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世纪阳光

世紀陽光集團控股有限公司

CENTURY SUNSHINE GROUP HOLDINGS LIMITED

(in provisional liquidation)

(for restructuring purposes only)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 509)

2020 ANNUAL RESULTS ANNOUNCEMENT

The Board of Directors of the Company is pleased to announce the audited results of the Company and its subsidiaries for the twelve months period ended 31 December 2020. This announcement, containing the full text of the 2020 Annual Report of the Company, is prepared with reference to the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of annual results. Printed version of the Company's 2020 Annual Report will be delivered to the Company's shareholders and will also be available for viewing on the websites of Hong Kong Exchanges and Clearing Limited at <http://www.hkex.com.hk> and of the Company at <http://www.centurysunshine.com.hk> on 9 April 2021.

By Order of the Board
Century Sunshine Group Holdings Limited
(in provisional liquidation)
(for restructuring purposes only)
Shum Sai Chit
Executive Director

Hong Kong, 26 March 2021

As at the date of this announcement, the Directors are:

Executive Directors : Mr. Chi Wen Fu, Mr. Shum Sai Chit and Mr. Chi Jing Chao

Non-executive Director : Mr. Guo Mengyong

Independent Non-executive Directors : Mr. Cheung Sound Poon, Mr. Sheng Hong and Mr. Lau Chi Kit

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經營亮點

Operational Highlights





**Differentiated Products Lead
the Market Segment**

差異化產品 領軍細分市場



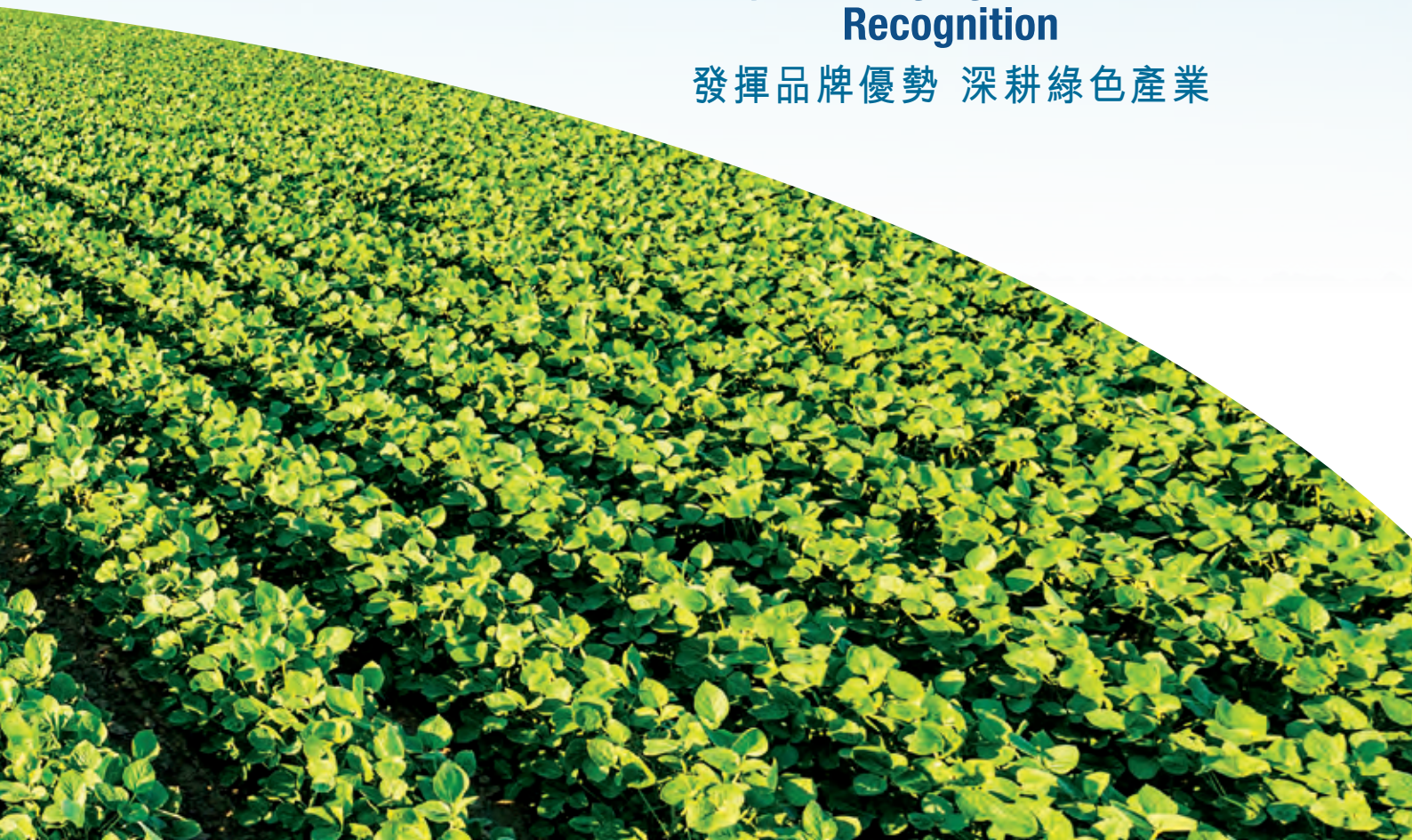
**Sales Network Covering
the Whole Country**

銷售網絡 覆蓋全國



**Develop the Green Industry
by Leveraging on Brand
Recognition**

發揮品牌優勢 深耕綠色產業



願景 Vision

The Pioneer in the
New Era of Ecological
Fertiliser Industry

引領生態肥料行業發展
新時代

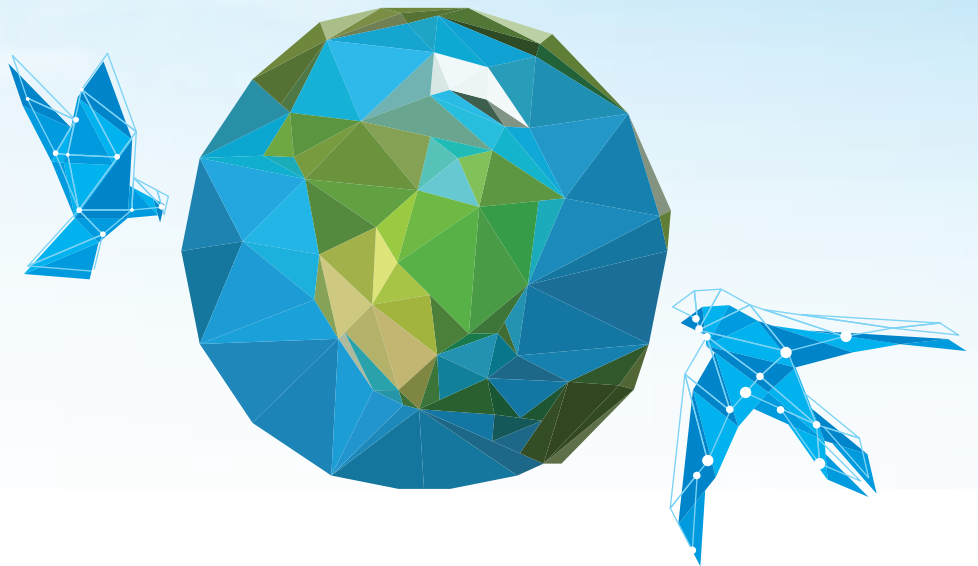


使命

Mission

To Enhance Crop
Productivity and Soil
Fertility

讓作物更高產
讓土壤更肥沃



公司資料

Corporate Information

董事會

執行董事

池文富(主席)
沈世捷
池靜超

非執行董事

郭孟勇

獨立非執行董事

張省本
盛洪
劉智傑

公司秘書

陸世煒

委員會

審核委員會

張省本(委員會主席)
盛洪
劉智傑

提名委員會

池文富(委員會主席)
張省本
盛洪

薪酬委員會

張省本(委員會主席)
沈世捷
盛洪
劉智傑

BOARD OF DIRECTORS

Executive Directors

Chi Wen Fu (*Chairman*)
Shum Sai Chit
Chi Jing Chao

Non-executive Director

Guo Mengyong

Independent Non-executive Directors

Cheung Sound Poon
Sheng Hong
Lau Chi Kit

Company Secretary

Luk Sai Wai, Simon

COMMITTEES

Audit Committee

Cheung Sound Poon (*Committee Chairman*)
Sheng Hong
Lau Chi Kit

Nomination Committee

Chi Wen Fu (*Committee Chairman*)
Cheung Sound Poon
Sheng Hong

Remuneration Committee

Cheung Sound Poon (*Committee Chairman*)
Shum Sai Chit
Sheng Hong
Lau Chi Kit

總辦事處

香港
九龍
尖沙咀
廣東道9號
港威大廈第6座11樓1104室
電話：(852) 2802 2165
傳真：(852) 2802 2697
電郵：ir@centurysunshine.com.hk
網址：www.centurysunshine.com.hk

核數師

國衛會計師事務所有限公司
香港執業會計師

主要往來銀行

中國農業銀行股份有限公司
中國銀行股份有限公司
星展銀行(香港)有限公司

HEAD OFFICE

Suite 1104, 11th Floor, Tower 6, The Gateway
9 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong
Telephone : (852) 2802 2165
Fax : (852) 2802 2697
E-mail : ir@centurysunshine.com.hk
Website : www.centurysunshine.com.hk

AUDITORS

HLB Hodgson Impey Cheng Limited
Hong Kong Certified Public Accountants

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bank of China Limited
DBS Bank (Hong Kong) Limited

投資者資料

Information for Investors

上市資料

上市地點 : 香港聯合交易所有限公司
(「聯交所」) 主板

股票代號 : 509

LISTING INFORMATION

Listing : Main Board of The Stock
Exchange of Hong Kong
Limited (“Stock Exchange”)

Stock code : 509

股份資料

本公司每股面值 : 4,581,116,843股
0.02港元之
已發行股份
(「股／股份」)
(2020年
12月31日)

市值(2020年 : 311,515,945港元
12月31日)

每手買賣單位 : 5,000股

SHARE INFORMATION

Company’s shares of : 4,581,116,843 Shares
HK\$0.02 each
(the “Shares”) in issue
(31 December 2020)

Market capitalisation : HK\$311,515,945
(31 December 2020)

Board lot size : 5,000 Shares

2020年每股虧損

基本 : 16.27港仙
攤薄 : 16.27港仙

LOSS PER SHARE FOR 2020

Basic : HK16.27 cents
Diluted : HK16.27 cents

2020年每股股息

中期 : 零
末期(擬派) : 零

DIVIDEND PER SHARE FOR 2020

Interim : NIL
Final (proposed) : NIL

股份登記及過戶處**總處：**

Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586, Gardenia Court
Camana Bay
Grand Cayman KY1-1110
Cayman Islands

香港分處：

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

註冊辦事處

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

SHARE REGISTRAR AND TRANSFER OFFICES**Principal:**

Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586, Gardenia Court
Camana Bay
Grand Cayman KY1-1110
Cayman Islands

Hong Kong:

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

REGISTERED OFFICE

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



主席報告書

Chairman's Statement



感謝大家長期以來對世紀陽光集團控股有限公司(「本公司」，連同其附屬公司，統稱「世紀陽光」或「本集團」)的信任與支持。本人謹代表本公司董事(「董事」)會(「董事會」)，欣然提呈本集團截至2020年12月31日止年度(「年內」)之全年業績以供股東審閱。

2020年，史無前例的新冠肺炎疫情重創全球經濟。國際貨幣基金組織(IMF)不斷下調全球經濟增長預期，2020年全球經濟預計將萎縮4.4%，相當於2009年跌幅的7倍，是上世紀30年代大蕭條以來最嚴重的衰退。中國作為率先控制疫情、率先復工復產、唯一實現經濟正增長的主要經濟體，成為世界經濟最突出的亮點。隨著新冠疫苗全球推廣接種，疫情拐點將顯露曙光，但疫情防控常態化仍將常備不懈。前所未有的新冠疫情大流行和世界經濟大衰退印證了2020年是極不平凡的一年。

行業回顧

從短期看，這一場突如其來的疫情使得農業及農業產業鏈受到嚴重影響。由於疫情期間實施不同程度的社交隔離措施，有些農戶減緩了耕種和施肥的農作活動，有些農村地區處於「貨不能發、車不能跑」的狀態而耽誤了農資用品的採購和施用。2020年第三季度，中國南方地區又發生特大暴雨洪澇，影響範圍廣、持續時間長，超過7000萬人受災，農田淹沒。由於農業耕作具有季節性強的顯著特點，2020年的春耕與夏種季節分別受到疫情和洪災的疊加衝擊，嚴重影響了本公司的業績表現。本集團於年內實現收入約2,151,811,000港元，稅後虧損約984,205,000港元，整體毛利率錄得14.1%。

I would like to thank all for the unfailing support and the total confidence in Century Sunshine Group Holdings Limited (the “Company” and together with its subsidiaries, “Century Sunshine” or the “Group”). On behalf of the board (the “Board”) of directors (the “Directors”) of the Company, I am pleased to present the annual results for the year ended 31 December 2020 (the “Year”) of the Group for the perusal of our shareholders.

In 2020, the unprecedented COVID-19 outbreak hit the global economy severely. The International Monetary Fund (IMF) has continuously lowered its forecasts on global economic growth. It is anticipated that the global economy would shrink by 4.4% in 2020, which is about 7 times of the decline in 2009, representing the worst recession since the Great Depression in the 1930s. As the major economy, being highly successful in controlling the pandemic, resuming work and production, and the only one achieving positive economic growth, China has become the most prominent country of the world economy. With the promotion of the coronavirus vaccine globally, the turning point of the pandemic will be revealed. However, the pandemic prevention and control measures would be the new-normal. The unprecedented COVID-19 pandemic and the great recession of the world economy are evident that the year 2020 was a very extraordinary year.

INDUSTRY REVIEW

In the short term, the unexpected pandemic has severely affected the agriculture and the chain in agricultural sector. Due to the implementation of different social distancing measures in different areas during the pandemic, certain farmers have slowed down farming and fertilisation activities. Some products could not be shipped to certain rural areas. It has delayed the procurement and application of agricultural goods. In the third quarter of 2020, severe rainstorms and floods hit Southern China, affecting a wide area and lasted for a long time. More than 70 million people's farmland was flooded. Due to the significant seasonal characteristics of farming, the spring plowing and summer planting seasons in 2020 were affected by the pandemic and floods respectively. As such, the Group's business performance was adversely impacted. The Group achieved the revenue of approximately HK\$2,151,811,000 during the Year. The loss after tax was approximately HK\$984,205,000, and the overall gross profit margin recorded 14.1%.

