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Moody Technology Holdings Limited

滿地科技股份有限公司

(於開曼群島註冊成立並於百慕達存續之有限公司)

(股份代號：1400)

(已委任共同臨時清盤人)

(以重組目的)

**截至二零一九年十二月三十一日止年度的
經審核年度業績公告**

滿地科技股份有限公司（「本公司」）董事會（「董事會」）欣然宣佈本公司及其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止年度的經審核年度業績。本公告載有本公司二零一九年年度報告全文，符合香港聯合交易所有限公司證券上市規則有關年度業績初步公告隨附資料的相關規定。

CONTENTS

目錄

2-3	Chairman Statement 主席報告
4-6	Corporate Information 公司資料
7-15	Management Discussion and Analysis 管理層討論及分析
16-34	Corporate Governance Report 企業管治報告
35-37	Directors and Senior Management 董事及高級管理層
38-49	Report of the Directors 董事會報告書
50-52	Independent Auditor's Report 獨立核數師報告
53	Consolidated Statement of Profit or Loss and Other Comprehensive Income 合併損益及其他全面收益表
54-55	Consolidated Statement of Financial Position 合併財務狀況表
56	Consolidated Statement of Changes in Equity 合併權益變動表
57-58	Consolidated Statement of Cash Flows 合併現金流量表
59-157	Notes to the Consolidated Financial Statements 合併財務報表附註
158-160	Financial Summary 財務摘要

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the Board of Directors of Moody Technology Holdings Limited (the "Company") and its subsidiaries (collectively the "Group"), I report to shareholders our annual report for the year ended 31 December 2019 (the "Year" or "Period").

RESULTS

In 2019, the Chinese textile industry faced a tough time. Under the Sino-U.S. economic and trade frictions, the punitive tariffs imposed by the U.S. on Chinese products adversely affect Chinese exports to its biggest overseas market, including a steep decline in textile and apparel exports. Facing both sluggish domestic and overseas market demands, the overall profitability of the Chinese textile industry was adversely affected. Under such unfavourable circumstances, the Group has commenced in sales of shoes and clothes in December 2018, which has developed into a major revenue-generating unit of the Group.

The Group recorded revenue of approximately RMB517.7 million for the year ended 31 December 2019, representing an increase of approximately 106.5% compared with the revenue of RMB250.7 million for the year ended 31 December 2018. The increase in revenue was mainly attributable to increase in sales amounts in shoes and clothes, which was commenced in the fourth quarter of 2019. Revenue from sales of shoes and clothes increased from approximately RMB23.5 million for the year ended 31 December 2018 to approximately RMB397.8 million for the year ended 31 December 2019, representing an increase of 1593.0%. Revenue from sales of fabrics decreased from approximately RMB227.2 million for the year ended 31 December 2018 to approximately RMB119.9 million for the year ended 31 December 2019, representing a decrease of 47.2%. The gross profit margin of the Group's products was approximately 2.1%, representing an increase from gross loss margin of approximately 0.02% from previous year. Loss attributable to owners of the Company for the year decreased significantly from loss of approximately RMB369.3 million in 2018 to loss of approximately RMB287.6 million in 2019, representing a decrease of approximately 22.1% as compared with the last year, which was mainly attributable to the increase in sales turnover and gross profit margin generated from the sales of shoes and clothes as well as the decrease in general and administrative expenses resulted from less impairments made during the Year.

致股東：

本人僅代表滿地科技股份有限公司（「本公司」）及其附屬公司（統稱「本集團」）向股東報告截至二零一九年十二月三十一日止年度（「本年度」或「本期間」）之年報。

業績

二零一九年，中國紡織業面臨艱難時期。於中美經貿摩擦中，美國對中國產品徵收的懲罰性關稅對中國向其最大海外市場的出口量造成了不利影響，其中包括紡織品及服裝出口量急劇下降。同時面對國內外市場的低迷需求，中國紡織業的整體盈利能力受到不利影響。在該等不利情況下，本集團於二零一八年十二月開始銷售鞋履及服裝，現已發展成為本集團的主要創收部門。

截至二零一九年十二月三十一日止年度，本集團錄得收益約人民幣517.7百萬元，較截至二零一八年十二月三十一日止年度的收益人民幣250.7百萬元增加約106.5%。收益增加乃主要由於二零一九年第四季開始的鞋履及服裝銷售額增加。鞋履及服裝銷售收益由截至二零一八年十二月三十一日止年度約人民幣23.5百萬元增加至截至二零一九年十二月三十一日止年度約人民幣397.8百萬元，增幅為1593.0%。面料銷售收益由截至二零一八年十二月三十一日止年度約人民幣227.2百萬元減少至截至二零一九年十二月三十一日止年度約人民幣119.9百萬元，降幅為47.2%。本集團產品的毛利率約為2.1%，較去年的毛損率約0.02%有所增加。本年度本公司擁有人應佔虧損由二零一八年虧損約人民幣369.3百萬元大幅減少至二零一九年虧損約人民幣287.6百萬元，較去年減少約22.1%，主要是因為銷售鞋履及服裝產生的銷售營業額及毛利率增加以及本年度所作出的減值減少導致一般及行政開支減少。

OUTLOOK

Looking forward to 2020, the unsolved Sino-U.S. economic and trade frictions coupled with outbreak of the COVID-19 across the world, the global economy is expected to remain sluggish with difficult operating environment. The existing principal business of sales of fabrics and yarns has been worsening as they are subject to unfavourable macroeconomic environment and continuous unsatisfactory market condition. It is also expected the outbreak of COVID-19 would reduce the overall export of the shoes and clothes products to Asia in the forthcoming year. Under such challenging circumstances, the Group will explore any new business opportunities. Meanwhile, the Group would continue to explore any new healthy and stable industry through merger and acquisition and diversity its business in order to enhance the Group's profitability and improve the financial position and cash flow of the Group.

In 2019, the Company has completed the change of domicile from the Cayman Islands to Bermuda and capital reorganisation. To facilitate the financial restructuring, the Company has filed with the Bermuda Court a winding up petition together with application for appointment of provisional liquidators of the Company on a light touch approach for restructuring purpose only. The joint provisional liquidators ("JPLs") were appointed in Bermuda and recognised by the High Court in Hong Kong. Whilst monitoring by the JPLs, the Company is in progress on the discussions with the bonds creditors any possible restructuring scheme, and target to complete the scheme by the end of year 2020. The management will continue to strive for more resources from the market and work hand-in-hand with the stakeholders to support the Group in order to relieve the current difficult position.

ACKNOWLEDGEMENT

Lastly, I would like to express my gratitude on behalf of the Board to all our stakeholders for giving the Group their care, patience and support over the years.

Moody Technology Holdings Limited

Wu Jianxiong

Chairman and Executive Director

Hong Kong, 7 July 2020

展望

展望二零二零年，由於中美兩國經貿摩擦尚未解決，加上COVID-19於全球範圍內爆發，預計全球經濟將保持低迷，經營環境艱難。由於宏觀經濟環境不利及市場狀況持續不理想，銷售面料及紗線的現有主要業務不斷下滑。預計COVID-19的爆發亦會導致來年向亞洲的鞋履及服裝整體出口量減少。在如此嚴峻的形勢下，本集團將探索任何新的商機。同時，本集團繼續透過併購及多元化其業務探索任何健康穩定的新行業，以提高本集團的盈利能力並改善本集團的財務狀況及現金流量。

二零一九年，本公司完成了從開曼群島至百慕達的遷冊以及資本重組。為促進財務重組，本公司已向百慕達法院提交了清盤呈請，並申請在非強制基礎上僅以重組為目的任命本公司的臨時清盤人。本公司已於百慕達委任共同臨時清盤人（「共同臨時清盤人」），並已獲香港高等法院認可。於受共同臨時清盤人監督的同時，本公司正在與債券債權人討論任何可能的重組計劃，並計劃於二零二零年底前完成該計劃。管理層將繼續竭力於市場獲取更多資源，同時與持份者攜手努力支持本集團，以緩解目前的困難局面。

鳴謝

最後，本人謹代表董事會對全體持份者一直以來對本集團的關注、忍耐和支持致以由衷的感謝！

滿地科技股份有限公司

主席及執行董事

吳健雄

香港，二零二零年七月七日

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive directors

Mr. Wu Jianxiong (Appointed as *Chairman* on 11 April 2019)

Ms. Li Jia Yin (Resigned as *Acting Chairlady* on 11 April 2019)

Mr. Zhou Biao (Appointed as executive director on 11 April 2019 and resigned on 13 August 2019)

Mr. Lin Qingxiong (Resigned as executive director on 7 November 2019)

Mr. Lin Guoqin (Appointed as executive director on 23 October 2019)

Mr. Wang Zhiping (Appointed as executive director on 7 November 2019)

Independent non-executive directors

Mr. Lin Yugang

Mr. Chow Yun Cheung (Appointed on 13 August 2019)

Mr. Liu Junting (Appointed on 23 October 2019)

AUDIT COMMITTEE

Mr. Chow Yun Cheung (Appointed as *Chairman* on 13 August 2019)

Mr. Lin Yugang

Mr. Liu Junting (Appointed on 23 October 2019)

REMUNERATION COMMITTEE

Mr. Lin Yugang (*Chairman*)

Mr. Chow Yun Cheung (Appointed on 13 August 2019)

Mr. Liu Junting (Appointed on 23 October 2019)

NOMINATION COMMITTEE

Mr. Liu Junting (Appointed as *Chairman* on 23 October 2019)

Mr. Lin Yugang

Mr. Chow Yun Cheung (Appointed on 13 August 2019)

REGULATORY COMPLIANCE COMMITTEE

Mr. Wu Jianxiong

Mr. Tse Kwok Hing Henry (Appointed on 7 November 2019)

董事會

執行董事

吳健雄先生 (於二零一九年四月十一日獲委任為主席)

李佳音女士 (於二零一九年四月十一日辭任代理主席)

鄒彪先生 (於二零一九年四月十一日獲委任為執行董事及於二零一九年八月十三日辭任)

林清雄先生 (於二零一九年十一月七日辭任執行董事)

林國欽先生 (於二零一九年十月二十三日獲委任為執行董事)

王志平先生 (於二零一九年十一月七日獲委任為執行董事)

獨立非執行董事

林宇剛先生

周潤璋先生 (於二零一九年八月十三日獲委任)

劉俊廷先生 (於二零一九年十月二十三日獲委任)

審核委員會

周潤璋先生 (於二零一九年八月十三日獲委任為主席)

林宇剛先生

劉俊廷先生 (於二零一九年十月二十三日獲委任)

薪酬委員會

林宇剛先生 (主席)

周潤璋先生 (於二零一九年八月十三日獲委任)

劉俊廷先生 (於二零一九年十月二十三日獲委任)

提名委員會

劉俊廷先生 (於二零一九年十月二十三日獲委任為主席)

林宇剛先生

周潤璋先生 (於二零一九年八月十三日獲委任)

監管合規委員會

吳健雄先生

謝國興先生 (於二零一九年十一月七日獲委任)

COMPANY SECRETARY

Mr. Tsang Ho Yin *LLB, BComm, LLM, PCLL*
(Appointed on 29 January 2019 and resigned
on 7 November 2019)
Mr. Tse Kwok Hing Henry (Appointed on 7 November 2019)

AUTHORISED REPRESENTATIVES

Mr. Wu Jianxiong
Mr. Tse Kwok Hing Henry (Appointed on 7 November 2019)

AUDITOR

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
3/F., Winbase Centre,
208 Queen's Road Central,
Hong Kong

LEGAL ADVISORS AS TO HONG KONG LAW

Winston & Strawn
42nd Floor
Bank of China Tower
1 Garden Road Central, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Nanyang Commercial Bank Limited
Bank of Quanzhou
CMB Wing Lung Bank

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

公司秘書

曾浩賢先生 *LLB, BComm, LLM, PCLL*
(於二零一九年一月二十九日獲委任及
於二零一九年十一月七日辭任)
謝國興先生 (於二零一九年十一月七日獲委任)

授權代表

吳健雄先生
謝國興先生 (於二零一九年十一月七日獲委任)

核數師

長青 (香港) 會計師事務所有限公司
執業會計師
香港
皇后大道中208號
勝基中心3樓

有關香港法例之法律顧問

Winston & Strawn
香港中環花園道1號
中銀大廈
42樓

主要往來銀行

中國銀行 (香港) 有限公司
南洋商業銀行有限公司
泉州銀行
招商永隆銀行

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

CORPORATE INFORMATION 公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

20/F, Infinitus Plaza,
199 Des Voeux Road Central,
Sheung Wan, Hong Kong

香港主要營業地點

香港上環
德輔道中199號
無限極廣場20樓

PRINCIPAL SHARE REGISTER AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要股份過戶登記處

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTER AND TRANSFER OFFICE

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

COMPANY'S WEBSITE

www.moodytech-holdingltd.com

本公司網站

www.moodytech-holdingltd.com

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1400

股份代號

香港聯合交易所有限公司：1400

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OVERVIEW

During the Year, the Group recorded revenue of approximately RMB517.7 million, representing an increase of approximately 106.5% as compared with revenue of RMB250.7 million in 2018, and loss attributable to owners of the Company decreased from loss of approximately RMB369.3 million in 2018 to loss of approximately RMB287.6 million in 2019, representing a decrease in loss of approximately 22.1% as compared with last year. The increase in revenue was mainly attributable to an increase in sales amounts in shoes and clothes, which was commenced in the fourth quarter of 2018. The decrease in net loss attributable to owners of the Company was mainly due to a decrease in impairment loss in trade receivables for the Year.

INDUSTRY REVIEW

During the Year, the PRC economy was at the stage of structural adjustment, showing increasing downward pressure. The growth of GDP for the year was only 6.1%, compared with 6.6% in 2018. According to statistics from the National Bureau of Statistics of the PRC, the aggregate sales achieved by sizeable textile enterprises amounted to RMB2,403.8 billion in 2019, representing a 1.8% decrease year-on-year, with profit totalling RMB100.9 billion, down by 10.9% year-on-year. The production volume of fabrics amounted to 57.56 billion meters in 2019, representing a 12.4% decrease from 2018. According to data from PRC Customs, the textile products amounted to approximately US\$120.2 billion were exported from China in 2019, representing a year-on-year increase of 0.9% with the value of garments at US\$151.4 billion, representing a year-on-year decrease of 4.0%. Negatively affected by the Sino-U.S economic and trade frictions, the Chinese textile industry faced more risks and challenges. The U.S. tariffs on China's products reduced export volumes of textile products to the largest overseas market, and demonstrated a slowing down production volume of textile products in 2019. In terms of the raw materials, according to the data from China Chamber of Commerce for Import and Export of Textile and Apparel, the annual average price was approximately RMB14,212 per ton, a year-on-year decrease of 10.5%. The average annual price of the CotlookA index was US\$77.83 cents per lb, representing a year-on-year decrease of 14.85%.

概覽

於本年度，本集團錄得收益約人民幣517.7百萬元，較二零一八年收益人民幣250.7百萬元增加約106.5%，而本公司擁有人應佔虧損由二零一八年虧損約人民幣369.3百萬元減少至二零一九年虧損約人民幣287.6百萬元，虧損較去年減少約22.1%。收益增加乃主要由於二零一八年第四季度開始的鞋履及服裝銷售額增加。本公司擁有人應佔虧損淨額減少則主要由於本年度貿易應收款項減值虧損減少所致。

行業回顧

於本年度，中國經濟正處於結構調整期，經濟下行壓力增大。年內的GDP增速僅為6.1%，而二零一八年則為6.6%。根據中國國家統計局的統計數據，二零一九年規模以上紡織企業實現銷售總額人民幣24,038億元，同比下降1.8%，溢利總額人民幣1,009億元，同比下降10.9%。二零一九年面料產量為575.6億米，較二零一八年下降12.4%。根據中國海關的數據，二零一九年從中國出口的紡織品約有1,202億美元，同比增長0.9%，其中成衣價值1,514億美元，同比下降4.0%。受中美經貿摩擦的負面影響，中國紡織業面臨更多的風險及挑戰。美國對中國產品徵收的關稅使向最大海外市場出口紡織品的數量減少，並顯示二零一九年紡織品產量的下降。原材料方面，根據中國紡織品進出口商會的數據，全年平均價格約為每噸人民幣14,212元，同比下降10.5%。CotlookA指數的年平均價格為每磅77.83美分，同比下降了14.85%。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

BUSINESS REVIEW

In 2019, the domestic cotton price witnessed significant decrease with abundant supply and reduced demand affected by uncertainties from the overseas markets under the Sino-U.S. economic and trade frictions, the sales volume and selling price of China's textile products both decreased accordingly and further narrowing down the gross profit margin of textile products of the Group. As the textile industry has been worsening in past few years, the Group has changed the nature of textile products from cotton textile to chemical fiber textile. Revenue of the Group mainly comprises sales of clothes and shoes, as well as sales of grey and dyed garment fabrics.

The Group's production capacities of fabrics were similar to the last year's level whereas the utilisation rate decreased given the decreasing of sales volume. The average selling price of fabrics decreased by approximately 3.5% to RMB5.7 per meter (2018: RMB5.9 per meter) when compared with the last year. The average unit cost of fabrics slightly increase from RMB5.9 per meter for the year ended 31 December 2018 to RMB6.0 per meter representing an increase of 1.7% for the year ended 31 December 2019. The overall gross profit for the year ended 31 December 2019 was approximately 2.1%, compare with gross loss margin 0.02% in 2018 because the sales of shoes and clothes representing 76.9% of the Group's total revenue contributed profit margin of approximately 4.4%, despite the gross loss generated from the sales of fabrics of approximately 5.5% during the year.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by 106.5% from approximately RMB250.7 million for the year ended 31 December 2018 to approximately RMB517.7 million for the year ended 31 December 2019. Such increase in the revenue was mainly due to increase in sales volume of shoes and clothes during the year. Decrease in the revenue of our fabric products was primarily due to decline in the sales volume and the average selling price from around RMB5.9 per meter in 2018 to RMB5.7 per meter in 2019.

業務回顧

於二零一九年，中美之間的經貿摩擦為海外市場帶來諸多不確定性，在供應富餘而需求不足的情況下，國內棉花價格大幅下跌，中國紡織品的銷量及售價雙雙下跌，進一步縮窄了本集團紡織產品的毛利率。由於紡織業在過去數年不斷惡化，本集團已將紡織品的性質從棉紡織變為化纖紡織。本集團的收益主要包括服裝及鞋履銷售以及坯布及色布銷售。

本集團的面料產能與去年持平，但由於銷量下降，利用率有所降低。面料平均售價較上年下降約3.5%至每米人民幣5.7元（二零一八年：每米人民幣5.9元）。面料平均單位成本由截至二零一八年十二月三十一日止年度的每米人民幣5.9元略微上升至截至二零一九年十二月三十一日止年度的每米人民幣6.0元，增幅為1.7%。截至二零一九年十二月三十一日止年度的整體毛利率約為2.1%，而二零一八年毛損率為0.02%，此乃因為儘管本年度面料銷售錄得約5.5%的毛損率，但佔本集團總收益76.9%的鞋履及服裝銷售所貢獻的利潤率約為4.4%所致。

財務回顧

收益

本集團的收益由截至二零一八年十二月三十一日止年度約人民幣250.7百萬元，增加106.5%至截至二零一九年十二月三十一日止年度約人民幣517.7百萬元。收益增加主要由於本年度鞋履及服裝銷量增加所致。面料產品收益減少主要是由於銷量減少及平均售價由二零一八年約每米人民幣5.9元下降至二零一九年每米人民幣5.7元。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

The table below sets out a breakdown of the Group's revenue categorised by products during the year:

下表載列本集團於本年度按產品分類的收益明細：

		Year ended 31 December 截至十二月三十一日止年度			
		2019	% to total revenue 佔總收益 百分比	2018	% to total revenue 佔總收益 百分比
		二零一九年 RMB'000 人民幣千元		二零一八年 RMB'000 人民幣千元	
Shoes and clothes	鞋履及服裝	397,806	76.8	23,497	9.4
Fabrics	面料	119,859	23.2	227,163	90.6
Total	總計	517,665	100.0	250,660	100.0

Cost of sales

The Group's cost of sales increased by 102.1% from approximately RMB250.7 million for the year ended 31 December 2018 to approximately RMB506.6 million for the year ended 31 December 2019. Such increase in cost of sales was in line with the increased turnover during the year.

銷售成本

截至二零一九年十二月三十一日止年度，本集團銷售成本由截至二零一八年十二月三十一日止年度約人民幣250.7百萬元增加102.1%至約人民幣506.6百萬元。銷售成本增加與本年度營業額增加一致。

The table below sets out a breakdown of the Group's cost of sales categorised by products during the year:

下表載列本集團於本年度按產品分類的銷售成本明細：

		Year ended 31 December 截至十二月三十一日止年度			
		2019	% to total cost of sales 佔總銷售 成本百分比	2018	% to total cost of sales 佔總銷售 成本百分比
		二零一九年 RMB'000 人民幣千元		二零一八年 RMB'000 人民幣千元	
Shoes and clothes	鞋履及服裝	380,250	75.1	20,131	8.0
Fabrics	面料	126,396	24.9	230,590	92.0
Total	總計	506,646	100.0	250,721	100.0

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Gross profit/(loss)

The table below sets out a breakdown of the Group's gross profit/(loss) categorised by products during the year:

毛利／（毛損）

下表載列本集團於本年度按產品分類的毛利／（毛損）明細：

		Year ended 31 December 截至十二月三十一日止年度			
		Gross profit/(loss) margin 毛利／ （毛損）率		Gross profit/(loss) margin 毛利／ （毛損）率	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Shoes and clothes	鞋履及服裝	17,556	4.4%	3,366	14.3%
Fabrics	面料	(6,537)	(5.5%)	(3,427)	(1.5%)
Total	總計	11,019	2.1%	(61)	(0.0%)

The change from gross loss of approximately RMB61,000, representing gross loss margin of 0.02% to gross profit of RMB11.0 million, representing gross profit margin of 2.1% for the year ended 31 December 2019, was mainly because the shoes and clothes contributed approximately 76.8% of the Group's revenue during the year. The gross profits of the shoes and clothes decreased from 14.3% in 2018 to 4.4% in 2019 mainly because the Group outsourced certain logistics works in order to boost the sales turnover for the year. The gross loss margin of fabrics products increased from 1.5% in 2018 to 5.5% in 2019 was mainly because of decrease in average selling price from around RMB5.9 per meter in 2018 to RMB5.7 per meter in 2019, while the average cost slightly increased from RMB5.9 per meter in 2018 to RMB6.0 per meter in 2019.

截至二零一九年十二月三十一日止年度，由毛損約人民幣61,000元（毛損率為0.02%）變動為毛利人民幣11.0百萬元（毛利率為2.1%），乃主要由於年內鞋履及服裝為本集團收益貢獻約76.8%。鞋履及服裝的毛利由二零一八年的14.3%減少至二零一九年的4.4%，乃主要由於本集團為提高年內銷售額，將若干物流工作外判。面料產品之毛損率由二零一八年的1.5%增加至二零一九年的5.5%，乃主要由於平均售價由二零一八年約每米人民幣5.9元減少至二零一九年每米人民幣5.7元，然而平均成本則由二零一八年每米人民幣5.9元輕微增加至二零一九年每米人民幣6.0元。

Selling and distribution expenses

The increase in selling and distribution expenses by 181.4% from approximately RMB2.9 million for the year ended 31 December 2018 to approximately RMB8.2 million for the year ended 31 December 2019 as the transportation charges increased in line with the exports sales of shoes and clothes during the year.

銷售及分銷開支

銷售及分銷開支由截至二零一八年十二月三十一日止年度約人民幣2.9百萬元，增加181.4%至截至二零一九年十二月三十一日止年度約人民幣8.2百萬元，乃由於年內銷貨運費增加與鞋履及服飾出口銷售一致。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

General and administrative expenses

The significant decrease in general and administrative expenses by 33.4% from approximately RMB223.3 million for the year ended 31 December 2018 to approximately RMB148.8 million for the year ended 31 December 2019 was mainly due to less impairments made during the year. Provision of RMB55.2 million based on the provision policies for trade receivable of the Group, being provision for long outstanding with no settlement up to the date of this annual report.

Other income

Decrease in other income by 81.1% from approximately RMB30.6 million for the year ended 31 December 2018 to approximately RMB5.8 million for the year ended 31 December 2019 was mainly due to decrease in reversal of impairment losses or prepayments from approximately RMB10.9 million in 2018 to approximately RMB0.4 million in 2019, decrease in government grants received from approximately RMB7.9 million in 2018 to approximately RMB0.6 million in 2019 and decrease in net foreign exchange gains from approximately RMB7.9 million in 2018 to approximately RMB9.2 million net foreign exchange losses which was recognised in general and administrative expenses in 2019.

Finance costs

The increase in finance costs by 43.3% from approximately RMB103.2 million for the year ended 31 December 2018 to approximately RMB147.9 million for the year ended 31 December 2019 was mainly due to increase in the average balance of borrowings and interest expenses in order to meet our needs of working capital.

Share of loss of investment accounted for using equity method

By application of equity method, the Group incurred a share of loss of investment in an associate of approximately RMB70.6 million was mainly due to suspension of production during the year ended 31 December 2018 and the associate recorded the impairment losses of asset approximately RMB184,856,000 for the year ended 31 December 2018. The Group's share of carrying amount of interest was fully impaired and hence there was no such item for the year ended 31 December 2019.

一般及行政開支

一般及行政開支由截至二零一八年十二月三十一日止年度約人民幣223.3百萬元，大幅減少33.4%至截至二零一九年十二月三十一日止年度約人民幣148.8百萬元，主要由於年內作出的減值減少。根據撥備政策，就本集團貿易應收款項作出人民幣55.2百萬元的撥備，為就截至本年報日期尚未結付的長期未償還款項計提之撥備。

其他收入

其他收入由截至二零一八年十二月三十一日止年度約人民幣30.6百萬元，減少81.1%至截至二零一九年十二月三十一日止年度約人民幣5.8百萬元，主要由於撥回減值虧損或預付款項由二零一八年約人民幣10.9百萬元減少至二零一九年約人民幣0.4百萬元、已收政府補助金由二零一八年約人民幣7.9百萬元減少至二零一九年約人民幣0.6百萬元及二零一八年的淨外匯收益約人民幣7.9百萬元減少至二零一九年的淨外匯虧損約人民幣9.2百萬元，該虧損於一般及行政開支確認。

融資成本

融資成本由截至二零一八年十二月三十一日止年度約人民幣103.2百萬元，增加43.3%至截至二零一九年十二月三十一日止年度約人民幣147.9百萬元，主要由於借款平均結餘及利息開支增加，以配合營運資金需求。

分佔按權益法入賬的投資虧損

本集團按權益法釐定分佔一間聯營公司的投資虧損約人民幣70.6百萬元，主要由於截至二零一八年十二月三十一日止年度暫停生產及聯營公司於截至二零一八年十二月三十一日止年度錄得資產減值虧損約人民幣184,856,000元。本集團分佔權益之賬面值已悉數減值，因此於截至二零一九年十二月三十一日止年度，概不確認該項目。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Income tax credit/(expense)

No provision for both Hong Kong Profits Tax and PRC Enterprise Income Tax were provided because there are no assessable profits for the subsidiaries in both Hong Kong and PRC.

Cash flows

During the year, the Group funded its working capital and other capital requirements principally by cash generated from our financing activities.

Liquidity and financial resources

Our primary uses of cash are to satisfy our working capital needs and our capital expenditure needs. Since our establishment, our working capital needs and capital expenditure requirements have been principally financed through a combination of shareholders' equity, cash generated from operations, and borrowings.

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimize the cost of funds, the Group's treasury activities and cash and cash equivalents are generally deposited with certain financial institutions such as banks denominated mostly in Renminbi and Hong Kong dollars.

Net current assets and working capital

The following table sets forth the Group's current ratio, quick ratio, gearing ratio and debt to equity as at 31 December 2019 and 2018:

所得稅抵免／（開支）

由於在香港及中國的附屬公司並無應課稅溢利，故並無就香港利得稅及中國企業所得稅計提撥備。

現金流量

年內，本集團的營運資金及其他資金需求主要透過融資活動產生的現金撥付。

流動資金及財務資源

我們的現金主要用於滿足我們的營運資金需要及資本開支需要。自本公司成立以來，我們的營運資金需要及資本開支需求一直主要透過股東權益、經營所得現金及借款獲得資金支持。

本集團採取審慎的現金及財務管理政策。為更好地控制成本及盡可能降低資金成本，本集團財務活動和現金及現金等價物一般存放於銀行等若干金融機構，且大部分以人民幣及港元計值。

流動資產淨值及營運資金

下表載列本集團於二零一九年及二零一八年十二月三十一日的流動比率、速動比率、權益負債比率及債務股本比率：

		As at 31 December	
		於十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產	120,765	146,798
Current liabilities	流動負債	816,853	722,576
Net Current liabilities	流動負債淨額	(696,088)	(575,778)
Current ratio	流動比率	14.8%	20.32%
Quick ratio	速動比率	9.4%	16.07%
Gearing ratio	權益負債比率	N/A 不適用	N/A 不適用
Debt to equity ratio	債務股本比率	N/A 不適用	N/A 不適用

Borrowings

Particulars of borrowings of the Company and the Group as at 31 December 2019 are set out in note 24 to the consolidated financial statements.

Pledge of assets

As at 31 December 2019, the Group's rights-of-use assets and buildings, machinery and equipment with an aggregate net book value of approximately RMB277.6 million were pledged to secure banking facilities for purposes of working capital and purchases of fixed assets for the Group (as at 31 December 2018: approximately RMB301.1 million).

Foreign exchange risk

The Group mainly operates in the mainland China with most of the revenue and expenditure transactions denominated and settled in RMB, where its foreign exchange risk is limited. The Group's exposure to foreign exchange risk is mainly on its sales and purchase transactions (i.e. export or import of products) in Hong Kong which are mainly denominated in USD, and the bonds denominated in HKD. The functional currency of the Company and its subsidiaries is RMB.

Contingent liabilities

Save as those disclosed in note 32 to the consolidated financial statements, the Group did not have any material contingent liabilities as at 31 December 2019.

Significant investment, material acquisitions and disposal of subsidiaries and associated companies

The Group did not have any material investment, acquisitions and disposal of subsidiaries and associated companies during the year 2019.

借款

本公司及本集團於二零一九年十二月三十一日的借款詳情載於合併財務報表附註24。

資產抵押

於二零一九年十二月三十一日，本集團賬面淨值總額約人民幣277.6百萬元的使用權資產以及建築物、機器及設備已予抵押，以取得用作本集團營運資金及購買固定資產的銀行融資（於二零一八年十二月三十一日：約人民幣301.1百萬元）。

外幣匯兌風險

本集團主要於中國內地營運，所以大部分收益及開支交易以人民幣計值及結算，故外幣匯兌風險有限。本集團所面對外幣匯兌風險主要為在香港主要以美元計值的銷售及採購交易（即出口或進口產品），而債券則以港元計值。本公司及其附屬公司的功能貨幣為人民幣。

或然負債

除合併財務報表附註32所披露者外，於二零一九年十二月三十一日，本集團並無任何重大或然負債。

重大投資、重大收購以及出售附屬公司及聯營公司

於二零一九年，本集團並無任何重大投資、收購及出售附屬公司及聯營公司。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

USE OF PROCEEDS

Reference is made to the announcements of the Company dated 24 December 2019, 17 January 2020, 23 January 2020 and 4 February 2020 in relation to, among other things, the placing of new ordinary shares under general mandate. All the net proceeds have been utilised for general working capital and costs for debt restructuring as intended.

HUMAN RESOURCES

As at 31 December 2019, the Group had a total workforce of 350 (as at 31 December 2018: 420). New employees were recruited to cater for the Group's business expansion during the year. The Group offers its staff competitive remuneration schemes. In addition, discretionary bonuses and share options may also be granted to eligible staff based on individual and Group's performance. The Group is committed to nurturing a learning and sharing culture in the organization. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group's success is dependent on the contribution of all functional divisions comprising skilled and motivated staff.

DIVIDEND POLICY

The Board has resolved not to recommend the payment of any final dividend for the year ended 31 December 2019 (2018: Nil). As there is no interim dividend payable during the year, there will be no dividend distribution for the whole year of 2019.

所得款項用途

茲提述本公司日期為二零一九年十二月二十四日、二零二零年一月十七日、二零二零年一月二十三日及二零二零年二月四日的公告，內容有關（其中包括）根據一般授權配售新普通股。全部所得款項淨額已動用作一般營運資金及擬定債務重組之費用。

人力資源

於二零一九年十二月三十一日，本集團員工合共350名（於二零一八年十二月三十一日：420名）。新聘僱員乃為應付本集團於年度內的業務擴充。本集團向其員工提供具競爭力的酬金計劃。此外，合資格員工亦可按其個人及本集團的表現獲授酌情花紅及購股權。本集團致力於組織內營造學習及分享文化。本集團的成功有賴由技巧純熟且士氣高昂的員工組成所有職能部門的貢獻，故此本集團重視員工的個人培訓及發展，以及團隊建設。

股息政策

董事會已議決不建議就截至二零一九年十二月三十一日止年度派發任何末期股息（二零一八年：無）。由於年內並無應派中期股息，故二零一九年全年將不會派發任何股息。

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption of the Company's shares by the Company or its subsidiaries during the Year.

EVENTS AFTER THE REPORTING PERIOD

Save as those disclosed in note 36 to the consolidated financial statements, the Group did not have any significant events after the report period.

購買、銷售及贖回本公司的上市證券

本公司或其附屬公司於本年度概無購買、銷售或贖回本公司股份。

報告期後事項

除合併財務報表附註36所披露者外，本集團概無任何重大報告期後事項。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") as its own code of corporate governance. The manner in which the principles and code provisions in the CG Code are applied and implemented during the year ended 31 December 2019 and up to the date of this annual report (the "Period") is explained in this Corporate Governance Report.

CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company acknowledges the important role of its Board in providing effective leadership and direction to its business, and ensuring transparency and accountability of its operations.

In the opinion of the Directors, the Company has complied with the applicable code provisions as set out in the CG Code throughout the Period save for code provision A.1.8.

Code provision A.1.8 of the CG Code stipulates that the Company should arrange appropriate insurance cover in respect of legal action against its Directors. Currently, the Company does not consider necessary to have insurance cover for legal action against its Directors and will monitor any changes to the situation and make necessary action. The Board believes with the current internal control system and the close supervision of the management, the Directors' risk of being sued or getting involved in litigation in their capacity as Directors is relatively low.

