一九年十二月三十一日止年度的加權平均適用稅率為每年17% (截至二零一八年十二月三十一日止年度：每年18%)。稅率改變乃因為本集團附屬公司在有關國家的盈利率改變。

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作確認。於二零一九年十二月三十一日，本集團之未確認稅項虧損約196,965,000港元(二零一八年十二月三十一日：約188,823,000港元)，可抵銷未來應課稅收入。此等稅項虧損將於下列年期屆滿：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
In the first to fifth years inclusive	第一年至第五年(包括首尾兩年)	125,503	117,524
In the sixth to tenth years inclusive	第六年至第十年(包括首尾兩年)	1,464	-
No expiry date	無屆滿日期	69,998	71,299
		196,965	188,823

32 EARNINGS PER SHARE

(a) Basic

Basic earnings per share attributable to owners of the Company is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

		2019 二零一九年	2018 二零一八年
Profit attributable to owners of the Company (HK\$'000)	本公司擁有人應佔溢利 (千港元)	97,936	100,249
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (千股)	726,910	723,477
Basic earnings per share attributable to owners of the Company (HK cents)	本公司擁有人應佔 每股基本盈利 (港仙)	13.5	13.9

(b) Diluted

Diluted earnings per share attributable to owners of the Company is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options as dilutive potential shares. A calculation was done to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above was compared with the number of shares that would have been issued assuming the exercise of the share options.

32 每股盈利

(a) 基本

本公司擁有人應佔每股基本盈利以本公司擁有人應佔溢利除以年內已發行普通股之加權平均數計算。

(b) 攤薄

本公司擁有人應佔每股攤薄盈利以假設所有可攤薄的潛在普通股被兌換後，調整已發行普通股的加權平均數計算。本公司之購股權屬可攤薄的潛在股份。計算方法為根據尚未行使購股權所附的認購權的貨幣價值，釐定按公平值(釐定為股份的平均全年市場價格)可購入的股份數目。按以上方式計算的股份數目，與假設購股權獲行使而應發行的股份數目作出比較。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

32 EARNINGS PER SHARE (Continued)

(b) Diluted (Continued)

		2019 二零一九年	2018 二零一八年
Profit attributable to owners of the Company (HK\$'000)	本公司擁有人應佔溢利 (千港元)	97,936	100,249
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權 平均數(千股)	726,910	723,477
Adjustment for: – Share options (thousands)	調整: – 購股權(千份)	2,009	4,886
Weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利普通股 之加權平均數 (千股)	728,919	728,363
Diluted earnings per share attributable to owners of the Company (HK cents)	本公司擁有人應佔 每股攤薄盈利 (港仙)	13.4	13.8

32 每股盈利(續)

(b) 攤薄(續)

33 DIVIDENDS

On 29 May 2019, a final dividend of HK5.0 cents per share for the year ended 31 December 2018 was approved by the Company's shareholders. Total dividend of approximately HK\$36,713,000 was paid out, including dividend paid to the shares held for the Scheme.

On 28 August 2019, the Board resolved to approve an interim dividend of HK1.5 cents per share for the six months ended 30 June 2019. Total dividend of approximately HK\$11,014,000 was paid out, including dividend paid to the shares held for the Scheme.

The final dividend in respect of the year ended 31 December 2019 of HK3.0 cents per share, amounting to a total dividend of approximately HK\$22,028,000 was resolved by the Board to propose on 25 March 2020, which is subject to approval at the annual general meeting of the Company to be held on 27 May 2020. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements, but reflected as an appropriation of retained earnings for the year ended 31 December 2019.