主席報告書 Chairman's Statement

然而，從長遠看，眾所周知，肥料是糧食的「糧食」，是保障糧食增產增收，提高農作物營養水平不可或缺的重要供給物。中國是全球最大的肥料生產國和消費國，肥料工業的壯大，為中國農業和國民經濟的持續發展提供了堅實基礎。中國政府過往連續十年出台的中央一號文件都是關注「三農問題」，為肥料行業的發展提供了良好的政策支持。

變中求進

農業部印發的《到2020年化肥使用量零增長行動方案》明確限制化肥總體施用量，並要求調整肥料使用結構，大力推廣高效環保的新型肥料。本公司的綠色生態肥料板塊自成立起，一直致力於新型綠色肥料的研發和推廣。本集團擁有「中國硫基肥之父」的「紅日型」噴漿造粒專利技術，「艷陽天」、「湛藍」、「樂呵呵」等金字招牌和忠實的客戶群體，以及本集團擁有的國家級農化服務中心。於復工復產之後，農化人員深入第一線，對商務人員、經銷商、種植大戶、農戶進行線上線下農化知識培訓，提高他們的科學種植水平，將銷售配套的農化服務真正落到實處。逆勢之下，唯有加強核心競爭力，方能實現企業長遠的持續發展轉型。



主席報告書 Chairman's Statement

However, in the long run, it is well known that the fertiliser is the “food” to grain. The fertiliser is important and indispensable to improve the nutrition of crops and thus, increase production volumes and enhance incomes of farmers. China is the world's largest fertiliser producer and consumer. The growth of the fertiliser industry has provided a solid foundation for the sustainable development of China's agriculture and national economy. The No. 1 Central Documents issued by the PRC Government for the past ten consecutive years were all about “Issues Concerning Agriculture, Rural Areas and Farmers”. These policies provide good directives and support for the development of the fertiliser industry.

PROGRESS IN A CHANGING ENVIRONMENT

The “Action Plan for Zero Growth of Fertiliser Use by 2020” issued by the Ministry of Agriculture restricts the overall application of chemical fertilisers, requires the adjustment of the structure of fertiliser application, and greatly promotes the new high-efficiency and environmentally-friendly fertilisers. Since the establishment, the Group's green ecological fertiliser segment has been committed to developing and promoting new green fertilisers. The Group has the patented technology of “Hongri” type of spray granulation originated from the “Father of China's Sulphur-based Fertiliser”. The Group has “Yanyangtian (豔陽天)” · “Zhan Lan (湛藍)” “Le He He (樂呵呵)” and other reputable brands, a huge size of loyal customers, as well as the state-level agricultural-chemical services center. After the resumption of production, the agricultural-chemical service teams conducted training sessions online and offline for business personnel, distributors, large growers, and farmers. It has improved their scientific planting skills, implementing the ancillary agricultural-chemical services. Under the adverse business environment, the only way to achieve long-term sustainable development and transformation is to strengthen the core competitiveness of the Group.

主席報告書

Chairman's Statement

本集團另一主營板塊鎂產品業務，是由集團子公司——稀鎂科技集團控股有限公司（「稀鎂科技」）運營。產業鏈上下游供求因受到全球疫情大流行的嚴重衝擊，海外汽車製造工廠和零部件加工企業的停工停產，市場需求疲軟，對稀鎂科技造成的負面影響也顯而易見。然而，稀鎂科技擁有的22項高性能鎂合金生產工藝和制備方法的技術專利，以及多年積累的競爭優勢和奠定的客戶基礎都將形成長期發展的動力。

致謝

在此，本人謹代表董事會，對各股東、管理團隊、全體同仁及業務夥伴等在過去一年的支持及貢獻表示誠摯的感謝。2021年，本公司將繼續進行技術、產品和營銷模式的創新，恪守經營理念和社會使命，在創新中求發展，在發展中謀共贏，不忘初心，致力為所有利益相關者帶來福利，共創美好！

池文富

主席

香港，2021年3月26日



主席報告書 Chairman's Statement

The Group's another main segment of the magnesium product business is operated by the Group's subsidiary, Rare Earth Magnesium Technology Group Holdings Limited ("REMT"). Due to the severe hit on the industrial chain by the global pandemic, overseas automobile manufacturing plants and parts processing enterprises have been shut down. The market demand for magnesium products has remained weak. Hence, the negative impact on REMT is also apparent. However, since REMT owns 22 technical patents of the production processes and preparation methods for high-performance magnesium alloys, coupled with the competitive advantages and customer base accumulated over the years, the driving force for long-term development for REMT remains.

ACKNOWLEDGMENTS

On behalf of the Board, I wish to thank our shareholders, management team, staff members, and business partners for their support and contributions to the Group during the Year. In 2021, the Company will continue to innovate in technology, products, and marketing models; abide by the business philosophy and social mission; seek development through innovation; seek win-win results in development; stay true to the original aspiration, strive to bring benefits to all stakeholders; and create a better future!

Chi Wen Fu

Chairman

Hong Kong, 26 March 2021

管理層討論及分析

Management Discussion and Analysis

業務回顧與分析

截至2020年12月31日止全年(「年內」)，本集團整體收入達2,151,811,000港元(2019年：4,314,420,000港元)。同比減少約50.1%，整體毛利率錄得14.1%(2019年：24.6%)，稅後虧損為984,205,000港元，比去年同期溢利428,254,000港元減少約329.8%。其中，農業肥料業務年內收入為1,378,985,000港元(2019年：2,735,195,000港元)，同比減少約49.6%，主要由於新冠肺炎疫情和南方洪水災害的疊加影響，導致農戶減緩了耕種和施肥的農作活動。本集團通過「稀鎂科技」持有之鎂產品業務，年內收入為744,836,000港元(2019年：1,515,291,000港元)，同比減少約50.8%，平均毛利率約17.5%(2019年：27.5%)。稀鎂科技的銷售收入減少主要由於全球疫情肆虐，鎂產業鏈下游的海外加工製造廠停工停產，導致市場需求下降，使產業鏈的供給端備受壓力。

山東紅日「退城入園」

山東紅日化工股份有限公司(「山東紅日」)響應和配合臨沂市羅莊區政府關於企業「退城入園」(「項目」)的要求，並享受山東省政府「退城入園」相關政策。自2019年下半年啟動項目至今，全部廠房已逐步拆遷，山東紅日正密切與地方政府相關部門商討進一步的操作方案，推進項目儘快實施。

根據山東省政府「退城入園」的相關政策，山東紅日在按時完成項目後可把原廠址所處的土地，由工業用地依法報批改變用途，本公司有望受益於土地變性後的增值收益，實現額外收益，惟最終變更將視乎中國相關政府部門的批准。

BUSINESS REVIEW AND ANALYSIS

Throughout the year ended 31 December 2020 (the “Year”), the Group recorded an overall revenue of HK\$2,151,811,000 (2019: HK\$4,314,420,000), representing a year-on-year decrease of approximately 50.1%, with an overall gross profit margin of 14.1% (2019: 24.6%). The loss after tax was HK\$984,205,000, representing a decrease of approximately 329.8% as compared with HK\$428,254,000 of the same period of last year. Revenue from the fertiliser business during the Year was HK\$1,378,985,000 (2019: HK\$2,735,195,000), representing a year-on-year decrease of approximately 49.6%, which was mainly because of the slow-down of farming and fertilisation activities by farmers. It results from the combined effect of the COVID-19 epidemic and the flood disaster in Southern China. Revenue from the magnesium product business held by the Group through REMT was HK\$744,836,000 (2019: HK\$1,515,291,000) during the Year, representing a year-on-year decrease of approximately 50.8%. Average gross profit margin was approximately 17.5% (2019: 27.5%). For REMT, the decrease in revenue is mainly due to the global epidemic outbreak causing the suspension and shutdown of overseas processing factories, which is the downstream of the magnesium industrial chain. It has led to the decline in market demand, and hence, the supply side of the industrial chain is under pressure.

“RELOCATION OF INDUSTRIES FROM CITY URBAN AREA TO INDUSTRIAL PARKS” BY SHANDONG HONGRI

Shandong Hongri Chemical Joint Stock Company Limited (“Shandong Hongri”) has cooperated with Luozhuang District Government of Linyi City to respond to the requirements of “Relocation of Industries from City Urban Area to Industrial Parks” (“the Plan”). Shandong Hongri is benefited from the relevant policies of the Shandong Provincial Government on the Plan. All plants have been gradually demolished since the launch of the Plan in the second half of 2019 to date. Shandong Hongri is closely discussing with the local authorities for further instructions to propel the implementation of the Plan as soon as possible.

In accordance with the relevant policies of the Shandong Provincial Government on the Plan, Shandong Hongri can use the land where the plant is originally located, for changing the industrial use of the land after obtaining approval. The Company expects to benefit from the value appreciation after the change of use of the land, and reap additional gains. But the use of the land after the change will eventually hinge upon the approval of relevant authorities in the PRC.

管理層討論及分析 Management Discussion and Analysis

主要營運數據

年內之未經審核主要營運數據與2019年同期數據比較如下。下表所列的主要業務超過本集團年內總營業額的98%。

(a) 主要產品之銷售量：

| | | 2020 噸 Tonnes | 2019 噸 Tonnes | 減少 Decrease % |
|--------|----------------------------|---------------------|---------------------|---------------------|
| 農業肥料業務 | Fertiliser business | 616,661 | 1,091,589 | (43.5) |
| 鎂產品業務 | Magnesium product business | 39,156 | 60,559 | (35.3) |

(b) 主要產品之平均售價：

| | | 2020 港元／噸 HK\$/Tonne | 2019 港元／噸 HK\$/Tonne | 減少 Decrease % |
|--------|----------------------------|----------------------------|----------------------------|---------------------|
| 農業肥料業務 | Fertiliser business | 2,236 | 2,506 | (10.8) |
| 鎂產品業務 | Magnesium product business | 18,951 | 25,022 | (24.3) |

(c) 毛利率：

| | | 2020 % | 2019 % | 減少百分點 Decrease Percentage point |
|---------|---------------------------------|-------------|-----------|--|
| 農業肥料業務 | Fertiliser business | 12.8 | 22.5 | (9.7) |
| 鎂產品業務 | Magnesium product business | 17.5 | 27.5 | (10.0) |
| 本集團之毛利率 | The Group's gross profit margin | 14.1 | 24.6 | (10.5) |

KEY OPERATIONAL DATA

Unaudited key operational data for the Year, together with the comparative figures for the corresponding period in 2019, is as follows. Main businesses listed below contributed over 98% of the Group's total revenue for the Year.

(a) Sales volume of major products:

(b) Average selling price of major products:

(c) Gross profit margin:

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營運收入及毛利

集團兩項主營業務：農業肥料業務及鎂產品業務銷售佔比和去年相若，分別為64.1%及34.6% (2019年：63.4%及35.1%)。

年內，農業肥料業務收入約為1,378,985,000港元 (2019年：2,735,195,000港元)，減少約49.6%；整體毛利率減少9.7百分點至12.8%。收入減少主要由於2020上半年疫情期間的社交隔離措施及第三季中國南方地區的特大暴雨洪澇，嚴重影響了農業耕作的春耕與夏種，耽誤了農資用品的採購和施用，導致集團的肥料總銷量由2019年的1,091,589噸下降至年內的616,661噸，對本集團2020年業績造成嚴重影響。

年內，鎂產品業務收入約為744,836,000港元 (2019年：1,515,291,000港元)，減少約50.8%；整體毛利率減少10.0百分點至17.5%。收入減少主要是由於全球新冠肺炎疫情蔓延流行，各國政府採取嚴格的疫情防控措施，實體企業一度停工停產，行業產業鏈的供給端和需求端備受壓力，市場需求減弱以及鎂價處於低位徘徊等原因，導致鎂產品業務的總銷量由2019年的60,559噸下降至年內的39,156噸，對本集團2020年業績亦造成嚴重影響。

其他收益或虧損淨額

其他收益或虧損淨額約為60,309,000港元，同比減少約30.4%，減少主要因為出售物業、廠房及設備，本年錄得虧損約8,781,000港元，去年同期錄得收益約42,089,000港元。

OPERATING INCOME AND GROSS PROFIT

Contribution of revenue by our Group's dual core businesses: fertiliser business and magnesium product business accounted for similar proportion as compared to last year, representing 64.1% and 34.6% (2019: 63.4% and 35.1%) respectively.

During the Year, the revenue of fertiliser business was approximately HK\$1,378,985,000 (2019: HK\$2,735,195,000), representing a year-on-year decrease of approximately 49.6%. The overall gross profit margin decreased by 9.7 percentage points to 12.8%. The decrease in revenue was mainly due to the implementation of social distancing measure during the epidemic in 1H2020 and the server rainstorms and floods in Southern China during the third quarter of 2020, seriously affecting the spring plowing and summer planting. It has delayed the procurement and application of agricultural goods. As such, the total sales volume of our fertilisers decreased to 616,661 tonnes for the Year as compared to 1,091,589 tonnes for 2019, which adversely impacts the results of the Group for 2020.

During the Year, the revenue of magnesium product business was approximately HK\$744,836,000 (2019: HK\$1,515,291,000), representing a year-on-year decrease of approximately 50.8%. The overall gross profit margin decreased by 10.0 percentage points to 17.5%. The decrease in revenue was mainly due to the spread of the global epidemic outbreak, in response to which governments of all countries carried out stringent prevention and control measures. It has once, led to the suspension of production of real enterprises, the pressure on the supply and demand sides of the industrial chain, the weak market demand, and the low magnesium price. As such, the total sales volume of products of our magnesium product business decreased to 39,156 tonnes for the Year as compared to 60,559 tonnes for 2019 that seriously impacts the results of the Group for 2020.

OTHER NET GAINS OR LOSSES

Other net gains or losses were approximately HK\$60,309,000, a decrease of approximately 30.4% year-on-year, which was mainly due to disposal of property, plant and equipment, being recorded a loss of HK\$8,781,000 for the Year, as compared to a profit of approximately HK\$42,089,000 for last year.

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銷售及市場推廣費用

銷售及市場推廣費用約為55,377,000 港元(2019年: 107,917,000港元), 主要包括市場業務費用、銷售人員工資及銷售運輸費用, 佔收入約2.6%(2019年: 2.5%)。在疫情防控的特殊時期, 本集團採取靈活的營銷模式, 農化人員深入第一線, 對商務人員、經銷商、種植大戶、農戶進行線上線下農化知識培訓, 提高他們的科學種植水平, 將營銷活動及市場推廣結合農化服務落到實處。

行政開支

行政支出主要包括員工薪酬、折舊及攤銷、審核及專業費用等費用。本年度之行政開支約為237,492,000港元(2019年: 295,171,000港元), 同比減少約19.5%, 主要因年內關閉及清拆了山東紅日之廠房, 節省了員工及營運開支。

財務費用

財務費用約為179,501,000港元, 同比增加約16.8%, 財務費用增加主要是由於本集團在本年度內的若干債務發生交叉違約後確認的違約利息所致。

所得稅開支

年內之所得稅開支約為56,222,000港元, 同比減少約65.6%, 主要由於收入減少。

SELLING AND MARKETING EXPENSES

Selling and marketing expenses of approximately HK\$55,377,000 (2019: HK\$107,917,000) accounted for approximately 2.6% (2019: 2.5%) of revenue, which mainly consisted of market operating expenses and sales staff salaries, and sales and distribution expenses. During the special period of the epidemic, the Group has carried out flexible model of marketing. The agricultural-chemical service teams conduct training sessions online and offline for business personnel, distributors, large growers, and farmers. It has improved their scientific planting skills, implementing the ancillary agricultural-chemical services.