The Company will, from time to time, review and enhance its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的企業管治守則（「企業管治守則」）為其企業管治守則。截至二零一九年十二月三十一日止年度至截至本年報日期止（「期間」），企業管治守則內的有關原則及守則條文的應用及實施方式於本企業管治報告內說明。

企業管治

本公司致力於實現高標準企業管治以保障股東權益及提高企業價值及問責性。本公司確認，董事會在有效領導及掌舵本公司業務並確保本公司運作具透明度及問責性中擔任重要角色。

董事認為，除守則條文第A.1.8條外，本公司於整個期間一直遵守企業管治守則所載的適用守則條文。

企業管治守則守則條文第A.1.8條規定，本公司應就向其董事提出的法律行動安排合適的保險保障。目前，本公司認為暫無必要就向其董事提出的法律行動提供保險保障，但會監控任何情況變動以作出必要行動。董事會相信，透過現有的內部監控系統及管理層的密切監督，各董事以董事身份被控告或牽涉於訴訟的風險相對較低。

本公司將不時審閱及加強其企業管治常規以確保其持續符合企業管治守則的規定。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and employees who are likely to possess inside information of the Company (the "Securities Dealing Code"). The Company had made specific enquiry of all Directors whether they have complied with the required standard set out in the Model Code during the Period and all Directors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the Period.

No incident of non-compliance of the Securities Dealing Code by the employees was noted by the Company during the Period.

THE BOARD OF DIRECTORS Responsibilities

The Board is responsible for leadership and control of the Company and oversees the businesses, strategic decisions and performance of the Group. The Board has delegated to the executive Directors and senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

All Directors carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

Board Composition

The Board currently comprises six members, consisting of three executive Directors and three independent non-executive Directors.

The Company has throughout the Period met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, and accounting or related financial management expertise. At all times during the Period, the independent non-executive Directors represent at least one-third of the Board.

董事的證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」），作為可能取得本公司內幕消息的董事及僱員進行證券交易的行為守則（「證券交易守則」）。本公司已就全體董事於期間是否遵守標準守則所載的規定準則向全體董事作出特定查詢，而全體董事確認彼等於整個期間一直遵守標準守則及證券交易守則。

本公司不知悉僱員於期間有任何違反證券交易守則的行為。

董事會 責任

董事會負責領導及監控本公司並監察本集團的業務、策略性決定及表現。董事會已向執行董事及高級管理層轉授本集團日常管理及營運的權力及責任。此外，董事會已設立董事委員會，並向該等董事委員會轉授其各自職權範圍載列的各項責任。

全體董事時刻本著誠信、根據適用法律及法規及從本公司及其股東利益出發履行職責。

董事會組成

董事會目前由六名成員組成，包括三名執行董事及三名獨立非執行董事。

本公司於整個期間一直履行上市規則有關委任至少三名獨立非執行董事且至少一名獨立非執行董事須具備合適專業資格以及會計或相關財務管理專業知識的規定。於整個期間，獨立非執行董事至少佔董事會三分之一席位。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Board comprises the following Directors:

Executive Directors:

Mr. WU Jianxiong (*Chairman*)

Mr. LIN Guoqin

Mr. WANG Zhiping

Independent non-executive Directors:

Mr. CHOW Yun Cheung

Mr. LIN Yugang

Mr. LIU Junting

A description of the biographies of the Directors is set out in the section headed "Directors and Senior Management" in this annual report.

The list of Directors is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

All Directors, including the independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

The Board members have no financial, business, family or other material/relevant relationship with each other.

董事會包括下列董事：

執行董事：

吳健雄先生（主席）

林國欽先生

王志平先生

獨立非執行董事：

周潤璋先生

林宇剛先生

劉俊廷先生

董事履歷詳情載於本年報「董事及高級管理層」一節。

董事名單亦於本公司根據上市規則不時刊發的所有公司通訊內披露。獨立非執行董事的身份均已根據上市規則在所有公司通訊中明確說明。

本公司已接獲各獨立非執行董事根據上市規則的規定就其獨立性而呈交的年度書面確認。根據上市規則所載的獨立性指引，本公司認為所有獨立非執行董事確屬獨立人士。

全體董事（包括獨立非執行董事）均為董事會的有效及高效運作注入廣泛而珍貴的業務經驗、知識及專業態度。獨立非執行董事獲邀加入本公司的審核委員會、薪酬委員會及提名委員會。

董事會成員之間並無財務、業務、家族或其他重大／相關關係。

Chairman and Chief Executive Officer

As at the date of this annual report, the chairman of the Company, Mr. Wu Jianxiong, leads the Board in the determination of the strategy of the Group and in the achievement of its objectives. He is responsible for organizing the business of the Board, ensuring its effectiveness and setting agenda but not involved in the day-to-day business of the Group.

The Company at present does not have a Chief Executive Officer. The duties and responsibilities of the Chief Executive Officer of daily operation of the Group are carried out by the executive Directors and they are accountable to the Board for financial and operational performance of the Group.

Appointment and Re-election of Directors

Pursuant to the Company's Bye-laws, at each annual general meeting of the Company, one third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law 83(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

The following Directors will retire by rotation and offer themselves for re-election in the forthcoming AGM to be held on 25 August 2020:

Mr. Wu Jianxiong

The following Directors appointed by the Board to fill a casual vacancy, will be subject to election by shareholders in the forthcoming AGM to be held on 25 August 2020.

Mr. Lin Guoqin
Mr. Wang Zhiping
Mr. Chow Yun Cheung
Mr. Liu Juntao

主席及行政總裁

於本年報日期，本公司主席吳健雄先生領導董事會釐定本集團策略及達成其目標。彼負責組織董事會事務、確保其效率及制定其日常事務，但不參與本集團的日常事務。

本公司現時並無行政總裁。行政總裁有關本集團日常運作的職責由執行董事履行，執行董事就本集團的財務及經營表現向董事會負責。

委任及重選董事

根據本公司細則，於本公司每屆股東週年大會上，當時董事總數三分之一人數（或如人數並非三(3)的倍數，則取最接近的整數，惟不得低於三分之一人數）須輪值告退，惟每名董事須至少每三年輪值告退一次。須輪值告退的董事將包括有意告退且無意膺選連任的董事。任何其他因此退任的董事將為其他董事中自上次重選連任或獲委任以來任期最長而須輪值告退的董事。如有超過一名董事上次乃於同一日重選連任，則會以抽籤方式決定退任者（除非彼等之間另行達成協議）。根據細則第83(2)條獲委任的任何董事將不計算在輪值退任之董事名單或數目內。

下列董事將於二零二零年八月二十五日舉行的應屆股東週年大會上輪值告退，並表示願意膺選連任：

吳健雄先生

下列獲董事會委任以填補臨時空缺的董事將於二零二零年八月二十五日舉行之應屆股東週年大會上接受股東選舉。

林國欽先生
王志平先生
周潤璋先生
劉俊廷先生

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's articles of association. Pursuant to the Company's articles of association, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy shall hold office until the first general meeting of the Company after his appointment and be eligible for re-election and any Director appointed as an addition to the Board shall hold office until the next annual general meeting of the Company after his appointment and be eligible for re-election. Where vacancies arise at the Board, candidates will be proposed and put forward to the Board by the Nomination Committee.

Induction and Continuing Development of Directors

Each newly appointed Director receives a comprehensive induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

According 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. The Company should be responsible for arranging and funding suitable training, as well as placing an appropriate emphasis on the roles, functions and duties of the Directors.

Board Meetings

Board Practices and Conduct of Meetings

Directors' resolutions were passed by way of written resolutions or by physical meetings during the Period. The Board is expected to meet regularly and at least two times a year. The Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors.

委任、重選及罷免董事的程序及過程載於本公司的組織章程細則。根據本公司的組織章程細則，全體董事須至少每三年輪值退任一次，而任何獲委任以填補臨時空缺的新董事須任職至其獲委任後本公司首次舉行的股東大會為止，並合資格重選連任，而任何獲委任為董事會新增成員的董事須任職至其獲委任後本公司下屆股東週年大會為止，並合資格重選連任。倘董事會出現空缺席位，提名委員會將建議候選人並提交董事會批准。

董事的入職及持續發展

每名新委任的董事均會於首次接受委任時獲得全面的入職介紹，以確保其對本公司的業務及運作均有適當的認知，以及完全知悉上市規則及有關監管規定規範下的董事職務及責任。

根據企業管治守則守則條文第A.6.5條，全體董事須參與專業持續發展，以增進及重溫知識與技巧，確保對董事會作出知情適切的貢獻。本公司須負責安排及資助適當培訓，以及著重針對董事角色、職能及責任方面的培訓。

董事會會議

董事會會議常規及程序

於期間，董事決議案乃通過書面決議案或由現場會議通過。預計董事會將定期舉行會議，每年至少舉行兩次會議。董事有權查閱本集團所有資料，亦有權在彼等認為有必要的情況下隨時諮詢獨立專業意見。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results. During the year and up to the date of this annual report, nine Board meetings were held and attendance of each Director at the Board meetings is set out as follows:

董事會定期會面以討論本集團整體策略以及營運及財務表現，並審閱以及批准本集團的年度及中期業績。於年內及直至本年報日期曾舉行九次董事會會議，各董事的董事會會議出席率載列如下：

Board member	董事會成員	Number of board meetings attended/held 出席／ 舉行董事會會議次數
Executive directors	執行董事	
Mr. Wu Jianxiong (chairman)	吳健雄先生 (主席)	9/9
Ms. Li Jia Yin	李佳音女士	1/9
Mr. Zhou Biao	鄒彪先生	1/9
Mr. Lin Qingxiong	林清雄先生	2/9
Mr. Lin Guoqin	林國欽先生	4/9
Mr. Wang Zhiping	王志平先生	3/9
Independent non-executive directors	獨立非執行董事	
Mr. Lin Yugang	林宇剛先生	8/9
Mr. Chow Yun Cheung	周潤璋先生	6/9
Mr. Liu Junting	劉俊廷先生	4/9

The Company has to comply with the CG Code provisions with regard to the conduct of meetings, has annual meeting schedules and draft agenda of each meeting made available to directors in advance and serve notice of regular Board meetings to all directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is required to be given.

本公司須遵守企業管治守則中有關會議程序、年度會議日程表及召開每次會議前向董事發出草擬議程，以及於常規董事會會議前至少14日向全體董事送達通知的條文。如屬其他董事會及委員會會議，則須發出合理通知。

Board papers together with all appropriate, complete and reliable information have to be sent to all Directors at least 3 days before each Board meeting or committee meeting to keep Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

董事會文件連同所有合適、完整及可靠資料須於各董事會會議或委員會會議前至少3日向全體董事發出，讓董事知悉本公司最新發展及財務狀況，以便董事作出知情決定。如有需要，董事會及各董事亦可單獨聯絡高級管理層。

The Bye-laws contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

細則載有條文，規定董事在審批董事或彼等的任何聯繫人擁有重大權益之交易的會議上，須放棄投票及不得計入法定人數。

BOARD COMMITTEES

The Company established a nomination committee (the "Nomination Committee"), a remuneration committee (the "Remuneration Committee") and an audit committee (the "Audit Committee") on 27 March 2014 with written terms of reference in compliance with the CG Code. The Company also established a regulatory compliance committee (the "Regulatory Compliance Committee") on 26 February 2014.

Nomination Committee

The Nomination Committee comprises three members who are all the independent non-executive Directors, namely Mr. Liu Junting, Mr. Lin Yugang, and Mr. Chow Yun Cheung. Mr. Liu Junting is the chairman of the Nomination Committee.

Mr. Chow Yun Cheung was appointed on 13 August 2019 and Mr. Liu Junting was appointed on 23 October 2019.

The primary duties of the Nomination Committee include reviewing the Board structure and composition, developing and formulating relevant procedures for nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessing the independence of the independent non-executive Directors based on criteria such as integrity, accomplishment, experience, professional and educational background and time commitments.

DIRECTOR NOMINATION POLICY

The director nomination policy of Company aims to set out the criteria and process in the nomination and appointment of directors of the Company; ensure that the board (the "Board") of directors of the Company has a balance of skills, experience and diversity of perspectives appropriate to the Company; and ensure the Board continuity and appropriate leadership at Board level.

Criteria for nomination and appointment of Directors

The criteria for selecting any candidate for directorship are set out as follows:

- bringing an independent judgment and making constructive recommendation on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- taking the lead where potential conflicts of interests arise;

董事委員會

本公司於二零一四年三月二十七日根據企業管治守則成立提名委員會（「提名委員會」）、薪酬委員會（「薪酬委員會」）及審核委員會（「審核委員會」），並制訂書面職權範圍。本公司亦於二零一四年二月二十六日成立監管合規委員會（「監管合規委員會」）。

提名委員會

提名委員會包括三名成員，即劉俊廷先生、林宇剛先生及周潤璋先生（全部均為獨立非執行董事）。劉俊廷先生為提名委員會主席。

周潤璋先生於二零一九年八月十三日獲委任及劉俊廷先生於二零一九年十月二十三日獲委任。

提名委員會的主要職責包括檢討董事會架構及組成、草擬及制定提名及委任董事的相關程序、就董事委任及接任計劃向董事會作出建議及根據操守、成就、經驗、專業及教育背景以及投入之時間等基準評估獨立非執行董事的獨立性。

董事提名政策

本公司董事提名政策旨在載列本公司提名及委任董事的準則及程序；確保本公司的董事會（「董事會」）成員具備切合本公司業務所需的技能、經驗及多元觀點；及確保董事會的持續性及維持其領導角色。

董事提名及委任標準

甄選任何董事候選人的標準如下：

- 就策略、政策、表現、職責、資源、主要委任及操守準則等事項作出獨立判斷及提供建設性建議；
- 於發生潛在利益衝突時發揮領導作用；

CORPORATE GOVERNANCE REPORT 企業管治報告

- serving on the Audit Committee, and the Remuneration Committee and the Nomination Committee (in the case of candidate for Non-Executive Director) and other relevant Board Committees, if invited;
- devoting sufficient time to the Board and/or any Committee(s) on which he or she serves so as to allow them to benefit from his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board;
- scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- ensuring the Nomination Committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.
- 服務於審核委員會、薪酬委員會及提名委員會（如為非執行董事候選人）以及其他相關董事委員會（如獲邀請）；
- 對董事會及／或所服務的任何委員會投入充足時間，從而透過出席及參與董事會而令董事會及任何委員會受惠於其技能、專長、各種背景及資格以及多元觀點；
- 監察本公司在達致議定企業宗旨及目標方面的表現以及監督相關表現的申報情況；
- 確保所服務的提名委員會履行董事會授予的權力及職能；及
- 遵守董事會不時訂定或本公司章程文件不時所載或法例或上市規則不時施加的任何規定、指示及規例（如適用）。

If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an INED with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

如建議委任候選人為獨立非執行董事，則須根據（其中包括）上市規則第3.13條（經聯交所可能不時作出修訂）所載的因素評估其獨立性。如適用，則亦須評估該候選人的學歷、資格及經驗等整體情況，以考慮其是否具備合適的專業資格或會計或相關財務管理專長（即上市規則第3.10(2)條所規定的相關資格或專長）以擔任獨立非執行董事。

Nomination process

(a) Appointment of New Director

- (i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

提名程序

(a) 委任新董事

- (i) 提名委員會及／或董事會應在收到委任新董事的建議及候選人的履歷資料（或相關詳情）後，依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。
- (ii) 如過程涉及一個或多個合意的候選人，提名委員會及／或董事會應根據本公司的需要及各候選人的證明審查（如適用）排列彼等的優先次序。
- (iii) 提名委員會隨後應就委任合適人選擔任董事一事向董事會提出推薦意見（如適用）。
- (iv) 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會及／或董事會應依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。倘適合，提名委員會及／或董事會應就於股東大會上選舉董事的提案向股東提出推薦意見。

(b) Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

(c) Re-election of INED at General Meeting

Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

- (i) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
- (ii) if the proposed INED will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
- (iii) the perspectives, skills and experience that the individual can bring to the Board; and
- (iv) how the individual contributes to diversity (including gender diversity) of the Board.

(b) 於股東大會上重選董事

- (i) 提名委員會及／或董事會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- (ii) 提名委員會及／或董事會亦應檢討及確定退任董事是否仍然符合上文所載標準。
- (iii) 提名委員會及／或董事會其後應就於股東大會上重選董事的提案向股東提出推薦意見。

倘董事會於股東大會上提呈決議案選舉或重選某候選人為董事，隨附相關股東大會通告的致股東通函及／或說明函件中，將會按上市規則及／或適用法律及法規要求披露候選人的相關資料。

(c) 於股東大會上重選獨立非執行董事

倘董事會於股東大會上提呈決議案選任某人士為獨立非執行董事，則須於隨附相關股東大會通告的致股東通函及／或說明函件內載明：

- (i) 用以物色該名人士的流程及董事會認為應選任該名人士的理由以及認為該名人士屬獨立人士的原因；
- (ii) 如建議獨立非執行董事將出任第七家（或以上）上市公司的董事，董事會認為該名人士仍可投入足夠時間履行董事責任的原因；
- (iii) 該名人士可為董事會帶來的觀點與角度、技能及經驗；及
- (iv) 該名人士如何促進董事會成員多元化（包括性別多元化）。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Nomination Committee will conduct regular review on the structure, size and composition of the Board and this Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs, to comply with all applicable laws and regulations from time to time and maintain good corporate governance practice.

On 27 March 2014, the Board adopted a board diversity policy which aims to set out the approach to achieve diversity on the Board. All Board appointments will be based on merit while taking into account diversity including gender diversity. The Nomination Committee will regularly review the measurable objectives to ensure its effectiveness to achieve diversity on the Board. The following measurable objectives have been set for implementing the board diversity policy:

- inclusion of candidates for Board members with overseas working experience (outside of PRC);
- ensuring that there is no limitation on gender on selection of Directors;
- inclusion of candidates for Board members with working experience in other industries; and
- inclusion of candidates for Board members with knowledge and skills in different aspects.

As at the date of this annual report, the above objectives have been achieved, 1 out of 6 members of the Board has overseas working experience and 3 out of 6 members of the Board have accounting or other professional qualifications.

The Nomination Committee shall meet at least once a year. During the year and up to the date of this annual report, three committee meetings were held to review the structure and composition of the Board and the re-election of the retiring Directors and attendance of each member is set out as follows:

提名委員會將會定期為董事會的架構、規模及組成及本政策舉行檢討，並在有需要時向董事會提出修訂建議，以完善本公司的企業策略及切合本公司的業務需要，以不時遵守所有適用的法律及法規以及維持良好企業管治常規。

董事會於二零一四年三月二十七日採納董事會成員多元化政策，旨在羅列達成董事會成員多元化的方法。董事會內任命的原則是任人唯才，亦考慮到多元性，包括性別多元化。提名委員會將定期審閱可計量目標，確保有效達成董事會多元化。已就執行董事會多元化政策而訂立以下可計量目標：

- 董事會的候選董事應包括具備海外（中國境外）工作經驗者；
- 應確保不限性別地選任董事；
- 董事會的候選董事應包括具備其他行業工作經驗者；及
- 董事會的候選董事應具備不同領域的知識及技術。

於本年報日期，上述目標已達成，6名董事會成員中有1名具備海外工作經驗及6名董事會成員中有3名具備會計或其他專業資格。

提名委員會每年須會面至少一次。於年內及直至本年報日期曾舉行三次委員會會議以檢討董事會的結構及組成以及重選退任董事，各成員的出席率載列如下：

Committee member	委員會成員	Number of meetings attended/held 出席／舉行會議次數
Mr. Liu Juntao (chairman)	劉俊廷先生（主席）	1/3
Mr. Lin Yugang	林宇剛先生	3/3
Mr. Chow Yun Cheung	周潤璋先生	2/3

The Nomination Committee has adopted a written nomination procedure (the "Nomination Procedure") specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Nomination Committee shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment.

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a Director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group's businesses and activities.

Remuneration Committee

The Remuneration Committee comprises three members who are all the independent non-executive Directors, namely Mr. Lin Yugang, Mr. Chow Yun Cheung and Mr. Liu Junting. Mr. Lin Yugang is the chairman of the Remuneration Committee.

Mr. Chow Yun Cheung was appointed on 13 August 2019 and Mr. Liu Junting was appointed on 23 October 2019.

The primary functions of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive Directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

提名委員會已採納一套以書面列載之提名程序（「提名程序」），具體列明本公司董事候選人之甄選及推薦程序及準則。提名委員會將根據提名程序所載之該等準則（如恰當經驗、個人技能及投放時間等），物色及向董事會推薦候選人予以批准委任。

新董事在獲委任後將獲發一套入職資料文件，載有所有主要法律及上市規則規定，以及有關董事應遵守之責任及義務之指引。資料文件亦包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。高級管理層其後將於有需要時提供說明，並為新董事提供本集團業務及活動之詳細資料。

薪酬委員會

薪酬委員會包括三名成員，即林宇剛先生、周潤璋先生及劉俊廷先生（全部均為獨立非執行董事）。林宇剛先生為薪酬委員會主席。

周潤璋先生於二零一九年八月十三日獲委任，及劉俊廷先生於二零一九年十月二十三日獲委任。

薪酬委員會之主要職能，包括建議及審批執行董事及高級管理人員之薪酬政策及架構以及薪酬待遇。薪酬委員會亦負責設立具透明度之程序，以發展有關薪酬政策及架構，從而確保概無任何董事或其任何聯繫人將參與釐定其本身之薪酬，有關薪酬將參照其個人及本公司表現以及市場慣例及狀況而定。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Remuneration Committee shall meet at least once a year. During the year and up to the date of this annual report, three committee meetings were held to review and discuss the existing policy and structure for the remuneration of Directors, the remuneration packages of both the executive and non-executive Directors and attendance of each member is set out as follows:

薪酬委員會每年須會面至少一次。於年內及直至本年報日期曾舉行三次委員會會議以檢討及討論現行政策及董事的薪酬架構，以及執行董事及非執行董事的薪酬待遇，各成員的出席率載列如下：

Committee member	委員會成員	Number of meetings attended/held 出席／ 舉行委員會會議次數
Mr. Lin Yugang (chairman)	林宇剛先生（主席）	3/3
Mr. Chow Yun Cheung	周潤璋先生	2/3
Mr. Liu Junting	劉俊廷先生	1/3

The Remuneration Committee confirms that the remuneration payable to Directors will depend on their respective contractual terms under their employment or service contracts as approved by the Board on the recommendation of the Remuneration Committee.

薪酬委員會確認，應付董事之薪酬將視乎薪酬委員會向董事會提供之建議獲批准後，並按彼等各自之僱傭或服務合約內之合約條款而釐定。

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the senior management for the year ended 31 December 2019 is set out below:

根據企業管治守則的守則條文第B.1.5條，高級管理層於截至二零一九年十二月三十一日止年度之薪酬載列如下：

In the band of	範圍	Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	1

Audit Committee

The Audit Committee comprises three members who are the independent non-executive Directors, namely Mr. Chow Yun Cheung, Mr. Lin Yugang and Mr. Liu Junting. Mr. Chow Yun Cheung is the chairman of the Audit Committee.

審核委員會

審核委員會包括三名成員，即周潤璋先生、林宇剛先生及劉俊廷先生（全部均為獨立非執行董事）。周潤璋先生為審核委員會主席。

Mr. Chow Yun Cheung was appointed on 13 August 2019 and Mr. Liu Junting was appointed on 23 October 2019.

周潤璋先生於二零一九年八月十三日獲委任，及劉俊廷先生於二零一九年十月二十三日獲委任。

CORPORATE GOVERNANCE REPORT 企業管治報告

The main duties of the Audit Committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the staff responsible for the accounting and financial reporting function, internal auditor or external auditors before submission to the Board;
- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditors; and
- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee oversees the internal control system of the Group, reports to the Board on any material issues, and makes recommendations to the Board.

The Audit Committee shall meet at least twice a year. During the year up to the date of this annual report, three committee meetings were held and the attendance of each member is set out as follows:

審核委員會主要職責包括下列各項：

- 在向董事會提交財務報表及報告前審閱該等財務報表及報告，並考慮由負責會計及財務申報職責的員工、內部核數師或外聘核數師所提出的任何重大或非常規項目；
- 在參考核數師所進行之工作、其收費及委聘條款後，檢討與外聘核數師的關係，並就外聘核數師的委任、續聘及罷免向董事會作出建議；及
- 審閱本公司的財務申報系統、內部監控系統及風險管理系統以及相關程序的充分性及有效程度。

審核委員會監督本集團內部監控系統，向董事會報告任何重大事項並向董事會提出建議。

審核委員會每年須會面至少兩次。於年內及直至本年報日期曾舉行三次委員會會議，各成員的出席率載列如下：

Committee member	委員會成員	Number of meetings attended/held 出席／ 舉行委員會會議次數
Mr. Chow Yun Cheung (chairman)	周潤璋先生（主席）	2/3
Mr. Lin Yugang	林宇剛先生	3/3
Mr. Liu Junting	劉俊廷先生	1/3

CORPORATE GOVERNANCE REPORT 企業管治報告

During the meetings held in 2019 and the first quarter of 2020, the Audit Committee had performed the work as summarised below:

- (i) reviewed and approved the audit scope and fees proposed by the external auditor regarding the final audit of the Group for the year ended 31 December 2019 (the “2019 Final Audit”);
- (ii) reviewed the external auditor’s report of findings and audit opinion in relation to the 2019 Final Audit for the year ended 31 December 2019;
- (iii) reviewed the management accounts of the Group and the Group’s 2019 interim financial statements; and
- (iv) reviewed the financial report for the six months ended 30 June 2019.

The Audit Committee also noted internal control irregularity identified in previous years and made recommendations to the Board. Meanwhile, the Group is ongoing to locate an internal control advisor to review the internal control system of the Group and conduct remedies for any deficiencies identified as considered necessary in due course.

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

Regulatory Compliance Committee

The Regulatory Compliance Committee comprises of two members, namely Mr. Wu Jianxiong and Mr. Tse Kwok Hing Henry. Mr. Wu Jianxiong is the chairman of the Regulatory Compliance Committee.

Mr. Tse Kwok Hing Henry was appointed on 7 November 2019.

The primary duties of the Regulatory Compliance Committee are to ensure that the Group’s business operations and activities are in compliance with the relevant laws and regulations, and the Regulatory Compliance Committee directly reports to the Board.

於二零一九年及二零二零年第一季度舉行之會議，審核委員會已履行之工作概述如下：

- (i) 檢討及批准外聘核數師建議之本集團截至二零一九年十二月三十一日止年度之年終審核（「二零一九年年終審核」）之核數範圍及費用；
- (ii) 檢討外聘核數師就截至二零一九年十二月三十一日止年度之二零一九年年終審核結果及審核意見之報告；
- (iii) 檢討本集團管理賬目及本集團二零一九年中期財務報表；及
- (iv) 檢討截至二零一九年六月三十日止六個月之財務報告。

審核委員會亦注意到於過往年度發現的內部監控違規行為，並向董事會提出建議。同時，本集團正繼續物色內部監控顧問，以檢討本集團內部監控系統，並在認為必要且適當時對發現的任何不足之處採取補救措施。

董事會及審核委員會就甄選、委聘、退任或罷免外聘核數師並無意見分歧。

監管合規委員會

監管合規委員會包括兩名成員，即吳健雄先生及謝國興先生。吳健雄先生為監管合規委員會主席。

謝國興先生於二零一九年十一月七日獲委任。

監管合規委員會的主要職責為確保本集團業務經營及活動遵守相關法律法規，監管合規委員會直接向董事會報告。

The Regulatory Compliance Committee shall meet at least once a year. During the year, three committee meetings were held to review and discuss the compliance status of the existing business operations and activities, with the relevant laws and regulations in the PRC, Hong Kong and the respective jurisdictions if applicable. Attendance of each member is set out as follows:

監管合規委員會須至少每年舉行一次會議。年內曾舉行三次委員會會議，以檢討及討論現有業務營運及活動遵守中國、香港及各司法管轄區（如適用）的相關法例及法規的情況。各成員的出席率載列如下：

Committee member	委員會成員	Number of meetings attended/held 出席／ 舉行的委員會會議數目
Mr. Wu Jianxiong (Executive Director)	吳健雄先生（執行董事）	1/1
Mr. Tse Kwok Hing Henry (Financial Controller)	謝國興先生（財務總監）	1/1

GOING CONCERN ISSUE

The Group incurred a loss of approximately RMB287,608,000 for the year ended 31 December 2019 and as at 31 December 2019, the Group had net current liabilities and net liabilities of approximately RMB698,088,000 and RMB759,788,000 respectively. Furthermore, as at 31 December 2019, the Group's bank borrowings of approximately RMB143,642,000 and its bonds of approximately RMB425,603,000 are subject to renewal or to be fully repaid within the next twelve months as disclosed in note 24 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on going concern basis. These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon that the Group will be able to successfully negotiate and agree with the creditors to renew or extend the existing borrowings or complete debt and/or equity financing to meet its liabilities as they fall due. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements, to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

持續經營事宜

截至二零一九年十二月三十一日止年度，本集團產生虧損約人民幣287,608,000元，而於二零一九年十二月三十一日，本集團分別有流動負債淨額及負債淨額約人民幣698,088,000元及人民幣759,788,000元。此外，於二零一九年十二月三十一日，本集團約人民幣143,642,000元的銀行借款及約人民幣425,603,000元的債券須重續或於未來十二個月內悉數償付（披露於合併財務報表附註24）。此等狀況表示存在重大不確定因素，可能對本集團按持續經營基準經營的能力構成重大疑慮。因此，本集團可能無法於日常業務過程中變現資產及償還負債。本公司董事認為，按持續經營基準編製合併財務報表乃合宜之舉。該等合併財務報表乃按持續經營基準編製，其有效程度視乎本集團能否與債權人順利磋商，並同意重續或延長現有借款，或完成債務及／或權益性融資以滿足到期的債務。倘本集團無法持續經營，則須於合併財務報表作出調整以將資產價值撇減至可收回金額，以為可能進一步產生的負債作出撥備，並將非流動資產及非流動負債分別重新分類至流動資產及流動負債。此等調整的影響尚未反映於合併財務報表內。

DELEGATION OF MANAGEMENT FUNCTIONS

The Board reserves for its decision all major matters of the Company including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

管理職能之轉授

董事會保留對本公司所有重大事項的決定權，包括批准及監控所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（尤其是該等可能涉及利益衝突之交易）、財務資料、委任董事及其他重大財務及經營事宜。

CORPORATE GOVERNANCE REPORT 企業管治報告

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensure that Board procedures and all applicable laws and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2019.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group are set out in the Independent Auditor's Reports in this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining an adequate internal control system to safeguard shareholder investments and Company assets and with the support of the Audit Committee, reviewing the effectiveness of such system on an annual basis. The Group has developed its systems of internal control and risk management. The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group.

所有董事均可全面和及時取得所有有關資料以及公司秘書的意見及服務，旨在確保遵守董事會程序及所有適用法律法規。每名董事一般可於適當情況下在向董事會提出要求後尋求獨立專業意見，費用由本公司承擔。

本公司日常管理、行政及營運轉授予執行董事及高級管理人員。轉授的職能及職責會定期檢討。上述高級職員在訂立任何重大交易前須向董事會取得批准。

問責及審核

董事確認彼等編製本公司截至二零一九年十二月三十一日止年度財務報表之責任。

根據上市規則規定及其他法定及監管規定，董事會須負責就年度及中期報告、股價敏感公告及其他披露呈報持平、清晰且易於理解之評估。

管理層向董事會提供所需相關說明及資料，使董事會可就提呈董事會批准之本公司財務報表作出知情評估。

本公司外聘核數師關於本集團合併財務報表的申報責任載於本年報獨立核數師報告。

內部監控及風險管理

董事會負責維持充足的內部監控系統以保障股東的投資及本公司資產，並在審核委員會支援下每年檢討該制度的成效。本集團已發展其內部監控及風險管理系統。本集團的內部監控系統旨在促進有效及高效營運，確保財務申報的可靠性及符合適用法例及規例，識別及管理潛在風險以保障本集團資產。

Certain internal control deficiencies were identified and reported to the Board. The Group is ongoing to locate an internal control advisor to review the internal control system of the Group, and conduct remedies for any deficiencies identified on considered necessary in due course.

AUDITOR'S REMUNERATION

For the year ended 31 December 2019, the remuneration paid/payable to the Company's auditor, McMillan Woods (Hong Kong) CPA Limited, amounted to approximately RMB794,000 in respect of the annual audit service.

INDEPENDENT AUDITOR

The Audit Committee reviews and monitors the independent auditor's independence, objectivity and effectiveness of the audit process. It receives letter every year from the independent auditor confirming their independence and objectivity and holds meetings with representatives of the independent auditor to consider the scope of its audit, approve its fees, and the scope and appropriateness of non-audit services, if any, to be provided by it. The Audit Committee also makes recommendations to the Board on the appointment and retention of the independent auditor.

COMPANY SECRETARY

The company secretary of the Company, Mr. Tse Kwok Hing Henry, is a full-time employee of the Group. Please refer to his biographical details as set out on page 37 of this annual report.

Rights of Shareholders to Convene a Special General Meeting

Pursuant to Bye-law 58, the Board may whenever it thinks fit call special general meetings, and members holding at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Act.

若干內部監控的不足之處已經發現及向董事會匯報。本集團正繼續物色內部監控顧問，以檢討本集團內部監控系統，並在認為必要且適當時對發現的任何不足之處採取補救措施。

核數師薪酬

截至二零一九年十二月三十一日止年度，就本公司核數師長青（香港）會計師事務所有限公司提供年度審核服務已付／應付酬金約為人民幣794,000元。

獨立核數師

審核委員會檢討及監察獨立核數師的獨立性、客觀性及審核過程的效用。其每年接獲獨立核數師函件，確認彼等的獨立性及客觀性，並與獨立核數師的代表進行會議，審議其審核範圍、批准其費用，及將由其提供的非審核服務（如有）的範圍及適當性。審核委員會亦就獨立核數師的委任及留任向董事會作出推薦建議。

公司秘書

本公司的公司秘書為謝國興先生，彼為本集團全職僱員。有關其履歷詳情，請參閱本年報第37頁。

股東召開股東特別大會的權利

根據細則第58條，董事會可於認為適當時召開股東特別大會，而於提出要求日期持有可於本公司股東大會上行使表決權之本公司繳足股本不少於十分之一之成員，隨時有權向董事會或本公司秘書作出書面要求，要求董事會召開股東特別大會，以處理該要求所列明之任何事務；而該大會須於提出該要求後兩(2)個月內舉行。倘董事會無法於該提出要求日期起計二十一(21)日內召開該大會，則要求人可根據公司法第74(3)條之條文自行召開該大會。

Sending Enquiries to the Board and Procedures for Putting Forward Proposals at Shareholders' Meetings

Shareholders or investors can contact the Company in the following ways to make enquiry or to provide suggestions:

Contact Person: Mr. Tse Kwok Hing Henry, Company Secretary
Postal Address: 20/F Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong

To put forward proposals at a general meeting, the shareholders should submit a written notice of those proposals with detailed contact information to the company secretary at the Company's principal place of business stated above.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The general meetings of the Company provide a forum for communication between the Board and the shareholders. The Company continues to enhance communication and relationship with its investors. Enquiries from investors are dealt with in an informative and timely manner.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution would be proposed for each substantially separate issue at shareholder meetings, including the election of individual directors.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

CHANGES TO CONSTITUTIONAL DOCUMENTS

Since the change of domicile with effect from 23 May 2019, the changes in the Company's constitutional documents have been available on the websites of the Company and the Stock Exchange.