33 股息

於二零一九年五月二十九日，本公司股東已批准派發截至二零一八年十二月三十一日止年度之末期股息每股5.0港仙。約36,713,000港元之股息總額已獲派發，包括就計劃下持有之股份獲派發之股息。

於二零一九年八月二十八日，董事會議決批准截至二零一九年六月三十日止六個月之中期股息每股1.5港仙。約11,014,000港元之股息總額已獲派發，包括就計劃下持有之股份獲派發之股息。

於二零二零年三月二十五日，董事會議決建議派發截至二零一九年十二月三十一日止年度的末期股息為每股3.0港仙，股息總額約為22,028,000港元，惟須待將於二零二零年五月二十七日舉行的本公司股東週年大會上獲批准後，方可作實。此建議股息尚未於綜合財務報表反映為應付股息，但反映為截至二零一九年十二月三十一日止年度的分配保留盈利。

34 NOTE TO CONSOLIDATED STATEMENT OF
CASH FLOWS

34 綜合現金流量表附註

(a) Reconciliation of profit before income tax to
cash generated from operations(a) 未計所得稅前溢利與經營
業務所得現金的對賬

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before income tax	未計所得稅前溢利	127,102	130,931
Adjustments for:	已作出下列調整：		
– Amortisation of land use rights (Note 6)	– 土地使用權攤銷 (附註6)	–	1,970
– Depreciation of property, plant and equipment (Note 7)	– 物業、廠房及 設備折舊(附註7)	45,915	40,932
– Depreciation of right-of-use assets (Note 8(b))	– 使用權資產折舊 (附註8(b))	8,764	–
– Amortisation of intangible assets (Note 10(b))	– 無形資產攤銷 (附註10(b))	2,184	1,635
– Gain on dissolution of subsidiaries (Note 27)	– 解散附屬公司之收益 (附註27)	(1,280)	–
– Loss on disposal of property, plant and equipment (Note 34(b))	– 出售物業、廠房及 設備的虧損 (附註34(b))	180	532
– Finance income (Note 29)	– 財務收入(附註29)	(1,515)	(877)
– Finance costs (Note 29)	– 財務成本(附註29)	1,754	1,206
– Provision for obsolete inventories	– 陳舊存貨的撥備	6,572	7,484
– Direct written off for obsolete inventories (Note 12)	– 直接撇銷陳舊存貨 (附註12)	1,132	2,760
– Net impairment losses/(reversal of impairment losses) on financial assets (Note 13)	– 金融資產減值虧損 ／(減值虧損撥回) 淨額(附註13)	9,701	(11,351)
– Share of profit of an associated company	– 應佔一間聯營公司 溢利	(897)	(1,948)
– Share of profit of a joint venture	– 應佔一間合營企業 溢利	(56)	(95)
– Fair value gain on an investment property (Note 9)	– 一項投資物業之 公平值收益(附註9)	–	(473)
Changes in working capital:	營運資金變動：		
– Inventories	– 存貨	(38,130)	(3,421)
– Trade and bills receivables	– 應收貿易賬款及票據	59,731	(81,574)
– Other assets	– 其他資產	(12,649)	(18,814)
– Other financial assets at amortised cost	– 按攤銷成本列賬之 其他金融資產	(342)	(1,001)
– Trade payables	– 應付貿易賬款	4,059	5,435
– Accruals and other payables	– 應計費用及 其他應付款項	42,130	31,580
– Amount due from an associated company	– 應收一間聯營公司 款項	(1,922)	5,013
– Amounts due from joint ventures	– 應收合營企業款項	230	(206)
Cash generated from operations	經營業務所得的現金	252,663	109,718

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

34 NOTE TO CONSOLIDATED STATEMENT OF
CASH FLOWS (Continued)

(b) Proceeds from disposal of property, plant and equipment

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

Net book amount:	賬面淨值：		
– Property, plant and equipment (Note 7)	– 物業、廠房及設備 (附註7)	4,985	1,000
Loss on disposal of property, plant and equipment (Note 26)	出售物業、廠房及設備之 虧損(附註26)	(180)	(532)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項	4,805	468

(c) Net debt reconciliation

34 綜合現金流量表附註(續)