ADMINISTRATIVE EXPENSES

Administrative expenses mainly included staff compensation, depreciation and amortisation, auditing and professional expenses. Administrative expenses for the Year were approximately HK\$237,492,000 (2019: HK\$295,171,000), representing a decrease of approximately 19.5% year-on-year. The decrease was mainly resulted from the closure of Shangdong Hongri factories thereby saving on reduced staff and operating costs during the Year.

FINANCE COSTS

Finance costs were approximately HK\$179,501,000, representing an increase of approximately 16.8% year-on-year. The increase in finance costs were mainly due to default interests recognised subsequent to the cross default of certain debts of the Group during the Year.

INCOME TAX EXPENSE

The income tax expense for the Year was approximately HK\$56,222,000, representing a decrease of approximately 65.6% year-on-year, which mainly due to the decrease in revenue.

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非經常性項目

年內，本集團確認以下之資產撇銷、減值及撥備 合共853,464,000港元(2019年：3,134,000港元)：

1. 物業、廠房及設備撇銷

誠如公司2019年年報披露，山東紅日化工股份有限公司(「山東紅日」)，為本公司間接非全資附屬公司，位於山東省臨沂市。山東紅日正在與當地政府合作，實現「創新、和諧、綠色、開放及共享」之遠景，加快現代化工業進程，推動結構優化，並重新規劃管控工業區作為生態城市。為此，山東紅日於2019年發起實施「退城入園」並穩步將山東之生產轉移至江蘇及江西之生產基地，科學合理地調整了生產計劃，實現整體銷售目標，滿足客戶需求。

生產轉移完成後，山東紅日清拆該等設施並清空場地，符合當地政府規定可隨時用來發展之狀態。因此，本集團確認虧損撇銷約659,451,000港元，主要是該等建築、設施及裝置以及清拆及拆除之淘汰設備所致，而餘額約549,000港元來自其他基地，合共約660,000,000港元(2019年：零港元)。詳情可見財務報表附註16。

2. 商譽減值

由於受全球疫情影響，本集團之鎂產品業務之業績受到嚴重衝擊，加上其年內之債務交叉違約，本集團確認商譽減值約46,028,000港元，而餘額約224,000港元來自其他業務，合共約46,252,000港元(2019：零港元)。詳情可見財務報表附註20。

NON-RECURRING ITEMS

During the Year, the Group recognised the following written-off, impairment and allowance on assets in aggregate of HK\$853,464,000 (2019: HK\$3,134,000):

1. *Written-off of property, plant and equipment*

As disclosed in the 2019 annual report of the Company, Shandong Hongri Chemical Joint Stock Company Limited ("Shandong Hongri"), an indirect non-wholly owned subsidiary of the Company, which is located in Linyi City, Shandong Province. Shandong Hongri is working with the local government to realise the vision of being "innovative, harmonious, green, open and sharing", to speed up modern industrialisation, to promote the structural optimisation and to rezone the control of industrial area as an ecological city. To this end, Shandong Hongri initiated the implementation of the Plan in 2019 and steadily transferred the production from Shandong to the production bases of Jiangsu and Jiangxi, and scientifically and reasonably adjust the production plan, so to achieve the overall sales targets, and satisfy customers' needs.

Upon completion of the transfer of production, Shandong Hongri dismantled those establishments and cleared the site in the state ready for development as required by the local government. Therefore, the Group recognised a loss on written off of approximately HK\$659,451,000 which was mainly for those buildings, fixtures and fittings, and obsoleted equipment dismantled and demolished while the rest of approximately HK\$549,000 for other sites, in aggregate of approximately HK\$660,000,000 (2019: HK\$Nil). For details, please see Note 16 to the financial statements.

2. *Impairment of goodwill*

Due to the global epidemic, the performance of the Group's magnesium product business has been severely affected, together with its cross defaults on certain debts during the Year, the Group recognised an impairment of goodwill of approximately HK\$46,028,000 while the rest of approximately HK\$224,000 for other business in aggregate of approximately HK\$46,252,000 (2019: HK\$Nil). For details, please see Note 20 to the financial statements.

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3. 貿易應收款項、其他應收款項及按金信貸虧損撥備

根據相關財務報告準則第9號，企業被要求入賬其預期於其發出發票當日發生之虧損以及其修訂其對於其獲得支付之前之虧損之估計。預期信貸虧損之概念指企業被要求查看當前及未來之經濟狀況對虧損金額之影響。然而，這並非指該等虧損實際已經發生，亦非指在未來年度該等虧損會發生。反而，預期信貸虧損反應於報告日期可用之信息，並需在各財政年度作出評估。本集團委任獨立估值師評估截至2020年12月31日之貿易應收款項、其他應收款項及按金之預期信貸虧損。受到2020年發生的新冠疫情影響，本集團肥料業務應收款項收款嚴重推遲。因此，就本年度作出撥備147,212,000港元(2019年：3,134,000港元)。詳情可見財務報表附註26及27。

3. Allowance for expected credit losses on trade receivables, other receivables and deposits

Under HKFRS 9, companies are required to account for what they expect the loss to be on the day they raise the invoice – and they revise their estimate of that loss until the date they get paid. The concept of expected credit losses (ECLs) means that companies are required to look at how current and future economic conditions impact the amount of loss. However, it does not mean that such losses had actually occurred nor should have been happen in coming years. Instead, ECLs reflect information available at reporting date and it should need to be assessed at each financial year. An independent professional valuer was engaged by the Group to assess the ECLs for the trade receivables, other receivable and deposits as at 31 December 2020. Affected by the COVID-19 epidemic and floods in 2020, the Group's fertiliser business receivables collection was significantly delayed. Therefore, an allowance of approximately HK\$147,212,000 (2019: HK\$3,134,000) was made for the Year. For details, please see Notes 26 and 27 to the financial statements.

利潤

年內，本集團的稅後虧損約984,205,000港元(2019年：溢利約428,254,000港元)，同比減少約329.8%。若扣除上述之非經常項目共約853,464,000港元(2019年：3,134,000港元)，經調整年內經營性之稅後虧損約為130,741,000港元，而去年之溢利約431,388,000港元。此逆轉主要因為2020年春耕與夏種季節分別受到疫情和洪災的疊加影響，對產業鏈的需求端和供給端造成衝擊。因此，本集團整體業務表現受到不利影響。

末期股息

董事會並無建議派付截至2020年12月31日止年度末期股息(2019：無)。

MARGIN

During the Year, the Group's after-tax loss was approximately HK\$984,205,000 (2019: profit of approximately HK\$428,254,000), representing a decrease of approximately 329.8% year-on-year. If excluding the above non-recurring items of approximately HK\$853,464,000 (2019: HK\$3,134,000), the adjusted after-tax loss from operations for the Year was approximately HK\$130,741,000, while that of last year was a profit of approximately HK\$431,388,000. The reverse was mainly due to the hit on the demand and supply sides of the industrial chain as driven by the combined effect of the epidemic and the flood disaster in spring ploughing and summer planting seasons in 2020 respectively. As such, the Group's overall business performance was adversely impacted.

FINAL DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2020 (2019: Nil).

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可能的債務重組及就重組用途委任共同臨時清盤人

本集團過去多年來在肥料業務、煉鋼熔劑業務及鎂產品業務方面一直保持強勁的增長和盈利能力。然而，來勢汹汹的新冠肺炎疫情爆發，加上中國政府採取史上最嚴的疫情防控措施，受嚴峻疫情影響，集團主要業務不能正常營運或僅限度營運，訂單減少及應收賬款回收周期延長，導致本集團在2020年上半年的盈利能力和流動資金大幅下降。由於全球性新冠肺炎疫情持續蔓延及中美關係緊張升級，對本公司為票據和其他借貸進行再融資的能力產生不利影響，導致於2020年7月3日到期的本金金額為101,750,000新加坡元之後償票據出現贖回違約。

為促進其債務重組從而取得法定延緩以禁止未經法庭准許下對本公司展開或持續進行任何訴訟，於2020年7月2日(開曼群島時間)本公司已向開曼群島大法院(「大法院」)提交清盤呈請(「呈請」)及申請就重組用途委任安永企業財務服務有限公司的閻正為先生、蘇潔儀女士、Ernst & Young Ltd.的Roy Bailey先生以及EY Cayman Ltd.的Tammy Karina Fu女士(統稱為「共同臨時清盤人」)為本公司「非強制」共同臨時清盤人，並授予其共同及個別之權力。本公司之附屬公司稀鎂科技亦已就同一目的向百慕達最高法院作出類似申請。

「非強制」原則行事，即董事會仍將繼續管理本公司及維持集團日常運作，而共同臨時清盤人會與公司管理層一起致力於監督、督導和監察集團整體進行全面及經協調的債務和負債重組，包括維持本公司在聯交所的上市。

共同臨時清盤人申請已於2020年7月14日(開曼群島時間)於大法院進行聆訊。大法院頒布一項命令，委任共同臨時清盤人並即時生效。

POSSIBLE DEBT RESTRUCTURING AND THE APPOINTMENT OF JOINT PROVISIONAL LIQUIDATORS FOR RESTRUCTURING PURPOSES

Historically, the Group has enjoyed strong growth and profitability over a number of years in its fertiliser business, metallurgical flux business, and magnesium product business. However, the raging COVID-19 outbreak and the Chinese Government's epidemic prevention and control measures have led to key businesses either not operating normally or only operating on a limited basis. These conditions had resulted in slower orders and longer receivable collection cycles and has led to a material reduction in the Group's profitability and liquidity in the first half of 2020. This, coupled with the spread of the epidemic, and the rising tensions between the United States of America and mainland China have adversely affected the Company's ability to refinance the Notes and other borrowings, leading to the default in its redemption of its subordinated notes in aggregate principal amount of SGD101,750,000 that matured on 3 July 2020.

In order to facilitate a restructuring of its debts with the benefit of a statutory moratorium prohibiting the commencement or continuance of any proceedings against the Company without the leave of court, the Company has filed on 2 July 2020 (Cayman Islands time) to the Grand Court of the Cayman Islands (the "Grand Court") a winding up petition ("Petition") together with the application for the appointment of Mr. Yen Ching Wai David and Ms. So Kit Yee Anita of Ernst & Young Transactions Limited, Mr. Roy Bailey of Ernst & Young Ltd., and Ms. Tammy Karina Fu of EY Cayman Ltd. (collectively, the "JPLs") as the "light-touch" joint provisional liquidators of the Company for restructuring purposes, with the power to act jointly and severally. REMT, the subsidiary of the Company, has also made a similar application to the Supreme Court of Bermuda for the same purpose.

A "light touch" basis is that the Board will retain management of the Company and maintain the operation of the Group, while the JPLs will work alongside the Company's management to monitor, supervise, and oversee the implementation of a group-wide holistic and coordinated restructuring of its debts and liabilities including to maintain the listing of the Company on the Stock Exchange.

The JPLs Application was heard before the Grand Court on 14 July 2020 (Cayman Islands time). The Grand Court granted an order that the JPLs have been appointed with immediate effect.

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於2020年8月18日，大法院向香港高等法院發出請求書（「請求書」），要求在香港承認共同臨時清盤人的任命和權力，以（其中包括）制定並提出重組計劃，致使本公司能夠繼續持續經營。大法院亦於當日接受其中一位共同臨時清盤人閻正為先生之辭任。而有關Roy Bailey先生、Tammy Karina Fu女士及蘇潔儀女士作為共同臨時清盤人的委任令則維持生效。共同臨時清盤人於2020年8月26日向香港高等法院提出申請，要求頒令認可共同臨時清盤人的任命，及獲得根據該請求書所給予的共同臨時清盤人權利。於2020年8月28日，香港高等法院已批准該申請。

於2020年10月15日（開曼群島時間），經共同臨時清盤人申請，大法院進一步命令，呈請將延後至2021年4月19日（星期一）（開曼群島時間）進行聆訊。

共同臨時清盤人於2020年10月28日向新加坡共和國高等法院（「新加坡高等法院」）提出申請，要求頒令認可共同臨時清盤人的任命，及獲得根據該請求書所給予的共同臨時清盤人權利。於2020年11月30日，新加坡高等法院已批准該申請。

於年內，共同臨時清盤人已與已登記債權的債權人舉行債權人會議，並組成債權人委員會，以便於諮詢及協助制定債務重組計劃。任何該等計劃的制定以及實施須受債權人會議上大多數債權人協定以及大法院及香港高等法院授出的命令限制。

於2020年12月23日，新加坡債券持有人成立了非正式指導委員會。於2021年3月7日，非正式指導委員會委任了一家獨立財務顧問（「獨立財務顧問」），與其共同列席債權人委員會，並推進後續相關工作。

本公司亦正在採取若干措施改善及加強本集團之運營管理。當中包括(i)內部資本及債務重組，以及尋求潛在投資者參與籌資計劃；及／或(ii)對資本投資及運營採取進一步之成本控制措施，以降低本集團之整體運營成本。本公司將繼續致力於爭取債權人的積極反饋，以支持計劃。

On 18 August 2020, the Grand Court issued a letter of request (“LOR”) to the High Court of Hong Kong for the recognition of the appointment and powers of the JPLs in Hong Kong to, inter alia, develop and propose a restructuring plan to allow the Company to continue as a going concern. The Grand Court also accepted the resignation of one of the JPLs, Mr. Yen Ching Wai David on the same day. The JPLs appointment order remains in force in respect of Mr. Roy Bailey, Ms. Tammy Karina Fu and Ms. So Kit Yee Anita as JPLs. An application has been filed by the JPLs to the High Court of Hong Kong on 26 August 2020 for the recognition of the appointment and powers of the JPLs pursuant to the LOR. On 28 August 2020, the High Court of Hong Kong has approved the said application.

On 15 October 2020 (Cayman Islands time), after the application of JPLs, the Grand Court has further ordered that the hearing of the Petition be adjourned to be heard on Monday, 19 April 2021 (Cayman Islands time).

An application has been filed by the JPLs to the High Court of the Republic of Singapore (the “Singapore High Court”) on 28 October 2020 for the recognition of the appointment and powers of the JPLs pursuant to the LOR. On 30 November 2020, the Singapore High Court has approved the said application.

During the Year, the JPLs have held the creditors’ meeting with creditors who have registered their rights, and have formed the creditors’ committee for consultation purposes and to assist the JPLs regarding the formulation of the debt restructuring plan. Any determination and implementation of such plan shall be subject to the agreement of the majority of creditors at the meeting and the orders granted by the Grand Court and the High Court of Hong Kong.

On 23 December 2020, the Singapore Noteholders have established the informal steering committee (the “ISC”). On 7 March 2021, the ISC has appointed an independent financial advisor (the “IFA”), who sits on the creditors’ committee, together with the ISC, to proceed the follow-up work.

The Company is also taking various measures to improve and strengthen the operation and management of the Group. These measures include (i) restructuring internal capital and debt, and seeking potential investors to participate in fundraising plans; and/or (ii) taking further cost control measures on capital investment and operation to reduce the overall operating costs of the Group. The Company is committed to continuing seeking positive feedbacks from creditors to support the plan.