向董事會查詢及於股東大會上提呈建議之程序

股東或投資者如欲提出查詢或提供建議，可透過下列方式聯絡本公司：

聯絡人： 公司秘書謝國興先生
郵寄地址： 香港上環德輔道中199號無限極廣場20樓

股東如欲於股東大會上提呈建議，須將有關建議的書面通知連同詳細聯絡資料送交本公司上述主要營業地點，並註明公司秘書收啟。

與股東之溝通及投資者關係

本公司認為與股東之有效溝通對促進投資者關係及加深投資者對本集團業務表現及策略之了解攸關重要。本公司亦深明高透明度及適時披露公司資料之重要性，使股東及投資者能作出最佳投資決定。

本公司股東大會為董事會及股東提供溝通場所。本公司持續加強與其投資者的溝通及關係。投資者之查詢會適時處理及獲提供詳盡資料。

股東權利

為保障股東權益及權利，本公司就各重大獨立事宜（包括選舉個別董事）於股東大會提呈獨立決議案。

根據上市規則，所有在股東大會上提呈之決議案須以投票方式進行表決及投票表決結果將於每次股東大會結束後上載於本公司及聯交所網站。

章程文件變動

自二零一九年五月二十三日遷冊生效後，本公司之章程文件變動可於本公司及聯交所網站查閱。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Wu Jianxiong (吳健雄) (“Mr. Wu”), aged 49, was appointed as the independent non-executive Director on 29 March 2018 and re-designated as executive director on 21 August 2018 and as chairman on 11 April 2019. He graduated from South China Normal University and majored in accounting computerization and human resource management. During the period from 1988 to 2014, he was responsible for the relevant departments and management in General Administration of Quality Supervision. In 2004, he was the chairman of Jianrong Daofu Asset Management Co., Ltd.* (建榮道富資產管理有限公司).

Mr. Lin Guoqin (林國欽) (“Mr. Lin”) has been appointed as the Executive Director of the Company with effect from 23 October 2019. Mr Lin, aged 31, graduated from Wuyishan Vocational College. He has extensive experience in assets management, corporate finance, asset restructuring and securities investment. In 2011, he founded Putian Xinxiang Trading Limited, which mainly engaged in sales of timber, steel and construction materials, and acted as its general manager. He established Fortune Asset Management HK Limited with whom he acts as its director since August 2014. He also has been appointed as a director of JMC Capital HK Limited from August 2017 to October 2019.

Mr. Wang Zhiping (王志平) (“Mr. Wang”) has been appointed as the Executive Director with effect from 7 November 2019. Mr. Wang, aged 31, holds a bachelor's degree in business administration. In 2014, he established Xiamen Xunyi Network Technology Co. Ltd. with whom he has taken the role of general manager since 2014. He has extensive experience and resources in both e-commerce and blockchain.

執行董事

吳健雄先生(「吳先生」)，49歲，於二零一八年三月二十九日獲委任為獨立非執行董事，於二零一八年八月二十一日調任為執行董事，並於二零一九年四月十一日調任為主席。彼畢業於華南師範大學，主修會計電算化及人力資源管理專業。於一九八八年至二零一四年期間，彼於國家質檢總局負責相關部門及管理工作。於二零零四年，彼任建榮道富資產管理有限公司董事長職位。

林國欽先生(「林先生」)於二零一九年十月二十三日獲委任為本公司執行董事。林先生，31歲，畢業於武夷山職業學院。彼於資產管理、企業融資、資產重組及證券投資擁有豐富經驗。於二零一一年，彼創立莆田鑫祥貿易有限公司(從事木材、鋼材及建築材料銷售)並擔任其總經理。彼於二零一四年八月創立宏鑫資產管理(香港)有限公司並擔任其董事。彼亦於二零一七年八月至二零一九年十月期間獲委任為富喬鑫資本(香港)有限公司之董事。

王志平先生(「王先生」)，已獲委任為執行董事，自二零一九年十一月七日起生效。王先生，31歲，持有工商管理學士學位。於二零一四年，彼創立廈門訊易網絡科技有限公司並自二零一四年起任職總經理。彼於電子商務及區塊鏈領域擁有豐富經驗及廣泛資源。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chow Yun Cheung (周潤璋) (“Mr. Chow”) has been appointed as an independent non-executive director of the Company with effect from 13 August 2019. Mr. Chow, aged 40, has over 12 years of experience in finance and accounting. Mr. Chow was an audit manager at KPMG and was a vice president of corporate finance at Chung Tai Printing (China) Co., Ltd. Since February 2018, Mr. Chow has been a non-independent non-executive director of Industronics Berhad, a company listed on Bursa Malaysia Securities Berhad (stock code: 9393). With effective from 2 July 2020, Mr. Chow has been appointed as the company secretary of China Creative Global Holdings Limited, a company listed on the Stock Exchange (stock code: 1678). Mr. Chow was admitted as a member of the Hong Kong Institute of Certified Public Accountants in February 2005. Mr. Chow obtained a bachelor of business administration degree from the Chinese University of Hong Kong in June 2001.

Mr. Lin Yugang (林宇剛) (“Mr. Lin”), aged 51, graduated from Sun Yat-Sen University with a bachelor’s degree in management, and completed the master’s program in accounting at the School of Management of Sun Yat-Sen University in 2008. From 1987 to 2001, he served in the Department of International Business at the Bank of China for a total of 14 years, where he was primarily responsible for reviewing offshore letters of credit. Subsequently, he became an industry expert and was the youngest director of a branch in Zhongshan City. Mr. Lin was released from work for studying in Sun Yat-Sen University during 2003, and subsequently resigned from his position at the Bank of China and successfully founded a number of companies. Currently, he works at 中山市迅翔股權投資管理有限公司 (Zhongshan City Xunxiang Equity Investment Management Company*), and also holds the positions of director and financial controller at 車美噠 (廣東) 環保科技有限公司 (Chemeida (Guangdong) Environmental Technology Limited*). Mr. Lin is a banking and finance professional and an industry veteran in the field of international trading.

Mr. Liu Junting (劉俊廷) (“Mr. Liu”), aged 30, has been appointed as an independent non-executive director of the Company with effect from 23 October 2019. Mr. Liu graduated from Beijing Institute of Technology in July 2013. He is currently the assistant manager of Zhuhai Lvzhou Industrial Limited. Since 14 January 2020, Mr. Liu has been appointed as an independent non-executive director of China Shenghai Food Holdings Company Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 1676).

獨立非執行董事

周潤璋 (「周先生」) 已獲委任為本公司獨立非執行董事，自二零一九年八月十三日起生效。周先生，40歲，於融資及會計方面擁有超過12年的經驗。周先生為畢馬威的核數經理及Chung Tai Printing (China) Co., Ltd企業融資副主席。自二零一八年二月起，周先生為Industronics Berhad的非獨立非執行董事，Industronics Berhad (一間股份於馬來西亞證券交易所有限公司上市的公司，(股份代號：9393))。自二零二零年七月二日起，周先生獲委任為中創環球控股有限公司 (一間於聯交所上市的公司，(股份代號：1678)) 的公司秘書。周先生於二零零五年二月獲認可為香港會計師公會會員。周先生於二零零一年六月獲香港中文大學工商管理學士學位。

林宇剛先生 (「林先生」)，51歲，中山大學管理學學士學位畢業，並於二零零八年完成中山大學管理學院會計專業碩士課程。彼於一九八七年至二零零一年間共十四年時間供職於中國銀行國際業務部，主要負責審核遠洋信用證等工作，後成為行業專家，曾是中山市最年輕的支行行長。林先生於二零零三年脫產在中山大學學習，後辭去中國銀行公職，成功創辦多家企業，現在於中山市迅翔股權投資管理有限公司任職，兼任車美噠 (廣東) 環保科技有限公司董事和財務總監。林先生是銀行金融界專業人士，是國際貿易行家能手。

劉俊廷 (「劉先生」)，30歲，已獲委任為本公司獨立非執行董事，自二零一九年十月二十三日起生效。劉先生於二零一三年七月畢業於北京理工大學。劉先生現任珠海綠洲實業有限公司助理經理。自二零二零年一月十四日起，劉先生已獲委任為中國升海食品控股有限公司 (香港聯交所上市公司 (股份代號：1676)) 的獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

SENIOR MANAGEMENT

Mr. Tse Kwok Hing Henry ("Mr. Tse"), aged 35, has been appointed as the financial controller and company secretary of the Group with effect from 7 November 2019. Mr. Tse has extensive experience in accounting, auditing and finance fields. Mr. Tse was the chief financial officer and company secretary of China Yuanbang Property Holdings Limited, a company listed on the main board of the Singapore Exchange Securities Trading Limited (Stock Code: BCD.SI) from April 2016 to May 2018. Mr. Tse obtained a bachelor's degree of Business Administration in Accounting and Finance from the University of Hong Kong in 2007. He is currently a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

高級管理層

謝國興先生（「謝先生」），35歲，已獲委任為本集團財務總監及公司秘書，自二零一九年十一月七日起生效。謝先生於會計、審計及財務方面擁有豐富經驗。謝先生曾於二零一六年四月至二零一八年五月為中國元邦房地產控股有限公司（新加坡證券交易所主板上市公司，股份代號：BCD.SI）的財務總監及公司秘書。謝先生於二零零七年獲香港大學頒授工商管理（會計及財務）學士學位。彼現為香港會計師公會會員及英格蘭與威爾斯特許會計師協會會員。

REPORT OF THE DIRECTORS

董事會報告書

The Directors of the Company (the “Directors”) are pleased to present the annual report of the Company with the audited consolidated financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Group is engaged in sales of shoes and clothes in Asia and the design, manufacturing and sales of fabrics in the People’s Republic of China. The principal activity of the Company is investment holding. Details of the principal activities of its principal subsidiaries are set out in note 35 to the consolidated financial statements.

BUSINESS SEGMENTS

The Group is engaged in the sales of shoes and clothes, and manufacturing and sale of fabrics and yarns. Business analysis of sales, segment results, total assets and capital expenditure are set out in note 8 to the accompanying financial statements.

GEOGRAPHICAL SEGMENTS

The Group’s revenue mainly came from two main geographical areas, the Mainland China and Korea. Geographical analysis of the Group are set out in note 8 to the consolidated financial statements.

BUSINESS REVIEW

For details of business review in relation to the development, performance or position of the Company’s business, please refer to the section headed “Management Discussion and Analysis” of this annual report.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. To the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands that a better future depends on everyone’s participation and contribution. It has encouraged all employees to participate in environmental and social activities which benefit the community as a whole.

本公司董事（「董事」）欣然提呈截至二零一九年十二月三十一日止年度的本公司年報及本集團經審核合併財務報表。

主要業務

本集團在亞洲從事鞋履及服裝銷售及在中華人民共和國從事面料的設計、製造及銷售。本公司主要業務為投資控股。其主要附屬公司的主要業務詳情載於合併財務報表附註35。

業務分類

本集團從事鞋履及服裝銷售以及面料及紗線製造及銷售。營業額、分類業績、資產總額及資本開支業務分析載於隨附之財務報表附註8。

地區分類

本集團收益主要來自於中國大陸及韓國兩個地區經營業務。本集團地區分析載於合併財務報表附註8。

業務回顧

關於本公司業務發展、表現或狀況之業務回顧詳情，請參閱本年報「管理層討論及分析」一節。

環境、社會及企業責任

作為一間具社會責任的企業，本集團致力維持最高要求之環境及社會標準，以確保其業務可持續發展。據董事所知，本集團已遵守所有對本集團有重大影響且與其業務有關的相關法例及法規，包括健康及安全、工作環境條件、就業及環境。本集團明白有賴所有人的參與及貢獻才能成就美好將來，亦因此鼓勵所有僱員參與環境及社會活動，惠及整個社區。

Thanks to its active engagement in the enhancement of management measures and technology improvement, the Group incurred less unit electricity consumption and expenses in production as compared to that of last year. The Group also advocated conservation of resources in office and encouraged employees to develop good habits, conserve resources and energy to build a green and comfortable office environment. The Group will issue a separate environmental, social and governance report for the year ended 31 December 2019 in due course with the relevant requirements of the Listing Rules.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated financial statements of this annual report. The Directors do not recommend the payment of a dividend for the year ended 31 December 2019 (2018: Nil).

RESERVES

Details of movement in the reserves of the Group for the year ended 31 December 2019 are set out in note 28 to the consolidated financial statements and in the consolidated statement of changes in equity. As at 31 December 2019, no reserve of the Company was available for distribution (2018: Nil).

DONATIONS

The Group did not make any charitable and other donations during the year (2018: Nil).

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of and reasons for movements in the share capital of the Company during the year under review are set out in note 27 to the consolidated financial statements.

TAX RELIEF

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

本集團積極推進管理措施和技術改造，生產用電單位耗用量及開支均比去年有所節約。本集團亦引導各項辦公室減耗措施，鼓勵員工養成良好習慣，節約資源和能源，建設綠色舒適的辦公環境。本集團將於適當時候按照上市規則的有關規定另行發佈截至二零一九年十二月三十一日止年度之環境、社會及管治報告。

業績及撥款

本集團於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合併財務報表。董事不建議就截至二零一九年十二月三十一日止年度派發股息（二零一八年：無）。

儲備

有關本集團截至二零一九年十二月三十一日止年度的儲備變動詳情，載於合併財務報表附註28及合併權益變動表。於二零一九年十二月三十一日，本公司概無可供分派的儲備（二零一八年：無）。

捐款

於年內，本集團並無作出任何慈善捐款及其他捐獻（二零一八年：無）。

物業、廠房及設備

本集團的物業、廠房及設備詳情載於合併財務報表附註17。

股本

於回顧年度內本公司的股本變動詳情及原因載於合併財務報表附註27。

稅務減免

本公司並不知悉任何因持有本公司證券而提供予本公司股東之稅務減免或豁免。

REPORT OF THE DIRECTORS 董事會報告書

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 158 to 160 of this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights over shares of the Company under the Company's Bye-laws (the "Bye-laws") or the laws of Bermuda where the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

AUDITOR

PricewaterhouseCoopers ("PwC") resigned as the auditor of the Company with effect from 14 November 2017. The Board appointed ZHONGHUI ANDA CPA Limited ("Zhonghui") with effect from 21 November 2017 to fill the casual vacancy following the resignation of PwC.

Zhonghui resigned as the auditor of the Company with effect from 6 December 2018. The Board appointed WORLD LINK CPA Limited ("Worldlink") with effect from 7 December 2018 to fill the casual vacancy following the resignation of Zhonghui.

Worldlink resigned as the auditor of the Company with effect from 10 February 2020. The Board has appointed McMillan Woods (Hong Kong) CPA Limited ("McMillan Woods") with effect from 10 February 2020 to fill the casual vacancy following the resignation of Worldlink. McMillan Woods will retire and, being eligible, offer themselves for reappointment at the forthcoming annual general meeting of the Company on 25 August 2020.

財務摘要

本集團過去五個財政年度的業績以及資產及負債概要載於本年報第158至160頁。

購買、出售或購回上市證券

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

優先購買權

根據本公司細則（「細則」）或本公司註冊成立地點百慕達的法律，概無有關本公司有義務按比例向本公司現有股東發售新股份的本公司股份優先購買權的規定。

核數師

羅兵咸永道會計師事務所（「羅兵咸永道」）於二零一七年十一月十四日辭任本公司核數師。董事會已於二零一七年十一月二十一日委任中匯安達會計師事務所有限公司（「中匯」）填補羅兵咸永道辭任留下的臨時空缺。

中匯於二零一八年十二月六日辭任本公司核數師。董事會已於二零一八年十二月七日委任華普天健（香港）會計師事務所有限公司（「華普天健」）填補中匯辭任留下的臨時空缺。

華普天健於二零二零年二月十日辭任本公司核數師。董事會已委任長青（香港）會計師事務所有限公司（「長青」）填補華普天健辭任留下的臨時空缺，由二零二零年二月十日起生效。於二零二零年八月二十五日舉行之本公司應屆股東週年大會上，長青將退任及符合資格並願意膺選連任。

DIRECTORS

The Directors of the Company during the year and up to the date of this report are as follows:

Executive directors

Mr. Wu Jianxiong (Appointed as Chairman on 11 April 2019)

Ms. Li Jia Yin (Resigned as Acting Chairlady on 11 April 2019)

Mr. Zhou Biao (Appointed as executive director on 11 April 2019 and resigned on 13 August 2019)

Mr. Lin Qingxiong (Resigned as executive director on 7 November 2019)

Mr. Lin Guoqin (Appointed as executive director on 23 October 2019)

Mr. Wang Zhiping (Appointed as executive director on 7 November 2019)

Independent non-executive directors

Mr. Lin Yugang

Mr. Chow Yun Cheung (Appointed on 13 August 2019)

Mr. Liu Junting (Appointed on 23 October 2019)

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

The biographical details of the Directors are set out in the section headed "Directors and Senior Management".

董事

於年內及截至本報告日期的本公司董事如下：

執行董事

吳健雄先生（於二零一九年四月十一日獲委任為主席）

李佳音女士（於二零一九年四月十一日辭任代理主席）

鄒彪先生（於二零一九年四月十一日獲委任為執行董事及於二零一九年八月十三日辭任）

林清雄先生（於二零一九年十一月七日辭任執行董事）

林國欽先生（於二零一九年十月二十三日獲委任為執行董事）

王志平先生（於二零一九年十一月七日獲委任為執行董事）

獨立非執行董事

林宇剛先生

周潤璋先生（於二零一九年八月十三日獲委任）

劉俊廷先生（於二零一九年十月二十三日獲委任）

本公司已獲每名獨立非執行董事根據上市規則第3.13條規定確認其獨立性。本公司認為所有獨立非執行董事均為獨立人士。

董事履歷詳情載列於「董事及高級管理層」一節。

REPORT OF THE DIRECTORS 董事會報告書

DIRECTORS' SERVICE CONTRACTS

Pursuant to Bye-law 84, at each annual general meeting of the Company, one third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

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

Pursuant to the service contracts entered into by each of executive directors as disclosed in the paragraph headed "Directors' services contracts" above, each of Mr. Wu Jianxiong, Mr. Lin Guoqin and Mr. Wang Zhiping is entitled to a monthly salary of HK\$40,000, HK\$20,000 and HK\$30,000, respectively. In addition, pursuant to the above service contracts, each of them is also entitled to a management bonus in respect of each financial year in such sum as the Board may in its absolute discretion determine aggregate amount of management bonuses payable to all directors.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) for the benefit of the Directors of the Company is currently in force and was in force throughout the year.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors confirmation of his/her independence and the Company considers that each of them to be independent based on the guidelines set out in Rule 3.13 of the Listing Rules.

董事服務合約

根據細則第84條，於本公司每屆股東週年大會上，當時董事總數三分之一人數（或如人數並非三(3)的倍數，則取最接近的整數，惟不得低於三分之一人數）須輪值告退，惟每名董事須至少每三年輪值告退一次。須輪值告退的董事將包括有意告退且無意膺選連任的董事。任何其他因此退任的董事將為其他董事中自上次重選連任或獲委任以來任期最長而須輪值告退的董事。如有超過一名董事上次乃於同一日獲委任或重選連任，則會以抽籤方式決定退任者（除非彼等之間另行達成協議）。概無董事與本公司或其任何附屬公司訂立任何在毋須作出賠償（法定賠償除外）的情況下本集團不可於一年內終止的服務合約。

根據上市規則第13.51B(1)條作出之披露

根據上文「董事服務合約」一段披露各執行董事各自訂立之服務合約，吳健雄先生、林國欽先生及王志平先生分別有權獲得月薪40,000港元、20,000港元及30,000港元。此外，根據上述服務合約，彼等各自亦有權就各財政年度獲得管理層花紅，董事會可全權酌情釐定應付全體董事的管理層花紅總額。

獲准許的彌償條文

有關本公司董事利益的獲准許彌償條文（定義見香港法例第622章公司條例第469條）現正生效及於本年度一直生效。

獨立非執行董事之獨立性

本公司已獲得各獨立非執行董事確認其獨立性，而根據上市規則第3.13條所載指引，本公司認為彼等各自均為獨立。

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the management on the basis of their merit, qualifications and competence.

The Remuneration Committee considers and recommends to the Board on the remuneration and other benefits paid by the Company to the Directors by reference to the Company's operating results, individual performance and comparable market rates. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

As at 31 December 2019, the Group had an aggregate of 350 full-time employees (as at 31 December 2018: 420). Employee costs including directors' emoluments totalled RMB14.5 million for the year of 2019 (2018: RMB19.1 million). The Group recruited and promoted individual persons according to their strength and development potential. The Group determined the remuneration packages of all employees including the Directors with reference to individual performance and current market salary scale.

The Group regularly reviews the emolument package of the existing employees, considers increment of salaries and conducts some long term incentive scheme when appropriate.

Details of Directors' remuneration are set out in note 14a to the financial statements.

薪酬政策

本集團僱員的薪酬政策乃由管理層根據彼等表現、資歷及能力制訂。

薪酬委員會經參考本公司經營業績、個人表現及可比較市場水平考慮及向董事會推薦本公司向董事支付的酬金及其他福利。所有董事的酬金受薪酬委員會定期監察，確保其酬金和薪酬定於適當水平。

於二零一九年十二月三十一日，本集團共有350名全職僱員（於二零一八年十二月三十一日：420名）。二零一九年的僱員成本（包括董事酬金）共計人民幣14.5百萬元（二零一八年：人民幣19.1百萬元）。本集團根據個人能力及發展潛力聘請及提升僱員。本集團根據個人表現及當前市場薪資水平釐定所有僱員（包括董事）的薪酬待遇。

本集團經常複核現存僱員之薪酬待遇，並在適當時考慮提升薪金及採取一些長期激勵計劃。

董事酬金詳情載於財務報表附註14a。

REPORT OF THE DIRECTORS 董事會報告書

DISCLOSURE OF INTERESTS IN SECURITIES Substantial shareholders' interests in the shares of the Company

As at 31 December 2019, so far as the Directors are aware, the following persons (not being a Director of the Company) had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 5% or more of the Company's issued share capital:

Name of shareholder	Capacity/Nature of interest	Number of shares	Approximate percentage of shareholding in the Company 佔本公司股權 概約百分比
股東姓名／名稱	身份／權益性質	股份數目	
Merit Lead Investments Limited	Beneficial owner (Note 1)	24,281,000 shares (Long position)	13.05%
德利投資有限公司	實益擁有人(附註1)	24,281,000股(好倉)	13.05%
Qiu Zhiping	Beneficial owner (Note 2)	12,684,000 shares (Long position)	6.82%
邱志強	實益擁有人(附註2)	12,684,000股(好倉)	6.82%

Notes:

- (1) Merit Lead Investments Limited is a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Mr. Lin Qingxiong.
- (2) Mr. Qiu Zhiqiang is a former executive Director who has resigned from the Company with effect from 17 April 2018.

Save as disclosed above, there was no person (not being a Director or chief executive of the Company) known to the Directors, who as at 31 December 2019, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

於證券中的權益披露

主要股東於本公司股份中的權益

就董事所知，於二零一九年十二月三十一日，下列人士（並非本公司董事）擁有根據證券及期貨條例第XV部第2及3分部的規定須向本公司及聯交所披露的股份或相關股份的權益或淡倉，或直接或間接於本公司5%或以上的已發行股本中擁有權益：

Name of shareholder	Capacity/Nature of interest	Number of shares	Approximate percentage of shareholding in the Company 佔本公司股權 概約百分比
股東姓名／名稱	身份／權益性質	股份數目	
Merit Lead Investments Limited	Beneficial owner (Note 1)	24,281,000 shares (Long position)	13.05%
德利投資有限公司	實益擁有人(附註1)	24,281,000股(好倉)	13.05%
Qiu Zhiping	Beneficial owner (Note 2)	12,684,000 shares (Long position)	6.82%
邱志強	實益擁有人(附註2)	12,684,000股(好倉)	6.82%

附註：

- (1) 德利投資有限公司為一家在英屬處女群島註冊成立的公司，其全部已發行股本由林清雄先生擁有。
- (2) 邱志強先生為前任執行董事，彼於二零一八年四月十七日於本公司辭任。

除上文所披露者外，就董事所知，於二零一九年十二月三十一日，概無人士（並非董事或本公司最高行政人員）於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露之權益或淡倉。

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company, or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

The Company conditionally adopted the share option scheme on 27 March 2014, and such scheme has become effective on the Listing Date (the "Share Option Scheme"). The purpose of the Share Option Scheme is to recognize and acknowledge the contribution of the eligible participants made to the Group. The Board may, at its discretion, grant options pursuant to the Share Option Scheme to Directors (including the independent non-executive Directors), the Company's subsidiaries, employees of the Group and other persons the Board considers have contributed or will contribute to the Group. The maximum number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company (i.e. 100,000,000 shares), unless otherwise approved by the shareholders of the Company in general meeting and/or other requirements prescribed under the Listing Rules. The subscription price of a share in respect of a particular option shall be not less than the highest of (a) the official closing price of the Shares on the daily quotation sheet of the Stock Exchange; (b) the average official closing price of the shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a share. The Share Option Scheme shall remain effective within a period of 10 years from that date.

As at 31 December 2015 and 2016, 50,000,000 share options and 50,000,000 share options were granted and exercised, respectively, representing maximum number of shares to be granted under the Share Option Scheme. For details of the share option scheme, please refer to page 57 to 58 of the 2016 annual report and page 44 to 45 of the 2015 annual report, respectively.

購買股份或債權證的安排

於年內任何時間，本公司、其控股公司或其任何附屬公司概無訂立任何安排，以令本公司董事可透過獲得本公司或任何其他法團的股份或債權證而獲得利益。

購股權計劃

本公司於二零一四年三月二十七日有條件採納購股權計劃，該計劃於上市日期起生效（「購股權計劃」）。購股權計劃旨在肯定及獎勵對本集團作出貢獻的合資格參與者。董事會根據購股權計劃可酌情決定向董事（包括獨立非執行董事）、本公司的附屬公司、本集團僱員及董事會認為對本集團已作出或將作出貢獻的其他人士授出購股權。根據購股權計劃可能授出的購股權所涉及的股份數目上限合共不得超過本公司已發行股本的10%（即100,000,000股股份），惟本公司股東在股東大會上另行批准及／或上市規則有其他規定者除外。某一特定購股權所涉及股份的認購價不得低於以下三者的最高者：(a)於聯交所每日報價表所報股份的正式收市價；(b)緊接授出日期前五個營業日股份於聯交所每日報價表所報股份的正式平均收市價；及(c)股份面值。購股權計劃自該日期起計10年期間仍屬有效。

於二零一五年及二零一六年十二月三十一日，分別有50,000,000份購股權及50,000,000份購股權已獲授出及行使，即根據購股權計劃可授出的股份數目上限。關於購股權計劃的詳情，請分別參閱二零一六年年報第57至58頁及二零一五年年報第44至45頁。

REPORT OF THE DIRECTORS 董事會報告書

Share options granted

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. For the share options granted by the Company, when they are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in other reserve will continue to be held in other reserve.

CONTRACTS OF SIGNIFICANCE

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries, was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year. No contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries.

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, the aggregate sales attributable to the Group's largest and five largest customers were 8% and 22% of the Group's total sales respectively (2018: 14% and 41%). The aggregate purchases attributable to the Group's largest and five largest suppliers were 18% and 64% of the Group's total purchases respectively during the year under review (2018: 22% and 52%).

During the year, none of the Directors, their associates or any shareholders (who to the knowledge of the Directors owned more than 5% of the issued share capital of the Company) had any interest in any of the five largest customers or suppliers of the Group.

授予的購股權

所獲取服務的公平值乃參照所授出購股權於授出日期的公平值而釐定，按歸屬期以直線法支銷，權益亦相應增加。就本公司授出的購股權而言，當購股權獲行使時，原先於購股權儲備內確認的款項將轉撥至股份溢價，而當購股權於歸屬日期後被沒收或於屆滿日期仍未行使時，原先於購股權儲備內確認的款項將繼續於購股權儲備內持有。當購股權於歸屬日期後被沒收或於屆滿日期仍未行使時，原先於其他儲備內確認的款項將繼續於其他儲備內持有。

重大合約

概無任何與本集團業務有重大關係且本公司或其任何附屬公司為訂約方及董事擁有重大權益（不論直接或間接）之合約於年終或年內任何時間存在。本公司或其任何附屬公司及本公司或其任何附屬公司之控股股東（定義見上市規則）之間概無訂立重大合約。

主要客戶及供應商

於回顧年度，來自本集團最大及五大客戶的總銷售額分別佔本集團總銷售額的8%及22%（二零一八年：14%及41%）。於回顧年度，來自本集團最大及五大供應商的總採購額分別佔本集團總採購額的18%及64%（二零一八年：22%及52%）。

於年內，概無董事、其聯繫人或據董事所知擁有本公司已發行股本5%以上的任何股東於本集團五大客戶或供應商中擁有任何權益。

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Being people-oriented, the Group ensures all staff are reasonably remunerated and continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety. The Group maintains a good relationship with its customers. A customer complaint handling mechanism is in place to receive, analyse and study complaints and make recommendations on remedies with the aim of improving service quality. The Group is in good relationship with its suppliers and conducts a fair and strict appraisal of its suppliers on an annual basis.

MANAGEMENT CONTRACTS

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

CONNECTED TRANSACTIONS

No connected transactions were incurred during the year ended 31 December 2019.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, from the Listing Date and up to the date of this report, the Company has maintained a sufficient public float of at least 25% of the Company's issued share capital as required under the Listing Rules.

DIVIDEND POLICY

The Board intends to adopt a prudent dividend payment policy which will base on the main factor of the Group's profitability for the year. The Board has resolved not to recommend the payment of any final dividend for the year ended 31 December 2019 (2018: Nil). As there is no interim dividend payable during the year, there will be no dividend distribution for the whole year at 2019.

BOARD COMMITTEES

The Company comprises the Nomination Committee, the Remuneration Committee, the Audit Committee and the Regulatory Compliance Committee as described from page 20 to 31 of this annual report.

與僱員、客戶及供應商的重要關係

本集團以人為本，給予所有僱員合理待遇，同時不斷完善薪酬福利、培訓、職業健康與安全等政策，並定期檢討更新。本集團與其客戶維持良好關係。為改善服務質素，本集團定下客戶投訴處理機制，包括投訴收集、分析研究及提出改正意見。本集團與其供應商關係良好，每年對其供應商進行公平及嚴格審核。

管理合約

於回顧年度內，本公司並無就整體業務或任何重要業務部分之管理及行政工作簽訂或存有任何重大合約。

關連交易

截至二零一九年十二月三十一日止年度，概無發生關連交易。

公眾持股量之充足程度

根據可供本公司公開索取之資料及就董事所知，由上市日期起及截至本報告日期，本公司按照上市規則所規定維持至少本公司已發行股本25%的充足公眾持股量。

股息政策

董事會擬採用審慎的派息政策，根據本集團年內盈利能力等主要因素釐定派息。董事會不建議就截至二零一九年十二月三十一日止年度派發任何末期股息（二零一八年：無）。由於年內並無應派中期股息，故二零一九年全年將不會派發股息。

董事委員會

本公司包括提名委員會、薪酬委員會、審核委員會及監管合規委員會，在本年報第20至31頁詳列。

REPORT OF THE DIRECTORS 董事會報告書

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Each of the Directors has confirmed that he is neither engaged, nor interested, in any business which, directly or indirectly, competes or may compete with the Group's business.

NON-COMPETITION UNDERTAKINGS BY THE CONTROLLING SHAREHOLDERS

Each of Merit Lead Investments Limited, Mr. Lin Qingxiong, Mr. Qiu Zhiqiang and Mr. Cai Jinxu, being controlling shareholders of the Company, has entered into a deed of non-competition on 27 March 2014 (the "Deed of Non-Competition") so as to better safeguard the Group from any potential competition and to formalise the principles for the management of potential conflicts between them and to enhance its corporate governance in connection with the listing of the shares on the Stock Exchange.

The independent non-executive Directors were not required to review any matter in relation to compliance and enforcement of the Deed of Non-Competition during the Period.

LITIGATION

Dismissal of winding up petition against the Company

On 20 September 2019, the Company received a petition (the "Petition") from Su Dajie (the "Petitioner") in the matter of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) filed in the High Court of The Hong Kong Special Administrative Region (the "High Court") under Companies Windingup Proceedings No. 283 of 2019 that the Company may be wound up by the High Court. The Petitioner is the holder of the 2% bond in the principal amount of HK\$3,000,000 issued by the Company on 12 April 2018 and the 2.5% bond in the principal amount of HK\$3,005,530 issued by the Company on 13 April 2018 (collectively, the "Bonds"). Since then, the Company entered into two repayment agreements with the Petitioner in relation to the repayment under the Bonds. The Petitioner alleged that the outstanding indebtedness owed by the Company to him up to 11 March 2019 was approximately HK\$2,890,000.

董事於競爭業務之權益

各董事已確認其概無從事與本集團業務直接或間接存在競爭或可能存在競爭之業務或於該等業務中擁有權益。

控股股東作出之不競爭承諾

於二零一四年三月二十七日，本公司控股股東德利投資有限公司、林清雄先生、邱志強先生及蔡金旭先生各自訂立一份不競爭契約（「不競爭契約」），為更能保障本集團免於涉及任何潛在競爭及規範針對彼等之間潛在衝突的管理原則，以及就股份於聯交所上市加強企業管治。

獨立非執行董事毋須在本期間檢討有關遵守及執行不競爭契約的任何事宜。

訴訟

撤銷對本公司的清盤呈請

於二零一九年九月二十日，本公司收到蘇大傑（「呈請人」）就香港法例第32章公司（清盤及雜項條文）條例向香港特別行政區高等法院（「高等法院」）提交的呈請（「呈請」），根據二零一九年第283號公司清盤程序，本公司可能會被高等法院清盤。呈請人持有本公司於二零一八年四月十二日發行的本金額為3,000,000港元的2%債券和本公司於二零一八年四月十三日發行的本金額為3,005,530港元的2.5%債券（以下簡稱「本債券」）。此後，本公司與呈請人就本債券的還款訂立了兩項還款協議。呈請人稱，截至二零一九年三月十一日，本公司結欠他的未償債務為約2,890,000港元。

The Company engaged professional parties to prepare the documentations for a financial restructuring plan in respect of all of the Company's total indebtedness. To facilitate the Company's financial restructuring, on 10 October 2019, a winding up petition together with an application for the appointment (the "JPL Application") of TANG Chung Wah and KAN Lap Kee of Shinewing Specialist Advisory Services Limited and Edward Alexander Niles Whittaker of R&H Services Limited be appointed as joint and several provisional liquidators of the Company (together "JPLs") on a light touch approach for restructuring purpose was presented and filed with the Supreme Court of Bermuda (the "Bermuda Court") by the Company's Bermuda Counsel, Conyers Dill & Pearman at the request of the Company.