(b) 出售物業、廠房及設備所得款項

於綜合現金流量表中，出售物業、廠房及設備所得款項包括：

2019
二零一九年
HK\$'000
千港元

2018
二零一八年
HK\$'000
千港元

(c) 淨負債之對賬

Liabilities from financing activities
來自融資活動之負債

		Borrowings	Lease liabilities	Loan from non-controlling interests	Total
		借貸 HK\$'000 千港元	租賃負債 HK\$'000 千港元	非控股權益的貸款 HK\$'000 千港元	總計 HK\$'000 千港元
Net debt as at 1 January 2018	於二零一八年 一月一日之淨負債	22,170	-	14,492	36,662
Cash flows	現金流量	12,418	-	1,000	13,418
Foreign exchange adjustments	外匯調整	-	-	-	-
Net debt as at 31 December 2018	於二零一八年十二月 三十一日之淨負債	34,588	-	15,492	50,080
Recognised on adoption of HKFRS 16	於採納香港財務報告 準則第16號後確認	-	5,224	-	5,224
Net debt at 31 December 2018, as restated	於二零一八年十二月 三十一日之淨負債， 經重列	34,588	5,224	15,492	55,304
Cash flows	現金流量	28,832	(5,916)	500	23,416
Addition due to business combination (Note 36)	因業務合併而添置 (附註36)	1,972	435	1,460	3,867
Addition to lease liabilities	租賃負債添置	-	8,050	-	8,050
Finance costs (Note 29)	財務成本(附註29)	1,258	496	-	1,754
Foreign exchange adjustments	外匯調整	(227)	(152)	(6)	(385)
Net debt as at 31 December 2019	於二零一九年十二月 三十一日之淨負債	66,423	8,137	17,446	92,006

35 CAPITAL COMMITMENTS

As at 31 December 2019, the capital commitments of the Group were approximately HK\$45,406,000 (31 December 2018: approximately HK\$38,298,000).

35 資本承擔

於二零一九年十二月三十一日，本集團的資本承擔約45,406,000港元(二零一八年十二月三十一日：約38,298,000港元)。

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Contracted but not provided for in the consolidated financial statements	45,406	38,298
已訂約惟並未於綜合財務報表內撥備		

36 BUSINESS COMBINATION

On 31 May 2019, the Group completed the acquisition of 51% equity interest in Wayoutokushin in Japan by allotment of new shares at a total cash consideration of JPY71,400,000 (equivalent to approximately HK\$5,057,000). Pursuant to the share allotment agreement, the purpose of the acquisition is for the development of hospitality supplies business and personal care products development in Japan. Wayoutokushin was principally engaged in product development and trading of body care products.

36 業務合併

於二零一九年五月三十一日，本集團以71,400,000日圓(相當於約5,057,000港元)之總現金代價以認購新發股份之方式完成收購於日本之和楊德信之51%股本權益。根據認購新發股份及合作協議，收購之目的乃於日本發展酒店供應品業務和個人護理產品之開發。和楊德信主要從事身體護膚產品之開發及貿易。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

36 BUSINESS COMBINATION (Continued)

The consideration paid and the provisional fair values of assets acquired and liabilities assumed at the acquisition date are summarised in the table below:

		HK\$'000 千港元
Consideration	代價	
Cash paid	已付現金	5,057
Provisional fair value of recognised amounts of identifiable assets acquired and liabilities assumed	所收購可辨別資產及所承擔負債之已確認金額之暫定公平值	
Cash and cash equivalents	現金及現金等值項目	4,101
Other financial assets at amortised cost	按攤銷成本列賬之其他金融資產	103
Inventories	存貨	408
Property, plant and equipment (Note 7)	物業、廠房及設備(附註7)	341
Intangible asset (Note 10(b))	無形資產(附註10(b))	37
Right-of-use assets (Note 8)	使用權資產(附註8)	435
Lease liabilities (Note 8)	租賃負債(附註8)	(435)
Borrowings	借貸	(1,972)
Loan from a non-controlling interest	來自非控股權益之貸款	(1,460)
Accruals and other payables	應計費用及其他應付款項	(1,395)
Total net identifiable assets	可辨別淨資產總值	163
Share of total net identifiable assets of the Group	本集團應佔可辨別淨資產總值	83
Goodwill	商譽	4,974
		5,057
Cash consideration paid	已付現金代價	5,057
Cash and cash equivalents acquired	所收購的現金及現金等值項目	(4,101)
Net cash outflow on acquisition during the year	年內收購時的現金流出淨額	956

The goodwill of approximately HK\$4,974,000 represents the synergy attributable to the Group's business, including the workforce and synergies expected to arise after the Group's acquisition of the new subsidiary. None of the goodwill recognised is expected to be deductible for income tax purposes.