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重組計劃進程如有重大進展，本公司將另行刊登公佈。

認可令

根據開曼群島公司法第99章，清盤開始後就本公司財產(包括據法權產)作出的任何產權處置，以及本公司任何股份(「股份」)轉讓，或本公司成員地位的變更均屬無效，除非大法院另行命令。

經審慎考慮本公司的現時情況及事物狀況後，董事會已尋求法律顧問的意見並認為目前無需在此階段申請認可令。本公司將不時評估情況，並根據情況的發展採取必要的措施。

本公司將於適當時候就涉及呈請的任何重大進展刊登進一步公佈。

流動資金、負債及財務資源

本集團於2020年的流動資金主要來自年內經營業務及融資活動所產生的現金。於2020年12月31日，本集團之銀行及現金結餘合共約為173,654,000港元(2019年：832,662,000港元)。

於2020年12月31日，本集團之總借貸(包括於年內重新分類之可轉換債券)約為2,140,789,000港元較2019年之約2,180,883,000港元減少約1.8%，資產淨值較2019年減少約16.0%。本集團於2020年之負債比率(總借貸除資產總值)約為30.9%(2019年：28.6%)。

The Company will make further announcements in respect of any substantial development of the restructuring plan.

VALIDATION ORDER

Pursuant to Section 99 of the Cayman Islands Companies Law, any disposition of the property of the Company, including things in action, and any transfer of shares of the Company (the “Shares”), or alteration in the status of the members of the Company, made after the commencement of the winding up, shall, unless the Grand Court otherwise orders, be void.

The Board has sought the legal counsel’s advice and after due and careful consideration of Company’s current circumstances and state of affairs, it is of the view that there is currently no need to apply for a validation order at this stage. The Company will evaluate the situation from time to time and take such steps as may be required as circumstances evolve.

Further announcement(s) in relation to any material development of the Petition will be made by the Company as and when appropriate.

LIQUIDITY, LIABILITIES AND FINANCIAL RESOURCES

The Group’s liquidity in 2020 was mainly derived from cash generated from business operations and financing activities during the Year. As at 31 December 2020, total amount of bank and cash balances of the Group was approximately HK\$173,654,000 (2019: HK\$832,662,000).

As at 31 December 2020, the Group’s total borrowings (including the Exchange Bonds reclassified during the Year) of approximately HK\$2,140,789,000 decreased by approximately 1.8% as compared to that of 2019 of approximately HK\$2,180,883,000, while net assets decreased by approximately 16.0% as compared to 2019. The Group’s gearing ratio (calculated by total borrowings over total assets) was approximately 30.9% in 2020 (2019: 28.6%).

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展望

中國政府連續十年的中央一號文件都是關注「三農問題」，持續推進農業農村高質量綠色發展。本公司自成立起，一直以「讓作物更高產，讓土壤更肥沃」為使命，深耕綠色產業，我們的通用型肥料、生態類肥料和功能性肥料都與中國政府鼓勵施用綠色生態肥料的產業政策導向相吻合。我們將繼續為農業農村高質量綠色發展、為穩定安全的糧食供應，而不懈努力！

2020年全球經濟下滑，各行各業受到重創。對於企業的運營和管理都是極具挑戰的一年，公司上下齊心抗疫。我們的研發團隊持續進行技術、產品的創新；在保證嚴格防護的前提下，保障生產基地有序復工複產，維持產銷穩定運行。

2021年，本公司將對現有業務發展採取審慎態度，希望通過過往二十年經營拓展奠定的堅實基礎實現變中求進。在研發、生產、營銷等企業經營環節，蓄勢積累力量，使其在後疫情時代，繼續拓展農業綠色生態肥市場的新容量，追求高質量綠色發展新生態。

補充資料

資產抵押

於2020年12月31日，本集團有抵押其資產，詳情於財務報表附註28及32披露。

資本承擔

於2020年12月31日，本集團並無任何重大資本承擔，惟於財務報表附註39所披露者除外。

PROSPECT

The No. 1 Central Document issued by the PRC Government for the past ten consecutive years has been all about “Issues Concerning Agriculture, Rural Areas and Farmers”, in which the high-quality and ecological development is promoted for the agriculture and rural areas. Since the establishment of the Company, we have been upholding “to Enhance Crop Productivity and Soil Fertility” as our mission, and focusing on the green industry. Our general fertilisers, ecological fertilisers and functional fertilisers comply with the industrial policies of the Chinese Government, which encourages the utilisation of green ecological fertilisers. We are determined to make unremitting efforts into the high-quality green development of agriculture and rural areas, and to ensure a stable and safe food supply.

In 2020, with the recession of the global economy, all industries have suffered. This year marked a challenging year for the operation and management of enterprises. The Company worked together to fight against the epidemic. Our R&D team continued to innovate technology and products/production. Under the premise of strict protection, we ensured the orderly resumption of work and production at the production bases, and maintained the stable production and sales operation.

Looking ahead into 2021, the Company will be cautious on the development of existing business. We will make progress amid changes based on our solid foundation laid by the operation and expansion from the past 20 years. In the research and development, production, marketing, and other sections of the enterprise operation, we will accumulate strength to explore in the agricultural market of the green ecological fertilisers, and to pursue a new high-quality ecosystem of green development in the post-epidemic era.

SUPPLEMENTARY INFORMATION

PLEDGE OF ASSETS

As at 31 December 2020, the Group had pledge of its assets, details of which are disclosed in Notes 28 and 32 to the financial statements.

CAPITAL COMMITMENTS

As at 31 December 2020, other than those disclosed in Note 39 to the financial statements, the Group did not have any material capital commitments.

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或然負債

於2020年12月31日，本集團並無任何重大或然負債，惟於財務報表附註44所披露者除外。

資本結構

於2020年12月31日，本公司已發行股本為91,622,337港元，分為4,581,116,843股，每股面值0.02港元。

項目概覽

白雲石礦

本集團之白雲石礦，位於中國吉林省白山市。該礦場以露天開採方式操作，不涉及也不需要額外勘探工程，開發活動僅涉及露天開採時的簡易基礎工程，並沒有涉及任何地下勘探以及結構工程。已開採之白雲石為本集團生產鎂產品業務之原材料。礦場的位置鄰近本集團生產基地，原料的運輸成本亦相對很低。

本集團之白雲石礦乃按中國資源／儲量分類。截至2020年12月31日的估計資源量和儲量，按已開採量逐年核減，得出剩餘資源量及儲量。本集團與以往披露估算假設相比並無重大變更。該資源量及儲量由本集團之內部地質專家審核。截至2020年12月31日止年度，本集團並無出產白雲石。與2019年12月31日相比，白雲石礦於本年度的估計資源量及礦石儲量並無重大變動。

2020年度之開採活動開支主要用於直接工資、材料、能源、運輸及折舊攤銷費用等，並已計入銷售成本於2020年度之綜合損益及其他全面收益表內扣除。

截至2020年12月31日止年度，白雲石礦開採活動，勘探活動及開發活動之支出皆為零港元。

CONTINGENT LIABILITIES

As at 31 December 2020, other than those disclosed in Note 44 to the financial statements, the Group did not have any significant contingent liabilities.

CAPITAL STRUCTURE

As at 31 December 2020, the issued share capital of the Company were HK\$91,622,337, divided into 4,581,116,843 shares of HK\$0.02 each.

PROJECT OVERVIEW

Dolomite Mine

The Group's dolomite mine is situated in Baishan City, Jilin Province, the PRC. The mine is operated by open-pit method, and therefore no additional exploration works are involved or required. Only simple infrastructure works for open-pit mining are involved in the development activities, and no underground exploration or structural works are involved. The dolomite mined is raw material for producing magnesium products of the Group. The transportation cost for raw material is relatively low due to the close proximity of the mine to the production base of the Group.

The dolomite mine of the Group was reported under the Chinese resource/reserve categories. As at 31 December 2019, the anticipated resource and reserve volumes were determined based on the yearly reduction of quantity mined to calculate the remaining resource and reserve volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes was reviewed by the Group's internal geological experts. For the year ended 31 December 2020, there was no dolomite output. As compared with the state as at 31 December 2019, there was no material change in the resource estimate and ore reserve of the dolomite mine during the Year.

During 2020, the expenditures incurred in mining activities were mainly for direct wages, materials, energy, transportation, depreciation and amortisation, etc. Such expenditures have been included in cost of sales and charged to the consolidated statement of profit or loss and other comprehensive income for 2020.

The expenditure incurred in mining activities, exploration activities and development activities of dolomite for the year ended 31 December 2020 were HK\$Nil.

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蛇紋石礦

本集團之蛇紋石礦，位於中國江蘇省東海縣。該礦場以露天開採方式操作，不涉及也不需要額外勘探工程，開發活動僅涉及露天開採時的簡易基建工程，並沒有涉及任何地下勘探以及結構工程。已開採之蛇紋石直接作為鋼鐵冶煉的輔助材料出售和作為本集團生產硅鎂肥之原材料。礦場的位置鄰近本集團生產基地，原料的運輸成本亦相對很低。

本集團之蛇紋石礦於2010年購入時，乃按JORC準則資源／儲量分類。截至2020年12月31日的估計資源量和儲量乃根據購入時的數量，按已開採量逐年核減，得出剩餘資源量及儲量。本集團與以往披露估算假設相比並無重大變更。該資源量及儲量由本集團之內部地質專家審核。截至2020年12月31日止年度，本集團完成出產蛇紋石288,757噸。與2019年12月31日相比，蛇紋石礦的估計資源量及礦石儲量並無重大變動。

2020年度之開發活動開支主要為礦山破碎系統防塵改造，並已予資本化並計入2020年度之綜合財務狀況表內。開採活動開支主要用於直接工資、材料、能源、運輸及折舊攤銷費用等，並已計入銷售成本於2020年度之綜合損益及其他全面收益表內扣除。

截至2020年12月31日止年度，蛇紋石礦開發及開採活動產生之支出分別約為7,480,000港元及24,494,000港元，而勘探活動之支出則為零港元。

Serpentine Mine

The Group's serpentine mine is situated in Donghai County, Jiangsu Province, the PRC. The mine is operated by open-pit method, and therefore no additional exploration works are involved or required. Only simple infrastructure works for open-pit mining are involved in the development activities, and no underground exploration or structural works are involved. The serpentine mined is sold directly as metallurgical flux for iron and steel smelting and is raw material for producing silicon magnesium fertilisers of the Group. The transportation cost for raw material is relatively low due to the close proximity of the mine to the production base of the Group.

The resource/reserve of the Serpentine Mine was reported under the JORC system when it was acquired in 2010. As at 31 December 2020, the anticipated resource and reserve volumes were determined based on the volume at the time of acquisition with the yearly reduction of quantity mined to calculate the remaining resource and reserve volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes was reviewed by the Group's internal geological experts. For the year ended 31 December 2020, the Group completed a serpentine output of 288,757 tonnes. As compared with the state as at 31 December 2019, there was no material change in the resource estimate and ore reserve of the serpentine mine.

The expenditures incurred for 2020 in development activities were mainly CAPEX for transformation of dust control of the blasting system. Such expenditures have been capitalised and included in the consolidated statement of financial position for 2020. The expenditures incurred in mining activities were mainly for direct wages, materials, energy, transportation, depreciation and amortisation, etc. Such expenditures have been included in cost of sales and charged to the consolidated statement of profit or loss and other comprehensive income for 2020.

The expenditures incurred in development and mining activities of serpentine for the year ended 31 December 2020 were approximately HK\$7,480,000 and HK\$24,494,000 respectively while the expenditures incurred in exploration were HK\$Nil.

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主要風險及不明朗因素

本集團的財務狀況、營運業績及業務前景可能受到與本集團業務直接或間接相關的許多風險及不明朗因素的影響。以下為本集團知悉的主要風險及不明朗因素。除下文所列者外，或會存在本集團並未知悉或目前可能不重要但日後可能變得重要的其他風險及不明朗因素。

市場風險

市場風險乃因市場需求、產品價格、匯率及利率等的變動，而使盈利能力受損或影響達成業務目標的能力的風險。本集團管理層對該等風險持續密切監控，以確保能及時有效採取適當措施以應對。

匯率風險

本集團主要在中華人民共和國（「中國」）及香港經營業務，故此承受多種外匯風險，主要涉及人民幣、港元、新加坡元、美元及澳元。外匯風險源於未來商業交易、已確認資產及負債，以及外國經營的投資淨額。本集團現時並無對沖外匯風險。本集團定期檢討持有除港元以外之貨幣之流動資產及負債以評估外匯風險並於必要時考慮使用對沖工具。

利率風險

對於利息敏感型產品及投資，本集團以動態基準分析其利率風險，並考慮適當時透過各種手段以低成本方式管理該風險。

信貸風險

本集團一直以來十分重視我們客戶的信貸風險。本集團嚴格遵循於2004年建立的「客戶賬戶管理程式」。該程式要求並確保根據每一客戶先前的交易記錄和信貸往績，定期評估及追蹤所有客戶的賬戶。本集團就每名客戶的經營和資信狀況授予一系列信貸措施，例如：信貸比率、信貸期限、信貸評級、信貸條款及擔保。客戶賬戶管理程式可有效控制本集團之信貸風險。

KEY RISKS AND UNCERTAINTIES

Our Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The followings are the key risks and uncertainties identified by our Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material now but could turn out to be material in the future.

Market risks

Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the movement in market demand, product prices, foreign exchange rates, and interest rates. The management of our Group keeps continually monitoring these exposures closely to ensure appropriate measures are implemented on a timely and effective manner against such risks.

Exchange rate risk

The Group mainly operates in the People's Republic of China (the "PRC") and Hong Kong and is exposed to foreign exchange risk arising from primarily with respect to Renminbi, HK\$, Singapore dollars, US\$ and Australian dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group does not presently hedge the foreign exchange risks. The Group periodically reviews liquid assets and liabilities held in currencies other than HK\$ to evaluate its foreign exchange risk exposure and consider the usage of hedging instruments when necessary.

Interest rate risk

For interest-sensitive products and investments, our Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through variety of means.

Credit risk

The Group has always been aware of the credit risk exposure of our customers. The Group strictly followed the "client account management procedures" established in 2004. The procedures required and ensured that all clients were regularly assessed and be kept track of their transaction records and credit history. The Group specified and assigned to each customer, as according to their operation and credit status, a series of credit measures such as credit ratio, credit period, credit rating, credit terms and guarantee. The client account management procedures were effective to control the credit risk of the Group.

管理層討論及分析 Management Discussion and Analysis

營運風險

營運風險指因內部程序、人員或制度不足或缺失，或因外部事件導致之損失風險。管理營運風險之責任基本上由集團及附屬公司的職能部門負責監控和落實。本集團之主要功能是對營運程序、權限及匯報框架作出指引。管理層將會定期評估主要之營運風險及業務發展所帶來的影響，制定相應措施，完善內控制度，以及時有效應對和規避風險。

投資風險

投資風險乃界定為因各項外在因素轉變導致任何某項投資相對其預期回報期延長或投資回報低於預期或投資項目發生虧損的可能性。本集團深明持續開拓業務類型和區域，對集團業務發展的重要性，並落實在年度重點工作任務中。項目投資的主要考慮因素為平衡各類投資之風險及回報，因而風險評估乃投資決策過程中的重要一環。本集團已設立適當的投資項目評估和盡職調查程序，並會於批准投資前進行詳細分析。本集團之投資項目進度會定期更新，並向董事會匯報。

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with functional departments of the Group and its subsidiaries. Key functions of the Group is to guide their standard operating procedures, limits of authority and reporting framework. Our management will assess key operational exposures and effect raised in business development regularly, implement relevant measures and improve the internal control so that risk can be responded and mitigated on a timely and effective manner.