On 24 October 2019, the Bermuda Court made the orders as sought by the Company under the JPL Application, inter alia, TANG Chung Wah and KAN Lap Kee of Shinewing Specialist Advisory Services Limited and Edward Alexander Niles Whittaker of R&H Services Limited be appointed as joint and several provisional liquidators of the Company on a light touch approach for restructuring purpose and following the appointment of the JPLs pursuant to the Bermuda Court Order, the JPLs informed the Company that the JPLs intend to seek their appointment to be recognized by the High Court in Hong Kong.

On 24 January 2020, the High Court in Hong Kong granted an order to, inter alia, recognize the appointment of the JPLs and that so long as the Company remains in provisional liquidation in Bermuda, no action or proceeding shall be proceeded with or commenced against the Company or its assets or affairs, or its property within the jurisdiction of the Hong Kong Court, except with leave of the High Court of Hong Kong and subject to such terms as the Hong Kong Court may impose.

The joint application of the Petitioner and the Company by way of the consent summons, an order was made by the High Court on 5 March 2020 that the Petition be dismissed. Whilst the Petition was dismissed, the winding petition for restructuring purpose in Bermuda will still continue to facilitate the debt restructuring.

本公司已聘請專業人士編製有關本公司所有債務總額的財務重組計劃文件。為促進本公司的財務重組，本公司已於二零一九年十月十日進行清盤呈請以及申請在非強制基礎上僅以重組為目的委任（「共同臨時清盤人申請」）信永中和諮詢專項服務有限公司之鄧忠華及簡立祈，以及R&H Services Limited之Edward Alexander Niles Whittaker為本公司的共同和各別臨時清盤人（統稱「共同臨時清盤人」），而應本公司的要求，本公司的百慕達律師康德明律師事務所向百慕達最高法院（「百慕達法院」）送呈及提交。

於二零一九年十月二十四日，百慕達法院根據共同臨時清盤人申請內作出本公司尋求的命令，除了其他事項，在非強制基礎上僅以重組為目的任命信永中和諮詢專項服務有限公司之鄧忠華及簡立祈，以及R&H Services Limited之Edward Alexander Niles Whittaker為本公司的共同和各別臨時清盤人。根據百慕達法院命令任命了共同臨時清盤人後，共同臨時清盤人告知本公司，共同臨時清盤人打算尋求其任命得到香港高等法院之認可。

於二零二零年一月二十四日，香港高等法院下達了一項命令，除了其他事項，確認對共同臨時清盤人之任命，並且只要本公司仍在百慕達進行臨時清盤，除非獲得香港高等法院許可，並以香港法院可能施加之條款為準，不得針對本公司，及其於香港法院管轄範圍內之資產或事務，或其財產進行或展開法律行動及訴訟程序。

在呈請人和本公司通過同意傳票提出聯合申請後，高等法院於二零二零年三月五日頒令撤銷清盤呈請。在清盤呈請被撤銷的同時，於百慕達以重組為目的之清盤呈請仍將繼續促進債務重組。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



McMillanWoods

Professionalism at the forefront

To the members of Moody Technology Holdings Limited

(Joint and Provisional liquidator appointed for restructuring purpose)

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Moody Technology Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 53 to 157, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致滿地科技股份有限公司股東

(以重組目的委任之共同臨時清盤人)

(於開曼群島註冊成立並於百慕達存續的有限公司)

不發表意見

吾等獲委任審核第53頁至157頁所載滿地科技股份有限公司(「貴公司」)及其附屬公司(「貴集團」)的合併財務報表，包括於二零一九年十二月三十一日的合併財務狀況表，及截至該日期止年度的合併損益及其他全面收益表、合併權益變動表及合併現金流量表，以及合併財務報表附註，包括重大會計政策概要。

吾等不就 貴集團合併財務報表發表任何意見。由於吾等之報告「不發表意見的基準」一節所述事宜的重大性，吾等未能獲取充足及適當的審核證據，作為就該等合併財務報表發表審核意見的依據。在所有其他方面，吾等認為，合併財務報表已遵照香港公司條例的披露規定妥善編製。

BASIS FOR DISCLAIMER OF OPINION

Material uncertainty related to going concern

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of approximately RMB287,608,000 for the year ended 31 December 2019, and as at 31 December 2019, the Group had net current liabilities and net liabilities of approximately RMB696,088,000 and RMB759,788,000, respectively. Furthermore, as at 31 December 2019, the Group's bank borrowings of approximately RMB143,642,000 and its bonds of approximately RMB425,603,000 are subject to renewal or to be fully repaid within the next twelve months as disclosed in note 24 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon that the Group will be able to successfully negotiate and agree with the creditors to renew or extend the existing borrowings or complete debt financing to meet its liabilities as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from the failure to meet in full its financial obligations in the foreseeable future. We consider that the material uncertainty has been adequately disclosed in the consolidated financial statements. However, in view of the extent of the uncertainty relating to the continued support of the Group's bankers and bondholders, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board 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.

不發表意見的基準

有關持續經營的重大不明朗因素

務請注意合併財務報表附註2所述 貴集團截至二零一九年十二月三十一日止年度產生虧損約人民幣287,608,000元，及於二零一九年十二月三十一日，貴集團的流動負債淨額及負債淨額分別約為人民幣696,088,000元及人民幣759,788,000元。此外，於二零一九年十二月三十一日，貴集團的銀行借款約人民幣143,642,000元，而其債券約人民幣425,603,000元可予重續或如合併財務報表附註24所披露於未來十二個月內悉數償還。該等情況說明存在重大不明朗因素，可能對貴集團的持續經營能力造成重大疑問。合併財務報表按持續經營基準編製，其有效性取決於貴集團將能成功與債權人磋商，並同意重續或延長現有借款或完成債務融資，以於可見將來償清還其到期負債。合併財務報表並不包括於可見將來未能全面履行其財務責任所導致的任何調整。吾等認為重大不明朗因素已於合併財務報表充分披露。然而，鑒於貴集團獲得銀行及債券持有人持續支持的不明朗因素的程度，吾等不就持續經營基準的重大不明朗因素發表意見。

董事對合併財務報表的責任

董事負責根據國際會計準則理事會發佈的國際財務報告準則以及香港公司條例的披露規定編製真實及公平的合併財務報表，並負責董事認為必要的內部控制，以令合併財務報表的編製不存在重大錯誤陳述（不論是否因欺詐或錯誤所引致）。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

Hui Chi Kong

Audit Engagement Director

Practising Certificate Number – P07348

3/F, Winbase Centre,
208 Queen's Road Central,
Hong Kong

Hong Kong, 7 July 2020

董事對合併財務報表的責任 (續)

在編製合併財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事宜（如適用）。除非董事有意將 貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

審核委員會協助董事履行監督 貴集團財務報告過程的責任。

核數師對審核合併財務報表的責任

吾等的責任是遵循香港會計師公會（「香港會計師公會」）發佈的香港核數準則對 貴集團的合併財務報表執行審核工作並發表核數師報告。然而，由於吾等之報告不發表意見的基準章節所述事宜，吾等未能取得充足適當的審核證據，作為就該等合併財務報表發表審核意見的依據。

根據香港會計師公會的專業會計師道德守則（「守則」），吾等與 貴集團互為獨立，吾等亦根據守則履行其他道德責任。

長青（香港）會計師事務所有限公司

執業會計師

許志剛

審計項目董事

執業證書編號 – P07348

香港
皇后大道中208號
勝基中心3樓

香港，二零二零年七月七日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

合併損益及其他全面收益表

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		Note	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue	收益	9	517,665	250,660
Cost of sales	銷售成本		(506,646)	(250,721)
Gross profit/(loss)	毛利／（毛損）		11,019	(61)
Other income	其他收入	10	5,773	30,584
Selling and distribution costs	銷售及分銷成本		(8,178)	(2,906)
General and administrative expenses	一般及行政開支		(148,761)	(223,322)
Loss from operations	營運虧損		(140,147)	(195,705)
Finance costs	融資成本	11	(147,880)	(103,220)
Impairment losses of goodwill of investment in an associate	於一間聯營公司之投資的商譽減值虧損		—	(909)
Share of losses of an associate	分佔一間聯營公司的虧損		—	(70,597)
Loss before tax	除稅前虧損		(288,027)	(370,431)
Income tax credit	所得稅抵免	12	419	1,150
Loss and total comprehensive income for the year attributable to the owners of the Company	本公司擁有人應佔年內虧損及全面收益總額	13	(287,608)	(369,281)
				(Restated) （經重列）
Loss per share	每股虧損			
Basic (RMB)	基本（人民幣）	16(a)	(1.55)	(2.16)
Diluted (RMB)	攤薄（人民幣）	16(b)	(1.55)	(2.16)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

合併財務狀況表

At 31 December 2019

於二零一九年十二月三十一日

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註			
Non-current assets		非流動資產		
Property, plant and equipment	17	物業、廠房及設備	318,488	373,734
Leasehold land and land use right	18	租賃土地及土地使用權	–	22,665
Right-of-use assets	18	使用權資產	21,203	–
Investment in an associate	19(a)	於一間聯營公司的投資	–	–
			339,691	396,399
Current assets		流動資產		
Leasehold land and land use right	18	租賃土地及土地使用權	–	558
Inventories	20	存貨	43,861	30,707
Trade and other receivables	21	貿易及其他應收款項	72,345	114,119
Bank and cash balances	22	銀行及現金結餘	4,559	1,414
			120,765	146,798
Current liabilities		流動負債		
Trade and other payables	23	貿易及其他應付款項	247,608	187,595
Borrowings	24	借款	569,245	530,489
Amount due to an associate	19(b)	應付一間聯營公司款項	–	4,492
			816,853	722,576
Net current liabilities		流動負債淨額	(696,088)	(575,778)
Total assets less current liabilities		資產總額減流動負債	(356,397)	(179,379)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 合併財務狀況表

At 31 December 2019

於二零一九年十二月三十一日

		Note	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Borrowings	借款	24	389,981	278,660
Deferred income	遞延收入	25	13,410	13,722
Deferred tax liabilities	遞延稅項負債	26	–	419
			403,391	292,801
Net liabilities	負債淨額		(759,788)	(472,180)
Equity	權益			
Share capital	股本	27	1,505	150,493
Reserves	儲備	28	(761,293)	(622,673)
Total deficit	虧絀總額		(759,788)	(472,180)

Approved and authorised for issue by the Board of Directors on 7 July 2020.

於二零二零年七月七日獲董事會批准及授權刊發。

Wu Jianxiong
吳健雄
Director
董事

Lin Guoqin
林國欽
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

合併權益變動表

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		Share capital 股本	Share premium 股份溢價 (note 28 (a)) (附註28(a))	Contributed surplus 實繳盈餘 (note 28 (a)) (附註28(a))	Capital reserve 資本儲備 (note 28 (b)) (附註28(b))	Statutory reserve 法定儲備 (note 28 (c)) (附註28(c))	Accumulated losses 累計虧損	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	124,010	500,745	–	113,510	24,151	(891,448)	(129,032)
Issue of shares (note 27(a))	發行股份(附註27(a))	26,483	(350)	–	–	–	–	26,133
Loss and total comprehensive income for the year	年內虧損及全面收益總額	–	–	–	–	–	(369,281)	(369,281)
Changes in equity for the year	年內權益變動	26,483	(350)	–	–	–	(369,281)	(343,148)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	150,493	500,395	–	113,510	24,151	(1,260,729)	(472,180)
Capital reorganisation (note 27(b) and 28(a))	股本重組(附註27(b)及28(a))	(148,988)	(500,395)	649,383	–	–	–	–
Loss and total comprehensive income for the year	年內虧損及全面收益總額	–	–	–	–	–	(287,608)	(287,608)
Changes in equity for the year	年內權益變動	(148,988)	(500,395)	649,383	–	–	(287,608)	(287,608)
At 31 December 2019	於二零一九年十二月三十一日	1,505	–	649,383	113,510	24,151	(1,548,337)	(759,788)

CONSOLIDATED STATEMENT OF CASH FLOWS

合併現金流量表

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

	Note	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	附註		
Cash flows from operating activities	經營活動所得現金流量		
Loss before tax	除稅前虧損	(288,027)	(370,431)
Adjustments for:	就下列各項作出調整：		
Amortisation of deferred income	遞延收入攤銷	(312)	(3,515)
Amortisation of leasehold land and land use right	租賃土地及土地使用權攤銷	—	558
Depreciation of property, plant and equipment	物業、廠房及設備折舊	31,012	34,768
Impairment losses of goodwill of investment in an associate	於一間聯營公司的投資的商譽減值虧損	—	909
Depreciation of right-of-use assets	使用權資產折舊	558	—
Impairment losses of property, plant and equipment	物業、廠房及設備之減值虧損	25,428	—
Impairment losses of right-of-use assets	使用權資產之減值虧損	1,462	—
Impairment losses of inventories	存貨之減值虧損	—	7,373
Impairment losses of other receivables	其他應收款項之減值虧損	26,689	2,825
Impairment losses of trade receivables	貿易應收款項之減值虧損	55,152	176,546
Finance costs	融資成本	147,880	103,220
(Gain)/loss on disposals of property, plant and equipment	出售物業、廠房及設備(收益)/虧損	(229)	109
Interest income	利息收入	(4)	(6)
Reversal of impairment losses of prepayments	預付款項之減值虧損撥回	(407)	(10,921)
Share of losses of an associate	分佔一間聯營公司的虧損	—	70,597
Operating (loss)/profit before working capital changes	營運資本變動前經營(虧損)/溢利	(798)	12,032
(Increase)/decrease in inventories	存貨(增加)/減少	(13,154)	14,133
Increase in trade and other receivables	貿易及其他應收款項增加	(39,660)	(56,149)
Decrease in amount due from an associate	應收一間聯營公司款項減少	—	7,290
Increase in trade and other payables	貿易及其他應付款項增加	41,174	12,738
(Decrease)/increase in amount due to an associate	應付一間聯營公司款項(減少)/增加	(4,492)	4,492
Net cash used in operating activities	經營活動所用現金淨額	(16,930)	(5,464)

CONSOLIDATED STATEMENT OF CASH FLOWS 合併現金流量表

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註			
Cash flow from investing activities		投資活動所得現金流量		
Acquisition of subsidiaries	34(a)	收購附屬公司	–	(595)
Purchases of items of property, plant and equipment		購買物業、廠房及設備項目	(1,403)	(12,531)
Proceeds from disposals of property, plant and equipment		出售物業、廠房及設備所得款項	438	292
Interest received		已收利息	4	6
Net cash used in investing activities		投資活動所用現金淨額	(961)	(12,828)
Cash flow from financing activities		融資活動所得現金流量		
Borrowings raised		籌集借款	53,099	265,756
Repayment of borrowings		償還借款	(12,498)	(241,465)
Interest paid		已付利息	(19,565)	(31,972)
Proceeds from issue of shares		發行股份所得款項	–	26,133
Net cash from financing activities		融資活動所得現金淨額	21,036	18,452
Net increase in cash and cash equivalents		現金及現金等價物增加淨額	3,145	160
Cash and cash equivalents at 1 January		於一月一日之現金及現金等價物	1,414	1,254
Cash and cash equivalents at 31 December		於十二月三十一日之現金及現金等價物	4,559	1,414
Analysis of cash and cash equivalents		現金及現金等價物分析		
Cash and bank balances	22	現金及銀行結餘	4,559	1,414

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

1. CORPORATE INFORMATION

Moody Technology Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 29 April 2013. On 23 May 2019, the board of directors of the Company (the "Board") has been de-registered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda (the "Change of Domicile"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company in Hong Kong is located at 20/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 25 April 2014 (the "Listing").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 35 to the consolidated financial statements.

Winding-up petition and appointment of the joint and several provisional liquidators for restructuring purpose

On 20 September 2019, the Company received a petition (the "Petition") from Su Dajie (the "Petitioner"), a holder of the 2% bond and 2.5% bond in the principal amount of approximately HK\$3,000,000 and HK\$3,006,000 issued by the Company on 12 April 2018 and 13 April 2018 (collectively, the "Bonds") respectively, in the matter of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) filed in the High Court of The Hong Kong Special Administrative Region (the "High Court") under Companies Winding-up Proceedings No. 283 of 2019, alleged that the outstanding indebtedness owed by the Company to him up to 11 March 2019 was approximately HK\$2,890,000. The winding up petition was heard before the High Court on 20 November 2019. In connection with the Petition, the Company has engaged professional parties to work out a restructuring plan for the Company's indebtedness. Such restructuring plan had been filed to the Supreme-Court of Bermuda (the "Bermuda Court").

1. 公司資料

滿地科技股份有限公司(「本公司」)於二零一三年四月二十九日根據開曼群島法例第22章《公司法》(一九六一年第3號法律，經合併及修訂)在開曼群島註冊成立為獲豁免有限公司。於二零一九年五月二十三日，本公司董事會(「董事會」)已於開曼群島撤銷註冊，轉而根據百慕達法律於百慕達正式繼續作為獲豁免公司存續(「更改註冊地點」)。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司於香港的主要營業地點位於香港上環德輔道中199號無限極廣場20樓。本公司股份自二零一四年四月二十五日起在香港聯合交易所有限公司(「聯交所」)主板上市(「上市」)。

本公司是一家投資控股公司。其附屬公司從事的主要業務載於合併財務報表附註35。

清盤呈請及以重組目的委任之共同及多個臨時清盤人

於二零一九年九月二十日，本公司收到蘇大傑(「呈請人」)(持有本公司於二零一八年四月十二日發行的本金額約為3,000,000港元的2%債券和本公司於二零一八年四月十三日發行的本金額為3,006,000港元的2.5%債券(以下簡稱「本債券」))就香港法例第32章公司(清盤及雜項條文)條例向香港特別行政區高等法院(「高等法院」)提交的呈請(「呈請」)，根據二零一九年第283號公司清盤程序，聲稱截至二零一九年三月十一日，本公司欠他的未償債務為約2,890,000港元。清盤呈請已於二零一九年十一月二十日於高等法院進行聆訊。就呈請而言，本公司已聘請專業人士編製有關本公司債務的財務重組計劃。有關重組計劃已提交百慕達最高法院(「百慕達法院」)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

1. CORPORATE INFORMATION (Continued)

Winding-up petition and appointment of the joint and several provisional liquidators for restructuring purpose (Continued)

To facilitate the Company's financial restructuring, on 10 October 2019, a winding up petition together with an application for the appointment (the "JPL Application") of Tang Chung Wah and Kan Lap Kee of Shinewing Specialist Advisory Services Limited and Edward Alexander Niles Whittaker of R&H Services Limited respectively was appointed as joint and several provisional liquidators of the Company (together "JPLs") on a light touch approach for restructuring purpose was presented and filed with the Bermuda Court by the Company's Bermuda Counsel, Conyers Dill & Pearman at the request of the Company.

Under the JPL Application, the Company sought an order from the Bermuda Court so that the board of directors of the Company should under the monitoring of the JPLs, continue to manage the Company's affairs in all respects and exercise the powers conferred upon it by the Company's Memorandum of Association and Bye-laws, provided always that, the JPLs should have the power to seek such directions from the Bermuda Court as the JPLs are advised are appropriate to maximize the prospects of the financial restructuring being successful and to provide a moratorium to avoid a disorderly insolvency liquidation of the Company and its subsidiaries by any of the creditors who have threatened to commence liquidation proceedings.

Subsequent to the end of reporting period on 5 March 2020, upon the joint application of the Petitioner and the Company by way of the consent summons, an order was made by the High Court that the Petition be dismissed.

1. 公司資料 (續)

清盤呈請及以重組目的委任之共同及多個臨時清盤人 (續)

為促進本公司的財務重組，於二零一九年十月十日，應本公司的要求，本公司的百慕達律師康德明律師事務所以非強制基礎上僅以重組為目的向百慕達法院送呈及提交清盤呈請以及申請委任（「共同臨時清盤人申請」）信永中和諮詢專項服務有限公司之鄧忠華及簡立祈，以及R&H Services Limited之Edward Alexander Niles Whittake分別為本公司的共同及多個臨時清盤人（統稱「共同臨時清盤人」）。

根據共同臨時清盤人申請，本公司正向百慕達法院尋求命令，本公司董事會應在共同臨時清盤人的監督下，繼續管理本公司各方面的事務並行使公司組織章程大綱和細則所賦予的權力，惟倘共同臨時清盤人有權向百慕達法院尋求適當的建議，以便最大程度地實現財務重組成功的前景，並暫停執行任何債權人威脅啟動清盤程序，以免本公司及其子公司進行無序地破產清盤。

於二零二零年三月五日報告期結束後，呈請人及本公司透過同意傳票的方式共同提出申請後，高等法院頒令，呈請被駁回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

2. GOING CONCERN BASIS

The Group incurred a loss of approximately RMB287,608,000 for the year ended 31 December 2019 and as at 31 December 2019, the Group had net current liabilities and net liabilities of approximately RMB696,088,000 and RMB759,788,000 respectively. Furthermore, as at 31 December 2019, the Group's bank borrowings of approximately RMB143,642,000 and its bonds of approximately RMB425,603,000 are subject to renewal or to be fully repaid within the next twelve months as disclosed in note 24 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on going concern basis. These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon that the Group will be able to successfully negotiate and agree with the creditors to renew or extend the existing borrowings or complete debt financing to meet its liabilities as they fall due. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements, to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2. 持續經營基準

截至二零一九年十二月三十一日止年度，本集團產生虧損約人民幣287,608,000元，而於二零一九年十二月三十一日，本集團分別有流動負債淨額及負債淨額約人民幣696,088,000元及人民幣759,788,000元。此外，於二零一九年十二月三十一日，本集團約人民幣143,642,000元的銀行借款及約人民幣425,603,000元的債券須重續或於未來十二個月內悉數償付（披露於合併財務報表附註24）。此等狀況表示存在重大不確定因素，可能對本集團的持續經營能力構成重大疑慮。因此，本集團可能無法於日常業務過程中變現其資產及償還負債。

本公司董事認為，按持續經營基準編製合併財務報表乃合宜之舉。該等合併財務報表乃按持續經營基準編製，其有效程度視乎本集團能否與債權人順利磋商，並同意重續或延長現有借款，或完成債務融資以滿足到期的債務。倘本集團無法持續經營，則須於合併財務報表作出調整以將資產價值撇減至可收回金額，以為可能進一步產生的負債作出撥備，並將非流動資產及非流動負債分別重新分類至流動資產及流動負債。此等調整的影響尚未反映於合併財務報表內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board (the "IASB"). IFRSs comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 4 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

4. ADOPTION OF NEW AND REVISED IFRSs

(a) Application of new and revised IFRSs

The IASB has issued a new IFRS, IFRS 16 Leases, and a number of amendments to IFRSs that are first effective for the current accounting period of the Group.

Except for IFRS 16, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. 呈列基準

合併財務報表乃根據國際會計準則理事會（「國際會計準則理事會」）頒佈之國際財務報告準則（「國際財務報告準則」）編製。國際財務報告準則包括國際財務報告準則（「國際財務報告準則」）；國際會計準則（「國際會計準則」）；及詮釋。該等合併財務報表亦遵守聯交所證券上市規則之適用披露條文及香港公司條例（第622章）之披露規定。本集團採納的重大會計政策披露如下。

國際會計準則理事會已頒佈若干新訂及經修訂國際財務報告準則，該等準則於本集團本會計期間首次生效或可供提早採納。附註4提供有關因初始應用該等發展而導致任何會計政策變動的資料，而其範圍與本集團於本合併財務報表所反映的現時及過往會計期間有關。

4. 採納新訂及經修訂國際財務報告準則

(a) 應用新訂及經修訂國際財務報告準則

國際會計準則理事會已頒佈於本集團本會計期間首次生效的新國際財務報告準則－國際財務報告準則第16號租賃及若干國際財務報告準則之修訂本。

除國際財務報告準則第16號外，概無任何發展對本集團編製或呈列本集團當前或過往期間的業績及財務狀況的方式有重大影響。本集團並無應用任何於本會計期間並未生效的新準則或詮釋。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

4. ADOPTION OF NEW AND REVISED IFRSs

(Continued)

(a) Application of new and revised IFRSs

(Continued)

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, and the related interpretations, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduced a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less and leases of low-value assets.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact on leases where the Group is the lessor. The lessor accounting requirements are brought forward from IAS 17 substantially unchanged.

IFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied IFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity as at 1 January 2019. Comparative information has not been restated and continues to be reported under IAS 17.

4. 採納新訂及經修訂國際財務報告準則 (續)

(a) 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第16號租賃

國際財務報告準則第16號取代國際會計準則第17號租賃及相關詮釋、國際財務報告詮釋委員會詮釋第4號釐定安排是否包括租賃、常設詮釋委員會詮釋第15號經營租賃－優惠及常設詮釋委員會詮釋第27號評估涉及租賃法律形式之交易之內容。國際財務報告準則第16號就承租人引入單一會計模型，要求承租人就所有租賃確認使用權資產及租賃負債，惟租期為12個月或以下的租賃及低價值資產租賃除外。

國際財務報告準則第16號大致沿用國際會計準則第17號內的出租人會計處理。出租人將繼續使用與國際會計準則第17號類似的原則將租賃分類為經營租賃或融資租賃。因此，國際財務報告準則第16號並未對本集團作為出租人的租賃產生影響。出租人會計處理要求沿用國際會計準則第17號，大致保持不變。

國際財務報告準則第16號亦引入額外的定性及定量披露要求，旨在使財務報表的使用者能夠評估租賃對實體的財務狀況、財務業績及現金流量的影響。

本集團已於二零一九年一月一日初始應用國際財務報告準則第16號。本集團已選用經修訂追溯法，因此已將初始應用的累計影響確認為對於二零一九年一月一日權益期初結餘的調整。比較資料不予重列，並繼續根據國際會計準則第17號呈報。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

4. ADOPTION OF NEW AND REVISED IFRSs

(Continued)

(a) Application of new and revised IFRSs

(Continued)

IFRS 16 Leases (Continued)

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) *New definition of a lease*

The change in the definition of a lease mainly relates to the concept of control. IFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in IFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under IAS 17 continue to be accounted for as leases under IFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

4. 採納新訂及經修訂國際財務報告準則 (續)

(a) 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第16號租賃

(續)

有關過往會計政策變動的性質和影響及所應用的過渡性選擇的進一步詳情載列如下：

(a) *租賃的新定義*

租賃定義的變動主要與控制權的概念有關。國際財務報告準則第16號根據客戶是否在某一時段內控制已識別資產的使用（其可由指定使用量釐定）而對租賃作出定義。當客戶有權指示已識別資產的用途以及從該用途中獲得絕大部分經濟利益時，即表示擁有控制權。

國際財務報告準則第16號內租賃的新定義僅適用於本集團於二零一九年一月一日或之後訂立或變更的合約。就於二零一九年一月一日之前訂立的合約而言，本集團已採用過渡性可行的權宜方法以豁免屬租賃或包含租賃的現有安排的過往評估。因此，先前根據國際會計準則第17號評估為租賃的合約繼續根據國際財務報告準則第16號入賬列為租賃，而先前評估為非租賃服務安排的合約則繼續入賬列為未生效合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

4. ADOPTION OF NEW AND REVISED IFRSs

(Continued)

(a) Application of new and revised IFRSs

(Continued)

IFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact

IFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by IAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under IAS 17, other than those short-term leases and leases of low-value assets which are exempt.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied the incremental borrowing rates of the relevant group entities as at the date of initial application.

To ease the transition to IFRS 16, the Group applied the following recognition exemption and practical expedients as at the date of initial application of IFRS 16:

- (i) elected not to apply the requirements of IFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of IFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- (ii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in a similar economic environment. Specifically, discount rate for certain leases of leasehold land and land use right was determined on a portfolio basis;

4. 採納新訂及經修訂國際財務報告準則 (續)

(a) 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第16號租賃

(續)

(b) 承租人會計處理及過渡影響

國際財務報告準則第16號剔除先前國際會計準則第17號要求承租人將租賃分類為經營租賃或融資租賃的規定。反之，當本集團為承租人，其須將所有租賃資本化，包括先前根據國際會計準則第17號分類為經營租賃的租賃，惟豁免的該等短期租賃及低價值資產租賃除外。

於確認先前分類為經營租賃之租賃的租賃負債時，本集團已應用相關集團實體於初始應用日期之增量借款利率。

為方便過渡至國際財務報告準則第16號，本集團於初始應用國際財務報告準則第16號當日應用下列確認豁免及實際權宜方法：

- (i) 選擇不會就確認剩餘租期為於國際財務報告準則第16號初始應用日期起計12個月內結束（即租期於二零一九年十二月三十一日或之前結束）之租賃的租賃負債及使用權資產，應用國際財務報告準則第16號之規定；
- (ii) 對於類似經濟環境中剩餘租期類型且屬類似類別相關資產之租賃組合應用單一貼現率。具體而言，租賃土地及土地使用權的若干租賃的貼現率按組合基準釐定；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

4. ADOPTION OF NEW AND REVISED IFRSs

(Continued)

(a) Application of new and revised IFRSs

(Continued)

IFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact

(Continued)

- (iii) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension options;
- (iv) excluded initial direct costs from measuring the right-of-use assets as at the date of initial application; and
- (v) relied on the assessment of whether leases are onerous by applying IAS 37 as an alternative to an impairment review.

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

4. 採納新訂及經修訂國際財務報告準則 (續)

(a) 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第16號租賃

(續)

(b) 承租人會計處理及過渡影響 (續)

- (iii) 根據於初始應用日期的事實及情況採用事後辦法釐定本集團附延期權租賃的租賃期；
- (iv) 於初始應用日期計量使用權資產時剔除初始直接成本；及
- (v) 透過應用國際會計準則第37號作為減值審閱的替代方法，評估租賃是否屬有償。

就計量本集團確認使用權資產及相關租賃負債的租賃交易之遞延稅項而言，本集團首次釐定稅項扣除是否歸屬於使用權資產或租賃負債。

就稅項扣除歸屬於租賃負債之租賃交易而言，本集團對使用權資產及租賃負債分別應用國際會計準則第12號所得稅規定。由於應用初始確認豁免，使用權資產及租賃負債相關的暫時性差異於初始確認時及租期內不予確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

4. ADOPTION OF NEW AND REVISED IFRSs

(Continued)

(a) Application of new and revised IFRSs

(Continued)

IFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact

(Continued)

The following table reconciles the operating lease commitments as disclosed in note 31 as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

4. 採納新訂及經修訂國際財務報告準則 (續)

(a) 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第16號租賃

(續)

(b) 承租人會計處理及過渡影響 (續)

下表載列附註31所披露之於二零一八年十二月三十一日之經營租賃承擔與於二零一九年一月一日確認之租賃負債期初結餘之對賬：

		RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露之經營租賃承擔	933
Less: commitments relating to lease exempt from capitalisation:	減：豁免資本化之租賃相關承擔：	
– leases with remaining lease term ending on or before 31 December 2019	– 剩餘租期於二零一九年十二月三十一日或之前結束的租賃	(933)
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認之租賃負債	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

4. ADOPTION OF NEW AND REVISED IFRSs

(Continued)

(a) Application of new and revised IFRSs

(Continued)

IFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact

(Continued)

The following table summaries the impacts of the adoption of IFRS 16 on the Group's consolidated statement of financial position:

Line items in the consolidated statement of financial position impacted by the adoption of IFRS 16 受採納國際財務報告準則第16號影響的合併財務狀況表的項目	Note 附註	Effects of adoption of IFRS 16 採納國際財務報告準則第16號之影響	
		Carrying amount as at 31 December 2018 於二零一八年十二月三十一日的賬面值 RMB'000 人民幣千元	Reclassification 重新分類 RMB'000 人民幣千元
		Carrying amount as at 1 January 2019 於二零一九年一月一日的賬面值 RMB'000 人民幣千元	
Assets Right-of-use assets Leasehold land and land use right			
資產 使用權資產 租賃土地及土地使用權	(i)	- 23,223	23,223 (23,223)

Note:

- (i) Upfront payments for leasehold lands in the PRC own used properties were classified as leasehold land and land use right as at 31 December 2018. Upon application of IFRS 16, the current and non-current portion of leasehold land and land use right amounting to RMB558,000 and RMB22,665,000 respectively were classified to right-of-use assets.

附註：

- (i) 於二零一八年十二月三十一日，於中國持作自用物業的租賃土地的預付款項分類為租賃土地及土地使用權。應用國際財務報告準則第16號後，租賃土地及土地使用權金額分別為人民幣558,000元及人民幣22,665,000元的流動部分及非流動部分分類為使用權資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

4. ADOPTION OF NEW AND REVISED IFRSs

(Continued)

(a) Application of new and revised IFRSs

(Continued)

IFRS 16 Leases (Continued)

(c) *Impact of the financial results and cash flows of the Group*

Under the recognition exemption and practical expedients of the initial application of IFRS16, the Group elected not to apply the requirements of IFRS 16 in respect of the recognition of lease liabilities and right-of-use assets for which the remaining lease term ends within 12 months from the date of initial application of IFRS 16, i.e. where the lease term ends on or before 31 December 2019. Therefore, the Group's results and cash flows had no impact as compared to the results and cash flows if IAS 17 had been applied during the year.

(b) New and revised IFRSs in issue but not yet effective

The Group has not early applied new and revised IFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2019. These new and revised IFRSs include the following which may be relevant to the Group.