The Group recognises non-controlling interests in an acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The Group elected to recognise the non-controlling interest in Wayoutokushin at its proportionate share of the acquired net identifiable assets.

已付代價及所收購資產及所承擔負債於收購當日的暫定公平值於下表概列：

商譽約4,974,000港元乃為給本集團業務所帶來之協同效益，包括本集團收購新的附屬公司預期產生之勞動力及協同效益。預期概無已確認商譽可用作扣除所得稅。

本集團以個別收購的公平值或非控股權益應佔收購實體可辨別淨資產的部分為基準確認於收購實體的非控股權益。本集團選擇按其應佔收購可辨別淨資產的部分確認於和楊德信之非控股權益。

36 BUSINESS COMBINATION (Continued)

The gross contractual amount for other financial assets at amortised cost is approximately HK\$103,000 of which none is expected to be uncollectible.

The revenue and loss included in the consolidated statement of comprehensive income since 31 May 2019 contributed by Wayoutokushin were approximately HK\$1,203,000 and approximately HK\$1,985,000 respectively. Had Wayoutokushin been consolidated from 1 January 2019, the consolidated pro-forma revenue and profit for the year ended 31 December 2019 of the Group would have been approximately HK\$2,043,421,000 and approximately HK\$91,863,000 respectively.

The fair value of the acquired net identifiable assets is provisional pending receipt of the final valuations for those relevant assets.

37 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The ultimate controlling parties of the Group are Mr. CHING Chi Fai, Mr. CHING Chi Keung, Mr. LIU Zigang and Ms. CHAN Yim Ching.

(a) Significant related party transactions

The Group has carried out significant transactions with the following related parties:

Name of related party 關聯方姓名／名稱	Principal business activities 主要業務活動	Relationship with the Group 與本集團之關係
Ming Fai Plastic Industrial Company 明輝塑膠實業公司	Manufacturing of plastic products (Ceased manufacturing of plastic products since April 2003) 製造塑膠產品(自二零零三年四月起終止製造塑膠產品)	Partnership owned by Mr. CHING Chi Fai, Mr. YEUNG Tin Loi and Mr. CHING Chi Keung 由程志輝先生、楊天來先生及程志強先生所擁有的合夥企業
Quality Amenities Supply (M) Sdn. Bhd.	Trading of hospitality supplies products and operating supplies and equipment	Associated company of the Group
Quality Amenities Supply (M) Sdn. Bhd.	銷售酒店供應品類產品及營運用品及設備	本集團的聯營公司
iBridge Technology 恩博哲科技	Provision of information technology services 提供資訊科技服務	Joint venture of the Group 本集團的合營企業

36 業務合併(續)

按攤銷成本列賬之其他金融資產之合約總額約103,000港元，預期當中概無不可收回之款項。

和楊德信自二零一九年五月三十一日起計入綜合全面收益表之收入及虧損分別約1,203,000港元及約1,985,000港元。倘和楊德信自二零一九年一月一日起已綜合入賬，本集團截至二零一九年十二月三十一日止年度之綜合備考收入及溢利應分別約2,043,421,000港元及約91,863,000港元。

所收購可辨別淨資產之公平值屬暫定，待取得該等相關資產之最終估值方可作實。

37 關聯方交易

倘任何一方能控制另一方，或於其財政及經營決策上行使重大影響力，即為關聯方。受到共同控制的有關方亦被視為關聯方。

本集團之最終控制方為程志輝先生、程志強先生、劉子剛先生及陳艷清女士。

(a) 重大關聯方交易

本集團曾與以下關聯方進行重大交易：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

37 RELATED PARTY TRANSACTIONS (Continued)

(a) Significant related party transactions
(Continued)