Investment risk

Investment risk can be defined as the likelihood of extension of its return period relative to the expected return or occurrence of losses on any particular investment attributable to changes of external factors. The Group is well aware of importance of exploring various business opportunities and territories on a continual basis, and also implement as the top agenda of the year. Key concern of projects investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process. Proper investment assessment and due diligence procedures have been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of our Group would be submitted to the Board.

管理層討論及分析

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人力供應及留聘人才之風險

人力資源管理風險主要指由於本集團業務發展迅速，對人才需求迫切，也面對行業對人才的激烈競爭以及人員的流動性，本集團可能面臨或存在着未能有效引進及挽留具備適當及所需技能、經驗及才能之主要人員及人才以配合業務發展的風險，這些主要人員及人才均是達致本集團業務目標所需之因素。本集團將會對薪酬體系和激勵機制進行全面分析，優化薪酬結構以確保員工薪酬處於市場合理水平，並具有競爭力。同時，開拓招聘渠道，不斷充實高級管理層後備人才，並加強對員工的系統化培訓，提供員工升職機會及拓寬事業前途，弘揚良好的企業文化。

環境政策及表現

環境政策及表現主要指中國政府對環保法規政策的重視程度和愈加嚴格的規管要求，本集團之附屬公司及新併購企業由於建成投運已久，可能或將會存在與國家陸續出台的環保與責任要求有某種不足或差距的情況。本集團密切關注環保政策及外在因素的變動對集團業務發展所帶來的影響，本集團以對環境負責和履行社會責任，致力於改善及保持其經營場所所在地環境及社區之長期可持續性，盡力遵守有關環保之法律及法規，並採取有效措施達致資源有效利用、能源節約及廢物減少。本集團日常營運已採納綠色倡議及措施。該等倡議包括資源回收、節約能源措施及節約用水等行動。

Manpower and retention risk

Manpower risk means huge demand for talents because of the Group's rapid business development while at the same time facing severe competition over specialists from the industry and turnover of manpower. Our Group may face the risk of not being able to recruit and retain key personnel and talents with appropriate and required skills, experience and competence to cope with the expansion of business which would meet the business objectives of our Group. Our Group will conduct a thorough analysis over its remuneration system, as well as incentive mechanism and optimise the compensation structure so as to ensure remuneration packages can align reasonably with market standard and maintain its competitiveness. Meanwhile, recruitment channels are broadened and the talent pool of senior management are strengthened, so as to further enhance the promotion opportunities and career path of employees. Systematic staff training are also being further enhanced to increase the overall effectiveness of training and the dissemination of good corporate cultures.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Environmental policies and performance mainly means increasing attention of PRC government paid to environmental rules and policies and more strict regulatory requirements. As subsidiaries and newly acquired enterprises commenced into operation for a long while and lag behind certain environmental and duty requirements promulgated by PRC government. The Group monitors impact on business development closely raised from movements of environmental policy and external factors. Acting in an environmentally responsible manner and performing social responsibilities, the Group is committed to improving and maintaining the long term sustainability of the communities in which it operates. The Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. Green initiatives and measures have been adopted in daily operation of the Group. Such initiatives include recycling of resources, energy saving measures and water saving practices.

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遵守法律及規則

本集團的業務主要由本公司於中國內地的附屬公司進行，而本公司於聯交所上市。因此，本集團營運須遵守中國內地及香港的有關法律及法規。截至2020年12月31日止年度及直至本報告日期，盡我們所知，本集團已遵守中國內地及香港的所有有關法律及法規。

與員工及主要持份者之關係

於2020年12月31日，本集團所僱用之員工數目約為1,670名(2019年：約2,350名)。本集團根據員工之表現、工作經驗和現時市場情況訂定彼等之薪酬。員工福利包括醫療保險、定期供款公積金計劃、酌情花紅和僱員購股權計劃。本集團並無發生任何導致正常業務運作受影響之勞資糾紛或僱員數目重大改變。董事認為本集團與僱員關係良好。

本集團明白與商業夥伴、股東、投資者及銀行保持良好關係，是我們達成長遠目標的要素。為了與我們的持份者維持密切的關係，本集團已制定相應的投資者關係計劃，並不定期為不同持份者舉辦合適的參與活動，包括週年／特別股東大會、現場考察、研討會和路演等等。故此，高級管理層會在適當情況下與彼等進行良好溝通、適時交流想法及共享集團發展最新動向。年內，本集團與商業夥伴或銀行之間並沒有重大的糾紛。

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in mainland China while the Company is listed on the Stock Exchange. The Group's operations accordingly shall comply with relevant laws and regulations in mainland China and Hong Kong. During the year ended 31 December 2020 and up to the date of this report, to the best of our knowledge, the Group has complied with all the relevant laws and regulations in mainland China and Hong Kong.

RELATIONSHIP WITH EMPLOYEES AND KEY STAKEHOLDERS

The number of employees of the Group was approximately 1,670 (2019: approximately 2,350) as at 31 December 2020. The remuneration of employees was determined by the Group with reference to their performance, work experience and current market conditions. Employee benefits include medical insurance, defined provident fund scheme, discretionary bonus and employee share option scheme. There has been no labour dispute or significant change in the number of employees that affect the normal operations of the Group. The Directors believe that the Group maintains admirable relations with its employees.

Our Group understands that it is important to maintain good relationship with business partners, shareholders, investors and banks to achieve its long-term goals. To keep up with our key stakeholders closely, the Group has formulated corresponding scheme about investor relationship, and also holds tailored activities from time to time, such as annual/extraordinary general meetings, on-site visits, seminars and road-shows. Accordingly, our senior management have kept good communication, promptly exchanged ideas and shared business latest update about development of the Group with them when appropriate. During the Year, there was no material dispute between our Group and its business partners or banks.

董事及高級管理層簡歷

Directors and Senior Management Profile

執行董事

池文富，58歲，本集團主席，負責制訂整體策略方針和重要營運決策。1995年，池先生在福州市開設律師事務所，擔任合夥人。此前池先生已於1989年成為中國合資格律師，加入福州市司法局經濟律師事務所。1998年初，池先生著手研究有機農業種植，並資助複合微生物菌劑產品的研究和開發項目。池先生畢業於化學分析專業及法律專業。池先生於2000年成立本集團。

沈世捷，63歲，本集團行政總裁，負責整體業務營運。加入本集團之前，沈先生曾為可新有限公司董事總經理。可新有限公司主要從事紡織品製造和貿易業務。沈先生於1984年加入福建省紡織品進出口公司，出任經理，負責紡織品的進出口業務。沈先生畢業於消費品價格及統計專業。沈先生自2002年1月加入本集團。沈先生現時亦為稀鎂科技之執行董事。

池靜超，38歲，本集團企業事務總監，負責整體企業事務，在企業事務管理方面有10年工作經驗。池先生畢業於財務與行政管理專業。池先生於2004年8月加入本集團。池先生現時亦為稀鎂科技之執行董事。

EXECUTIVE DIRECTORS

CHI Wen Fu, aged 58, Chairman of the Group who is responsible for overall strategic planning and key operating decisions. Mr. Chi started his law firm in Fuzhou in 1995, in which he was the Managing Partner. Prior to that, Mr. Chi joined Fuzhou Justice Bureau Commerce Law Office after qualifying as a lawyer in the PRC in 1989. In early 1998, Mr. Chi originated an initial research on organic agricultural production and funded a R&D project on microbial compound fertilisers. Mr. Chi is a graduate of Chemical Analysis and Law. Mr. Chi established the Group in 2000.

SHUM Sai Chit, aged 63, Chief Executive Officer of the Group who is responsible for business operations. Prior to joining the Group, Mr. Shum was the Managing Director of Go Modern Limited which was principally engaged in manufacturing of textile products and trading activities. In 1984, Mr. Shum joined Fujian Textiles Import and Export Corporation as a Manager to oversee importing and exporting of textile products. Mr. Shum is a graduate of Consumer Product Pricing and Statistics. Mr. Shum has joined the Group since January 2002. Mr. Shum is currently an executive director of REMT.

CHI Jing Chao, aged 38, Chief Corporate Affairs Officer of the Group who is responsible for the overall corporate activities. Mr. Chi has 10 years of experience in corporate affairs. Mr. Chi is a graduate of Financial and Administrative Management. Mr. Chi has joined the Group since August 2004. Mr. Chi is currently an executive director of REMT.

董事及高級管理層簡歷 Directors and Senior Management Profile

非執行董事

郭孟勇，62歲，現任福建長盛無線電技術開發有限公司副總經理，負責電子工程技術管理，該公司主要從事生產電子產品及通訊設備。郭先生於1976年加入福州電容器廠擔任技術員。郭先生自1993年起於福州儀表總廠任職工程師，並於1996年出任副廠長，負責技術質量控制。郭先生於2000年加入福建無線電總公司擔任副總經理，負責品質管理。郭先生畢業於工業企業管理專業。郭先生自2011年2月加入本集團。

獨立非執行董事

張省本先生，60歲，目前為稀鎂科技之獨立非執行董事。張先生現任郭崔會計師行高級核數經理。彼曾任Gary W.K. Yam & Co. (CPA)之高級核數主任。張先生擁有逾40年會計及核數經驗。於2004年2月至2007年5月期間，張先生曾出任本公司之獨立非執行董事及董事會審核委員會主席。

盛洪，58歲，為 SWIFTOWN Development Limited 董事及 SWIFTOWN (Shanghai) Trading Limited 總經理。SWIFTOWN 集團主要從事設計及銷售金屬製造產品。盛先生於企業管理及投資擁有超過20年經驗。他曾於1986年至1996年期間任職於華潤(集團)有限公司。盛先生持有上海同濟大學工學學士學位。

NON-EXECUTIVE DIRECTOR

GUO Mengyong, aged 62, is a Deputy General Manager of Fujian Changsheng Wireless Technology Development Company Limited. He is responsible for electronic engineering technical management. Fujian Changsheng Wireless Technology Development Company Limited is principally engaged in production of electronic products and communication devices. Mr. Guo joined Fuzhou Capacitors Factory as a Technician in 1976. From 1993 onwards, Mr. Guo worked at Fuzhou Meters Group Company as an Engineer and later promoted to the Deputy Factory Manager in 1996, in charging of technical quality control. In 2000, Mr. Guo joined Fujian Wireless Group Company as Deputy General Manager and was responsible for quality management. He is a graduate of Industrial Enterprise Management. Mr. Guo has joined the Group since February 2011.

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHEUNG Sound Poon, aged 60, is currently an independent non-executive director of Rare Earth. Mr. Cheung is currently a senior audit manager at Chui & Kwok (CPA). He was an audit senior at Gary W.K. Yam & Co. (CPA). Mr. Cheung has over 40 years of experience in accounting and auditing. He was an independent non-executive director and the chairman of audit committee of the board of the Company between February 2004 and May 2007.

SHENG Hong, aged 58, Director of SWIFTOWN Development Limited and General Manager of SWIFTOWN (Shanghai) Trading Limited. The SWIFTOWN Group is principally engaged in design and sales of metallic products. Mr. Sheng has over 20 years of experience in management of corporation and investment. He was employed by China Resources (Holdings) Company Limited from 1986 to 1996. Mr. Sheng holds a Bachelor's Degree in Engineering Mechanics from Tongji University, Shanghai.

董事及高級管理層簡歷

Directors and Senior Management Profile

劉智傑，76歲，為普匯中金國際控股有限公司(股份代號：997)之執行董事。劉先生服務香港上海滙豐銀行有限公司(「滙豐銀行」)逾35年後，於2000年12月退任。劉先生曾於滙豐銀行任職副總經理兼香港個人銀行業務主管及亞太區副總經理兼策略執行業務主管。劉先生為香港銀行學會(「學會」)資深會士。劉先生曾於學會之理事會擔任主席(自1999年1月至2000年12月)，目前擔任學會理事會之榮譽顧問。劉先生先後獲香港特別行政區政府委任服務多個委員會，包括環境諮詢委員會(自1998年10月至2001年12月)、財經界人力資源諮詢委員會(自2000年6月至2001年5月)、廉政公署防止貪污諮詢委員會(自2000年1月至2003年12月)、環境及自然保育基金委員會(自2000年8月至2006年10月)、創新及科技基金環境項目評審委員會(自2000年1月至2004年12月)及香港法律改革委員會私隱問題小組委員會(自1990年2月至2006年3月)。劉先生亦曾出任商界環保協會有限公司主席(自1998年9月至2001年12月)。目前，劉先生同時亦為皇朝家居控股有限公司(股份代號：1198)、理士國際技術有限公司(股份代號：842)及衍生集團(國際)控股有限公司(股份代號：6893)之獨立非執行董事。

LAU Chi Kit, aged 76, an executive director of Chinlink International Holdings Limited (stock code: 997). He retired from The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) in December 2000 after more than 35 years of service. Among the major positions in HSBC, he was the assistant general manager and head of Personal Banking Hong Kong and assistant general manager and head of Strategic Implementation, Asia-Pacific Region. He is a fellow of the Hong Kong Institute of Bankers (“Institute”). He was the chairman of the Institute’s Executive Committee (from January 1999 to December 2000). He is currently the honorary advisor of the Institute’s Executive Committee. He served as a member on a number of committees appointed by the Government of Hong Kong Special Administrative Region, including the Advisory Council on the Environment (from October 1998 to December 2001), the Advisory Committee on Human Resources Development in the Financial Services Sector (from June 2000 to May 2001), the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption (from January 2000 to December 2003), the Environment and Conservation Fund Committee (from August 2000 to October 2006), the Innovation and Technology Fund (Environment) Projects Vetting Committee (from January 2000 to December 2004) and the Law Reform Commission’s Privacy Sub-committee (from February 1990 to March 2006). He also served as chairman of the Business Environment Council Limited (from September 1998 to December 2001). Currently, he is also an independent non-executive director of Royale Home Holdings Limited (stock code: 1198), Leoch International Technology Limited (stock code: 842) and Hin Sang Group (International) Holdings Company Limited (stock code: 6893).

董事及高級管理層簡歷 Directors and Senior Management Profile

公司秘書

陸世煒，57歲，本集團財務總監兼公司秘書，負責監督本集團財務、管理會計及公司秘書事宜。加入本集團前，陸先生曾任多間香港上市公司之財務總監，並於財務及管理方面擁有豐富經驗。陸先生持有香港浸會大學工商管理學士學位及英國斯特拉斯克萊德大學工商管理碩士學位，是英國英格蘭及威爾斯特許會計師協會資深會員、香港會計師公會會員和香港註冊財務策劃師協會會員。陸先生於2010年5月加入本集團。

COMPANY SECRETARY

LUK Sai Wai, Simon, aged 57, Chief Financial Officer and Company Secretary of the Group. Mr. Luk is responsible for financial, management accounting and secretarial affairs of the Group. Prior to joining the Group, Mr. Luk was appointed as Financial Controller for several listed companies in Hong Kong and was experienced in finance and management. Mr. Luk holds a Bachelor's Degree in Business Administration from Hong Kong Baptist University and a Master's Degree in Business Administration from University of Strathclyde. He is a fellow member of The Institute of Chartered Accountants in England and Wales, an associate member of Hong Kong Institute of Certified Public Accountants, and a member of Society of Registered Financial Planners, Hong Kong. Mr. Luk has joined the Group since May 2010.