4. 採納新訂及經修訂國際財務報告準則 (續)

(a) 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第16號租賃

(續)

(c) 對本集團的財務業績及現金流量的影響

根據初始應用國際財務報告準則第16號之確認豁免及實際權宜方法，本集團選擇不會就確認剩餘租期為於國際財務報告準則第16號初始應用日期起計12個月內結束（即租期於二零一九年十二月三十一日或之前結束）之租賃的租賃負債及使用權資產，應用國際財務報告準則第16號之規定。因此，與倘於年內應用國際會計準則第17號所得的業績及現金流量相比，本集團的業績及現金流量並無受影響。

(b) 已頒佈但尚未生效的新訂及經修訂國際財務報告準則

本集團並無提前應用於二零一九年一月一日開始的財政年度已頒佈但尚未生效的新訂及經修訂國際財務報告準則。該等新訂及經修訂國際財務報告準則包括可能與本集團相關的以下各項。

**Effective for
accounting periods
beginning on or after
於以下日期或之後開
始的會計期間生效**

Amendments to IFRS 3 Definition of a Business	國際財務報告準則第3號（修訂）業務的定義	1 January 2020 二零二零年一月一日
Amendments to IAS 1 and IAS 8 Definition of Material	國際會計準則第1號及國際會計準則第8號（修訂）重大的定義	1 January 2020 二零二零年一月一日
Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform	國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號（修訂）利率基準改革	1 January 2020 二零二零年一月一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

4. ADOPTION OF NEW AND REVISED IFRSs

(Continued)

(b) New and revised IFRSs in issue but not yet effective (Continued)

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statement.

5. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 6.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

4. 採納新訂及經修訂國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂及經修訂國際財務報告準則 (續)

本集團現正評估該等修訂及新訂準則於初始應用期間預期產生的影響。截至目前，本集團認為採納該等修訂及新訂準則不太可能會對合併財務報表造成重大影響。

5. 主要會計政策

該等合併財務報表乃根據歷史成本慣例編製。

編製符合國際財務報告準則的財務報表須使用若干關鍵會計估計。這亦須管理層在應用本集團會計政策過程中作出判斷。該等範疇涉及高度判斷或複雜性或為其假設及估計對合併財務報表有重大影響的範疇，在附註6中披露。

以下為編製該等合併財務報表所應用的主要會計政策。

(a) 合併入賬

合併財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。附屬公司指本集團擁有控制權之實體。當本集團承受或享有參與實體所得之可變回報，且有能力透過其對實體之權力影響該等回報時，則其控制該實體。當本集團之現有權力賦予其目前掌控有關業務（即大幅影響實體回報之業務）之能力時，則本集團對該實體擁有權力。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

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

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

5. 主要會計政策 (續)

(a) 合併入賬 (續)

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有之潛在投票權。僅在持有人能實際行使潛在投票權之情況下，方會考慮該權利。

附屬公司之賬目由其控制權轉至本集團當日起合併入賬，直至控制權終止之日起不再合併入賬。

因出售一間附屬公司而導致失去控制權的盈虧指(i)出售代價公平值加上於該附屬公司任何保留投資公平值與(ii)本公司應佔該附屬公司資產淨值加上與該附屬公司有關的任何餘下商譽及任何累計外幣匯兌儲備兩者間的差額。

集團內公司間交易、結餘及未變現溢利均予對銷。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。附屬公司的會計政策已作出必要調整，以確保與本集團所採納的政策貫徹一致。

於本公司之財務狀況表內，除非投資分類為持作出售（或計入分類為持作出售之出售組別），否則於附屬公司的投資乃按成本減減值虧損列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

5. 主要會計政策 (續)

(b) 聯營公司

聯營公司為本集團對其有重大影響力的實體。重大影響力乃於有關實體的財務及營運政策的決策擁有參與權而非控制或共同控制權。包括其他實體持有的潛在投票權在內的現時可行使或可兌換的潛在投票權的存在及影響將於評估本集團有否重大影響力時予以考慮。在評估一項潛在投票權有否重大影響力時，不會考慮持有者是否有意及在財務上是否有能力行使或兌換該項權利。

於聯營公司的投資乃採用權益法於合併財務報表列賬，並按成本作出初始確認。所收購聯營公司的可識別資產及負債乃按其於收購當日的公平值計算。倘投資成本超出本集團分佔聯營公司的可識別資產及負債的公平淨值，則差額將以商譽列賬，而該商譽將列入投資的賬面值，並在有客觀證據顯示投資出現減值時連同於各報告期末的投資一併進行減值測試。倘本集團分佔可識別資產及負債的公平淨值高於收購成本，則有關差額將於合併損益確認。

本集團分佔聯營公司收購後損益及其他全面收益於合併損益及其他全面收益表內確認。倘本集團分佔聯營公司虧損等於或多於其於聯營公司的權益（當中包括任何實際構成本集團於聯營公司投資淨額的長期權益），則本集團不會進一步確認虧損，除非其已產生負債或代聯營公司付款。倘聯營公司其後報收溢利，則本集團僅於其應佔溢利等於其應佔未確認的虧損後恢復確認其應佔的該等溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Associates (Continued)

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) 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 Renminbi ("RMB"), which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

5. 主要會計政策 (續)

(b) 聯營公司 (續)

對銷本集團與其聯營公司間交易的未變現溢利乃以本集團於聯營公司的權益為限。除非交易提供已轉讓資產出現減值之憑證，否則未變現虧損亦予以對銷。聯營公司之會計政策在必要時會作出更改，以確保與本集團所採納之政策一致。

(c) 外幣匯兌

(i) 功能及呈列貨幣

本集團各實體財務報表內所包括項目，均利用該實體經營的主要經濟環境的貨幣（「功能貨幣」）計量。合併財務資料以人民幣（「人民幣」）呈列，人民幣為本公司之功能及呈列貨幣。

(ii) 於各個實體的財務報表中的交易及結餘

外幣交易於初始確認時使用交易日期之通行匯率換算為功能貨幣。以外幣為單位之貨幣資產及負債按各報告期末之匯率換算。此換算政策產生之盈虧於損益內確認。

按公平值計量及以外幣計值的非貨幣項目乃按釐定公平值當日的匯率換算。

當非貨幣項目的盈利或虧損於其他全面收益確認時，該盈利或虧損的任何匯兌部分於其他全面收益確認。當非貨幣項目的盈利或虧損於損益確認時，該盈利或虧損的任何匯兌部分於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (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 exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

5. 主要會計政策 (續)

(c) 外幣匯兌 (續)

(iii) 合併換算

功能貨幣與本公司呈列貨幣不同的所有集團實體的業績及財務狀況，均按以下方法換算為本公司的呈列貨幣：

- 呈列於每份財務狀況表的資產及負債，均以該財務狀況表日期的收市匯率換算；
- 期內收入及支出均按平均匯率換算（惟該平均值並非有關交易日通行匯率累積影響的合理近似值則作別論，在此情況收入及支出均按交易日匯率換算）；及
- 所有最終匯兌差額於其他全面收益確認及於外幣匯兌儲備累計。

於合併賬目時，因換算貨幣項目而產生之匯兌差額構成於海外實體投資淨額之部份於其他全面收益確認及於外幣匯兌儲備累計。當海外業務被出售時，有關匯兌差額作為出售之盈利或虧損之一部份被重新分類至合併損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment

Property, plant and equipment, including buildings and leasehold land (upon application of IFRS 16 at 1 January 2019, the interest in leasehold land was reclassified to "Right-of-use assets", see note 4), held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The useful lives are as follows:

Leasehold land	Over the term of the lease
Buildings	20 years
Machinery and equipment	10 years
Office equipment, furniture and vehicles	5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

5. 主要會計政策 (續)

(d) 物業、廠房及設備

持作用於生產或提供貨品或服務或作行政用途的物業、廠房及設備，包括建築物及租賃土地（於二零一九年一月一日應用國際財務報告準則第16號後，租賃土地利息重新分類至「使用權資產」，見附註4）（下文所述的在建物業除外）乃按成本減後續累計折舊及後續累計減值虧損（如有）於合併財務狀況表列賬。

其後成本只有在與該資產有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才包括在項目的賬面值或確認為獨立資產（如適用）。所有其他維修及保養成本在產生的期間內於損益內確認。

物業、廠房及設備的折舊乃按足以在其估計可使用年期內撇銷其成本減剩餘價值的折舊率以直線法計算。可使用年期列載如下：

租賃土地	於租期內
建築物	20年
機器及設備	10年
辦公室設備、傢俱及汽車	5年

剩餘價值、可使用年期及折舊方法在各報告期末進行檢討及在適當情況下調整。

在建工程指在建的建築物及有待安裝的廠房及設備，按成本減減值虧損列值。有關資產可供使用時開始折舊。

出售物業、廠房及設備的收益或虧損指出售所得款項淨額與有關資產的賬面值的差額，並確認於損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued) (e) Leases

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

(i) The Group as a lessee

Policy applicable from 1 January 2019

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

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

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

5. 主要會計政策 (續) (e) 租賃

本集團會於合約初始生效時評估該合約是否屬租賃或包含租賃。倘合約在一段時間內為換取代價而轉讓可識別資產使用的控制權，則該合約屬租賃或包含租賃。倘客戶有權主導可識別資產的使用及從該使用中獲取幾乎所有的經濟收益，則已轉讓控制權。

(i) 本集團作為承租人

自二零一九年一月一日起適用的政策

當合約包含租賃部分及非租賃部分，本集團已選擇不區分非租賃部分及將各租賃部分及任何關聯非租賃部分入賬列為所有租賃之單一租賃部分。

於租賃開始日期，本集團確認使用權資產和租賃負債，惟租賃期為12個月或更短的短期租賃和低價值資產（就本集團而言主要為筆記本電腦及辦公室傢俱）的租賃除外。當本集團就低價值資產訂立租賃時，本集團按每項租賃情況決定是否將租賃資本化。與該等並無資本化的租賃有關的租賃付款，於租賃期內按系統基準確認為開支。

當租賃資本化時，租賃負債初始按於租賃期內應付的租賃付款使用租賃中的內含利率（如果不能較容易地確定該利率，則使用相關增量借款利率）折現的現值確認。於初始確認後，租賃負債以攤銷成本計量，而利息開支使用實際利率法計算。不取決於一項指數或比率的可變租賃付款不包括在租賃負債的計量內，因此於發生的會計期間扣自損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

(i) *The Group as a lessee* (Continued)

Policy applicable from 1 January 2019

(Continued)

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

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

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

5. 主要會計政策 (續)

(e) 租賃 (續)

(i) 本集團作為承租人 (續)

自二零一九年一月一日起適用的政策 (續)

於租賃資本化時所確認的使用權資產初始以成本計量，其包括租賃負債的初始金額加在開始日或之前支付的任何租賃付款，以及發生的任何初始直接費用。在適用的情況下，使用權資產的成本亦包括拆卸及移除相關資產或將相關資產或相關資產所在地復原的估計成本折現的現值，並減去任何收到的租賃激勵。使用權資產其後以成本減去累計折舊及減值虧損列值。

本集團已合理地確定可於租期結束時取得相關租賃資產所有權的使用權資產由開始日期起至可使用年期結束止計提折舊。在其他情況下，使用權資產按直線法於其估計可使用年期及租期（以較短者為準）內計提折舊。

已付可退還租賃按金根據國際財務報告準則第9號入賬，並初步按公平價值計量。於初始確認時對公平價值的調整被視為額外租賃付款，並計入使用權資產成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

(i) *The Group as a lessee* (Continued)

Policy applicable from 1 January 2019

(Continued)

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

The Group presents right-of-use assets that do not meet the definition of investment properties and lease liabilities separately in the consolidated statement of financial position.

Policy prior to 1 January 2019

In the comparative period, as a lessee the Group classified leases as finance leases if the leases transferred substantially all the risks and rewards of ownership to the group. Leases which did not transfer substantially all the risks and rewards of ownership to the Group were classified as operating leases, except for the property held under operating leases that would otherwise meet the definition of an investment property was classified as investment property on a property-by-property basis and, if classified.

5. 主要會計政策 (續)

(e) 租賃 (續)

(i) 本集團作為承租人 (續)

自二零一九年一月一日起適用的政策 (續)

當未來租賃付款因指數或比率的變化而發生改變，或本集團剩餘價值擔保下預計應付的金額估計發生變化，或因重新評估本集團是否將合理確定行使購買、延長或終止選擇權而產生變動，則會重新計量租賃負債。當租賃負債以此方式重新計量，對使用權資產的賬面金額作出相應調整，或倘若使用權資產的賬面金額已經減至零，則記入損益。

本集團於合併財務狀況表內分別呈列不符合投資物業定義的使用權資產及租賃負債。

於二零一九年一月一日前的政策

於比較期間，本集團作為承租人於租賃轉移所有權絕大部分之風險及回報至本集團之情況下則將租賃分類為融資租賃。倘租賃並無將所有權之絕大部分風險及回報轉移至本集團，則分類為經營租賃，惟符合投資物業定義的根據經營租賃持有的物業如進行分類，則按逐項物業基準分類為投資物業。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

(i) *The Group as a lessee* (Continued)

Policy prior to 1 January 2019 (Continued)

Where the Group acquired the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets were recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, were recorded as obligations under finance leases. Depreciation was provided at rates which wrote off the cost or valuation of the assets over the term of the relevant lease or, where it was likely the Group would obtain ownership of the asset, the life of the asset. Finance charges implicit in the lease payments were charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

Where the Group had the use of assets held under operating leases, payments made under the leases were charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis was more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received were recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

5. 主要會計政策 (續)

(e) 租賃 (續)

(i) 本集團作為承租人 (續)

於二零一九年一月一日前的政策 (續)

倘本集團以融資租賃獲得資產的使用權，則將相當於租賃資產公平值或該資產最低租賃付款現值（以較低者為準）的金額確認為物業、廠房及設備，而扣除融資費用後的相應負債則記錄為融資租賃承擔。折舊乃在相關租賃期（或倘本集團有可能取得資產的所有權，則按資產的年期）內，按撇銷資產成本或估值的比率作出撥備。租賃付款內含的融資費用於租賃期內在損益扣除，使每個會計期間的融資費用佔承擔餘額的比率大致相同。或然租金在產生的會計期間在損益扣除。

倘本集團以經營租賃獲得資產的使用權，則根據租賃作出的付款會在租賃期所涵蓋的會計期間內，以等額分期在損益扣除，惟倘有其他基準能更清楚反映租賃資產所產生的收益模式則除外。已收租賃激勵在損益確認為租賃淨付款總額的組成部分。或有租金在其產生的會計期間內在損益扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

5. 主要會計政策 (續)

(f) 存貨

存貨乃按成本與可變現淨值兩者之中較低者列賬。成本使用加權平均法釐定。製成品及在製品的成本包括原料、直接人工及適當比例的所有生產雜項開支及分包開支（如適用）。可變現淨值為日常業務過程中的估計售價減去估計完成生產的成本及銷售所需的估計成本。

(g) 確認及終止確認金融工具

金融資產及金融負債於集團實體成為工具合約條文的訂約方時於合併財務狀況表內確認。

金融資產和金融負債在初始時會以公平值進行計量。直接歸屬於購置或發行金融資產和金融負債（按公平值計入損益（「按公平值計入損益」）之金融資產及金融負債除外）的交易費用在初始確認時計入或扣自各金融資產或金融負債（視何者適用而定）的公平值。直接歸屬於購置按公平值計入損益之金融資產或金融負債的交易費用須即時在損益中確認。

僅當從資產收取現金流的合約權利屆滿時，或本集團轉讓金融資產且將資產所有權有關的絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認該項金融資產。倘本集團並無轉讓亦無保留擁有權的絕大部分風險及回報，而繼續控制被轉讓資產，則本集團確認其於該項資產之保留權益，並將可能需支付之款項確認為相關負債。若本集團保留被轉讓金融資產擁有權的絕大部分風險及回報，則本集團會繼續確認該項金融資產，亦就所收到之所得款項確認抵押借貸。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Recognition and derecognition of financial instruments (Continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(h) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

5. 主要會計政策 (續)

(g) 確認及終止確認金融工具 (續)

本集團當及僅於其責任獲解除、取消或已失效時終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價（包括任何所轉讓之非現金資產或所承擔之負債）之間的差額於損益中確認。

(h) 金融資產

所有以常規方式購入或出售之金融資產均按買賣日期基準確認及終止確認。以常規方式購入或出售指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。所有已確認金融資產其後全部按攤銷成本或公平值計量，視乎金融資產的分類而定。

(i) 貿易及其他應收款項

本集團具有無條件權利收取代價時確認應收款項。在該代價到期支付前，收取代價的權利僅需經過一段時間方為無條件。如收益在本集團擁有無條件權利收取代價前經已確認，則金額呈列為合約資產。

應收款項利用實際利率法按攤銷成本減信貸虧損撥備列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Cash and cash equivalents

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

(k) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(m) Trade and other payables

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

5. 主要會計政策 (續)

(j) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他金融機構的活期存款、以及可隨時兌換為已知數額現金且並無明顯變值風險並在購入後三個月內到期的短期高流通性投資。就合併現金流量表而言，須按要求償還並構成本集團現金管理組成部分的銀行透支亦入賬列作現金及現金等價物的一部分。現金及現金等價物評估預期信貸虧損（「預期信貸虧損」）。

(k) 金融負債及權益工具

金融負債及權益工具按所訂立合約安排的內容及國際財務報告準則中金融負債和權益工具的定義分類。權益工具為證明本集團的資產於扣除其所有負債後的剩餘權益的任何合約。下文載列就特定金融負債及權益工具採納的會計政策。

(l) 借款

借款初步按公平值扣除所產生之交易成本確認，並其後以實際利率法按攤銷成本計算。

除非本集團擁有無條件權利，可將負債之償還日期遞延至報告期後至少十二個月，否則借貸被分類為流動負債。

(m) 貿易及其他應付款項

貿易及其他應付款項按公平值初始確認，其後使用實際利率法按攤銷成本計量，除非貼現影響不大，在該情況下以成本列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(o) Revenue recognition

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

Revenue from the sale of manufactured products is recognised when control of the goods has transferred, being when the goods have been shipped to the buyer's specific location (delivery). Following delivery, the buyer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the buyer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Interest income is recognised as it accrues using the effective interest method.

5. 主要會計政策 (續)

(n) 權益工具

權益工具指能證明於實體扣除其所有負債後之資產中擁有剩餘權益之任何合約。本公司所發行的權益工具按已收所得款項（扣除直接發行成本）入賬。

(o) 收益確認

當產品或服務的控制權按本集團預期有權獲取的承諾代價數額（不包括代表第三方收取的金額）轉移至客戶時確認收益。收益不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

來自銷售製成品的收益在貨物控制權轉移時確認，即貨物已運至買方的特定地點（交付）。交付後，買方可以完全自行決定銷售商品的分銷方式和價格，在銷售商品時承擔主要責任，並承擔與貨物相關的過時及損失風險。當貨物交付買方時，本集團確認應收款項，原因是收取代價之權利於此時間點變為無條件，僅須待時間過去便可收取款項。

利息收入於其應計時按實際利率法計算確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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 end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) *Pension obligations*

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) *Termination benefits*

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

5. 主要會計政策 (續)

(p) 僱員福利

(i) *僱員應享假期*

僱員的年假及長期服務假期於僱員應享有時予以確認。截至報告期末，因僱員所提供的服務而產生的年假及長期服務假期的估計負債已計提撥備。僱員享有的病假及產假於僱員休假時方會確認。

(ii) *退休金責任*

本集團向為所有僱員提供的定額供款退休計劃進行供款。本集團及僱員對計劃的供款根據僱員基本薪金的百分比計算。在損益內扣除的退休福利計劃成本指本集團須向基金支付的供款。

(iii) *離職福利*

離職福利於本集團不能取消提供該等福利時及本集團確認重組成本並涉及支付離職福利時（以較早者為準）予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

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

Government grants relating to the purchase of assets are recorded as deferred income and recognised in profit or loss on a straight-line basis over the useful lives of the related assets.

(s) Taxation

Income tax represents the sum of the current tax and deferred tax.

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

5. 主要會計政策 (續)

(q) 借款成本

借款成本於其產生期間在損益中確認。

(r) 政府補助金

當能合理確定本集團將遵守補助金的附帶條件並將收到政府的補助金時，則補助金會予以確認。

與收入相關的政府補助金將遞延並於損益內根據與擬獲補償之成本作相對性的期間確認。

作為已承擔開支或虧損的補償或向本集團提供即時財務援助而可收取（並無日後相關成本）的政府補助金，乃於其成為可收取的期間於損益內確認。

與購買資產相關的政府補助金記錄為遞延收入及以直線法按相關資產的可使用年期於損益確認。

(s) 稅項

所得稅指即期稅項及遞延稅項的總額。

即期應付稅項按本年度應課稅溢利計算。應課稅溢利與於損益內確認的溢利有所不同，乃由於其他年度的應課稅或可扣稅收入或開支項目以及免稅或不可扣稅項目。本集團有關即期稅項的負債採用於報告期末前已實行或實際已實行的稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Taxation (Continued)

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

5. 主要會計政策 (續)

(s) 稅項 (續)

遞延稅項就合併財務報表內資產及負債的賬面值與計算應課稅溢利所採用相應稅基之間的差額予以確認。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產則會在預期應課稅溢利可供作抵銷可扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認。倘暫時差額乃因商譽或初始確認一項既不影響應課稅溢利亦不影響會計溢利的交易（業務合併除外）中的其他資產及負債而產生，則不會確認有關資產及負債。

遞延稅項負債就於附屬公司及聯營公司投資而產生的應課稅暫時差額予以確認，惟倘本集團可控制暫時差額的撥回，且該暫時差額可能不會於可見將來撥回者除外。

遞延稅項資產之賬面值於各報告期末進行檢討，並在不可能再有足夠應課稅溢利以收回全部或部分遞延稅項資產時予以減少。

遞延稅項根據於報告期末前已實行或實際已實行的稅率，按預期在負債償還或資產變現期間適用的稅率計算。遞延稅項於損益內確認，惟倘遞延稅項與其他全面收益內確認或直接於權益中確認的項目有關，則遞延稅項亦於其他全面收益內確認或直接於權益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Taxation (Continued)

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

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(t) Related parties

For the purposes of these consolidated financial statements, a related party is a person or entity that is related to the Group.

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

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Company or a parent of the Company.

5. 主要會計政策 (續)

(s) 稅項 (續)

遞延稅項資產及負債的計量反映按照本集團預期於報告期末收回或結算其資產及負債賬面值的方式而產生的稅務影響。

就計量本集團確認使用權資產及相關租賃負債的租賃交易之遞延稅項而言，本集團首次釐定稅項扣除是否歸屬於使用權資產或租賃負債。

就稅項扣除歸屬於租賃負債之租賃交易而言，本集團對使用權資產及租賃負債分別應用香港會計準則第12號規定。由於應用初始確認豁免，使用權資產及租賃負債相關的暫時差額於初始確認時及租期內不予確認。

當合法執行權利許可將即期稅項資產與即期稅項負債抵銷，並且當與同一稅務機關所徵收的所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，遞延稅項資產及負債可予以對銷。

(t) 關連方

就該等合併財務報表而言，關連方為與本集團有關連之人士或實體。

(A) 倘屬以下人士，即該人士或該人士的近親為本集團的關連方：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響力；或
- (iii) 為本公司或本公司母公司主要管理人員的其中一名成員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Related parties (Continued)

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

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (A).
- (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

5. 主要會計政策 (續)

(t) 關連方 (續)

(B) 倘符合下列任何條件，即該實體與本集團有關連：

- (i) 該實體與本公司屬同一集團的成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
- (ii) 一間實體為另一實體的聯營公司或合營公司（或另一實體為成員公司的集團旗下成員公司的聯營公司或合營公司）。
- (iii) 兩間實體均為同一第三方的合營公司。
- (iv) 一間實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司。
- (v) 實體為本集團或與本集團有關連的實體就僱員利益設立的離職福利計劃。
- (vi) 實體受上文(A)所識別人士控制或受共同控制。
- (vii) 受上文(A)(i)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員。
- (viii) 該實體或其所屬的集團的任何成員公司向本公司或本公司母公司提供主要管理人員服務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(v) Impairment of financial assets

The Group recognises a loss allowance for ECL on trade and other receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade and other receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

5. 主要會計政策 (續)

(u) 非金融資產減值

非金融資產之賬面值於各報告日期檢討有否出現減值跡象，倘資產已減值，則作為開支透過合併損益表撇減至其估計可收回金額。可收回金額就個別資產釐定，惟倘資產並無產生大部分獨立於其他資產或資產組合之現金流入除外。在此情況下，可收回金額就資產所屬之現金產生單位釐定。可收回金額按個別資產或現金產生單位之使用價值與其公平值減出售成本兩者中之較高者計算。

使用價值為資產／現金產生單位估計未來現金流量之現值。現值按反映貨幣時間價值及資產／現金產生單位（已計量減值）特有風險之稅前貼現率計算。

現金產生單位減值虧損首先就該單位之商譽進行分配，然後按比例在現金產生單位其他資產間進行分配。因估計變動而造成其後可收回金額增加將計入損益直至撥回已作出之減值。

(v) 金融資產減值

本集團就貿易及其他應收款項的預期信貸虧損確認虧損撥備。預期信貸虧損之金額於各報告日期更新，以反映信貸風險自初始確認相關金融工具以來之變化。

本集團通常就貿易及其他應收款項確認全期預期信貸虧損。該等金融資產之預期信貸虧損乃使用根據本集團過往信貸虧損經驗計算的撥備矩陣進行估計，並就債務人之特定因素、整體經濟狀況及對於報告日期之現時狀況及預測動向的評估（於適用情況下包括貨幣之時間價值）作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

就所有其他金融工具而言，倘信貸風險自初始確認後顯著增加，則本集團確認全期預期信貸虧損。然而，倘該金融工具的信貸風險自初始確認後並無顯著增加，本集團以相當於12個月預期信貸虧損的金額計量該金融工具的損失撥備。

全期預期信貸虧損指一切可能於相關工具預計年內發生之違約事件將導致之預期信貸虧損。相對而言，12個月期預期信貸虧損指預期於報告日期之後12個月內可能發生違約事件所引致之部分全期預期信貸虧損。

信貸風險顯著上升

於評估金融工具信貸風險自初始確認以來有否顯著上升時，本集團會將金融工具於報告期末發生的違約風險與金融工具在初始確認日期發生的違約風險相比較。本集團進行評估時，會考慮合理並有證據支持的量性及質性資料（包括參考過往經驗及毋須耗費龐大人力物力即可取得的前瞻性資料）。所考慮前瞻性資料包括本集團債務人經營行業的未來前景、自經濟專家報告、財務分析員、政府機構、相關智庫及其他類似組織獲取的報告，以及考慮與本集團核心業務相關的實際及預測經濟資料的多個外部來源。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

信貸風險顯著上升 (續)

具體而言，評估信貸風險自初始確認以來有否顯著上升時，會考慮下列資料：

- 金融工具外部（如有）或內部信貸評級的實際或預期重大倒退；
- 某特定金融工具的信貸風險的外部市場指標的重大惡化；
- 業務、財務或經濟狀況現存或預測的不利變動，預料將導致債務人履行其債務責任的能力顯著下降；
- 債務人經營業績的實際或預期顯著倒退；
- 同一債務人的其他金融工具的信貸風險大幅增加；
- 債務人監管、經濟或技術環境的實際或預期重大不利變動，導致債務人履行其債務責任的能力顯著下降。

不論上述評估結果，本集團假定，倘合約付款逾期超過30日，則金融資產的信貸風險自初始確認以來已顯著增加，惟當本集團擁有合理並有理據支持的資料顯示情況並非如此，則作別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) The financial instrument has a low risk of default,
- (ii) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

信貸風險顯著上升 (續)

儘管有上述規定，若於報告日期金融工具被判定為具有較低信貸風險，本集團會假設金融工具的信貸風險自初始確認以來並未顯著上升。在以下情況下，金融工具會被判定為具有較低信貸風險：

- (i) 金融工具具有較低違約風險，
- (ii) 債務人有很強的能力履行近期的合約現金流量義務；及
- (iii) 經濟及商業環境的長期不利變動有可能但未必會降低借款人履行合約現金流量義務的能力。

本集團認為，若根據眾所周知的定義，資產的外部信貸評級為「投資級」，或若無外部評級，資產的內部信貸評級為「履行」，則該金融資產具有較低信貸風險。「履行」意味著交易對手具有強大的財務狀況且無逾期金額。

本集團定期監察識別信貸風險是否顯著上升所用標準的有效性，並酌情修訂以確保該標準能夠在款項逾期前識別信貸風險的顯著上升。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

違約的定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回。

- 交易對手違反財務契諾；或
- 內部產生或獲取自外部來源的資料表明，債務人不太可能向債權人（包括本集團）全額還款（不考慮本集團持有的任何抵押品）。

不論上述分析，本集團認為，違約已於當金融資產逾期超過90天時發生，惟本集團有合理且可支持的資料證明更為滯後的違約標準更為適當除外。

信貸減值金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一項或多項事件之時，該金融資產即出現信貸減值。金融資產信貸減值的證據包括以下事件的可觀察數據：

- 發行人或交易對手陷入嚴重財困；
- 違反合約，例如違約或逾期事件；
- 交易對手的貸款人出於與交易對手財困相關的經濟或合約原因，而向交易對手授予貸款人原本不會考慮的優惠；
- 交易對手可能破產或進行其他財務重組；或
- 金融資產的活躍市場因財困而消失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

撇銷政策

本集團在有資料顯示債務人陷入嚴重財務困難，且無實際收回可能之時（包括債務人被清盤或已進入破產程序，或貿易應收款項逾期超過兩年（以較早發生者為準））撇銷金融資產。在考慮法律意見（如適當）後，已撇銷金融資產仍可根據本集團之收回程序實施強制執行。任何收回款項於損益中確認。

預期信貸虧損的計量及確認

預期信貸虧損的計量乃指違約概率、違約損失率程度（即倘違約損失的程度）及違約風險的函數。評估違約概率及違約損失率程度根據歷史數據作出，並根據前瞻性資料調整。就金融資產違約風險而言，此乃代表根據過往趨勢確定於報告日期的資產賬面總值、本集團對債務人未來具體融資需求的了解，以及其他相關前瞻性信息。

就金融資產而言，預期信貸虧損按根據合約應付本集團的所有合約現金流量與本集團預期可收取的所有現金流量（按原定實際利率貼現）之間的差額估算。

倘本集團於前一報告期間按全期預期信貸虧損的相同金額計量金融工具的虧損撥備，惟於本報告日期判定已不再符合全期預期信貸虧損之條件，則本集團於本報告日期按12個月預期信貸虧損的相同金額計量虧損撥備，惟使用簡化方法的資產則作別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Measurement and recognition of ECL (Continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(w) Provisions and contingent liabilities

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

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

(x) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

預期信貸虧損的計量及確認 (續)

本集團於損益確認所有金融工具的減值收益或虧損，並通過虧損撥備賬對其賬面值作出相應調整。

(w) 撥備及或然負債

倘本集團因過往事件須承擔現有法律或推定責任，而履行責任有可能導致經濟利益流出，並能夠作出可靠估計時，須對時間或金額不確定的負債確認撥備。倘金額的時間價值重大，則撥備按預期用於履行該責任的支出現值列賬。

倘經濟利益流出的可能性較低，或金額無法可靠估計，則責任披露為或然負債，除非流出的可能性極低則另作別論。可能出現的責任（其存在與否僅取決於一項或多項未來事件的發生與否）亦披露為或然負債，除非流出的可能性極低則另作別論。

(x) 報告期後事項

提供本集團於報告期末之額外資料之報告期後事項為調整事項，並反映於合併財務報表。並非調整事項之報告期後事項，如屬重大時乃於合併財務報表附註披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) *Going concern basis*

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon that the Group will be able to successfully negotiate and agree with the creditors to renew the existing borrowings or complete debt financing to meet its liabilities as they fall due in the foreseeable future. Details are explained in note 2 to the consolidated financial statements.

(b) *Significant increase in credit risk*

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

6. 重要判斷及主要估計

應用會計政策的重要判斷

於應用會計政策的過程中，董事已作出以下對合併財務報表中所確認金額有重大影響的判斷（下文所述涉及估計的該等判斷除外）。

(a) *持續經營基準*

此等合併財務報表乃按持續經營基準編製，其有效性取決於本集團將可成功與債權人磋商及協定重續現有借款或完成債務融資，以於可見將來，其債務到期時償還負債。詳情於合併財務報表附註2闡述。

(b) *信貸風險大幅增長*

預期信貸虧損就第1階段資產按等於12個月預期信貸虧損的撥備計量，就第2階段或第3階段資產按全期預期信貸虧損的撥備計量。資產在其信貸風險自初始確認後顯著增加時轉入第2階段。國際財務報告準則第9號並無界定構成信貸風險顯著增加的因素。於評估資產的信貸風險是否顯著上升時，本集團會考慮合理且具支持的定性及定量前瞻性資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty

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

(a) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

During the year, income tax of approximately RMB419,000 (2018: RMB1,150,000) was credited to profit or loss.

(b) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 December 2019 was approximately RMB318,488,000 (2018: RMB373,734,000).

6. 重要判斷及主要估計 (續)

估計不確定性之主要來源

下文詳述有關未來的主要假設及於報告期末的估計不確定性之其他主要來源，而該等假設及不確定估計存在導致下一財政年度的資產及負債賬面值須作出重大調整的重大風險。

(a) 所得稅

本集團須於若干個司法權區繳納所得稅。釐定所得稅撥備時須作出重大估計。於一般業務過程中，大部份最終稅項之交易及計算屬不確定。倘該等事項的最終評稅結果與初始記錄的數額存在差異，則相關差異將影響釐定期間所得稅及遞延稅項撥備。

於年內，所得稅約人民幣419,000元（二零一八年：人民幣1,150,000元）計入損益。

(b) 物業、廠房及設備及折舊

本集團釐定本集團物業、廠房及設備的估計可使用年期、剩餘價值以及相關折舊開支。該估計乃根據性質及功能相近的物業、廠房及設備實際可使用年期及剩餘價值的過往經驗而作出。當可使用年期及剩餘價值與原先估計者不同時，本集團會對折舊開支進行相應調整，或將已報廢之技術過時或非策略資產註銷或撇減。

物業、廠房及設備於二零一九年十二月三十一日之賬面值約為人民幣318,488,000元（二零一八年：人民幣373,734,000元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates could materially affect the impairment test.

During the year, impairment of property, plant and equipment and right-of-use assets of approximately RMB25,428,000 (2018: Nil) and RMB1,462,000 (2018: Nil) respectively were made during the year ended 31 December 2019.

(d) Impairment of investment in an associate

The Group's management determines at each reporting date whether there is any objective evidence that the investment in an associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of losses of an associate" and "impairment losses of goodwill of investment in an associate" in the consolidated statement of profit or loss and other comprehensive income.