In addition to those disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions with related parties:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(i) Sales of goods	(i) 銷售貨品		
– to Quality Amenities Supply (M) Sdn. Bhd.	– 予Quality Amenities Supply (M) Sdn. Bhd.	18,379	16,094
– to iBridge Technology	– 予恩博哲科技	242	201
(ii) Purchase of goods	(ii) 購買貨品		
– from iBridge Technology	– 自恩博哲科技	165	150
(iii) Rental charged	(iii) 下列各方收取的租金		
– by Ming Fai Plastic Industrial Company	– 明輝塑膠實業公司	1,321	1,474
(iv) Purchase of services rendered from	(iv) 購買下列提供的服務		
– information technology service charges from iBridge Technology	– 恩博哲科技提供之資訊科技服務	–	3

Sales of goods are transacted at prices mutually agreed between the parties.

Purchases of goods and services are transacted at prices mutually agreed between the parties.

Purchase of intangible assets are transacted at prices mutually agreed between the parties.

The Group leased certain properties from Ming Fai Plastic Industrial Company as one of its production bases in the PRC. The transaction is carried out at prices agreed between the parties.

37 關聯方交易(續)

(a) 重大關聯方交易(續)

除於綜合財務報表其他部分所披露者外，本集團與關聯方進行的重大交易如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(i) Sales of goods	(i) 銷售貨品		
– to Quality Amenities Supply (M) Sdn. Bhd.	– 予Quality Amenities Supply (M) Sdn. Bhd.	18,379	16,094
– to iBridge Technology	– 予恩博哲科技	242	201
(ii) Purchase of goods	(ii) 購買貨品		
– from iBridge Technology	– 自恩博哲科技	165	150
(iii) Rental charged	(iii) 下列各方收取的租金		
– by Ming Fai Plastic Industrial Company	– 明輝塑膠實業公司	1,321	1,474
(iv) Purchase of services rendered from	(iv) 購買下列提供的服務		
– information technology service charges from iBridge Technology	– 恩博哲科技提供之資訊科技服務	–	3

銷售貨品乃按訂約方之間互相協定的價格進行交易。

購買貨品及服務乃按訂約方之間互相協定的價格進行交易。

購買無形資產乃按訂約方之間相互協定之價格進行交易。

本集團向明輝塑膠實業公司租用若干物業作為其於中國的其中一個生產基地。此交易乃按訂約方之間互相協定的價格進行。

37 RELATED PARTY TRANSACTIONS (Continued)

37 關聯方交易(續)

(b) Key management compensation

(b) 主要管理人員酬金

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Basic salaries, housing allowances, other allowances and benefits-in-kind	底薪、住房津貼、其他津貼 及非金錢利益	10,452	10,330
Contributions to pension plans	退休金計劃供款	112	114
		10,564	10,444

(c) Year end balances arising from sales and purchase of goods

(c) 銷售及購買貨品的年終結餘

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties, unless elsewhere disclosed in the consolidated financial statements.

除於綜合財務報表其他部分所披露者外，以下與關聯方之交易結餘於報告期末仍未結算。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Prepayment to iBridge Technology (Note)	預付恩博哲科技款項 (附註)	-	78
Amounts due from	應收以下各方款項		
– Quality Amenities Supply (M) Sdn. Bhd. (Note 14)	– Quality Amenities Supply (M) Sdn. Bhd. (附註14)	5,046	3,125
– iBridge Technology (Note)	– 恩博哲科技(附註)	35	168

Note:

As at 31 December 2019, the balance represents the amount due from iBridge Technology of approximately HK\$35,000 (2018: approximately HK\$168,000) arising from sales of goods. These balances were unsecured in nature, interest-free and denominated in RMB.

As at 31 December 2018, the balance represents prepayment to iBridge Technology of approximately HK\$78,000 arising from purchase of information technology services. These balances were unsecured in nature, interest-free and denominated in RMB.