高級管理層

王永翔，52歲，本集團生產總監，負責本集團礦山與肥料生產管理。王先生畢業於礦山規劃與測繪專業，於肥料生產與礦山開採有逾20年豐富經驗。加入本集團前曾任江蘇省東海蛇紋石礦生產技術員、工程師、硫酸廠廠長等職務。王先生於2007年加入本集團。

SENIOR MANAGEMENT

WANG Yongxiang, aged 52, Production Director of the Group, is responsible for the production management in ore and fertiliser of the Group. Mr. Wang majored in planning and surveying of mining industry with over 20 years of experience in agricultural fertilisers production and mining. Prior to joining the Group, he was the Production Technician and Engineer at Donghai serpentine mine in Jiangsu Province, and the Head of Sulfuric Acid Factory. Mr. Wang has joined the Group since 2007.

朱國才，47歲，本集團銷售總監，負責本集團肥料銷售管理。朱先生畢業於吉林省農業大學，於農業管理、肥料營銷方面有逾20年經驗。加入本集團前，朱先生曾任山東紅日化工股份有限公司的大區總監及銷售副總經理等職務。朱先生於2000年加入山東紅日公司。

ZHU Guocai, aged 47, Sales Director of the Group, is responsible for sales management in fertiliser business of the Group. Mr. Zhu graduated from Jilin Agricultural University, and has over 20 years of experience in the agricultural management and marketing of fertiliser. Prior to joining the Group, Mr. Zhu served as Regional Director and Deputy General Manager of sales in Shandong Hongri Chemical Joint Stock Company Limited. Mr. Zhu joined Shandong Hongri in 2000.

董事及高級管理層簡歷

Directors and Senior Management Profile

周建輝，48歲，負責本集團肥料基地安全環保事務管理。周先生畢業於種植與土壤專業，於農業肥料行業有逾20年豐富經驗。曾任肥料廠廠長、公司總經理等職務。周先生於2007年加入本集團。

ZHOU Jianhui, aged 48, is responsible for the safety environment management of the fertiliser base of the Group. Mr. Zhou majored in agriculture with over 20 years of experience in agricultural fertilisers industries, and has served in various positions, such as the Head of Fertiliser Factory and Company General Manager. Mr. Zhou has joined the Group since 2007.

呂文清，41歲，本集團主席助理。呂女士在人力資源與行政事務管理方面有逾10年經驗。呂女士持有香港理工大學會計學士學位和公司管治碩士學位，是英國特許公認會計師公會資深會員和香港特許秘書公會會士。呂女士於2004年8月加入本集團。

LEE Man Ching, aged 41, Assistant to Chairman of the Group. Ms. Lee has over 10 years of experience in human resources and administrative management. Ms. Lee holds a Bachelor's Degree in Accountancy and a Master's Degree in Corporate Governance from the Hong Kong Polytechnic University. She is a fellow member of Association of Chartered Certified Accountants, and an associate member of Hong Kong Institute of Company Secretaries. Ms. Lee has joined the Group since August 2004.

企業管治報告

Corporate Governance Report

本公司致力於達致及保持高水平的企業管治與經營誠信。董事會相信，良好企業管治不但可增進管理問責性及投資者信心，亦可為本公司之長期發展奠定良好基礎。

The Company is committed to achieve and maintain high standards of corporate governance and business integrity. The Board believes that good corporate governance will not only improve management accountability and investors confidence, but will lay a good foundation for the long-term development of the Company.

企業管治常規守則

於2020年全年，本公司已遵守聯交所證券上市規則（「上市規則」）附錄14所載之企業管治守則（「企業管治守則」）及企業管治報告之守則條文，惟以下偏離情況及經審慎考慮的理由除外：

- (a) 根據守則條文第E.1.2條，董事會主席須出席股東週年大會。由於董事會主席池文富先生於2020年6月18日及2020年6月30日因其他業務安排，故彼無法出席於該日舉行之股東週年大會。本公司之行政總裁兼執行董事沈世捷先生已出席上述股東週年大會以回應股東提問。
- (b) 根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事須出席股東大會，並對股東之意見有公正的瞭解。獨立非執行董事劉智傑先生因其他業務安排未能出席2020年6月18日舉行的股東大會。非執行董事郭孟勇先生及獨立非執行董事盛洪先生亦因公出差而無法出席2020年6月18日及2020年6月30日舉行的股東大會。

CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the year of 2020, the Company has complied with the code provision as set out in the Corporate Governance Code (the “CG Code”) and Corporate Governance Report under Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) except for the following deviations as explained below with considered reasons:

- (a) Under code provision E.1.2, the Chairman of the Board should attend the annual general meeting. Mr. Chi Wen Fu, the chairman of the Board was unable to attend the annual general meetings held on 18 June 2020 and 30 June 2020 as he was obliged to be away for a business engagement. Mr. Shum Sai Chit, chief executive officer and executive Director of the Company, attended the said annual general meeting to respond to queries from shareholders.
- (b) Under code provision A.6.7, independent non-executive Directors and other non-executive Directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Lau Chi Kit (being an independent non-executive Director) was unable to attend the general meeting held on 18 June 2020 as he was obligated to be away for other business engagement. Mr. Guo Mengyong (being a non-executive Director) and Mr. Sheng Hong (being an independent non-executive Director) was unable to attend the general meetings held on and 18 June 2020 and 30 June 2020 as they were obliged to be away for business trips.

企業管治報告

Corporate Governance Report

董事會

本集團由董事會管治，董事會之責任為策略性領導及全面監督本集團。董事會行使的職權包括：

- 規劃本集團整體策略
- 監察及控制經營及財務表現
- 規劃風險管理政策
- 檢討內部監控系統成效
- 批准財務業績及公佈
- 批准年度經營預算
- 批准主要收購或出售及資本項目
- 審批主要投資及重大借貸
- 制訂股息政策
- 批准委任董事
- 制訂本集團之薪酬政策

董事會亦負責履行守則條文第D.3.1條所載的職務。董事會將召開會議以制定、檢討及監察本公司的企業管治政策及常規，並檢討及監察董事及高級管理層的培訓及持續專業發展，且檢討及監察本公司有關遵守法律及監管規定的政策及常規，同時制定、檢討及監察適用於僱員及董事的標準守則及合規手冊，亦會檢討本公司遵守企業管治守則的情況及於企業管治報告中作出披露的情況。

於2020年度，董事會已就企業管治職能方面檢討本公司遵守企業管治守則及監管與法定規定以及於此企業管治報告中作出披露的情況。

於2020年，主席曾分別地及個別地會見非執行董事及獨立非執行董事，當中並沒有其他執行董事出席。

THE BOARD

The Group is governed by the Board which is responsible for strategic leadership and overall supervision of the Group. The Board exercises a number of authorities which include:

- Formulating the Group's overall strategies
- Monitoring and controlling operational and financial performance
- Formulating strategies for risk management
- Reviewing effectiveness of internal control system
- Approving financial results and public announcements
- Approving annual operating budgets
- Approving major acquisitions or disposals and capital projects
- Reviewing and approving major investments and material borrowings
- Setting dividend policy
- Approving appointment of Directors
- Setting the Group's remuneration policies

The Board is also responsible for performing the functions set out in code provision D.3.1. The Board will meet to develop, review and monitor the Company's corporate governance policies and practices, to review and monitor training and continuous professional development of Directors and senior management, to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements, to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors and to review the compliance of the Company with the CG Code and the disclosure in the corporate governance report.

During the year of 2020, in relation to the corporate governance functions, the Board has reviewed the Company's compliance with the CG Code and the regulatory and statutory requirements, and the disclosure in the corporate governance report.

During 2020, the Chairman had met the non-executive Director and the independent non-executive Directors respectively and individually without the presence of other executive Directors.

企業管治報告 Corporate Governance Report

董事會的成員

董事會由7名董事組成，其中3名為執行董事、1名為非執行董事及3名為獨立非執行董事。因此，獨立非執行董事數目佔董事會超過三分之一。於本報告日期，董事會之成員及簡歷分別載於本年報第32頁及第34頁。

董事會授予執行董事負責本集團日常管理及執行董事會採納之主要策略及方案的權力，而執行董事須適時向董事會提供有關說明及資料，以供董事會監察管理層之表現。

非執行董事為本公司帶來寶貴的專業知識與經驗，並擔當重要職能，提供策略性意見予管理層。

獨立非執行董事確保董事會為所有股東利益負責以及以客觀態度處理事情。3名獨立非執行董事為董事會提供多元化之寶貴商業經驗、知識及專業精神，促進董事會履行本身職能之效率及效能。董事會已收到各獨立非執行董事依照上市規則第3.13條就其獨立性作出的年度確認。董事會認為，所有獨立非執行董事均具獨立性。

池文富先生與池靜超有叔侄親屬關係。此外，郭孟勇先生是池文富先生妻子之兄長。除上述披露外，董事會成員之間概無其他關係。

經檢討(i)各董事所持的董事職務及主要任命；及(ii)各董事於董事會會議及各董事委員會會議的出席率後，董事會信納全體董事於2020年均已付出足夠時間履行彼等責任。

BOARD COMPOSITION

The Board comprises 7 Directors in which 3 are executive Directors; 1 is non-executive Director and 3 are independent non-executive Directors. The number of independent non-executive Directors constitutes more than one-third of the Board. The composition of the Board as at the date of this report and their profiles are set out on page 32 and page 34 of the annual report respectively.

The Board delegates powers to executive Directors for the day-to-day management of the Group and the implementation of major strategies and initiatives adopted by the Board whereas executive Directors should provide such explanations and information to the Board in a timely manner to enable the Board to monitor the performance of management.

Non-executive Director brings in valuable expertise and experience to the Company and serves important functions as well as provides strategic advices to the management.

Independent non-executive Directors ensure that the Board is accountable for the interest of all shareholders and handles matters in an objective manner. The 3 independent non-executive Directors have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for efficient and effective delivery of its functions. The Board has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board considers all of the independent non-executive Directors to be independent.

Mr. Chi Wen Fu and Mr. Chi Jing Chao have a family relationship of uncle and nephew. Mr. Guo Mengyong is a brother-in-law of Mr. Chi Wen Fu. Save as disclosed, there is no other relationship among members of the Board.

Upon reviewing (i) the directorships and major commitments of each Director; and (ii) the attendance rate of each Director at the meetings of the Board and its committees, the Board is satisfied that all Directors have spent sufficient time in performing their responsibilities during 2020.

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本公司已就董事可能面對的法律行動作出適當的投保安排。

主席及行政總裁

本公司的主席及行政總裁分別由池文富先生及沈世捷先生擔任。本公司之主席與行政總裁的角色分開，分別由兩名人士執行。

委任及重選

任何具備合適資歷及預期可為董事會表現帶來正面貢獻的潛在新董事人選，將會由現任董事及提名委員會物色並提呈董事會批准。

根據本公司之組織章程細則，於每屆本公司股東週年大會上，三分之一之董事須輪換卸任，而每位董事須最少每3年卸任一次。池文富先生、盛洪先生及劉智傑先生須於即將舉行之本公司股東週年大會上卸任，惟彼等符合資格並願意膺選連任。

各非執行董事及獨立非執行董事(即郭孟勇先生、張省本先生、盛洪先生及劉智傑先生)已與本公司訂立委任書，年期分別由2021年4月1日、2021年4月1日、2021年4月1日及2020年4月1日起為期2年，惟董事須根據本公司之組織章程細則之規定輪換卸任，該董事或本公司均可透過發出至少3個月事前書面通知終止任命。獨立非執行董事及非執行董事之每年袍金將因應彼等預期於本公司業務上投入之時間及年資作出檢討。

The Company has arranged appropriate insurance cover in respect of legal action against Directors.

CHAIRMAN AND CHIEF EXECUTIVE

The chairman and the chief executive officer of the Company are Mr. Chi Wen Fu and Mr. Shum Sai Chit respectively. The roles of chairman and the chief executive of the Company are separate and exercised by two separate individuals.

APPOINTMENT AND RE-ELECTION

Any potential new Directors, being individuals who are suitably qualified and expected to make a positive contribution to the performance of the Board, will be identified by the existing Directors and the Nomination Committee and submitted to the Board for approval.

In accordance with the articles of association of the Company, at each annual general meeting of the Company, one-third of the Directors shall retire from office by rotation and every Director shall be subject to retirement at least once every 3 years. Mr. Chi Wen Fu, Mr. Sheng Hong and Mr. Lau Chi Kit shall retire at the forthcoming annual general meeting of the Company, but being eligible, offer themselves for re-election.

Each of the non-executive Director and the independent non-executive Directors, namely Mr. Guo Mengyong, Mr. Cheung Sound Poon, Mr. Sheng Hong and Mr. Lau Chi Kit, has entered into a letter of appointment with the Company for a fixed term of 2 years commencing from 1 April 2021, 1 April 2021, 1 April 2021 and 1 April 2020 respectively, subject to the provisions of retirement and rotation of Directors under the articles of association of the Company and save that either such Director or the Company may terminate the appointment by giving at least 3 months' prior written notice. Annual emoluments payable to independent non-executive Directors and non-executive Director will be reviewed according to their estimated time to be spent on the Company's matters and their working experience with the Company.

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目前所有執行董事每年均可各自獲得固定酬金。此外，每位執行董事亦有權獲得按本公司擁有人應佔本集團經審核綜合純利(已扣除稅項、非控股權益及酌情管理花紅支付款項，但未扣除非經常及特殊項目)的某一百分比計算的酌情管理花紅。該百分比將由董事會釐定，惟本公司每一財政年度應付所有執行董事的花紅總額不得超過該純利的5%。每位執行董事的薪酬每年須由董事會經參考其所貢獻的時間、精力及其專業知識進行檢討。

All existing executive Directors are entitled to a fixed remuneration per annum respectively. In addition, each executive Director is also entitled to a discretionary management bonus calculated as a percentage of the audited consolidated net profit of the Group attributable to the owners of the Company (after tax and non-controlling interests and the payment of such management bonuses but before extraordinary and exceptional items), which percentage shall be determined by the Board provided that the aggregate amount of the bonuses payable to all executive Directors in respect of each financial year of the Company shall not exceed 5% of such net profit. The remuneration of each executive Director is subject to the annual review of the Board with reference to his/her contribution in terms of time, effort and his/her expertise.

於年內，董事及高級管理層獲得之個別薪酬詳情，於財務報表附註13披露。

Details of remuneration paid to each of the Directors and senior management during the year are disclosed in Note 13 to the financial statements.

全體董事均有權因履行本公司職務期間產生合理的開支而獲得補償及符合資格根據本公司購股權計劃獲授購股權。

All Directors are entitled to be reimbursed for reasonable expenses incurred during the performance of their duties to the Company and are eligible for share options under the share option scheme of the Company.

董事會程序

董事會須向股東負責，以符合道德、負責任和有效的方式領導本集團。董事會定期召開會議，並會為可能出現的任何特別事項召開臨時會議。

BOARD PROCESSES

The Board is accountable to the shareholders and leads the Group in an ethical, responsible and effective manner. The Board meets on a regular basis and arranges ad-hoc meetings for any specific matters that may arise.