6. 重要判斷及主要估計 (續)

估計不確定性之主要來源 (續)

(c) 物業、廠房及設備以及使用權資產之減值

物業、廠房及設備以及使用權資產按成本減累計折舊及減值（如有）列賬。於釐定資產是否減值時，本集團須行使判斷及作出估計，尤其是評估：(1) 是否有事件已發生或有任何指標可能影響資產價值；(2) 資產賬面值是否能夠以可收回金額支持；及(3) 將應用於估計可收回金額的適當關鍵假設。倘無法估計個別資產（包括使用權資產）的可收回金額，本集團會估計資產所屬現金產生單位的可收回金額。倘假設及估計出現變動，減值測試或會受到重大影響。

於年內，分別對截至二零一九年十二月三十一日止年度的物業、廠房及設備以及使用權資產計提減值約人民幣25,428,000元（二零一八年：無）及人民幣1,462,000元（二零一八年：無）。

(d) 於一間聯營公司的投資的減值

本集團管理層於各報告日期釐定是否有任何客觀證據，反映於一間聯營公司的投資已減值。倘如此，本集團計算減值金額，即聯營公司的可收回金額與其賬面值的差額，並於合併損益及其他全面收益表「分佔一間聯營公司虧損」及「於一間聯營公司的投資商譽減值虧損」內一併確認金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(d) Impairment of investment in an associate

(Continued)

No share of losses of an associate and impairment losses of goodwill of investment in an associate (2018: approximately RMB70,597,000 and RMB909,000 respectively) were made for the year ended 31 December 2019.

(e) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

No allowance for slow-moving inventories was made for the year ended 31 December 2019 (2018: RMB7,373,000).

(f) Impairment loss for trade and other receivables

The management of the Group estimates the amount of impairment loss for ECL on trade receivables and contract assets based on the credit risk of trade receivables and contract assets. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 December 2019, the carrying amount of trade and other receivables is approximately RMB72,345,000 (net of allowance for doubtful debts of approximately RMB989,306,000) (2018: RMB114,119,000 (net of allowance for doubtful debts of approximately RMB907,872,000)).

6. 重要判斷及主要估計 (續)

估計不確定性之主要來源 (續)

(d) 於一間聯營公司的投資的減值 (續)

截至二零一九年十二月三十一日止年度，概無錄得分佔一間聯營公司虧損及於一間聯營公司的投資商譽減值虧損（二零一八年：分別約人民幣70,597,000元及人民幣909,000元）。

(e) 滯銷存貨撥備

滯銷存貨撥備乃以存貨貨齡及估計可變現淨值為基準計算。評估撥備金額涉及判斷及估計。倘日後之實際結果有別於原來估計，該等差額將影響上述估計出現變動期間存貨賬面值及撥備開支／撥回。

截至二零一九年十二月三十一日止年度，概無計提滯銷存貨撥備（二零一八年：人民幣7,373,000元）。

(f) 貿易及其他應收款項減值虧損

本集團管理層根據貿易應收款項及合約資產的信貸風險，估計貿易應收款項及合約資產的預期信貸虧損的減值虧損金額。根據預期信貸虧損模式計算的減值虧損金額，乃按根據合約應付本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差額（按初始確認時釐定的實際利率貼現）計量。如未來現金流量低於預期，或因事實及情況變化而下調，則可能出現重大減值虧損。

於二零一九年十二月三十一日，貿易及其他應收款項的賬面值約為人民幣72,345,000元（扣除呆賬撥備約人民幣989,306,000元）（二零一八年：人民幣114,119,000元（扣除呆賬撥備約人民幣907,872,000元））。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

7. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate 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.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in the currencies other than functional currencies of the Group entities.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rate of HK\$, with all other variables held constant, of the Group's loss before tax due to changes in the value of monetary assets and liabilities.

7. 財務風險管理

本集團經營活動面臨各種金融風險，包括外幣風險、信貸風險、流動性風險及利率風險。本集團的整體風險管理乃專注於不可預測的金融市場，並努力降低對本集團財務表現的潛在不利影響。

(a) 外幣風險

本集團面臨若干外幣風險，因為其部分業務交易、資產及負債以集團實體的功能貨幣以外的貨幣計值。

本集團目前並無就外匯交易、資產及負債制定外匯對沖政策。本集團密切監察其外匯風險，並將適時考慮對沖重大外匯風險。

下表顯示在全部其他變量不變的情況下，因貨幣資產及負債價值變化而產生的本集團除稅前虧損對報告期末港元匯率的合理潛在變化的敏感度。

		Functional currency strengthened/ (weakened) by 功能貨幣增強/ (減弱) %	(Increase)/ decrease in loss before tax 除稅前虧損 (增加)/減少 RMB'000 人民幣千元
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度	5%/(5%)	(36,279)/36,279 (Note) (附註)
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度	5%/(5%)	(28,773)/28,773 (Note) (附註)

Note: This is mainly a result of foreign exchange gain/(loss) on borrowings denominated in HK\$.

附註：此乃主要由按港元計值借款的外匯收益/(虧損)所導致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities of trade and other receivables and bank balances. The Group's exposure to credit risk arising from bank balances is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

The Group has no concentration of credit risk.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 90 days from the date of billing. Debtors with balances that are more than 30 days past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

7. 財務風險管理 (續)

(b) 信貸風險

信貸風險是指交易對手將無法履行金融工具或客戶合約所規定的責任，以致蒙受財務虧損的風險。本集團會承受其經營活動（貿易及其他應收款項以及銀行結餘）產生的信貸風險。本集團承受銀行結餘的信貸風險有限，乃由於交易對手為獲國際信貸評級機構給予高信貸評級的銀行及金融機構，故本集團認為低信貸風險。

本集團並無集中信貸風險。

各業務單元在本集團既有關於客戶信貸風險管理的政策、程序及監控規限下，管理客戶信貸風險。我們會對所有要求獲得超出若干金額的信貸的客戶進行個別信貸評估。此等評估針對客戶過往的到期還款紀錄及現時的還款能力，並考慮客戶的個別資料及與客戶所處經濟環境相關的資料。貿易應收款項由發票日期當日起計90天內到期。在進一步獲授任何信貸前，結餘逾期超過30天的應收賬項須全數清償餘額。本集團一般並無自客戶獲得抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables as at 31 December 2019:

7. 財務風險管理 (續)

(b) 信貸風險 (續)

本集團按等同於整個有效期的預期信貸虧損的金額計量貿易應收款項的虧損撥備，預期信貸虧損乃使用撥備矩陣進行估計。由於本集團過往信貸虧損情況並無明顯表示不同客戶分部的不同虧損模式，故並無根據過往逾期狀況計算的虧損撥備在本集團不同客戶群之間作進一步區分。

下表提供有關本集團於二零一九年十二月三十一日所面對的信貸風險及貿易應收款項之預期信貸虧損資料：

		2019 二零一九年		
		Expected loss rate	Gross carrying amount	Loss allowance
		預期虧損率	賬面總值	虧損撥備
		%	RMB'000 人民幣千元	RMB'000 人民幣千元
Current (not past due)	即期 (未逾期)	56%-100%	3,617	2,022
Less than 3 months past due	逾期少於3個月	70%-100%	9,908	6,938
Over 3 months but less than 6 months past due	逾期超過3個月 但少於6個月	80%-100%	18,027	14,466
Over 6 months but less than 9 months past due	逾期超過6個月 但少於9個月	80%-100%	25,886	20,772
Over 9 months past due	逾期9個月以上	100%	762,932	762,932
			820,370	807,130

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

7. 財務風險管理 (續)

(b) 信貸風險 (續)

		2018 二零一八年		
		Expected loss rate 預期虧損率	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
		%		
Current (not past due)	即期 (未逾期)	0%	27,668	—
Less than 3 months past due	逾期少於3個月	36%-100%	10,854	5,799
Over 3 months but less than 6 months past due	逾期超過3個月 但少於6個月	36%-100%	12,424	12,424
Over 6 months but less than 9 months past due	逾期超過6個月 但少於9個月	36%-100%	18,029	14,896
Over 9 months past due	逾期9個月以上	100%	718,859	718,859
			787,834	751,978

The above expected loss rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade receivables.

上述預期虧損率乃經調整，以反映收集歷史數據期間的經濟狀況、目前狀況以及本集團對貿易應收款項的預期可用年期期間經濟狀況之看法的差異。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Movement in the loss allowance for trade receivables during the year is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	751,978	575,432
Impairment losses recognised for the year	年內已確認減值虧損	55,152	176,546
At 31 December	於十二月三十一日	807,130	751,978

For other receivables, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the other receivables has not increased significantly since initial recognition, the Group measures the loss allowance for the other receivables at an amount equal to 12-month ECL.

The following table provides information about the Group's exposure to credit risk and ECL for other receivables which has significant increase in the credit risk as at 31 December 2019:

7. 財務風險管理 (續)

(b) 信貸風險 (續)

年內貿易應收款項虧損撥備變動如下：

就其他應收款項而言，本集團在信貸虧損自初始確認起大幅增加時確認全期預期信貸虧損。然而，倘其他應收款項的信貸風險自初始確認起並無大幅增長，本集團則按與十二個月預期信貸虧損相等的金額計量其他應收款項的虧損撥備。

下表提供有關本集團所面對的其他應收款項（於二零一九年十二月三十一日的信貸風險顯著增加）之信貸風險及預期信貸虧損資料：

		2019 二零一九年 Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
Other receivables	其他應收款項	1%-51%	63,767	29,514

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

7. 財務風險管理 (續)

(b) 信貸風險 (續)

		2018 二零一八年	
	Expected loss rate 預期虧損率	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
	%		
Other receivables	1%-5%	75,185	2,825
其他應收款項			

The above expected loss rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the other receivables.

上述預期虧損率乃經調整，以反映收集歷史數據期間的經濟狀況、目前狀況以及本集團對其他應收款項的預期年期經濟狀況之看法的差異。

Movement in the loss allowance for other receivables during the year is as follows:

年內其他應收款項虧損撥備變動如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	2,825	—
Impairment losses recognised for the year	年內已確認減值虧損	26,689	2,825
At 31 December	於十二月三十一日	29,514	2,825

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

7. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

The Group's bonds bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to interest-rate risk arises from its bank borrowings. The bank borrowings bear interests at variable rates that vary with the then prevailing market condition.

Except as stated above, the Group does not have other significant interest-bearing assets and liabilities at the end of reporting period, its income and operating cash flows are substantially independent of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variable held constant, of the Group's loss before tax.

7. 財務風險管理 (續)

(c) 利率風險

本集團之債券按固定利率計息，故須承擔公平值利率風險。

本集團所承擔利率風險源自其銀行借款。銀行借款按浮動利率計息，隨著當時現行市況而有所變動。

除上述者外，本集團於報告期末並無其他重大計息資產及負債，其收入及經營現金流量大部分不受市場利率變化影響。

下表顯示在全部其他變量維持不變的情況下，本集團的除稅前虧損對利率的合理潛在變化的敏感度。

		Increase/ (decrease) in interest rate 利率增加／ (減少) %	(Increase)/ decrease in loss before tax 除稅前虧損 (增加)／減少 RMB'000 人民幣千元
For the year ended 31 December 2019	截至二零一九年 十二月三十一日止年度	1%/(1%)	(2,336)/2,336
For the year ended 31 December 2018	截至二零一八年 十二月三十一日止年度	1%/(1%)	(2,337)/2,337

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

7. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

7. 財務風險管理 (續)

(d) 流動性風險

本集團政策為定期監控即期及預期流動資金要求，以確保其維持充足現金儲備以滿足其短期及長期的流動資金需求。

下表列示本集團金融負債於各報告期末按未貼現現金流量（包括按合約利率計算或（如為浮動利率）按報告日期的現行利率計算的利息付款）及本集團可能被要求付款的最早日期計算的剩餘合約年期。

本集團非衍生金融負債按合約未貼現現金流量的到期情況分析如下：

		On demand or less than 1 year 按要求或 一年內 RMB'000 人民幣千元	1 to 2 years 一至兩年 RMB'000 人民幣千元	2 to 5 years 兩至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2019	二零一九年 十二月三十一日					
Trade and other payables	貿易及其他應付款項	236,958	-	-	-	236,958
Borrowings	借款	581,411	170,699	212,761	103,225	1,068,096
31 December 2018	二零一八年 十二月三十一日					
Trade and other payables	貿易及其他應付款項	178,316	-	-	-	178,316
Amount due to an associate	應付一間聯營公司款項	4,492	-	-	-	4,492
Borrowings	借款	629,488	74,119	249,815	169,073	1,122,495

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

7. FINANCIAL RISK MANAGEMENT (Continued)

(e) Categories of financial instruments at 31 December

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Financial assets at amortised cost	按攤銷成本計量的金融資產	52,052	109,969
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本計量的金融負債	1,196,184	991,957

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) 公平值

合併財務狀況表所示本集團金融資產及金融負債的賬面值與其各自的公平值相若。

8. SEGMENT INFORMATION

For the years ended 31 December 2019 and 2018, the Group has two reportable segments as follows:

- Sales of shoes and clothes; and
- Sales of fabrics

The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies.

8. 分部資料

截至二零一九年及二零一八年十二月三十一日止年度，本集團有以下兩個可呈報分部：

- 鞋履及服裝銷售；及
- 面料銷售

本集團的可呈報分部為提供各種產品的策略業務單位。由於各業務需要不同的技術及營銷策略，故策略業務單位各自獨立管理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

8. SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as those described in note 5 to the consolidated financial statements. Segment profit or loss do not include other income, selling and distribution costs, general and administrative expenses, finance costs, impairment losses of goodwill of investment in an associate and share of losses of an associate. Segment assets do not include investment in an associate and bank and cash balances. Segment liabilities do not include amount due to an associate, current and deferred tax liabilities and borrowings.

8. 分部資料 (續)

經營分部的會計政策與合併財務報表附註5所述之會計政策相同。分部損益不包括其他收入、銷售及分銷成本、一般及行政開支、融資成本、於一間聯營公司之投資的商譽減值虧損及分佔一間聯營公司虧損。分部資產不包括於一間聯營公司的投資及銀行及現金結餘。分部負債不包括應付一間聯營公司款項、即期及遞延稅項負債及借款。

		Fabrics 面料 RMB'000 人民幣千元	Shoes and clothes 鞋履及服裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment results	分部業績			
Year ended 31 December 2019:	截至二零一九年十二月三十一日止年度：			
Reportable revenue from external customers	來自外部客戶的可呈報收益	119,859	397,806	517,665
Reportable segment (loss)/profit	可呈報分部(虧損)/溢利	(6,537)	17,556	11,019
Other income	其他收入			5,773
Selling and distribution costs	銷售及分銷成本			(8,178)
General and administrative expenses	一般及行政開支			(148,761)
Finance costs	融資成本			(147,880)
Loss before tax	除稅前虧損			(288,027)
Other segment items	其他分部項目			
Capital expenditure	資本開支	1,403	—	1,403
Depreciation on right-of-use assets	使用權資產折舊	558	—	558
Depreciation of property, plant and equipment	物業、廠房及設備折舊	31,012	—	31,012
Impairment losses	減值虧損	108,731	—	108,731

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

8. SEGMENT INFORMATION (Continued)

8. 分部資料 (續)

		Fabrics 面料 RMB'000 人民幣千元	Shoes and clothes 鞋履及服裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment results	分類業績			
Year ended 31 December 2018:	截至二零一八年 十二月三十一日止年度：			
Reportable revenue from external customers	來自外部客戶的可呈報收益	227,163	23,497	250,660
Reportable segment (loss)/profit	可呈報分部 (虧損)/溢利	(3,427)	3,366	(61)
Other income	其他收入			30,584
Selling and distribution costs	銷售及分銷成本			(2,906)
General and administrative expenses	一般及行政開支			(223,322)
Finance costs	融資成本			(103,220)
Impairment losses of goodwill of investment in an associate	於一間聯營公司之投資的商譽減值虧損			(909)
Share of losses of an associate	分佔一間聯營公司的虧損			(70,597)
Loss before tax	除稅前虧損			(370,431)
Other segment items	其他分部項目			
Capital expenditure	資本開支	12,531	—	12,531
Amortisation of leasehold land and land use right	租賃土地及土地使用權攤銷	558	—	558
Depreciation of property, plant and equipment	物業、廠房及設備折舊	34,768	—	34,768
Impairment losses	減值虧損	186,744	—	186,744

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

8. SEGMENT INFORMATION (Continued)

8. 分部資料 (續)

		Fabrics 面料 RMB'000 人民幣千元	Shoes and clothes 鞋履及服裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment assets and liabilities At 31 December 2019:	分部資產及負債 於二零一九年 十二月三十一日：			
Segment assets	分部資產	444,516	11,381	455,897
Unallocated assets	未分配資產			4,559
Total assets	資產總額			460,456
Segment liabilities	分部負債	261,018	–	261,018
Unallocated liabilities	未分配負債			959,226
Total liabilities	負債總額			1,220,244
		Fabrics 面料 RMB'000 人民幣千元	Shoes and clothes 鞋履及服裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment assets and liabilities At 31 December 2018:	分部資產及負債 於二零一八年 十二月三十一日：			
Segment assets	分部資產	539,714	2,069	541,783
Unallocated assets	未分配資產			1,414
Total assets	資產總額			543,197
Segment liabilities	分部負債	201,317	–	201,317
Unallocated liabilities	未分配負債			814,060
Total liabilities	負債總額			1,015,377

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

8. SEGMENT INFORMATION (Continued)

Geographical information

The Group's revenue from external customers by location of operations are detailed below:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
The People's republic of China (the "PRC")	中華人民共和國(「中國」)	119,859	216,101
Korea	韓國	328,676	23,497
Hong Kong	香港	952	11,062
The United States	美國	38,142	—
Japan	日本	21,358	—
Others	其他	8,678	—
		517,665	250,660

Over 90% of the Group's non-current assets (excluding investment in an associate) are located in the PRC. Accordingly, no further geographical information of non-current assets to be disclosed.

8. 分部資料 (續)

地區資料

本集團來自外部客戶收益按經營位置詳列如下：

超過90%的本集團非流動資產(不包括於一間聯營公司的投資)位於中國。因此，概無非流動資產的其他地理資料須予披露。

Information about major customers

主要客戶的資料

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Customer A	客戶A	—*	35,159

* Revenue from this customer did not exceed 10% of total revenue for the year. These amounts were shown for comparative purpose.

* 來自該客戶的收益不超過年內總收益的10%。該金額乃供比較用途而列示。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

9. REVENUE

Revenue represents the aggregation of net amounts received and receivable during the year. An analysis of the Group's revenue for the year is as follows:

9. 收益

收益指年內已收及應收淨額之總額。本集團的年內收益分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Recognised at a point in time within the scope of IFRS 15:	在國際財務報告準則第15號範疇內 某一時間點確認：		
Sales of fabrics	面料銷售	119,859	227,163
Sales of shoes and clothes	鞋履及服裝銷售	397,806	23,497
		517,665	250,660

10. OTHER INCOME

10. 其他收入

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Amortisation of deferred income of government grants relating to assets	與資產有關的政府補貼遞延 收入攤銷	312	3,515
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	229	—
Government grants received	政府補助金	625	7,900
Interest income	利息收入	4	6
Net foreign exchange gains	匯兌收益淨額	—	7,889
Processing fee income	加工費收入	1,730	—
Reversal of impairment losses of prepayments	預付款項之減值虧損撥回	407	10,921
Others	其他	2,466	353
		5,773	30,584

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

11. FINANCE COSTS

11. 融資成本

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interest expenses on bank borrowings	銀行借款的利息開支	20,052	21,077
Interest expenses on bonds	債券的利息開支	127,828	82,143
		147,880	103,220

12. INCOME TAX CREDIT

12. 所得稅抵免

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Deferred tax	遞延稅項	(419)	(1,150)

No provision for Hong Kong Profits Tax and PRC EIT are required since the Group has no assessable profit for the year ended 31 December 2019 (2018: Nil).

由於本集團於截至二零一九年十二月三十一日止年度並無應課稅溢利，故毋須就香港利得稅及中國企業所得稅作出撥備（二零一八年：無）。

The reconciliation between the income tax credit and the loss before tax is as follows:

所得稅抵免及除稅前虧損的對賬如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loss before tax	除稅前虧損	(288,027)	(370,431)
Notional tax on loss before tax, calculated at the rates applicable in the tax jurisdictions concerned	除稅前虧損之名義稅項，按相關稅務司法權區的適用稅率計算	(60,427)	(75,650)
Tax effect of income that is not taxable and expenses that are not deductible	不應課稅收入及不可扣稅開支之稅務影響	22,302	14,996
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	11,187	11,141
Tax effect of impairment losses provision and share of losses of an associate for which no deferred tax assets was recognised	減值虧損撥備及分佔一間未確認遞延稅項資產的聯營公司虧損之稅務影響	26,519	48,363
Income tax credit	所得稅抵免	(419)	(1,150)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

13. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging/(crediting) the following:

13. 年內虧損

本集團的年內虧損經扣除／(計入)下列項目後得出：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Auditor's remuneration	核數師薪酬	794	776
Cost of inventories sold	已售存貨成本	460,688	175,989
Amortisation of leasehold land and land use right	租賃土地及土地使用權攤銷	—	558
Depreciation of property, plant and equipment	物業、廠房及設備折舊	31,012	34,768
Depreciation on right-of-use assets	使用權資產折舊	558	—
Net foreign exchange losses/(gains)	匯兌虧損／(收益)淨額	9,211	(7,889)
Impairment losses on property, plant and equipment	物業、廠房及設備減值虧損	25,428	—
Impairment losses on right-of-use assets	使用權資產減值虧損	1,462	—
Impairment losses of inventories	存貨之減值虧損	—	7,373
Impairment losses of trade receivables	貿易應收款項之減值虧損	55,152	176,546
Impairment losses of other receivables	其他應收款項之減值虧損	26,689	2,825
(Gain)/loss on disposals of property, plant and equipment	出售物業、廠房及設備(收益)／虧損	(229)	109
Minimum lease payments under operating leases in respect of office premises	有關辦公處所經營租賃的最低租賃款項	2,599	3,040
Reversal of impairment losses of prepayments, net	預付款項之減值虧損撥回，淨額	(407)	(10,921)
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)：		
– Salaries, bonuses and allowances	—薪金、紅利及津貼	13,395	17,676
– Retirement benefit scheme contributions	—退休福利計劃供款	1,134	1,384
		14,529	19,060

Note: Depreciation of property, plant and equipment and staff costs of approximately RMB30,844,000 and RMB8,412,000 (2018: RMB33,126,000 and RMB10,517,000) were included in the cost of sales.

附註：物業、廠房及設備折舊以及員工成本約人民幣30,844,000元及人民幣8,412,000元(二零一八年：人民幣33,126,000元及人民幣10,517,000元)已計入銷售成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

14. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance are as follows:

14. 董事福利及權益

(a) 董事酬金

根據香港公司條例第383(1)條披露的董事酬金如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fees	袍金	321	313
Other emoluments	其他酬金		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	742	1,570
Retirement benefit scheme contributions	退休福利計劃供款	41	82
		783	1,652
		1,104	1,965

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

14. BENEFITS AND INTERESTS OF DIRECTORS 14. 董事福利及權益 (續)

(Continued)

(a) Directors' emoluments (Continued)

(a) 董事酬金 (續)

			Fees	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
			袍金	薪金、津貼及實物福利	退休福利計劃供款	總計
		Note	RMB'000	RMB'000	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2019	二零一九年十二月三十一日					
Executive directors	執行董事					
Ms. Li Jia Yin	李佳音女士	(i)	–	171	13	184
Mr. Lin Qingxiong	林清雄先生	(ii)	–	72	12	84
Mr. Wu Jianxiong	吳健雄先生	(iii)	–	328	13	341
Mr. Zou Biao	鄒彪先生	(iv)	–	70	3	73
Mr. Lin Guoqin	林國欽先生	(v)	–	53	–	53
Mr. Wang Ziping	王志平先生	(vi)	–	48	–	48
Independent non-executive directors	獨立非執行董事					
Mr. Chan Sui Wa	陳瑞華先生	(vii)	103	–	–	103
Mr. Lin Yugang	林宇剛先生	(viii)	94	–	–	94
Mr. Liu Shungang	劉順剛先生	(ix)	62	–	–	62
Mr. Chow Yun Cheung	周潤璋先生	(x)	53	–	–	53
Mr. Liu Junting	劉俊廷先生	(xi)	9	–	–	9
			321	742	41	1,104
31 December 2018	二零一八年十二月三十一日					
Executive directors	執行董事					
Mr. Deng Qinghui	鄧慶輝先生	(xii)	–	93	11	104
Mr. Li Dongfan	李東凡先生	(xiii)	–	103	2	105
Ms. Li Jia Yin	李佳音女士	(i)	–	248	23	271
Mr. Lin Qingxiong	林清雄先生	(ii)	–	580	26	606
Mr. Qiu Zhiqiang	邱志強先生	(xiv)	–	136	11	147
Mr. Su Yichao	蘇毅超先生	(xv)	–	77	1	78
Mr. Tao Tao	陶濤先生	(xiii)	–	103	2	105
Mr. Wu Jianxiong	吳健雄先生	(iii)	–	98	5	103
Mr. Yan Ximao	嚴希茂先生	(xv)	–	77	1	78
Mr. Yeung Wing Nam	楊永南先生	(xvi)	–	55	–	55
Independent non-executive directors	獨立非執行董事					
Mr. Chan Sui Wa	陳瑞華先生	(vii)	103	–	–	103
Mr. Lin Yugang	林宇剛先生	(viii)	16	–	–	16
Mr. Liu Shungang	劉順剛先生	(ix)	104	–	–	104
Mr. Lo Pak Ho	盧柏浩先生	(xvii)	7	–	–	7
Mr. Ma Chongqi	馬崇啟先生	(xviii)	18	–	–	18
Mr. Tam On Yu, Alfred	譚安宇先生	(xvii)	7	–	–	7
Mr. Wu Jianxiong	吳健雄先生	(iii)	40	–	–	40
Mr. Yu Yubin	俞毓斌先生	(xviii)	18	–	–	18
			313	1,570	82	1,965

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

14. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(a) Directors' emoluments (Continued)

Notes:

- (i) Appointed as an executive director with effect from 29 March 2018 and resigned with effect from 11 April 2019.
- (ii) Resigned as an executive director with effect 7 November 2019.
- (iii) Appointed as an independent non-executive director with effect from 29 March 2018 and re-designated from an independent non-executive director to an executive director with effect from 21 August 2018.
- (iv) Appointed as an executive director with effect from 11 April 2019 and resigned with effect from 13 August 2019.
- (v) Appointed as an executive director with effect from 23 October 2019.
- (vi) Appointed as an executive director with effect from 7 November 2019.
- (vii) Resigned as a non-executive director with effect from 5 July 2019.
- (viii) Appointed as an independent non-executive director with effect from 21 August 2018.
- (ix) Appointed as an independent non-executive director with effect from 29 March 2018 and resigned with effect from 23 August 2019.
- (x) Appointed as an independent non-executive director with effect from 13 August 2019.

14. 董事福利及權益 (續)

(a) 董事酬金 (續)

附註：

- (i) 自二零一八年三月二十九日起獲委任為執行董事，並於二零一九年四月十一日辭任。
- (ii) 自二零一九年十一月七日起辭任執行董事。
- (iii) 自二零一八年三月二十九日起獲委任為獨立非執行董事，並於二零一八年八月二十一日由獨立非執行董事調任為執行董事。
- (iv) 自二零一九年四月十一日起獲委任為執行董事，並於二零一九年八月十三日辭任。
- (v) 自二零一九年十月二十三日起獲委任為執行董事。
- (vi) 自二零一九年十一月七日起獲委任為執行董事。
- (vii) 自二零一九年七月五日起辭任非執行董事。
- (viii) 自二零一八年八月二十一日起獲委任為獨立非執行董事。
- (ix) 自二零一八年三月二十九日起獲委任為獨立非執行董事，並於二零一九年八月二十三日辭任。
- (x) 自二零一九年八月十三日起獲委任為獨立非執行董事。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

14. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(a) Directors' emoluments (Continued)

Notes: (Continued)

- (xi) Appointed as an independent non-executive director with effect from 23 October 2019.
- (xii) Resigned as an executive director with effect from 5 March 2018.
- (xiii) Appointed as executive directors with effect from 17 April 2018 and resigned with effect from 21 August 2018.
- (xiv) Resigned as an executive director with effect from 17 April 2018.
- (xv) Appointed as executive directors with effect from 21 September 2018 and resigned with effect from 21 November 2018.
- (xvi) Appointed as an executive director with effect from 5 March 2018 and resigned with effect from 29 March 2018.
- (xvii) Appointed as independent non-executive directors with effect from 5 March 2018 and resigned with effect from 29 March 2018.
- (xviii) Resigned as independent non-executive directors with effect from 5 March 2018.

There was no arrangement under which a director waived or agreed to waive any emolument during the year (2018: Nil).

During the year, no emolument has been paid to the directors as an inducement to join or upon joining the Group; or as compensation for loss of office (2018: Nil).

There was no discretionary bonus paid or payable to any of the directors during the year (2018: Nil).

14. 董事福利及權益 (續)

(a) 董事酬金 (續)

附註：(續)

- (xi) 自二零一九年十月二十三日起獲委任為獨立非執行董事。
- (xii) 自二零一八年三月五日起辭任執行董事。
- (xiii) 自二零一八年四月十七日起獲委任為執行董事，並於二零一八年八月二十一日辭任。
- (xiv) 自二零一八年四月十七日起辭任執行董事。
- (xv) 自二零一八年九月二十一日起獲委任為執行董事，並於二零一八年十一月二十一日辭任。
- (xvi) 自二零一八年三月五日起獲委任為執行董事，並於二零一八年三月二十九日辭任。
- (xvii) 自二零一八年三月五日起獲委任為獨立非執行董事，並於二零一八年三月二十九日辭任。
- (xviii) 自二零一八年三月五日起辭任獨立非執行董事。

於年內，概無董事放棄或同意放棄任何酬金之安排（二零一八年：無）。

於年內，概無支付任何酬金予董事作為吸引加入本集團或加入本集團時的獎勵或作為離職補償（二零一八年：無）。

於年內，概無向任何董事支付或應付任何酌情花紅（二零一八年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

14. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(b) Directors' material interests in transactions, arrangements or contracts

Save for disclosed in note 33 to the consolidated financial statements, no significant transaction, arrangement and contract in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

15. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals in the Group during the year included two (2018: four) directors whose emoluments are reflected in the analysis presented in note 14 to the consolidated financial statements. The emoluments of the remaining three (2018: one) individual are set out below:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, bonuses and other benefits in kind 薪金、花紅及其他實物福利	1,337	969
Retirement benefit scheme contributions 退休福利計劃供款	23	15
	1,360	984

The number of non-directors, highest paid employees, whose emoluments fell within the following bands, is as follows:

14. 董事福利及權益 (續)

(b) 董事於交易、安排或合約中的重大權益

除合併財務報表附註33所披露者外，於年終及本年內任何時間，概無於本集團作為一方而與本集團業務有關的重大交易、安排及合約中，本公司董事及董事關連人士直接或間接擁有重大權益。

15. 五名最高薪酬人士

於年內，本集團五名最高薪酬人士包括兩名（二零一八年：四名）董事，其薪酬反映在合併財務報表附註14中的分析中。其餘三名（二零一八年：一名）人士的薪酬如下：

	2019 二零一九年	2018 二零一八年
Nil to RMB1,000,000 零至人民幣1,000,000元	3	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

16. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share is based on the following:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loss for the year attributable to owners of the Company used in the basic loss per share calculation	(287,608)	(369,281)

Loss for the year attributable to owners of the Company used in the basic loss per share calculation 計算每股基本虧損所用之本公司擁有人應佔年內虧損

	Number of shares 股份數目
	2019 二零一九年
	2018 二零一八年 (Restated) (經重列)
Weighted average number of ordinary shares in issue during the year used in basic loss per share calculation	186,000,000

Weighted average number of ordinary shares in issue during the year used in basic loss per share calculation 計算每股基本虧損所用之年內已發行普通股加權平均數

(b) Diluted loss per share

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share during the two years ended 31 December 2019 and 2018.

For the purpose of calculation of basic and diluted loss per share for the years ended 31 December 2019 and 2018, the share consolidation of the Company being effective on 19 June 2019 (note 27(b)) was deemed to be effective throughout the period from 1 January 2018 to 31 December 2019. Accordingly, the weighted average number of ordinary shares of the Company in issue during the year ended 31 December 2018 were adjusted to reflect the share consolidation.

16. 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據以下資料計算：

(b) 每股攤薄虧損

由於本公司於截至二零一九年及二零一八年十二月三十一日止兩個年度概無任何潛在攤薄普通股，故無呈列每股攤薄虧損。

就計算截至二零一九年及二零一八年十二月三十一日止年度之每股基本及攤薄虧損而言，本公司將於二零一九年六月十九日生效之股份合併（附註27(b)）被視為於二零一八年一月一日至二零一九年十二月三十一日止期間有效。因此，於截至二零一八年十二月三十一日止年度，本公司的已發行普通股加權平均數作出調整以反映股份合併。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings	Machinery and equipment	Office equipment, furniture and vehicles 辦公室設備、傢俱及車輛	Construction in progress	Total
		建築物 RMB'000 人民幣千元	機器及設備 RMB'000 人民幣千元	傢俱及車輛 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Cost	成本					
At 1 January 2018	於二零一八年一月一日	371,037	203,731	4,790	22,500	602,058
Additions	添置	–	6,510	120	5,901	12,531
Transfer	轉撥	26,919	–	–	(26,919)	–
Disposals	出售	–	(3,835)	(142)	–	(3,977)
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	397,956	206,406	4,768	1,482	610,612
Additions	添置	–	1,367	–	36	1,403
Disposals	出售	–	–	(837)	–	(837)
At 31 December 2019	於二零一九年 十二月三十一日	397,956	207,773	3,931	1,518	611,178
Accumulated depreciation	累計折舊					
At 1 January 2018	於二零一八年一月一日	89,071	114,161	2,454	–	205,686
Charge for the year	年內支出	15,934	17,192	1,642	–	34,768
Disposals	出售	–	(3,448)	(128)	–	(3,576)
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	105,005	127,905	3,968	–	236,878
Charge for the year	年內支出	18,136	12,708	168	–	31,012
Impairment losses	減值虧損	25,428	–	–	–	25,428
Disposals	出售	–	–	(628)	–	(628)
At 31 December 2019	於二零一九年 十二月三十一日	148,569	140,613	3,508	–	292,690
Carrying amount	賬面值					
At 31 December 2019	於二零一九年 十二月三十一日	249,387	67,160	423	1,518	318,488
At 31 December 2018	於二零一八年 十二月三十一日	292,951	78,501	800	1,482	373,734

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2019, buildings of the Group with carrying amount of approximately RMB233,968,000 (2018: RMB250,431,000) and machinery and equipment of the Group with carrying amount of approximately RMB22,409,000 (2018: RMB27,447,000) were pledged as collateral for certain bank borrowings of the Group (note 24).