附註：

於二零一九年十二月三十一日，應收恩博哲科技約35,000港元(二零一八年：約168,000港元)之結餘產生自銷售貨品。此等結餘乃無抵押、無利息及以人民幣計值。

於二零一八年十二月三十一日，預付恩博哲科技款項約78,000港元之結餘產生自購買資訊科技服務。此等結餘乃無抵押、無利息及以人民幣計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company as at 31 December 2019

38 本公司資產負債表及儲備變動

於二零一九年十二月三十一日之本公司資產負債表

	Note	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
ASSETS			
Non-current asset			
Investment in a subsidiary		235,673	235,673
Total non-current assets		235,673	235,673
Current assets			
Other current assets		198	282
Other financial assets at amortised cost		73	50
Amounts due from subsidiaries		789,589	766,500
Amount due from a joint venture		38	38
Cash and cash equivalents		5,243	22,615
Total current assets		795,141	789,485
Total assets		1,030,814	1,025,158
EQUITY			
Equity attributable to the owners of the Company			
Share capital		7,343	7,282
Shares held under the Scheme		(6,051)	(6,051)
Share premium		613,261	609,548
Other reserves	A	407,602	404,452
Total equity		1,022,155	1,015,231
LIABILITIES			
Current liabilities			
Accruals and other payables		767	501
Amounts due to subsidiaries		7,560	9,104
Tax payable		146	146
Dividends payable		186	176
Total current liabilities		8,659	9,927
Total liabilities		8,659	9,927
Total equity and liabilities		1,030,814	1,025,158

The balance sheet of the Company was approved by the Board of Directors on 25 March 2020 and was signed on its behalf.

本公司資產負債表於二零二零年三月二十五日經董事會批准並由以下董事代表簽署。

CHING Chi Fai
程志輝
Director
董事

CHING Tsun Wah
程俊華
Director
董事

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)**Note A: Reserve movement of the Company for the year ended 31 December 2019**

		Merger reserve (Note) 合併儲備 (附註) HK\$'000 千港元	Share-based compensation reserves 以股份支付的 酬金儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2018	於二零一八年一月一日之結餘	224,147	32,332	149,462	405,941
Comprehensive income	全面收益				
Profit for the year	本年度溢利	-	-	49,209	49,209
Total comprehensive income	全面收益總額	-	-	49,209	49,209
Final dividend relating to 2017	二零一七年度之末期股息	-	-	(36,206)	(36,206)
Interim dividend relating to 2018	二零一八年度之中期股息	-	-	(14,492)	(14,492)
Exercise of share options	行使購股權	-	(820)	820	-
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	224,147	31,512	148,793	404,452
Representing: Reserve	代表: 儲備				368,024
Final dividend proposed	建議末期股息				36,428
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘				404,452
Balance at 1 January 2019	於二零一九年一月一日之結餘	224,147	31,512	148,793	404,452
Comprehensive income	全面收益				
Profit for the year	本年度溢利	-	-	50,534	50,534
Total comprehensive income	全面收益總額	-	-	50,534	50,534
Final dividend relating to 2018	二零一八年度之末期股息	-	-	(36,442)	(36,442)
Interim dividend relating to 2019	二零一九年度之中期股息	-	-	(10,942)	(10,942)
Exercise of share options	行使購股權	-	(3,192)	3,192	-
Lapse of share options	購股權失效	-	(423)	423	-
Balance at 31 December 2019	於二零一九年十二月三十一日之結餘	224,147	27,897	155,558	407,602
Representing: Reserve	代表: 儲備				385,574
Final dividend proposed	建議末期股息				22,028
Balance at 31 December 2019	於二零一九年十二月三十一日之結餘				407,602

Note:

Merger reserve of the Group represents the difference between the cost of investment in subsidiaries and nominal value of the share capital and share premium of the subsidiaries in 2007 arising from the application of merger accounting in consolidating the financial information of the affected entities.