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董事會於2020年共召開4次會議。下表載有個別董事出席董事會會議、委員會會議及股東大會之記錄：

The Board met 4 times in 2020. The attendance of individual Directors at Board meetings, committee meetings and general meetings is set out in the following table:

| | | 所出席／舉行之會議 | | | | |
|----------------|--|-------------------|--------------------------------|-------------------------------------|---------------------------------------|---------------------|
| | | Attended/held | | | | |
| | | 董事會 會議 | 審核委員會 會議 | 提名委員會 會議 | 薪酬委員會 會議 | 股東大會 |
| | | Board Meetings | Audit Committee Meetings | Nomination Committee Meetings | Remuneration Committee Meetings | General Meetings |
| 執行董事 | Executive Directors | | | | | |
| 池文富(主席) | Chi Wen Fu (Chairman) | 5/5 | - | 1/1 | - | 0/2 |
| 沈世捷 | Shum Sai Chit | 5/5 | - | - | 1/1 | 2/2 |
| 池靜超 | Chi Jing Chao | 4/5 | - | - | - | 0/2 |
| 非執行董事 | Non-Executive Director | | | | | |
| 郭孟勇 | Guo Mengyong | 5/5 | - | - | - | 0/2 |
| 獨立非執行董事 | Independent Non-Executive Directors | | | | | |
| 張省本 | Cheung Sound Poon | 5/5 | 5/5 | 1/1 | 1/1 | 2/2 |
| 盛洪 | Sheng Hong | 5/5 | 5/5 | 1/1 | 1/1 | 0/2 |
| 劉智傑 | Lau Chi Kit | 5/5 | 5/5 | - | 1/1 | 1/2 |

議程及隨附董事會文件將於董事會或委員會會議召開前交予全體董事，並給予最少3天供彼等傳閱。董事會須於董事會會議上以投票表決方式或以書面決議案作出決定。倘主要股東或董事於董事會省覽且其認為屬重大之事宜中有利益衝突，有關事宜將以實質舉行董事會會議之方式而非以書面決議案之方式處理。

Agendas and the accompanying board papers are circulated in full to all Directors at least 3 days before the Board or committee meeting. Board decisions will then be resolved either by vote at Board meetings or by written resolutions. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution.

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董事會及董事委員會會議記錄由本公司之公司秘書編製，連同任何補充文件，可供所有董事查閱。會議記錄載有董事會或其委員會所討論事項、所作決定及由董事提出的任何關注或異議。

如董事於董事會將考慮的任何交易或建議中有任何利益衝突，該董事須就其利益作出聲明，並放棄投票。該事項由在該交易或建議中概無重大利益的董事於董事會會議上考慮。

董事之入職及持續專業發展

每位董事獲委任加入董事會時均會收到一份入職資料，內容涵蓋本集團之業務及作為上市公司董事之法定及監管責任。本集團亦會定期知會董事有關上市規則及與彼等履行職務時所需事項相關的其他適用法律及監管規定的最新發展。此外，本公司一直鼓勵董事出席有關適用法律、規則及規例最新發展的講座並提供有關經費，使彼等可持續進修及進一步提高其相關知識及技能。

Minutes of the Board meetings and meetings of the Board committees taken by the company secretary of the Company and, together with any supporting papers, are available for inspection to all Directors. The minutes record the matters discussed by the Board or its committees, the decisions made and any concerns or dissenting views raised by the Directors.

If a Director has a conflict of interests in relation to a transaction or proposal to be considered by the Board, such Director is required to declare his/her interest and abstain from voting. Such matter shall be considered at a Board meeting by Directors who have no material interest in the transaction or proposal.

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director would receive an induction package covering the Group's business and the statutory and regulatory obligations of a director of a listed company. The Group also regularly updates Directors on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements regarding subjects necessary for performing their duties. In addition, the Company has been encouraging and offering to pay for Directors to attend seminars on the latest development of applicable laws, rules and regulations so that they can continuously update and further improve their relevant knowledge and skills.

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根據由董事提供的記錄，各董事於2020年1月1日至2020年12月31日期間接受的培訓概述如下：

According to the records provided by the Directors, the training received by each of the Directors during the period from 1 January 2020 up to 31 December 2020 is summarised as follows:

| | | 持續專業發展 培訓種類 ^{附註} Type of continuous professional development training ^{notes} |
|----------------|--|--|
| 執行董事 | Executive Directors | |
| 池文富 | Chi Wen Fu | B |
| 沈世捷 | Shum Sai Chit | B |
| 池靜超 | Chi Jing Chao | B |
| 非執行董事 | Non-Executive Director | |
| 郭孟勇 | Guo Mengyong | B |
| 獨立非執行董事 | Independent Non-Executive Directors | |
| 張省本 | Cheung Sound Poon | A/B |
| 盛洪 | Sheng Hong | B |
| 劉智傑 | Lau Chi Kit | B |

附註：

notes:

A：出席講座或培訓課程

A：Attending seminar(s) or training session(s)

B：閱讀報章、刊物及有關本公司業務或董事職責及責任、上市規則及其他適用監管規定最新發展等方面的最新資料

B：Reading newspapers, journals and updates relating to the Company's business or directors' duties and responsibilities, the latest development of the Listing Rules and other applicable regulatory requirements etc.

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董事會的權限

董事會已授予高級管理層負責執行業務策略和管理本集團的日常業務運作的權力和責任，其須向董事會匯報。保留予董事會及管理層的職能會定期進行檢討。董事會及各董事有權隨時要求高級管理層及公司秘書提供任何本公司資料。董事亦會適時獲知會有可能影響本集團業務之重大變動，包括有關規則及規例之修訂等事宜。於年內，本公司會每月向董事提供有關本公司表現、狀況及前景的最新資料，以讓整個董事會及各董事履行彼等之職責。董事亦可在履行其職責時尋求獨立專業意見，費用由本公司支付，但於2020年並無董事提出需尋求有關獨立專業意見的要求。

董事會根據若干關鍵表現指標如財務數據、投資者關係、企業管治及內部監控，以監察及檢討管理層的表现。主要措施包括審閱管理賬目、審閱內部或外聘核數師報告及利益持份者之反饋。

董事會成員多元化政策

於本年度，董事會已實施董事會成員多元化政策，其自2013年9月1日起生效。本公司透過考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能知識及服務年期，務求達致董事會成員多元化。所有董事會成員委任乃基於用人唯才，而為有效達致董事會成員多元化，將根據客觀準則考慮候選人。

DELEGATION BY THE BOARD

The Board has delegated the authority and responsibility for implementing business strategies and management of the daily operations of the Group to the senior management who is required to report back to the Board. Functions reserved to the Board and the management are reviewed periodically. The Board and each individual Director is empowered to access any Company's information from senior management and the company secretary at all times. The Directors are kept informed on a timely basis of major changes that may affect the Group's businesses, including amendments on relevant rules and regulations. During the year, Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. Directors are allowed to seek independent professional advice in performing their duties at the Company's expense, but no request was made by any Director for such independent professional advice in 2020.

The Board monitors and reviews performance of the management based on several key performance indicators such as financial figures, investor relations, corporate governance and internal control. The principal measures include review of management accounts, review of internal or external auditor reports and feedbacks from stakeholders.

BOARD DIVERSITY POLICY

During the year, the Board has implemented a board diversity policy which has been effective since 1 September 2013. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

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甄選候選人將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按候選人的長處及其可為董事會提供的貢獻而作決定。

於本報告日期，董事會包括7名董事。董事會成員其中一名為非執行董事及其中三名為獨立非執行董事。董事具有不同的教育背景及擁有多元化的專業資格及商業經驗。就性別、專業及教育背景及技能方面而言，董事會均屬相當多元化。

董事進行證券交易標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為本公司董事進行證券交易之行為守則。本公司已向所有董事作出特別查詢，而彼等亦已書面確認於本年內，彼等已遵守標準守則所載之規定標準。

董事會委員會

為協助董事會執行職務，董事會已設立審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）。該等委員會在明確界定的職權範圍內履行職責。獨立非執行董事在該等委員會中發揮重要作用，以確保獨立客觀的意見可獲採納。

該等委員會的職權範圍可於本公司及聯交所網站瀏覽。

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

As at the date of this report, the Board comprises 7 Directors. Among which, one of them is a non-executive Director and three of them are independent non-executive Directors. The Directors are of diverse educational background and possess a wide spectrum of professional qualifications and business experience. The Board is of significant diversity, whether considered in terms of gender, professional and educational background and skills.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (“Model Code”) as the code of conduct of the Company regarding Directors’ securities transactions. The Company made specific enquiries to all Directors and all Directors have confirmed in writing that they have complied with the required standards set out in the Model Code during the year.

BOARD’S COMMITTEES

To assist in the execution of its responsibilities, the Board has established audit committee (the “Audit Committee”), remuneration committee (the “Remuneration Committee”), and nomination committee (the “Nomination Committee”). These committees function within clearly defined terms of reference. Independent non-executive Directors play a significant role in these committees to ensure that independent and objective views are taken.

The terms of reference of these committees are available on the websites of the Company and the Stock Exchange.

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審核委員會

審核委員會現由張省本先生(審核委員會主席)、盛洪先生及劉智傑先生組成，彼等均為獨立非執行董事。所有委員會成員均具備合適資格如會計及財務管理。

審核委員會於2020年召開5次會議，以與高級管理層及外聘核數師檢討本集團之重大內部控制及財務事宜(如審核委員會之職權範圍所載)。審核委員會之職能包括下列各項：

- 審閱本集團之財務報表並向董事會提供推薦意見以供審批
- 審查本集團遵守法例及法定規定的情況
- 審查本集團之內部監控及風險管理
- 審閱重大會計及審計事項
- 審查本集團之關連交易
- 監察及管理與外聘核數師的關係

審核委員會有權在其職責範圍內對任何事宜進行調查，並獲授權履行其職責時如認為必要可尋求獨立專業意見。於展開審核本公司截至2020年12月31日止年度之財務報表前，審核委員會已接獲核數師根據香港會計師公會發佈之專業會計師操守規範第290條(修訂本)之規定，就彼等之獨立性及客觀性而發出之書面確認。

AUDIT COMMITTEE

The Audit Committee currently consists of Mr. Cheung Sound Poon (chairman of the Audit Committee), Mr. Sheng Hong and Mr. Lau Chi Kit, who are all independent non-executive Directors. All committee members possess appropriate qualifications such as accounting and financial management.

The Audit Committee met 5 times in 2020 to review with the senior management and external auditors the Group's significant internal controls and financial matters as set out in the Audit Committee's terms of reference. The functions of the Audit Committee include the following matters:

- Reviewing the Group's financial statements with recommendation to the Board for approval
- Reviewing the Group's compliance of the regulatory and statutory requirements
- Reviewing the Group's internal control and risk management
- Reviewing significant accounting and audit issues
- Reviewing the Group's connected transactions
- Overseeing and managing the relationship with external auditors

The Audit Committee has power to conduct investigations into any matter within the scope of responsibility of the Audit Committee. The Audit Committee is authorised to obtain independent professional advice if it deems necessary for discharging its responsibilities. The Audit Committee has obtained a written confirmation from the auditors on their independence and objectivity as required under the Section 290 (revised) of the Code of Ethics for Professional Accountants issued by Hong Kong Institute of Certified Public Accountants prior to the commencement of the audit of the Company's financial statements for the year ended 31 December 2020.

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於年內，審核委員會已於個別之審核委員會會議內履行上述職能及已對核數師審閱之審核範圍、過程、有效性以及獨立性表示信納。審核委員會已完成審閱2020年中期及年度財務報表，並向董事會建議通過有關財務報表。董事會與審核委員會對重聘核數師沒有意見分歧。

During the year, the Audit Committee has carried out the above functions in the respective Audit Committee meetings and also has been satisfied with the review of the audit scope, process, effectiveness and independence of the auditors. The Audit Committee has reviewed and recommended to the Board for approval of the interim and annual financial statements for 2020. There was no disagreement between the Board and the Audit Committee on the re-appointment of the auditors.

薪酬委員會

薪酬委員會現時由4名成員組成，包括張省本先生(薪酬委員會主席兼獨立非執行董事)、沈世捷先生(執行董事)、盛洪先生(獨立非執行董事)及劉智傑先生(獨立非執行董事)。

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises 4 members, namely Mr. Cheung Sound Poon (chairman of the Remuneration Committee and independent non-executive Director), Mr. Shum Sai Chit (executive Director), Mr. Sheng Hong (independent non-executive Director) and Mr. Lau Chi Kit (independent non-executive Director).

薪酬委員會之職能為制訂一套具透明度的程序，以制定本集團董事及高級管理層的薪酬政策和方案。薪酬委員會的職能包括：

The functions of the Remuneration Committee are to formulate transparent procedures for setting remuneration policies and packages for Directors and the senior management of the Group. Its duties include:

- 檢討本集團個別執行及非執行董事及高級管理層的薪酬方案並就此向董事會提供建議
- 檢討本公司購股權計劃的管理
- 檢討本集團董事和高級管理層的酬勞的合適程度
- Reviewing and recommending to the Board the remuneration packages of individual executive and non-executive Directors and the senior management of the Group
- Reviewing the administration of the share option scheme of the Company
- Reviewing the appropriateness of compensation for Directors and the senior management of the Group

概無董事參與釐定其本身的薪酬。薪酬委員會於2020年共召開一次會議，以檢討董事及高級管理層的現有薪酬政策。

No Director is involved in determining his/her own remuneration. The Remuneration Committee met once in 2020 to review the existing remuneration policies of the Directors and senior management.

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提名委員會

提名委員會現由3位成員組成，包括池文富先生(提名委員會主席兼執行董事)、張省本先生(獨立非執行董事)及盛洪先生(獨立非執行董事)。

提名委員會的職能包括：

- 檢討董事會之架構、人數及組成
- 建議對董事會作出任何變動以配合本公司的企業策略
- 物色有能力及合資格人選出任董事會成員
- 評核獨立非執行董事之獨立性
- 就委任或重新委任董事及董事繼任安排作出建議
- 制定及維持董事會成員的提名政策
- 制定及維持董事會多元化政策並確保其有效性
- 監察董事會成員多元化政策的執行並檢審及就修訂該等政策提供意見

提名委員會於2020年共召開一次會議，以檢討董事會之架構、人數及組成，並建議董事會變動董事會成員角色及於即將舉行之股東週年大會重新委任卸任董事、同時評核獨立非執行董事之獨立性。

於履行物色合適資格人選為董事會成員之職責時，提名委員會將充分考慮董事會成員多元化政策。

NOMINATION COMMITTEE

The Nomination Committee currently comprises 3 members, namely, Mr. Chi Wen Fu (chairman of the Nomination Committee and executive Director), Mr. Cheung Sound Poon (independent non-executive Director) and Mr. Sheng Hong (independent non-executive Director).