As set out in note 36(d) to the consolidated financial statements, certain land and buildings of the Group was sold to a buyer in a public auction on 2 April 2020 at a consideration of approximately RMB69,223,000 which is lower than the carrying amount of the land and buildings. As a result, impairment losses of buildings of approximately RMB25,428,000 (2018: Nil) was recognised.

The Group has carried out a review of the recoverable amount of its property, plant and equipment as at 31 December 2019 with reference to the independent valuation performed by an independent valuer, APAC Appraisals and Consulting Limited. The recoverable amount is assessed based on fair value less cost of disposal by using replacement cost basis under level 3 fair value measurement. Apart from land and buildings as mentioned above, no further impairment loss is required for the year ended 31 December 2019 (2018: Nil) as the recoverable amount of the subject property, plant and equipment is higher than and close to its carrying amount as at 31 December 2019.

17. 物業、廠房及設備 (續)

於二零一九年十二月三十一日，本集團賬面值約人民幣233,968,000元（二零一八年：人民幣250,431,000元）的建築物以及本集團賬面值約人民幣22,409,000元（二零一八年：人民幣27,447,000元）的機器及設備已抵押作本集團若干銀行借款的抵押品（附註24）。

誠如合併財務報表附註36(d)所載，本集團若干土地及建築物已於二零二零年四月二日的公開拍賣中以定價約人民幣69,223,000元出售予買方，該定價低於土地及建築物的賬面值。因此，已確認建築物減值虧損約人民幣25,428,000元（二零一八年：無）。

本集團已參考獨立估值師亞太資產評估及顧問有限公司進行的獨立估值，審閱其於二零一九年十二月三十一日的物業、廠房及設備的可收回金額。可收回金額使用第三級公平值計量下的重置成本基準，以公平值減出售成本作評估。由於在二零一九年十二月三十一日，目標物業、廠房及設備的可收回金額高於及接近其賬面值，因此於截至二零一九年十二月三十一日止年度，除上文所述之土地及建築物外，無須作出進一步減值虧損（二零一八年：無）。

18. LEASEHOLD LAND AND LAND USE RIGHT/ RIGHT-OF-USE ASSETS

18. 租賃土地及土地使用權／使用權資產

		Leasehold land and land use right 租賃土地及土地使用權 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	23,781
Amortisation for the year	年內攤銷	(558)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	23,223
Reclassification due to adoption of IFRS 16	因採納國際財務報告準則第16號而重新分類	(23,223)
Restated balance at 1 January 2019	於二零一九年一月一日經重列結餘	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

18. LEASEHOLD LAND AND LAND USE RIGHT/ RIGHT-OF-USE ASSETS (Continued)

18. 租賃土地及土地使用權／使用權 資產 (續)

		Leasehold land and land use right 租賃土地 及土地使用權 2018 二零一八年 RMB'000 人民幣千元
Current portion	流動部分	558
Non-current portion	非流動部分	22,665
		23,223

Leasehold land and land use right represent the net book amount of prepaid operating lease payments. All land use right is located in the PRC, the Group's leasehold land and land use right with carrying amount of approximately RMB23,223,000 were pledged as collateral for certain bank borrowings of the Group (note 24). Due to adoption of IFRS 16 at 1 January 2019, the Group's leasehold land and land use right were reclassified to right-of-use assets.

租賃土地及土地使用權指預付經營租賃款項賬面淨值。所有土地使用權位於中國，本集團賬面值約為人民幣23,223,000元的租賃土地及土地使用權已抵押作本集團若干銀行借款的抵押品（附註24）。由於二零一九年一月一日採納國際財務報告準則第16號，本集團之租賃土地及土地使用權重新分類至使用權資產。

		Right-of-use assets 使用權資產 RMB'000 人民幣千元
At 1 January 2019 (note 3)	於二零一九年一月一日（附註3）	23,223
Depreciation	折舊	(558)
Impairment	減值	(1,462)
At 31 December 2019	於二零一九年十二月三十一日	21,203

As at 31 December 2019, leasehold lands of the Group with carrying amount of approximately RMB21,203,000 were pledged as collateral for certain bank borrowings of the Group (note 24).

於二零一九年十二月三十一日，本集團賬面值約為人民幣21,203,000元的租賃土地已抵押作本集團若干銀行借款的抵押品（附註24）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

18. LEASEHOLD LAND AND LAND USE RIGHT/ RIGHT-OF-USE ASSETS (Continued)

18. 租賃土地及土地使用權／使用權 資產(續)

		Right-of-use assets 使用權資產 2019 二零一九年 RMB'000 人民幣千元
Depreciation expenses on right-of-use assets	使用權資產折舊開支	558
Expenses relating to short-term lease (included in cost of sales and administrative expenses)	有關短期租賃的開支 (計入銷售成本及行政開支)	2,599
Impairment on right-of-use assets	使用權資產減值	1,462

As set out in note 36(d) to the consolidated financial statements, certain land and buildings of the Group was sold to a buyer in a public auction on 2 April 2020 at a consideration of approximately RMB69,223,000 which is lower than the carrying amount of the land and buildings. As a result, impairment losses of right-of-use assets of approximately RMB1,462,000 (2018: Nil) was recognised.

The Group has carried out a review of the recoverable amount of its right-of-use assets as at 31 December 2019 with reference to the independent valuation performed by an independent valuer, APAC Appraisals and Consulting Limited. The recoverable amount is assessed based on fair value less cost of disposal by using replacement cost basis under level 3 fair value measurement. Apart from land and buildings as mentioned above, no further impairment loss is required for the year ended 31 December 2019 (2018: Nil) as the recoverable amount of the subject right-of-use assets is higher than and close to its carrying amount as at 31 December 2019.

誠如合併財務報表附註36(d)所載，本集團若干土地及建築物已於二零二零年四月二日的公開拍賣中以定價約人民幣69,223,000元出售予買方，該定價低於土地及建築物的賬面值。因此，已確認使用權資產減值虧損約人民幣1,462,000元（二零一八年：無）。

本集團已參考獨立估值師亞太資產評估及顧問有限公司進行的獨立估值，審閱其於二零一九年十二月三十一日的使用權資產的可收回金額。可收回金額使用第三級公平值計量下的重置成本基準，以公平值減出售成本作評估。由於在二零一九年十二月三十一日，目標使用權資產的可收回金額高於及接近其賬面值，因此於截至二零一九年十二月三十一日止年度，除上文所述之土地及建築物外，並無進一步減值虧損（二零一八年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

19. INTERESTS IN AN ASSOCIATE

(a) Investment in an associate

19. 於一間聯營公司的權益

(a) 於一間聯營公司的投資

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Unlisted investments:	非上市投資：		
Share of net assets	分佔資產淨值	—	—
Goodwill	商譽	60,909	60,909
		60,909	60,909
Impairment loss on goodwill	商譽減值虧損	(60,909)	(60,909)
Share of net assets	分佔資產淨值	—	—

Details of the Group's associate at 31 December 2019 are as follows:

本集團於二零一九年十二月三十一日的聯營公司詳情如下：

Name	Place of incorporation	Issued and paid up capital	Percentage of ownership interest	Principal activities and place of operation
名稱	註冊成立地點	已發行及繳足股本	擁有權益所佔百分比	主要業務及經營地點
Baixin (China) Co., Limited 百鑫(中國)有限公司	The PRC 中國	RMB100,000,000 人民幣100,000,000元	50%	Manufacturing and sales of yarn and cotton fabric, the PRC 製造及銷售紗線及面料，中國

The associate is accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the financial statements of the associate.

該聯營公司使用權益法於合併財務報表入賬。財務資料概要乃根據聯營公司的財務報表呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

19. INTERESTS IN AN ASSOCIATE (Continued)

(a) Investment in an associate (Continued)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 31 December:	於十二月三十一日：		
Non-current assets	非流動資產	100,883	168,812
Current assets	流動資產	54,959	45,420
Non-current liabilities	非流動負債	(91,870)	(92,258)
Current liabilities	流動負債	(145,821)	(190,307)
Net liabilities	負債淨額	(81,849)	(68,333)
Group's share of carrying amount of interest	本集團應佔權益賬面值	-	-
Year ended 31 December:	截至十二月三十一日止年度：		
Revenue	收益	41,110	137,668
Loss and total comprehensive income for the year	年內虧損及全面收益總額	(13,517)	(211,243)

No loss of the associate was shared (2018: approximately RMB70,597,000) for the year ended 31 December 2019. The Group has not recognised loss for the year amounting to approximately RMB6,759,000 (2018: RMB35,024,000) for the associate. The accumulated losses not recognised were approximately RMB41,783,000 (2018: RMB35,024,000).

As at 31 December 2019, the bank and cash balances of the Group's associate in the PRC denominated in RMB amounted to approximately RMB34,000 (2018: RMB815,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

(b) Amount due to an associate

The amount due to an associate is unsecured, interest-free and repayable on demand.

19. 於一間聯營公司的權益 (續)

(a) 於一間聯營公司的投資 (續)

截至二零一九年十二月三十一日止年度，概無分佔聯營公司虧損（二零一八年：約人民幣70,597,000元）。本集團未就該聯營公司確認年度虧損約人民幣6,759,000元（二零一八年：人民幣35,024,000元）。未確認的累計虧損約為人民幣41,783,000元（二零一八年：人民幣35,024,000元）。

於二零一九年十二月三十一日，本集團之中國聯營公司以人民幣計值的銀行及現金結餘為約人民幣34,000元（二零一八年：人民幣815,000元）。將人民幣兌換為外幣須受《中國外匯管制條例》規管。

(b) 應付一間聯營公司款項

應付一間聯營公司款項為無抵押、免息並須按要求償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

20. INVENTORIES

20. 存貨

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Raw materials	原材料	9,835	9,593
Work-in-progress	在製品	6,234	7,129
Finished goods	製成品	27,792	13,985
		43,861	30,707

21. TRADE AND OTHER RECEIVABLES

21. 貿易及其他應收款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables (note (a))	貿易應收款項 (附註(a))	820,370	787,834
Less: Allowance for trade receivables (note (a))	減：貿易應收款項的撥備 (附註(a))	(807,130)	(751,978)
		13,240	35,856
Prepayments to suppliers for purchase of raw materials	就購買原材料向供應商支付的預付款項	177,514	158,633
Less: Allowance for prepayments	減：預付款項的撥備	(152,662)	(153,069)
		24,852	5,564
Other receivables	其他應收款項	63,767	75,185
Less: Allowance for other receivables	減：其他應收款項的撥備	(29,514)	(2,825)
		34,253	72,360
Amount due from a former director (note (b))	應收一名前任董事款項 (附註(b))	–	339
		72,345	114,119

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

21. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables

The Group's trading terms customers are mainly on credit. The credit terms generally 90 days (2018: 90 days). Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The ageing analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 1 month	1個月內	1,595	15,274
Over 1 month but less than 3 months	1個月以上但少於3個月	—	12,394
Over 3 months but less than 6 months	3個月以上但少於6個月	2,970	5,055
Over 6 months but less than 9 months	6個月以上但少於9個月	3,561	—
Over 9 months but less than 12 months	9個月以上但少於12個月	5,114	3,133
		13,240	35,856

As of 31 December 2019, trade receivables of approximately RMB11,645,000 (2018: RMB8,189,000) were past due but not impaired. These trade receivables related to customers for whom there was no recent history of default. The ageing analysis of these trade receivables, based on due date, is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦未減值	1,595	27,668
Less than 3 months past due	逾期少於3個月	2,970	5,055
Over 3 months but less than 6 months past due	逾期3個月以上但少於6個月	3,561	—
Over 6 months but less than 9 months past due	逾期6個月以上但少於9個月	5,114	3,133
		13,240	35,856

21. 貿易及其他應收款項 (續)

(a) 貿易應收款項

本集團與客戶之貿易往來主要以信貸形式進行。信貸期一般為90日(二零一八年:90日)。每名客戶設有最高信貸限額。就新客戶而言,我們通常要求預先付款。本集團致力嚴格監控未償還應收款項。董事定期審閱逾期結餘。

貿易應收款項(經扣除撥備)按發票日期之賬齡分析如下:

於二零一九年十二月三十一日,貿易應收款項約人民幣11,645,000元(二零一八年:人民幣8,189,000元)已逾期但未減值。該等貿易應收款項與近期並無違約記錄的客戶有關。該等貿易應收款項按到期日之賬齡分析如下:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

21. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

The Group does not charge interest or hold any collateral over these balances.

The Group applied simplified approach to provide the ECL as prescribed by IFRS 9. The impairment methodology is set out in notes 5(v) and 7(b) to the consolidated financial statements.

As part of the Group's credit risk management, the Group assesses the impairment for its customers based on different group of customers which share common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. Details of impairment assessment of trade and other receivables for the years ended 31 December 2019 and 2018 are set out in note 7(b) to the consolidated financial statements.

(b) Amount due from a former director

The amount due is unsecured, interest-free and repayable on demand.

Amount due from a former director disclosed pursuant to section 383(1)(d) to the Hong Kong Companies Ordinance is as follows:

21. 貿易及其他應收款項 (續)

(a) 貿易應收款項 (續)

本集團並無就該等結餘收取利息或持有任何抵押品。

本集團採用簡化方法按國際財務報告準則第9號規定計提預期信貸虧損。減值方法載於合併財務報表附註5(v)及7(b)。

作為本集團信貸風險管理的一部分，本集團根據共享共同風險特徵的不同客戶群評估其客戶的減值，而該等風險特徵代表客戶根據合約條款悉數付款的能力。截至二零一九年及二零一八年十二月三十一日止年度，貿易及其他應收款項減值評估的詳情載於合併財務報表附註7(b)。

(b) 應收一名前任董事款項

該款項為無抵押、免息及須按要求償還。

根據香港公司條例第383(1)(d)條披露的應收一名前任董事款項如下：

	Maximum outstanding balance during the year 年內最高 未償還結餘 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Mr. Lin Qingxiong 林清雄先生	339	—	339

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

22. BANK AND CASH BALANCES

22. 銀行及現金結餘

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
RMB	人民幣	1,773	240
USD	美元	2,295	1,021
HK\$	港元	491	153
		4,559	1,414

Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations. However, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

人民幣兌換為外幣須受《中國外匯管制條例》及《結匯、售匯及付匯管理規定》規管。然而，根據《中國外匯管制條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

23. TRADE AND OTHER PAYABLES

23. 貿易及其他應付款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade payables	貿易應付款項	86,563	54,300
Advance payments from customers	客戶墊款	10,650	9,279
Payables for purchases of property, plant and equipment	購買物業、廠房及設備應付款項	35,823	34,145
Salary payables	應付薪酬	23,850	23,371
Interest payables	應付利息	55,999	37,160
Other payables and accruals	其他應付款項及應計費用	34,723	29,340
		247,608	187,595

An aging analysis of trade payables at the end of the reporting period, based on the invoice date, is as follows:

於報告期末根據發票日期的貿易應付款項賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 3 months	3個月內	19,841	15,055
Over 3 months but less than 12 months	3個月以上但少於12個月	34,789	11,250
Over 12 months	12個月以上	31,933	27,995
		86,563	54,300

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

24. BORROWINGS

24. 借款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current:	流動：		
Secured bank borrowings (note a)	有抵押銀行借款（附註a）	130,123	190,173
Unsecured bank borrowings (note a)	無抵押銀行借款（附註a）	13,519	13,519
Unsecured bonds (note b)	無抵押債券（附註b）	425,603	326,797
		569,245	530,489
Non-current:	非流動：		
Secured bank borrowings (note a)	有抵押銀行借款（附註a）	90,000	30,000
Unsecured bonds (note b)	無抵押債券（附註b）	299,981	248,660
		389,981	278,660
		959,226	809,149

Notes:

(a) Bank borrowings

As at 31 December 2019, bank borrowings amounted to approximately RMB133,642,000 (2018: RMB133,692,000) were overdue by the Group due to temporary shortage of funds. As a result, the Group is subject to a penalty interest expense during the overdue period.

The Group's bank borrowings of approximately RMB220,123,000 (2018: RMB220,173,000) were secured by its property, plant and equipment (note 17) and leasehold land and land use right/right-of-use assets (note 18).

The effective interest rates on bank borrowings were ranging from 5.64% to 12.48% (2018: 5.64% to 14.58%) per annum for the year ended 31 December 2019.

附註：

(a) 銀行借款

於二零一九年十二月三十一日，由於資金暫時短缺，本集團約人民幣133,642,000元（二零一八年：人民幣133,692,000元）的銀行借款已逾期。因此，本集團須繳付逾期期間的罰息開支。

本集團銀行借款約人民幣220,123,000元（二零一八年：人民幣220,173,000元）由其物業、廠房及設備（附註17）以及租賃土地及土地使用權／使用權資產（附註18）作抵押。

截至二零一九年十二月三十一日止年度銀行借款的實際年利率介乎5.64%至12.48%（二零一八年：5.64%至14.58%）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

24. BORROWINGS (Continued)

Notes: (Continued)

- (a) Bank borrowings (Continued)
The maturity profile of the carrying amount of the bank borrowings is analysed as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within one year	一年以內	143,642	203,692
In the second year	第二年内	90,000	30,000
		233,642	233,692

- (b) Unsecured bonds
As at 31 December 2019, the Company issued a number of HK\$-denominated bonds with an aggregate principal of approximately RMB425,603,000 (2018: RMB671,815,000). The bonds are unsecured, bearing interest rates at a range of 1.5% – 40% (2018: 1.5% – 14%) per annum, and repayable during the period from January 2020 to April 2028 (2018: January 2019 to December 2027). The maturity profile of the carrying amount of the bonds is analysed as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within one year	一年以內	425,603	326,797
In the second year	第二年内	58,377	13,997
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年)	149,856	138,350
After five years	五年後	91,748	96,313
		725,584	575,457

24. 借款 (續)

附註：(續)

- (a) 銀行借款 (續)
銀行借款賬面值的到期情況分析如下：

- (b) 無抵押債券
於二零一九年十二月三十一日，本公司發行多份以港元計值的債券，本金總額約人民幣425,603,000元（二零一八年：人民幣671,815,000元）。該等債券為無抵押、按年利率介乎1.5%至40%（二零一八年：1.5%至14%）計息並須於二零二零年一月至二零二八年四月（二零一八年：二零一九年一月至二零二七年十二月）期間償還。該等債券的賬面值的到期情況分析如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

25. DEFERRED INCOME

25. 遞延收入

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Government grants relating to right-of-use assets/leasehold land and land use right	13,410	13,722
與使用權資產／租賃土地及土地使用權有關的政府補助金		

The movements of deferred income during the year are as follows:

遞延收入於年內的變動載列如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	13,722	17,237
Amortised as income	(312)	(3,515)
At 31 December	13,410	13,722
於一月一日		
攤銷為收入		
於十二月三十一日		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

26. DEFERRED TAX LIABILITIES

26. 遞延稅項負債

		Capitalised interest 資本化利息 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	(1,569)
Credited to profit or loss	於損益中計入	1,150
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	(419)
Credited to profit or loss	於損益中計入	419
At 31 December 2019	於二零一九年十二月三十一日	—

At the end of the reporting period the Group has unused tax losses of approximately RMB266,384,000 (2018: RMB221,637,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB243,917,000 (2018: RMB199,169,000) that will expire in five years. Other tax losses may be carried forward indefinitely.

於報告期末，本集團可用作抵免未來溢利的未動用稅項虧損約人民幣266,384,000元（二零一八年：人民幣221,637,000元）。由於無法預測未來溢利流，故未確認遞延稅項資產。未確認稅項虧損包括將於五年內到期的虧損約人民幣243,917,000元（二零一八年：人民幣199,169,000元）。其他稅項虧損可無限期結轉。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

27. SHARE CAPITAL

27. 股本

		Number of ordinary shares 普通股股份數目 '000 千股			HK\$'000 千港元
		At HK\$0.10 per share 每股面值 0.10港元	At HK\$1.00 per share 每股面值 1.00港元	At HK\$0.01 per share 每股面值 0.01港元	
Authorised:	法定：				
At 1 January 2018,	於二零一八年一月一日、				
31 December 2018 and	二零一八年				
1 January 2019	十二月三十一日及				
	二零一九年一月一日	10,000,000	–	–	1,000,000
Effects of share consolidation (note (b(i)))	股份合併的影響 (附註(b(i)))	(10,000,000)	1,000,000	–	–
Effects of share subdivision (note (b(iii)))	股份拆細的影響 (附註(b(iii)))	–	(1,000,000)	100,000,000	–
At 31 December 2019	於二零一九年十二月三十一日	–	–	100,000,000	1,000,000
Issued and fully paid:	已發行及繳足：				
At 1 January 2018	於二零一八年一月一日	1,550,000	–	–	155,000
Issue of shares (note (a))	發行股份 (附註(a))	310,000	–	–	31,000
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	1,860,000	–	–	186,000
Share consolidation (note (b(i)))	股份合併 (附註(b(i)))	(1,860,000)	186,000	–	–
Capital reduction (note (b(ii)))	股本削減 (附註(b(ii)))	–	(186,000)	186,000	(184,140)
At 31 December 2019	於二零一九年十二月三十一日	–	–	186,000	1,860
Equivalent to RMB'000:	相當於人民幣千元：				
At 31 December 2018	於二零一八年十二月三十一日				150,493
At 31 December 2019	於二零一九年十二月三十一日				1,505

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

27. SHARE CAPITAL (Continued)

Note:

- (a) On 17 May 2018, the Company and the placing agent entered into a placing agreement in respect of the placement of 310,000,000 ordinary shares of HK\$0.10 each at a price of HK\$0.10 per share under general mandate. The placement was completed on 29 June 2018. As the shares were issued at par value, the share issue expenses of approximately RMB350,000 was debited to the Company's share premium account.
- (b) On 19 June 2019, the Capital reorganisation ("Capital Reorganisation") has become effective after the change of domicile on 24 May 2019 which comprises the following:
 - (i) share consolidation on the basis of every ten issued and unissued existing shares of par value HK\$0.10 each into one consolidated share of par value HK\$1.00 each;
 - (ii) reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued consolidated share so that the nominal value of each issued consolidated shares will be reduced from HK\$1.00 to HK\$0.01 and the credit of HK\$184,140,000 arising from the capital reduction will be credited to the contribution surplus account of the Company; and
 - (iii) the share subdivision of each authorised but unissued consolidated share of HK\$1.00 (including those arising from the capital reduction) into one hundred adjusted shares of HK\$0.01 each.

27. 股本 (續)

附註：

- (a) 於二零一八年五月十七日，本公司與配售代理訂立配售協議，根據一般授權按每股0.10港元的價格配售310,000,000股每股0.10港元的普通股。配售於二零一八年六月二十九日完成。由於股份按面值發行，股份發行開支約人民幣350,000元已記入本公司股份溢價賬。
- (b) 於二零一九年六月十九日，股本重組（「股本重組」）於二零一九年五月二十四日遷冊後生效，其包括以下各項：
 - (i) 股份合併：其基準為按每十股每股面值0.10港元的已發行及未發行現有股份合併為一股每股面值1.00港元的合併股份；
 - (ii) 股本削減：涉及以註銷本公司繳足股本（以每股已發行合併股份0.99港元為限）的方式削減本公司已發行股本，致使每股已發行合併股份的面值由1.00港元減至0.01港元；而股本削減所產生的進賬額184,140,000港元將計入本公司的實繳盈餘賬；及
 - (iii) 股份拆細：將每股面值1.00港元的法定但未發行合併股份（包括自股本削減產生的合併股份）拆細為一百股每股面值0.01港元的經調整股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

27. SHARE CAPITAL (Continued)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance. The capital structure of the Group comprises all components of shareholders' equity.

The Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts. No change was made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

The only externally imposed capital requirement for the Group is that in order to maintain its listing on the Stock Exchange, it has to have a public float of at least 25% of the shares. The Group has maintained a sufficient public float to comply with the Listing Rules from the date of the Listing.

28. RESERVES

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

Nature and purpose of reserves

(a) *Share premium and Contributed surplus*

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

27. 股本 (續)

本集團在資本管理上的目標為保障本集團有能力繼續營運，透過優化債務及股本結餘為股東提供最大回報。本集團的資本架構包括所有股東權益部分。

本集團透過考慮資本成本及與各類資本有關的風險經常審閱資本架構。本集團將透過派付股息、發行新股及股份回購以及發行新債、贖回現有債務或出售資產以減少債務來平衡整體資本架構。截至二零一九年及二零一八年十二月三十一日止年度，資本管理的目標、政策或程序並無作出任何變動。

唯一外部強制性資本要求為，本集團如欲維持其在聯交所上市的地位，其公眾持股量最少為股份的25%。本集團自上市日期起一直維持足夠的公眾持股量以符合上市規則。

28. 儲備

本集團儲備金額及其變動於合併損益及其他全面收益表及合併權益變動表內呈列。

儲備性質及用途

(a) *股份溢價及實繳盈餘*

股份溢價指本公司股份面值與本公司發行股份獲得的所得款項之間的差額。

根據開曼群島公司法，本公司股份溢價賬的金額可供分派予本公司股東，惟緊隨建議分派股息之日，本公司須能夠於日常業務過程中償付其到期的債務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

28. RESERVES (Continued)

Nature and purpose of reserves (Continued)

(a) *Share premium and Contributed surplus* (Continued)

The Board cancelled the entire amount standing to the credit of the share premium account of the Company and to transfer the credits arising from such cancellation to an account designated as the contributed surplus account of the Company before the Change of Domicile from the Cayman Islands to Bermuda becoming effective. After the approval of the shareholders at the extraordinary general meeting by way of special resolution, the account designated as the contributed surplus account of the Company shall be the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda upon the Change of Domicile becoming effective.

(b) *Capital reserve*

The capital reserve of the Group mainly represents the reserve arising from the Group reorganisation.

(c) *Statutory reserve*

In accordance with the PRC Company Law and the Group's PRC subsidiaries' articles of association, the Group's PRC subsidiaries are required to allocate 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to PRC companies to the statutory reserve until such reserve reaches 50% of the registered capital. The appropriation to the reserve must be made before any distribution of dividends to equity holders. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as paid-in capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the paid-in capital of the Group's subsidiaries.

28. 儲備 (續)

儲備性質及用途 (續)

(a) *股份溢價及實繳盈餘* (續)

董事會於本公司由開曼群島遷冊百慕達生效前註銷本公司股份溢價賬之全部進賬金額，並將有關註銷所產生之進賬額轉撥至指定作為本公司實繳盈餘賬之賬戶。於股東於臨時股東大會以特別決議案形式通過後，指定作為本公司實繳盈餘賬的賬戶在遷冊生效後將成為本公司的實繳盈餘賬（定義見百慕達一九八一年公司法）。

(b) *資本儲備*

本集團資本儲備主要指本集團重組產生的儲備。

(c) *法定儲備*

根據中國公司法及本集團中國附屬公司的章程細則，本集團之中國附屬公司須按照適用於中國公司的相關會計原則及財務規定所釐定的10%稅後利潤撥入法定儲備，直至該法定儲備達到註冊資本50%。儲備撥款必須在向權益持有人分配股息之前進行。法定盈餘儲備可用以抵銷過往年度的虧損（如有），而部分法定盈餘儲備可資本化為實收資本，惟資本化後剩餘的該等儲備的金額不得少於本集團附屬公司的實收資本的25%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

29. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

29. 本公司財務狀況表及儲備變動

(a) 本公司財務狀況表

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司投資	352	352
Amount due from subsidiaries	應收附屬公司款項	—	—
		352	352
Current assets	流動資產		
Other receivables	其他應收款項	18	74
Cash and bank balances	現金及銀行結餘	51	150
		69	224
Current liabilities	流動負債		
Other payables	其他應付款項	3,504	—
Amounts due to subsidiaries	應付附屬公司款項	27,245	28,098
Borrowings	借款	425,603	326,797
		456,352	354,895
Net current liabilities	流動負債淨額	(456,283)	(354,671)
Total assets less current liabilities	資產總額減流動負債	(455,931)	(354,319)
Non-current liabilities	非流動負債		
Borrowings	借款	299,981	248,660
Net liabilities	負債淨額	(755,912)	(602,979)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

29. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(Continued)

(a) Statement of financial position of the Company (Continued)

29. 本公司財務狀況表及儲備變動 (續)

(a) 本公司財務狀況表 (續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Equity	權益		
Share capital	股本	1,505	150,493
Reserves (note 29 (b))	儲備 (附註29(b))	(757,417)	(753,472)
Total deficit	虧絀總額	(755,912)	(602,979)

Approved and authorised for issue by the Board of Directors on 7 July 2020.

於二零二零年七月七日獲董事會批准及授權刊發。

Wu Jianxiong

吳健雄

董事

Director

Lin Guoqin

林國欽

董事

Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

29. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(Continued)

(b) Reserves movement of the Company

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 實繳盈餘 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	737,285	–	(1,098,390)	(361,105)
Issue of shares	發行股份	(350)	–	–	(350)
Loss and total comprehensive income for the year	年內虧損及全面收益總額	–	–	(392,017)	(392,017)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	736,935	–	(1,490,407)	(753,472)
Capital reorganisation	股本重組	(736,935)	885,923	–	148,988
Loss and total comprehensive income for the year	年內虧損及全面收益總額	–	–	(152,933)	(152,933)
At 31 December 2019	於二零一九年十二月三十一日	–	885,923	(1,643,340)	(757,417)

29. 本公司財務狀況表及儲備變動 (續)

(b) 本公司儲備變動

30. CAPITAL COMMITMENT

Capital commitment contracted but not provided for at the end of the reporting period but not yet incurred are as follows:

30. 資本承擔

於報告期末已訂約但尚未撥備且尚未產生的資本承擔如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	3,387	4,654

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

31. OPERATING LEASE ARRANGEMENT

The Group as lessee

As at 31 December 2019, the Group had no commitment for future minimum lease payments under non-cancellable operating leases in respect of premises for factory and office. As at 31 December 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2018 二零一八年 RMB'000 人民幣千元
Within one year 一年內	933

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated for an average term of two years and rentals are fixed over the lease terms and contingent rentals.

31. 經營租賃安排

本集團作為承租人

於二零一九年十二月三十一日，本集團就廠房及辦公處並無不可撤銷經營租賃項下的未來最低租賃付款承擔。於二零一八年十二月三十一日，不可撤銷經營租賃項下的應付未來最低租賃付款總額如下：

經營租賃款項指本集團就其若干辦公處所應付的租金。經磋商之租賃平均期限為兩年，租金在該等租期為固定且為或然租金。

32. CONTINGENT LIABILITIES

During the course of business, the Group has received claims from suppliers, customers and lenders concerned with the quality of goods and repayment of debts, including claims of insignificant or unspecified amounts. The directors are of the opinion that the Group has a meritorious defence against these claims. Accordingly, the directors do not believe that these claims will have any material adverse impact on the Group and accordingly no provisions have been made in respect thereof.

32. 或然負債

於業務過程中，本集團收到來自供應商、客戶及借款人有關商品質量及償還債務的申索，包括所涉金額不重大或不明的申索。董事認為，本集團就該等申索具有有力抗辯。因此，董事相信該等申索對本集團不會產生任何重大不利影響，故並無就此作出任何撥備。

(a) Winding up Petition

On 20 September 2019, the Company received the Petition from the Petitioner in the matter of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) filed in the High Court under Companies Winding-up Proceedings No. 283 of 2019 that the Company may be wound up by the High Court. The Petitioner is the holder of the Bonds. Since then, the Company entered into two repayment agreements with the Petitioner in relation to the repayment under the Bonds. The Petitioner alleged that the outstanding indebtedness owed by the Company to him up to 11 March 2019 was approximately HK\$2,890,000.

(a) 清盤呈請

於二零一九年九月二十日，本公司收到呈請人就香港法例第32章公司（清盤及雜項條文）條例向高等法院提交的呈請，根據二零一九年第283號公司清盤程序，本公司可能會被高等法院清盤。呈請人為本債券持有人。此後，本公司與呈請人就本債券的還款訂立了兩項還款協議。呈請人稱，截至二零一九年三月十一日，本公司欠他的未償債務為約2,890,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

32. CONTINGENT LIABILITIES (Continued)

(a) Winding up Petition (Continued)

The Company engaged professional parties to prepare the documentations for a financial restructuring plan in respect of all of the Company's total indebtedness. To facilitate the Company's financial restructuring, on 10 October 2019, a winding up petition together with an application for the appointment of the JPLs on a light touch approach for restructuring purpose was presented and filed with the Bermuda Court by the Company's Bermuda Counsel, Conyers Dill & Pearman at the request of the Company.

On 24 October 2019, the Bermuda Court made the orders as sought by the Company under the JPL Application, inter alia, Tang Chung Wah and Kan Lap Kee of Shinewing Specialist Advisory Services Limited and Edward Alexander Niles Whittaker of R&H Services Limited be appointed as joint and several provisional liquidators of the Company on a light touch approach for restructuring purpose and following the appointment of the JPLs pursuant to the Bermuda Court Order, the JPLs informed the Company that the JPLs intend to seek their appointment to be recognized by the High Court in Hong Kong.

On 24 January 2020, the High Court in Hong Kong granted an order to, inter alia, recognize the appointment of the JPLs and that so long as the Company remains in provisional liquidation in Bermuda, no action or proceeding shall be proceeded with or commenced against the Company or its assets or affairs, or its property within the jurisdiction of the Hong Kong Court, except with leave of the High Court of Hong Kong and subject to such terms as the Hong Kong Court may impose.

The joint application of the Petitioner and the Company by way of the consent summons, an order was made by the High Court on 5 March 2020 that the Petition be dismissed. Whilst the Petition was dismissed, the winding petition for restructuring purpose in Bermuda will still continue to facilitate the debt restructuring.