38 本公司資產負債表及儲備變動(續)**附註A: 截至二零一九年十二月三十一日止年度本公司儲備變動**

		Merger reserve (Note) 合併儲備 (附註) HK\$'000 千港元	Share-based compensation reserves 以股份支付的 酬金儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2018	於二零一八年一月一日之結餘	224,147	32,332	149,462	405,941
Comprehensive income	全面收益				
Profit for the year	本年度溢利	-	-	49,209	49,209
Total comprehensive income	全面收益總額	-	-	49,209	49,209
Final dividend relating to 2017	二零一七年度之末期股息	-	-	(36,206)	(36,206)
Interim dividend relating to 2018	二零一八年度之中期股息	-	-	(14,492)	(14,492)
Exercise of share options	行使購股權	-	(820)	820	-
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	224,147	31,512	148,793	404,452
Representing: Reserve	代表: 儲備				368,024
Final dividend proposed	建議末期股息				36,428
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘				404,452
Balance at 1 January 2019	於二零一九年一月一日之結餘	224,147	31,512	148,793	404,452
Comprehensive income	全面收益				
Profit for the year	本年度溢利	-	-	50,534	50,534
Total comprehensive income	全面收益總額	-	-	50,534	50,534
Final dividend relating to 2018	二零一八年度之末期股息	-	-	(36,442)	(36,442)
Interim dividend relating to 2019	二零一九年度之中期股息	-	-	(10,942)	(10,942)
Exercise of share options	行使購股權	-	(3,192)	3,192	-
Lapse of share options	購股權失效	-	(423)	423	-
Balance at 31 December 2019	於二零一九年十二月三十一日之結餘	224,147	27,897	155,558	407,602
Representing: Reserve	代表: 儲備				385,574
Final dividend proposed	建議末期股息				22,028
Balance at 31 December 2019	於二零一九年十二月三十一日之結餘				407,602

附註:

本集團的合併儲備指於附屬公司的投資成本及股本面值與附屬公司於二零零七年合併受影響實體財務資料時採用合併會計法所產生的股份溢價的差額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

39 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The aggregate amounts of emoluments paid/payable to Directors of the Company by the Group are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Fees	袍金	1,350	1,350
Basic salaries, housing allowances, other allowances and benefits-in-kind	底薪、住房津貼、其他津貼及非金錢利益	9,852	9,730
Contributions to pension plans	退休金計劃供款	112	114
		11,314	11,194

The emoluments of each Director and chief executive of the Company for the year ended 31 December 2019 are as follows:

本集團已付／應付本公司董事的酬金總額如下：

截至二零一九年十二月三十一日止年度，本公司各董事及主要行政人員的酬金如下：

Name of Directors	Fees	Salary	Discretionary bonuses	Share-based payment expense	Employer's contribution to a retirement benefit scheme	Total
董事姓名	袍金 HK\$'000 千港元	薪金 HK\$'000 千港元	酌情花紅 HK\$'000 千港元	以股份支付的 開支 HK\$'000 千港元	僱主就退休福利計劃的 供款 HK\$'000 千港元	總額 HK\$'000 千港元
Executive Directors (Note (i))	執行董事(附註(i))					
Mr. CHING Chi Fai	120	1,304	1,150	-	18	2,592
Mr. CHING Chi Keung	120	790	710	-	18	1,638
Mr. LIU Zigang	120	948	968	-	40	2,076
Mr. CHING Tsun Wah	120	790	718	-	18	1,646
Mr. KEUNG Kwok Hung	120	1,411	1,063	-	18	2,612
Independent Non-Executive Directors	獨立非執行董事					
Mr. HUNG Kam Hung Allan	150	-	-	-	-	150
Mr. MA Chun Fung Horace	150	-	-	-	-	150
Mr. NG Bo Kwong	150	-	-	-	-	150
Mr. SUN Eric Yung Tson	150	-	-	-	-	150
Non-Executive Director	非執行董事					
Ms. CHAN Yim Ching	150	-	-	-	-	150
Total	總額	1,350	5,243	4,609	112	11,314

39 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

The emoluments of each Director and chief executive of the Company for the year ended 31 December 2018 are as follows:

39 董事及主要行政人員之酬金 (續)

截至二零一八年十二月三十一日止年度，本公司各董事及主要行政人員的酬金如下：

Name of Directors	Fees	Salary	Discretionary bonuses	Share-based payment expense	Employer's contribution to a retirement benefit scheme	Total
董事姓名	袍金	薪金	酌情花紅	以股份支付的開支	僱主就退休福利計劃的供款	總額
	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
Executive Directors (Note (i))	執行董事(附註(i))					
Mr. CHING Chi Fai	120	1,263	1,200	-	18	2,601
Mr. CHING Chi Keung	120	764	717	-	18	1,619
Mr. LIU Zigang	120	919	963	-	42	2,044
Mr. CHING Tsun Wah	120	764	717	-	18	1,619
Mr. KEUNG Kwok Hung	120	1,367	1,056	-	18	2,561
Independent Non-Executive Directors	獨立非執行董事					
Mr. HUNG Kam Hung Allan	150	-	-	-	-	150
Mr. MA Chun Fung Horace	150	-	-	-	-	150
Mr. NG Bo Kwong	150	-	-	-	-	150
Mr. SUN Eric Yung Tson	150	-	-	-	-	150
Non-Executive Director	非執行董事					
Ms. CHAN Yim Ching	150	-	-	-	-	150
Total	總額	1,350	5,077	4,653	-	11,194

Note:

- (i) The role of chief executive officer has been performed collectively by all the Executive Directors, including the Chairman of the Company.

附註：

- (i) 行政總裁之職責由全體執行董事(包括本公司主席)共同履行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 綜合財務報表附註(續)

40 EVENT OCCURRING AFTER THE REPORTING PERIOD

Following the COVID-19 outbreak, the People's Government of Guangdong Province of the PRC has postponed the time for resumption of work after the Chinese New Year holiday. The Group's production base in the PRC has resumed to work immediately follow the extended Chinese New Year holiday. The production base in Cambodia was not affected. It is expected that the Group's hospitality supplies business and OS&E business would be inevitably affected due to the unplanned deferments of orders as the epidemic has continued to spread and impacted global business and economic activities.

The Group has implemented a series of precautionary and control measures to combat the impacts brought by the epidemic, such as switching some of the production lines to produce anti-epidemic products such as alcoholic instant hand sanitizers in the PRC and Hong Kong. The Group has also installed face mask production equipment at its production base in the PRC which commenced production in March 2020.

As at the date on which this set of consolidated financial statements were issued, the impacts of the COVID-19 outbreak on the Group's customers' financial positions and the macro-economic conditions as a whole are still uncertain, thus the Group is unable to quantify the related financial effects. However, it is noted that the purchase orders of the Group's hospitality supplies business and OS&E business has dropped as compared with the corresponding period of 2019. The Group will pay close attention to the development of the COVID-19 and perform further assessment on its impact and take relevant measures.

40 報告期後發生事件

緊隨COVID-19疫情爆發後，中國廣東省人民政府已延遲農曆新年假期後復工時間。本集團位於中國的生產基地已於延長農曆新年假期後立即復工。位於柬埔寨的生產基地並未受到影響。預期本集團之酒店供應品業務及營運用品及設備業務將無可避免受到影響，因疫情繼續蔓延並影響全球商業及經濟活動，以致訂單出現計劃以外的押後。

本集團已實施一系列預防及控制措施以對抗疫情帶來之影響，例如在中國及香港調整部份生產線生產抗疫用品(例如酒精搓手液)。本集團亦在其中國生產基地投放口罩生產設備並於二零二零年三月投產。

於此綜合財務報表之刊發日期，COVID-19疫情爆發對本集團客戶財務狀況及整體宏觀經濟條件之影響仍存在不確定性，因此本集團無法量化有關財務影響。然而，值得注意的是本集團酒店供應品業務及營運用品及設備業務之採購訂單較二零一九年同期下跌。本集團將繼續密切關注COVID-19疫情之發展以及進一步評估其影響並採取相關措施。



明輝國際控股有限公司*

Ming Fai International Holdings Limited