32. 或然負債 (續)

(a) 清盤呈請 (續)

本公司已聘請專業人士編製有關本公司所有債務的財務重組計劃文件。為促進本公司的財務重組，於二零一九年十月十日，應本公司的要求，本公司的百慕達律師康德明律師事務所以非強制基礎僅以重組為目的向百慕達法院送呈及提交清盤呈請以及申請委任共同臨時清盤人。

於二零一九年十月二十四日，百慕達法院頒佈本公司根據共同臨時清盤人申請尋求的命令，其中包括在非強制基礎上僅以重組為目的任命信永中和諮詢專項服務有限公司之鄧忠華及簡立祈，以及R&H Services Limited之Edward Alexander Niles Whittaker為本公司的共同和各別臨時清盤人。根據百慕達法院命令任命共同臨時清盤人後，共同臨時清盤人告知本公司，共同臨時清盤人打算尋求香港高等法院認可其任命。

於二零二零年一月二十四日，香港高等法院下達了一項命令，其中包括認可共同臨時清盤人之任命，並且只要本公司仍在百慕達進行臨時清盤，除非獲得香港高等法院許可，並以香港法院可能施加之條款為準，不得針對本公司，及其於香港法院管轄範圍內之資產或事務，或其財產進行或展開法律行動及訴訟程序。

呈請人和本公司通過同意傳票提出聯合申請後，高等法院於二零二零年三月五日頒令完全撤回呈請。在呈請被撤回的同時，於百慕達以重組為目的之清盤呈請仍將繼續促進債務重組。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

32. CONTINGENT LIABILITIES (Continued)

(b) Demand for repayment of borrowings

- (i) On 3 February 2018, Mr. Lin Yingjie ("Mr. Lin") filed a claim through Fujian Province Shishi City People's Court (福建省石獅市人民法院) against to an indirect wholly-owned subsidiary of the Group, Hongtai (China) Co., Limited (宏太(中國)有限公司) ("Hongtai (China)") for the repayment of outstanding borrowing in aggregate of approximately RMB1,350,000. Up to the date of these consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. Accordingly, the directors consider that no provision for the claim is required in preparing the consolidated financial statements for the years ended 31 December 2019 and 2018.
- (ii) On 18 June 2019, Mr. Liang Chi Yuan filed a claim through the District Court of The Hong Kong Special Administrative Region (the "District Court") in respect of the bond principal with interest of approximately HK\$2,070,000 and default interest on HK\$2,000,000 at rate of 15% per annum from 1 May 2019 until repayment. Up to the date of consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. Accordingly, the directors consider that no provision for the claim is required.
- (iii) On 26 September 2019, Mr. Lui Chun Kit filed a claim through the High Court for the repayment bonds principal and interest of approximately HK\$3,070,000. Up to the date of consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. Accordingly, the directors consider that no provision for the claim is required.

32. 或然負債 (續)

(b) 要求償還借款

- (i) 於二零一八年二月三日，林英傑先生（「林先生」）透過福建省石獅市人民法院向本集團的間接全資附屬公司宏太（中國）有限公司（「宏太（中國）」）提出申索，內容有關償還借款合共約人民幣1,350,000元。直至該等合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。因此，董事認為編製截至二零一九年及二零一八年十二月三十一日止年度的合併財務報表時毋須就該申索作出撥備。
- (ii) 於二零一九年六月十八日，梁機源先生透過香港特別行政區區域法院（「區域法院」）提出申索，有關債券本金及利息約2,070,000港元以及就2,000,000港元自二零一九年五月一日起直至還款按年利率15%計算的違約利息。直至合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。因此，董事認為毋須就該申索作出撥備。
- (iii) 於二零一九年九月二十六日，Lui Chun Kit先生透過高等法院就償還債券本金及利息約3,070,000港元提出申索。直至合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。因此，董事認為毋須就該申索作出撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

32. CONTINGENT LIABILITIES (Continued)

(c) Contract disputes

- (i) Since 9 November 2016, claim of approximately RMB2,620,000 in aggregation was brought against Hongtai (China) by a supplier namely 重慶紗線產品交易中心有限公司 (the "Plaintiff 1") alleging that Hongtai (China) was liable for payment of defected goods supplied to Hongtai (China) by the Plaintiff 1. This case was filed in the Chongqing Nan'an District People's Court (重慶市南岸區人民法院) against Hongtai (China). Up to the date of these consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. In preparing these consolidated financial statements, the directors are of the opinion that no provision of the claim of approximately RMB2,620,000 is necessary as having considered the legal advice from the Group's PRC legal counsel, the directors believe that the Company has merits in the defence against the claim.
- (ii) On 23 January 2017, claim of approximately RMB2,244,000 in aggregation was brought against Hongtai (China) by a supplier namely 莆田市瑞鑫紡織服裝貿易有限公司 (the "Plaintiff 2") alleging that Hongtai (China) was liable for payment of defected goods to the Plaintiff 2. This case was filed in the Fujian Province Shishi City People's Court (福建省石獅市人民法院) against Hongtai (China). Up to the date of these consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. Accordingly, the directors consider that no provision for the claim is required in preparing the consolidated financial statements for the years ended 31 December 2019 and 2018.

32. 或然負債 (續)

(c) 合約糾紛

- (i) 自二零一六年十一月九日起，宏太(中國)面臨由供應商重慶紗線產品交易中心有限公司(「原告人1」)所提出合共約人民幣2,620,000元的申索，聲稱宏太(中國)有責任支付原告人1向宏太(中國)所供應缺陷商品的款項。該項個案乃透過重慶市南岸區人民法院向宏太(中國)提起訴訟。直至該等合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。編製該等合併財務報表時，董事認為毋須就申索約人民幣2,620,000元作出撥備，因考慮到本集團中國法律顧問的法律意見，董事相信本公司就該申索具有力抗辯。
- (ii) 於二零一七年一月二十三日，宏太(中國)面臨由供應商莆田市瑞鑫紡織服裝貿易有限公司(「原告人2」)所提出合共約人民幣2,244,000元的申索，聲稱宏太(中國)有責任向原告人2支付缺陷商品的款項。該項個案乃透過福建省石獅市人民法院向宏太(中國)提起訴訟。直至該等合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。因此，董事認為編製截至二零一九年及二零一八年十二月三十一日止年度的合併財務報表時毋須就該申索作出撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

32. CONTINGENT LIABILITIES (Continued)

(c) Contract disputes (Continued)

- (iii) On 18 December 2019, claim of approximately RMB2,668,000 in aggregation was brought against Hongtai (China) by a supplier namely 新疆嘉豐棉業有限公司 (the "Plaintiff 3") alleging that Hongtai (China) was liable for payment of goods supplied to Hongtai (China) by the Plaintiff 3. This case was filed in the Urumqi Shuimogou District People's Court (烏魯木齊市水磨溝區人民法院) against Hongtai (China). Up to the date of these consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. Accordingly, the directors consider that no provision for the claim is required in preparing the consolidated financial statements for the year ended 31 December 2019.

33. RELATED PARTY TRANSACTIONS

- (a) In relation to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

(b)	Name of related party 關聯方姓名	Nature of transaction 交易性質	2019	2018
			二零一九年 RMB'000 人民幣千元	二零一八年 RMB'000 人民幣千元
	Mr. Lin Guoqin ^(note i) 林國欽先生 (附註i)	Interest expenses 利息開支	1,523	—

Notes:

- (i) Mr. Lin Guoqin was appointed as an executive director of the Group with effect from 23 October 2019.

At the end of reporting period, the Group issued a number of HK\$ denominated bonds with aggregate principal of approximately RMB29,899,000 (2018: Nil) to Mr. Lin Guoqin. The bonds are unsecured, bearing interest rates at 20% per annum (2018: Nil).

The directors of the Group are of the opinion that the above transactions were entered into under the normal course of business with terms and pricing policies mutually agreed by both parties.

32. 或然負債 (續)

(c) 合約糾紛 (續)

- (iii) 於二零一九年十二月十八日，宏太(中國)面臨由供應商新疆嘉豐棉業有限公司(「原告人3」)所提出合共約人民幣2,668,000元的申索，聲稱宏太(中國)有責任向原告人3支付所供應商品的款項。該項個案乃透過烏魯木齊市水磨溝區人民法院向宏太(中國)提起訴訟。直至該等合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。因此，董事認為編製截至二零一九年十二月三十一日止年度的合併財務報表時毋須就該申索作出撥備。

33. 關聯方交易

- (a) 就合併財務報表其他地方披露的該等關聯方交易及結餘而言，本集團於年內與關聯方進行之交易如下：

附註：

- (i) 林國欽先生獲委任為本集團執行董事，自二零一九年十月二十三日起生效。

於報告期末，本集團已向林國欽先生發行多份以港元計值的債券，本金總額約人民幣29,899,000元(二零一八年：無)。該等債券為無抵押、按年利率20%(二零一八年：無)計息。

本集團董事認為，上述交易於正常業務過程中按雙方相互協定的條款及定價政策訂立。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

33. RELATED PARTY TRANSACTIONS (Continued)

(c) Balance

Details of the balances with related parties are set out in the consolidated statement of financial position and in notes 19(b) and 21(b) to the consolidated financial statements.

(d) The emoluments of directors and other members of key management during the year was as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fees	袍金	321	313
Other emoluments	其他酬金		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,079	2,539
Retirement benefit scheme contributions	退休福利計劃供款	64	97
		2,143	2,636
		2,464	2,949

Further details of emoluments of directors and other members of key management during the year are set out in notes 14 and 15 to the consolidated financial statements.

33. 關聯方交易 (續)

(c) 結餘

與關聯方的結餘詳情載於合併財務狀況表及合併財務報表附註19(b)及21(b)。

(d) 年內董事及其他主要管理人員的酬金如下：

年內董事及其他主要管理人員的酬金之進一步詳情載於合併財務報表附註14及15。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiaries

On 15 May 2018, 19 July 2018, 3 August 2018, 28 August 2018 and 30 November 2018, the Group acquired the entire issued share capital of Ultima Prime International Ltd ("Ultima Prime"), Digital Assets Group Co., Limited ("Digital Assets"), Cloud Hase Mining Limited ("Cloud Hase"), Moody Technology Research and Development Co., Limited ("MTR&D") and Guangzhou Seojin Trading Co., Limited ("Seojin") (collectively as the "Acquired Companies") for considerations of approximately RMB342,000, RMB9,000, RMB9,000, RMB60,000 and RMB175,000 respectively (the "Acquisition").

Immediately prior to the completion of Acquisition, the Acquired Companies were inactive. The fair value of the identifiable assets of Acquired Companies acquired as at the date of Acquisition are as follows:

	Ultima Prime Ultima Prime RMB'000 人民幣千元	Digital Assets 數字資產 RMB'000 人民幣千元	Cloud Hase 雲計算 RMB'000 人民幣千元	MTR&D 滿地研發 RMB'000 人民幣千元	Seojin 廣州首進 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Amounts due from shareholders	342	9	9	60	175	595
Settled by cash	342	9	9	60	175	595

34. 合併現金流量表附註

(a) 收購附屬公司

於二零一八年五月十五日、二零一八年七月十九日、二零一八年八月三日、二零一八年八月二十八日及二零一八年十一月三十日，本集團收購Ultima Prime International Ltd (「Ultima Prime」)、數字資產集團有限公司(「數字資產」)、雲計算有限公司(「雲計算」)、滿地科技研發有限公司(「滿地研發」)及廣州首進貿易有限公司(「廣州首進」)(統稱為「收購公司」)全部已發行股本，代價分別約為人民幣342,000元、人民幣9,000元、人民幣9,000元、人民幣60,000元及人民幣175,000元(「收購事項」)。

緊接收購事項完成前，收購公司並不活躍。於收購日期，被收購的收購公司的可識別資產公平值如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Reconciliation of liabilities arising from financing activities

The table set forth below is the detail changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

34. 合併現金流量表附註 (續)

(b) 融資活動產生的負債對賬

下表詳述本集團融資活動產生的負債的變動，包括現金和非現金變動。融資活動所產生負債為現金流量已於或未來現金流量將於本集團合併現金流量表中分類為融資活動現金流量的負債。

		Borrowings 借款 RMB'000 人民幣千元	Bonds 債券 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	251,761	473,900	725,661
Cash flow	現金流量	(27,095)	19,414	(7,681)
Interest expenses	利息開支	21,077	82,143	103,220
Transfer to interest payables	撥往應付利息	(12,051)	–	(12,051)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	233,692	575,457	809,149
Cash flow	現金流量	(1,263)	22,299	21,036
Interest expenses	利息開支	20,052	127,828	147,880
Transfer to interest payables	撥往應付利息	(18,839)	–	(18,839)
At 31 December 2019	於二零一九年十二月三十一日	233,642	725,584	959,226

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

35. SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2019 are as follows:

35. 附屬公司

於二零一九年十二月三十一日，本公司附屬公司之詳情如下：

Name 名稱	Place of incorporation/ establishment 註冊成立／註冊地點	Registered/issued and paid up capital 已註冊／已發行及繳足股本	Percentage of ownership interest 擁有權權益所佔百分比	Principal activities and place of operation 主要業務及經營地點
Potent Union Holdings Limited 康匯控股有限公司	The British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	US\$200 200美元	Direct 100% 直接100%	Investment holding, Hong Kong 投資控股，香港
Digital Assets Group Co., Limited 數字資產集團有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Direct 100% 直接100%	Investment holding, Hong Kong 投資控股，香港
Coral Pearl International Limited 寶瑚國際有限公司	BVI 英屬處女群島	US\$100 100美元	Direct 100% 直接100%	Investment holding, Hong Kong 投資控股，香港
Ultima Prime International Limited	BVI 英屬處女群島	US\$50,000 50,000美元	Direct 100% 直接100%	Investment holding, Hong Kong 投資控股，香港
Moody Group (Int'l) Holding Limited 滿地集團(國際)股份有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Indirect 100% 間接100%	Investment holding and sales of fabrics, Hong Kong 投資控股及銷售面料，香港
Hongtai (China) Co., Limited* 宏太(中國)有限公司	The PRC 中國	HK\$520,000,000 520,000,000港元	Indirect 100% 間接100%	Design, manufacturing and sales of fabrics, the PRC 設計、生產及銷售面料，中國
Fengtai Hubei Textile Co., Limited* 豐太湖北紡織有限公司	The PRC 中國	RMB50,000,000 人民幣50,000,000元	Indirect 100% 間接100%	Manufacturing and sales of fabrics, the PRC 生產及銷售面料，中國
Hongtai (Hubei) Sales Co., Limited* 宏太(湖北)營銷有限公司	The PRC 中國	RMB2,000,000 人民幣2,000,000元	Indirect 100% 間接100%	Sales of fabrics, the PRC 銷售面料，中國
Shishi Hongtai Supply Chain Management Co., Limited* 石獅市宏太供應鏈管理有限公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	Indirect 100% 間接100%	Dormant, the PRC 無業務活動，中國
Cloud Hase Mining Limited 雲計算有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Indirect 100% 間接100%	Dormant, Hong Kong 無業務活動，香港
Guangzhou Seojin Trading Co., Limited 廣州首進貿易有限公司	Hong Kong 香港	HK\$500,000 500,000港元	Indirect 100% 間接100%	Trading of shoes and clothes, the PRC 鞋履及服裝貿易，中國
HKT International Holding Co. Limited 恒科(香港)國際貿易有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	Indirect 100% 間接100%	Trading of shoes and clothes, the PRC 鞋履及服裝貿易，中國
Moody Trading Limited 滿地貿易有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Indirect 100% 間接100%	Dormant, Hong Kong 無業務活動，香港
Moody International Trading Limited 滿地國際貿易有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Indirect 100% 間接100%	Dormant, Hong Kong 無業務活動，香港
Moody Technology Research and Development Co., Limited 滿地科技研發有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	Indirect 100% 間接100%	Investment holding, Hong Kong 投資控股，香港
Zhuohai Lanhan Technology Co., Ltd* 珠海瀾瀚科技有限公司	The PRC 中國	HK\$1,000,000 1,000,000港元	Indirect 100% 間接100%	Dormant, the PRC 無業務活動，中國

* The English translation of the company names is for reference only. The official names of these companies are in Chinese. The companies are registered as limited liability companies under the PRC law.

* 公司名稱之英文翻譯僅供識別。該等公司的官方名稱為中文。該等公司根據中國法律註冊為有限公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

36. EVENTS AFTER THE REPORTING PERIOD

(a) Effect of the new coronavirus (COVID-19) outbreak

After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the globe. The Group is paying close attention to the development of, and the disruption to business and economic activities caused by, the COVID-19 outbreak and evaluate its impact on the financial position, cash flows and operating results of the Group. Given the dynamic nature of the COVID-19 outbreak, it is not practicable to provide a reasonable estimate of its impact on the Group's financial position, cash flow and operating results at the date on which these financial statements are authorised for issue of the COVID-19 has impact on the global business environment, which brought about additional uncertainties to the Group's operation.

(b) Completion of placing

On 4 February 2020, an aggregate of 37,200,000 placing shares (the "Placing Shares") have been successfully placed by JMC Capital HK Limited (the "Placing Agent") to not less than six placees at the placing price of RMB0.086 per Placing Share (the "Placing"). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the placees are third parties independent of the Company and not connected nor acting in concert with any of the connected persons of the Company or any of their respective associates. None of the placees has become a substantial shareholder (within the meaning of the Listing Rules) of the Company immediately upon completion of the Placing. The net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing) is approximately RMB3.09 million which is intended for general working capital of the Group and costs for debt restructuring.

36. 報告期後事項

(a) 爆發新型冠狀病毒(COVID-19)之影響

於二零二零年初COVID-19爆發後，全球已採取一系列預防及管控措施。本集團密切關注爆發COVID-19導致的商業及經濟活動混亂及發展態勢，並且評估對本集團財務狀況、現金流量及經營業績的影響。鑒於COVID-19不斷變化，直至本財務報表獲授權刊發之日，就COVID-19對本集團財務狀況、現金流量及經營業績的影響進行合理估計並不實際可行，因為COVID-19已對全球營商環境造成影響，為本集團的經營帶來了更多不確定性。

(b) 配售完成

於二零二零年二月四日，富喬鑫資本（香港）有限公司（「配售代理」）已按每股配售股份（「配售股份」）人民幣0.086元之配售價成功配售合共37,200,000股配售股份予不少於六名承配人（「配售」）。經董事作出一切合理查詢後，就董事所知，所悉及所信，承配人為獨立於本公司之第三方，與本公司之任何關連人士或任何彼等各自聯系大概無任何關連或一致行動。緊隨配售完成後，概無承配人成為本公司之主要股東（定義見上市規則）。配售之所得款項淨額（經扣除應付配售代理之配售佣金及配售產生之其他開支）約為人民幣3.09百萬元，擬用作本集團之一般營運資金及債務重組之費用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

36. EVENTS AFTER THE REPORTING PERIOD

(Continued)

(c) Results of the Rights Issue on the basis of one (1) rights share for every two (2) existing shares held on the Record Date on a non-underwritten basis at the subscription price of HK\$0.139 per Rights share

The Board proposes to raise up to approximately HK\$15.5 million before expenses by issuing 111,600,000 new shares (the "Rights Shares", and each a "Rights Share") at the Subscription Price of HK\$0.139 per Rights Share by way of the rights issue (the "Rights Issue"), on the basis of one (1) Rights Share for every two (2) existing Shares held on 20 March 2020 or such other date as the Company may determine (the "Record Date").

As at 21 April 2020, being the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares,

- (i) 3 valid acceptances of provisional allotments under the Provisional Allotment Letters were received for a total of 22,567,929 Rights Shares, representing approximately 20.22% of the total number of 111,600,000 Rights Shares being offered under the Rights Issue; and
- (ii) 3 valid applications for excess Rights Shares under the Excess Application Forms ("EAFs") were received for a total of 56,753,154 Rights Shares, representing approximately 50.85% of the total number of 111,600,000 Rights Shares being offered under the Rights Issue.

36. 報告期後事項 (續)

(c) 以非包銷基準按於記錄日期每持有兩(2)股現有股份可獲發一(1)股供股股份的基準以認購價每股供股股份0.139港元進行供股之結果

董事會建議於二零二零年三月二十日或本公司可能釐定的其他日期(「記錄日期」)按每持有兩(2)股現有股份獲發一(1)股供股股份(「供股股份」)的基準,按每股供股股份0.139港元的認購價,通過供股(「供股」)方式發行111,600,000股新股份,以籌集不超過15.5百萬港元(扣除開支前)。

於二零二零年四月二十一日(即接納供股股份及支付股款以及申請額外供股股份及支付股款的最後時限),

- (i) 已接獲3份根據暫定配額通知書暫定配額之有效接納,涉及合共22,567,929股供股股份,相當於根據供股提呈發售之111,600,000股供股股份總數約20.22%;及
- (ii) 已接獲3份根據額外申請表格(「額外申請表格」)申請額外供股股份之有效申請,涉及合共56,753,154股供股股份,相當於根據供股提呈發售之111,600,000股供股股份總數約50.85%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

36. EVENTS AFTER THE REPORTING PERIOD

(Continued)

(c) Results of the Rights Issue on the basis of one (1) rights share for every two (2) existing shares held on the Record Date on a non-underwritten basis of the subscription price of HK\$0.139 per Rights share (Continued)

In aggregate, 6 valid acceptances and applications in respect of 79,321,083 Rights Shares have been accepted and applied for, representing approximately 71.08% of the total number of 111,600,000 Rights Shares offered under the Rights Issue.

Based on the above results, the Rights Issue was under-subscribed by 32,278,917 Rights Shares, representing approximately 28.92% of the total number of 111,600,000 Rights Shares offered under the Rights Issue. As the Rights Issue is non-underwritten, the size of the Rights Issue was reduced by the number of the unsubscribed Rights Shares. All conditions set out in the Prospectus have been fulfilled and the Rights Issue became unconditional on 22 April 2020. The gross proceeds raised from the Rights Issue are approximately HK\$11.0 million before expenses.

Given the under-subscription of the Rights Shares, the Board considers that it is fair and equitable to accept all valid excess applications for a total of 56,753,154 Rights Shares and to allot and issue such number of Rights Shares to the relevant applicants in full. Shareholders applying for excess Rights Shares under the EAFs in respect of a total of 56,753,154 Rights Shares will be fully allotted with the excess Rights Shares for which they have applied.

36. 報告期後事項 (續)

(c) 以非包銷基準按於記錄日期每持有兩(2)股現有股份可獲發一(1)股供股股份的基準以認購價每股供股股份0.139港元進行供股之結果 (續)

合併計算後，已接納及申請6份有效接納及申請，涉及合共79,321,083股供股股份，相當於根據供股提呈發售之111,600,000股供股股份總數約71.08%。

根據上述結果，供股項下之32,278,917股供股股份認購不足，相當於根據供股提呈發售之111,600,000股供股股份總數約28.92%。由於供股按非包銷基準進行，供股的規模按未獲認購的供股股份數目縮減。供股章程所載之所有條件已獲達成，供股已於二零二零年四月二十二日成為無條件。供股之所得款項（扣除開支前）總額為約11.0百萬港元。

鑒於供股股份認購不足，董事會認為悉數接納有效之額外申請（涉及合共56,753,154股供股股份）及向有關申請人悉數配發及發行該數量的供股股份屬公平公正。根據額外申請表格申請共56,753,154股供股股份的額外供股股份的股東，將獲悉數配發其所申請的額外供股股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

36. EVENTS AFTER THE REPORTING PERIOD

(Continued)

(c) Results of the Rights Issue on the basis of one (1) rights share for every two (2) existing shares held on the Record Date on a non-underwritten basis of the subscription price of HK\$0.139 per Rights share (Continued)

As there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue in the amount of HK\$10.4 million will not be sufficient to satisfy all the uses as mentioned in the Prospectus. Under such circumstances, the Company will therefore prioritise using the net proceeds from the Rights Issue for the expenses for the debt restructuring and the remaining amount will be utilised in proportion for general working capital of the Group and its existing shoes and clothing businesses as follows:

- (i) as to approximately HK\$6.0 million, representing approximately 57.7%, for the expenses for the debt restructuring; and
- (ii) as to approximately HK\$4.4 million, representing approximately 42.3%, for general working capital and its existing shoes and clothing businesses.

36. 報告期後事項 (續)

(c) 以非包銷基準按於記錄日期每持有兩(2)股現有股份可獲發一(1)股供股股份的基準以認購價每股供股股份0.139港元進行供股之結果 (續)

由於供股認購不足，供股所得款項淨額10.4百萬港元將不足以滿足供股章程所述之所有用途。在這種情況下，本公司將優先使用供股的所得款項淨額於債務重組之開支，餘下金額將按比例用於本集團之一般營運資金及其現有鞋履及服裝業務詳請如下：

- (i) 約6.0百萬港元，佔約57.7%，撥作債務重組之開支；及
- (ii) 約4.4百萬港元，佔約42.3%，撥作一般營運資金及其現有鞋履及服裝業務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

36. EVENTS AFTER THE REPORTING PERIOD

(Continued)

(d) Forced Sale of Asset

On 17 April 2020, Hongtai (China) received a sales and purchase confirmation dated 8 April 2020 from 美佳爽(中國)有限公司 (the "Buyer"), a company established in the PRC that the Group's factory buildings located in Shishi City of pursuant to which Fujian Province (the "Shishi Buildings"), which were pledged as collateral for certain bank borrowings amounted to RMB96.5 million (the "Bank Loans") with two local banks namely Rural Commercial Bank of Shishi and China Merchants Bank, were sold to the Buyer in a public auction held by the Shishi People's Court of Fujian Province at a consideration of approximately RMB69.2 million on 2 April 2020 (the "Forced Sale"). To the best knowledge of the Directors having made reasonable enquiry, each of the Buyer and its ultimate owners is independent of the Company and its connected persons. The Bank Loans were not guaranteed by the Company or any current Directors of the Company, and were not collateralized by any assets belonging to the Company or any current Directors of the Company. Upon receiving such news, the Company is immediately seeking advice from an independent PRC legal firm to decide the appropriate actions to be taken and no further update up to the approval date on these consolidated financial statements by the Group. Details of which are set in the Company's announcement dated 20 April 2020.

37. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are approved and authorised for issue by the Board of Directors on 7 July 2020.

36. 報告期後事項 (續)

(d) 強制出售資產

於二零二零年四月十七日，宏太(中國)收到美佳爽(中國)有限公司(「買方」)(一家於中國成立之公司)的日期為二零二零年四月八日之買賣確認書，本集團位於福建省石獅市的廠房(「石獅廠房」)用作為與兩家當地銀行包括石獅農村商業銀行及招商銀行約人民幣96.5百萬元借貸(「該等銀行貸款」)之抵押物，已於二零二零年四月二日於福建省石獅市人民法院舉行之公開拍賣中以定價約人民幣69.2百萬元強制出售予買方(「強制出售」)。據董事經作出合理查詢後所知，買方及其最終擁有人各自獨立於本公司及其關連人士。本公司或任何本公司之現任董事均無對該等銀行貸款進行擔保，該等銀行貸款並無以任何屬於本公司或任何本公司現任董事之資產作為抵押。本公司收到此消息後，立即尋求中國獨立律師事務所的建議，以決定本集團將採取的適當行動，及直至該等合併財務報表批准日期，本集團並無進一步更新。詳情載於本公司日期為二零二零年四月二十日之公告。

37. 批准合併財務報表

合併財務報表已於二零二零年七月七日獲董事會批准並授權刊發。

FINANCIAL SUMMARY

財務摘要

OPERATING RESULTS

經營業績

		Year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年
Revenue (RMB'000)	收益 (人民幣千元)	517,665	250,660	271,858	780,310	670,255
Gross profit/(loss) (RMB'000)	毛利／(損) (人民幣千元)	11,019	(61)	(16,604)	(20,843)	8,396
Gross profit/(loss) margin	毛利／(損)率	2.13%	(0.02%)	(6.1%)	(2.7%)	1.3%
Loss and total comprehensive income attributable to owners of the Company (RMB'000)	本公司擁有人應佔虧損及全面收益總額 (人民幣千元)	(287,608)	(369,281)	(732,765)	(331,023)	(23,317)
Net loss margin	淨虧損率	(55.6%)	(147.3%)	(269.5%)	(42.4%)	(3.5%)

CONSOLIDATED BALANCE SHEET

合併資產負債表

The following table sets forth our assets/liabilities position as at 31 December 2015, 2016, 2017, 2018 and 2019:

下表載列我們於二零一五年、二零一六年、二零一七年、二零一八年及二零一九年十二月三十一日的資產／負債狀況：

		As at 31 December 於十二月三十一日				
		2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Current assets	流動資產	120,765	146,798	287,140	761,168	877,676
Current liabilities	流動負債	816,853	722,576	601,130	412,213	240,696
Net current (liabilities)/assets	流動(負債淨額)／資產淨值	(696,088)	(575,778)	(313,990)	348,955	636,980
Net (liabilities)/assets	(負債淨額)／資產淨值	(759,788)	(472,180)	(129,032)	603,733	908,489

FINANCIAL INDICATORS

財務指標

		Year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年
Return on equity (%) (Note 1)	股本回報率(%) (附註1)	N/A 不適用	N/A 不適用	N/A 不適用	(54.8)	(2.6)
Return on assets (%) (Note 2)	資產回報率(%) (附註2)	(62.5)	(68.0)	(94.2)	(25.2)	(1.6)
Interest coverage ratio (Note 3)	利息覆蓋率(附註3)	(1.9)	(3.6)	(10.7)	(4.4)	(1.0)

		As at 31 December 於十二月三十一日				
		2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年
Current ratio (%) (Note 4)	流動比率(%) (附註4)	14.8	20.3	47.7	184.7	364.6
Quick ratio (%) (Note 5)	速動比率(%) (附註5)	9.4	16.1	39.1	172.5	338.0
Debt to equity ratio (%) (Note 6)	債務股本比率(%) (附註6)	N/A 不適用	N/A 不適用	N/A 不適用	114.2	44.6
Gearing ratio (%) (Note 7)	權益負債比率(%) (附註7)	N/A 不適用	N/A 不適用	N/A 不適用	110.0	0.7

Notes:

附註：

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| <p>(1) Return on equity for the years ended 31 December 2015, 2016, 2017, 2018 and 2019 was calculated based on our total comprehensive income for the respective year divided by the total equity of the respective year and multiplied by 100%.</p> <p>(2) Return on assets for the years ended 31 December 2015, 2016, 2017, 2018 and 2019 was calculated based on our loss and total comprehensive income for the respective year divided by our total assets of the respective year and multiplied by 100%.</p> <p>(3) Interest coverage ratio for the years ended 31 December 2015, 2016, 2017, 2018 and 2019 was calculated based on our (loss)/profit for the year for the respective year divided by our finance costs for the respective year.</p> <p>(4) Current ratio as at 31 December 2015, 2016, 2017, 2018 and 2019 were calculated based on our current assets of the respective date divided by our current liabilities of the respective date and multiplied by 100%.</p> | <p>(1) 截至二零一五年、二零一六年、二零一七年、二零一八年及二零一九年十二月三十一日止年度的股本回報率，乃按有關年度全面收益總額除以有關年度總權益再乘以100%計算。</p> <p>(2) 截至二零一五年、二零一六年、二零一七年、二零一八年及二零一九年十二月三十一日止年度的資產回報率，乃按有關年度虧損及全面收益總額除以有關年度資產總值再乘以100%計算。</p> <p>(3) 截至二零一五年、二零一六年、二零一七年、二零一八年及二零一九年十二月三十一日止年度的利息覆蓋率，乃按有關年度（虧損）／溢利除以有關年度的融資成本計算。</p> <p>(4) 於二零一五年、二零一六年、二零一七年、二零一八年及二零一九年十二月三十一日的流動比率，乃按有關日期的流動資產除以有關日期的流動負債再乘以100%計算。</p> |
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FINANCIAL SUMMARY 財務摘要

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| <p>(5) Quick ratio as at 31 December 2015, 2016, 2017, 2018 and 2019 were calculated based on our current assets minus inventories as at the respective date divided by our current liabilities as at the respective date and multiplied by 100%.</p> <p>(6) Debt to equity ratio as at 31 December 2015, 2016, 2017, 2018 and 2019 were calculated based on our total debts (being sum of our total borrowings and amounts due to related parties and third parties) as at the respective date divided by total equity as at the respective year and multiplied by 100%.</p> <p>(7) Gearing ratio as at 31 December 2015, 2016, 2017, 2018 and 2019 were calculated based on our net debts (being total debts net of cash and cash equivalents and restricted bank deposits) as at the respective date divided by total equity as at the respective year and multiplied by 100%.</p> | <p>(5) 於二零一五年、二零一六年、二零一七年、二零一八年及二零一九年十二月三十一日的速動比率，乃按有關日期的流動資產減去存貨後除以有關日期的流動負債再乘以100%計算。</p> <p>(6) 於二零一五年、二零一六年、二零一七年、二零一八年及二零一九年十二月三十一日的債務股本比率，乃按有關日期的債務總額（即借款總額與應付關聯方及第三方款項的總和）除以有關年度總權益再乘以100%計算。</p> <p>(7) 於二零一五年、二零一六年、二零一七年、二零一八年及二零一九年十二月三十一日的權益負債比率，乃按有關日期的債務淨額（即債務總額扣除現金及現金等價物以及受限制銀行存款）除以有關年度總權益再乘以100%計算。</p> |
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審核委員會審閱年度業績

審核委員會由獨立非執行董事組成，已審閱本集團截至二零一九年十二月三十一日止年度的經審核合併財務報表，並與本公司管理層商討本集團採納的會計原則及會計準則及關於本集團風險管理及內部監控制度及財務申報的事宜。審核委員會主席具有財務事宜方面的專業資格及經驗，符合上市規則的規定。

本公司審核委員會同意本集團外部核數師長青，並已審閱本集團採納的會計原則及常規以及本集團截至二零一九年十二月三十一日止年度的合併業績。審核委員會認為本集團截至二零一九年十二月三十一日止年度的合併業績符合相關會計準則、規則及規例並已按規定作出適當披露。

股息

董事會不建議就截至二零一九年十二月三十一日止年度向股東派付末期股息。

暫停辦理股東登記手續

本公司股東週年大會將於二零二零年八月二十五日（星期二）舉行。為釐定出席股東週年大會並於會上投票的資格，本公司將於二零二零年八月二十日（星期四）至二零二零年八月二十五日（星期二）（包括首尾兩日）暫停辦理股東登記手續，期間不會登記任何股份轉讓。為符合資格出席股東週年大會並於會上投票，所有股份過戶文件連同有關股票最遲須於二零二零年八月十九日（星期三）下午四時三十分前送交本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓。

於聯交所及本公司網站發佈二零一九年年度報告

本公告已於聯交所網站(www.hkexnews.hk)及本公司網站(<http://moodytech-holdingltd.com>)刊登，載有上市規則規定的所有資料的本公司二零一九年年度報告將適當時候寄發予股東，並刊載於本公司及聯交所網站各自網站。

鳴謝

董事藉此機會感謝本集團管理層及員工付出的努力和貢獻，以及感謝全體股東及業務夥伴一直以來的鼎力支持。

承董事會命
滿地科技股份有限公司
(已委任共同臨時清盤人)
(以重組目的)
主席及執行董事
吳健雄

香港，二零二零年七月七日

於本公告日期，執行董事為吳健雄先生、林國欽先生及王志平先生；以及獨立非執行董事為周潤璋先生、林宇剛先生及劉俊廷先生。