Its duties include:

- Reviewing the structure, size and composition of the Board
- Recommending any change to the Board to complement the Company's corporate strategies
- Identifying capable and qualified individuals to become Board members
- Assessing independence of independent non-executive Directors
- Making recommendation on appointment or re-appointment of Directors and succession planning for Directors
- developing and maintaining a policy for the nomination of Board members
- developing and maintaining a board diversity policy and to ensure its effectiveness
- monitoring the implementation of the Board diversity policy and to review and to make recommendations on any revisions of such policy

The Nomination Committee met once in 2020 for reviewing the structure, size and composition of the Board, making recommendation to the Board regarding change of roles of board members and re-appointment of retiring Directors at the forthcoming annual general meeting, assessing the independence of independent non-executive Directors.

In carrying out the responsibility for identifying suitably qualified candidates to become members of the Board, the Nomination Committee will give adequate consideration to the board diversity policy.

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核數師薪酬

本公司委任國衛會計師事務所有限公司擔任本集團的獨立核數師。除提供審計服務外，國衛會計師事務所有限公司本年度亦提供非審計服務。於2020年度，非審計服務主要包括專業審閱服務。

以下為釐定委任核數師提供非審核服務所考慮的原則：

- 核數師概無作出管理決定
- 不會削弱核數師的獨立性
- 服務質素
- 服務收費

董事會於股東週年大會上獲授權釐定獨立核數師的薪酬。

就2020年所提供的服務，本集團支付／應付予獨立核數師之服務酬金如下：

AUDITORS' REMUNERATION

The Company had appointed HLB Hodgson Impey Cheng Limited as the independent auditors of the Group. Apart from audit services, HLB Hodgson Impey Cheng Limited also provided non-audit services during the year. For the year of 2020, the provisions of non-audit services mainly include professional services for professional review.

The following principles are considered when determining the appointment of the auditors in non-audit services:

- No management decision made by the auditors
- Independence of the auditors not to be impaired
- Quality of service
- Cost of service

The Board was authorised in the annual general meeting to determine the remuneration of the independent auditors.

The remuneration paid/payable by the Group to the independent auditors for the year of 2020 are as follows:

| | | 千港元 HK\$'000 |
|--------------|--|-----------------|
| 國衛會計師事務所有限公司 | HLB Hodgson Impey Cheng Limited | |
| 審核及審核相關服務 | Audit and audit related services | 2,110 |
| 非審核服務 | Non-audit services | 764 |
| 總數 | Total | 2,874 |

本年度之賬目由國衛會計師事務所有限公司審核，其任期將於即將舉行之股東週年大會上屆滿。審核委員會已向董事會建議，於即將舉行之股東週年大會上再次委任國衛會計師事務所有限公司為本公司之核數師。

The accounts for the year were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. The Audit Committee has recommended to the Board that HLB Hodgson Impey Cheng Limited be re-appointed as the auditors of the Company at the forthcoming annual general meeting.

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董事與核數師各自的職責

董事確認彼等負責編製各財政期間之財務報表，該等財務報表須真實公平地反映本公司及其附屬公司的事務狀況，以及符合公司條例(香港法例第622章)的規定及上市規則的適用披露條文。

核數師確認其誠如本年報第72至75頁核數師報告所載之責任。

內部監控

董事會確認其負責設立、維護及檢討本集團內部監控及風險管理系統之有效程度，以確保股東之投資及本集團之資產得到保障。該系統專責管理而非消除未能達成業務目標的風險，僅可就排除重大錯誤陳述或虧損提供合理而非絕對保證。此責任主要由審核委員會履行。於回顧年度，審核委員會獲董事會授權，並已檢討本集團內部監控制度的效用，當中涵蓋所有重大監控方面(包括財務、運作及合規監控以及風險管理功能)。

健全的內部監控制度乃建基於穩健之控制環境。這取決於以下要素：

- 組織之商業道德及文化；
- 其職員之質素及能力；
- 董事會引領之方向；及
- 管理層之效能

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors acknowledge their responsibilities for preparation of the financial statements for each financial period, which give a true and fair view of the state of affairs of the Company and its subsidiaries and in compliance with the requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the applicable disclosure provisions of the Listing Rules.

The auditors acknowledge their responsibilities in the auditors' report as set out on pages 72 to 75 of the annual report.

INTERNAL CONTROLS

The Board acknowledges its responsibility to establish, maintain and review the effectiveness of the Group's system of internal controls and risk management with a view to ensuring that shareholders' investments and the Group's assets are safeguarded. Such system is designated to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. This responsibility is primarily fulfilled on its behalf by the Audit Committee. In the year under review, the Audit Committee, as delegated by the Board, has reviewed the effectiveness of the internal control systems of the Group, covering all material controls, including financial, operational and compliance controls and risk management functions.

The foundation of a strong system of internal control is a solid control environment. This is dependent on the following components:

- Business ethics and culture of the organisation;
- Quality and competence of its personnel;
- Direction provided by the Board; and
- Effectiveness of the management

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風險管理

本集團透過定期檢討以確定重大業務風險領域，以及採取適當措施控制和減低該等風險，從而改進其業務與營運活動。本集團管理層審閱所有重要監控政策及程序，並向董事會及審核委員會特別提出所有重大事件。

本集團內部審計部門協助執行本集團風險管理，因此本集團能確保與本集團營運有關的新出現風險可由管理層立即識別，評估執行計劃的充分性以管理該等風險以及監控及評估執行計劃的有效性。上述均為持續程序且審核委員會定期檢討本集團風險管理系統。

審核委員會向董事會呈報本集團的風險管理及內部監控政策的執行情況，其中包括釐定風險因素、評估本集團能承受的風險級別及風險管理措施的有效性。根據本集團內部監控部門及審核委員會報告，董事會認為，本集團的風險管理及內部監控系統屬適當及有效且本集團已遵守企業管治守則所載之風險管理及內部監控條文。

RISK MANAGEMENT

The Group improves its business and operational activities by identifying the areas of significant business risks via a regular review and taking appropriate measures to control and mitigate these risks. The management of the Group reviews all significant control policies and procedures and highlights all significant matters to the Board and Audit Committee.

The implementation of risk management of the Group was assisted by the Group's internal audit department so that the Group could ensure new and emerging risks relevant to the Group's operation are promptly identified by management, assess the adequacy of action plans to manage these risks and monitor and evaluate the effectiveness of the action plans. These are on-going processes and our Audit Committee reviews the Group's risk management systems periodically.

Audit committee reported to the Board the implementation of the Group's risk management and internal control policy which, among other things, included the determination of risk factors, evaluation of risk level the Group could endure and effectiveness of risk management measures. Based on the reports from the Group's internal control department and the Audit Committee, the Board considers the Group's risk management and internal control system is adequate and effective and the Group has complied with the provisions on risk management and internal controls as set out in the CG code.

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處理及傳播內幕消息的程序及內部監控

本集團遵循證券及期貨條例（「證券及期貨條例」）及上市規則規定。本集團會盡快在合理可行的情況下向公眾披露內幕消息，惟資料屬證券及期貨條例所規定的任何安全保障者除外。在資料全面向公眾披露前，本集團確保資料維持高度機密。倘本集團相信不能維持必要之機密程度或可能已洩露機密，則本集團會即時向公眾披露資料。由於須以清晰及均衡的方式呈列資料並同時披露正面及負面事實，故本集團致力確保公佈或通函所載資料在重大事實方面並無虛假或無具誤導成分或因遺漏重大事實而出現虛假或誤導成分。

與股東溝通及投資者關係

本公司明白開放的溝通及公平的披露的重要性。本公司的政策是要確保所有股東公平地獲得所有重大企業發展的資訊。

全體股東就本公司舉行的任何股東大會均會獲得適當通知，董事及委員會成員均列席會上及對股東提出的任何問題作出解答。本公司重要資料可於本公司網站或寄發予股東之財務報表及通函中取得。股東亦可致函給本公司之投資者關係經理就需要董事會注意的問題作出任何查詢，其聯絡資料載於下文「股東權利 - (c) 向董事會作出查詢之權利」一段。

PROCEDURES AND INTERNAL CONTROLS FOR HANDLING AND DISSEMINATION OF INSIDE INFORMATION

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company recognises the importance of open communication and fair disclosure. It is the Company’s policy to ensure that all shareholders are equally informed of all major corporate developments.

All shareholders have proper notice of any general meeting of the Company at which the Directors and the committees’ members are available to give explanation on any query raised by the shareholders. Major information of the Company could be obtained from the Company’s website or financial reports and circulars sent to the shareholders. Any enquiries by the shareholders requiring the Board’s attention can also be sent in writing to the Investor Relations Manager of the Company whose contact details are set out in the paragraph headed “Shareholders’ Rights - (c) Right to Put Enquiries to the Board” below.

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於本公司股東大會上提呈的決議案將以投票方式進行表決，惟大會主席可以誠實信用的原則做出決定，容許純粹有關程序或行政事宜的決議案以舉手方式表決。本公司將於每次股東大會上向股東解釋投票表決程序，並回答股東有關投票程序的問題。投票表決結果將按上市規則訂明的方式刊登於聯交所及本公司網站上。

作為投資者關係定期計劃的一部分，高級行政人員可於業績公布後安排簡介會或路演，並與機構投資者及分析師出席研討會，就本公司的表現、目標及發展進行雙向溝通。本公司會應特定要求安排公司約訪。

股東權利

(a) 召開股東特別大會之權利

根據本公司之組織章程細則，任何一位或以上於存放要求日期持有不少於本公司繳足股本(附帶權利於本公司股東大會上投票)十分之一的股東隨時有權向本公司董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於提出該要求後2個月內舉行。

Resolutions put to vote at the general meetings of the Company shall be decided on a poll, save that the chairman of the meeting may in good faith allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands. Procedures for conducting a poll will be explained to the shareholders at each general meeting and questions from shareholders regarding the voting procedures will be answered. The poll results will be posted on the websites of the Stock Exchange and the Company respectively in the manner prescribed under the Listing Rules.

As part of a regular program of investor relations, senior executives may hold briefings or road shows after the results announcement and attend conferences with institutional investors and analysts to engage in two-way communications on the Company's performance, objectives and developments. Company visits can be arranged by the Company upon specific request.

SHAREHOLDERS' RIGHTS

(a) *Right to Convene Extraordinary General Meeting*

Pursuant to the articles of association of the Company, any one or more 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 company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition.

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該書面要求必須列明該大會的目的、由請求人士簽署及送交本公司董事會或公司秘書，地址為本公司於香港之總辦事處和主要營業地點香港九龍尖沙咀廣東道9號港威大廈第6座11樓1104室，而該要求可由一式多份，每份由一名或以上請求人士簽署的文件組成。

該要求將由本公司於香港之股份過戶登記分處核實，經股份過戶登記分處確認該要求符合程序後，本公司的公司秘書將於要求董事會根據所有相關法例及監管規定向全體註冊股東發出充分通知後召開股東特別大會。相反，倘要求經核實為不符合程序，請求人士將獲告知此結果，股東特別大會將不會按要求的召開。

倘提出要求後21日內，董事會未有召開該大會，則請求人士可自行以同樣方式召開該大會，而請求人士因董事會未有召開大會而產生的所有合理開支應由本公司向請求人士作出償付。

(b) 於股東大會提呈議案之權利

開曼群島公司法或本公司組織章程細則並無條文批准股東於股東大會上提呈新決議案。有意提呈決議案之股東可按前述段落所載之程序要求本公司召開股東特別大會。

有關提名人士參選董事之程序，可於本公司網站www.centurysunshine.com.hk查閱。

The written requisition must state the purposes of the meeting, signed by the requisitioner(s) and deposit it to the Board or the company secretary of the Company at the Company's head office and principal place of business in Hong Kong at Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, and such request may consist of several documents in like form, each signed by one or more of the requisitioner(s).

The request will be verified with the Company's branch share registrar in Hong Kong and upon the confirmation of the branch share registrar that the request is in order, the company secretary of the Company will ask the Board to convene an extraordinary general meeting by serving sufficient notice in accordance with all relevant statutory and regulatory requirements to all registered members. On the contrary, if the request is verified as not in order, the requisitioner(s) will be advised of this outcome and accordingly, an extraordinary general meeting will not be convened as requested.

If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitioner(s) himself/themselves may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

(b) Right to Put Forward Proposals at General Meetings

There are no provisions allowing shareholders to propose new resolutions at general meetings under the Cayman Islands Companies Law or the articles of association of the Company. Shareholders who wish to propose a resolution may request the Company to convene an extraordinary general meeting following the procedures set out in the preceding paragraph.

As regard the procedures for proposing a person for election as a Director, please refer to the procedures made available on the website of the Company at www.centurysunshine.com.hk.

企業管治報告

Corporate Governance Report

(c) 向董事會作出查詢之權利

股東可隨時以書面方式致函本公司之投資者關係總監，向董事會作出查詢及提出關注事項，其聯絡資料載列如下：

香港
九龍
尖沙咀
廣東道9號
港威大廈第6座
11樓1104室
傳真：(852) 2802 2697
電郵：ir@centurysunshine.com.hk

本公司之投資者關係總監會於適當時候把股東之查詢及關注事項轉交董事會及／或相關董事會委員會，以回答股東之提問。

(c) *Right to Put Enquiries to the Board*

Shareholders may at any time send their enquiries and concerns to the Board in writing for the attention of Investor Relations Director of the Company whose contact details are as follows:

Suite 1104, 11th Floor
Tower 6, The Gateway
9 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong
Fax: (852) 2802 2697
Email: ir@centurysunshine.com.hk

The Investor Relations Director of the Company shall forward the shareholders' enquiries and concerns to the Board and/or relevant committees of the Board to answer the shareholders' questions where appropriate.

公司秘書

陸世煒先生為本公司之僱員，並自2010年5月1日獲委任為本公司之公司秘書。陸先生之履歷資料載於「董事及高級管理層簡歷」一節。

根據上市規則第3.29條，陸先生於截至2020年12月31日止財政年度內已參與不少於15小時的相關專業培訓。

章程文件

本公司章程文件於年內並無變動。

股東週年大會

在本公司於2020年6月30日舉行之上屆股東週年大會上，所有關於採納財務報表、重選董事、續聘核數師及授予發行及購回股份之一般授權等決議案均獲得通過。本公司將訂於2021年6月30日或本公司網站及聯交所後續刊發之進一步股東週年大會通告所訂明之任何其他日期舉行今屆股東週年大會。

COMPANY SECRETARY

Mr. Luk Sai Wai, Simon is an employee of the Company and has been appointed as the company secretary of the Company with effect from 1 May 2010. The biographical details of Mr. Luk are set out in the section headed "Directors and Senior Management Profile".

According to Rule 3.29 of the Listing Rules, Mr. Luk has taken no less than 15 hours of relevant professional training during the financial year ended 31 December 2020.

CONSTITUTIONAL DOCUMENTS

There are no changes in the Company's constitutional documents during the year.

ANNUAL GENERAL MEETING

At the Company's last annual general meeting held on 30 June 2020, all the resolutions relating to the adoption of financial statements, re-election of Directors, reappointment of auditors and grant of general mandates to issue and repurchase shares have been duly passed. The forthcoming annual general meeting of the Company is scheduled to be held on 30 June 2021 or any other dates as specified in further notice of annual general meeting to be published on the websites of the Company and the Stock Exchange later.

董事會報告

Directors' Report

董事謹此欣然提呈本報告，連同本集團截至2020年12月31日止年度之經審核財務報表，有關報表刊載於第76至207頁。

主要業務及業務地域分析

本公司之主要業務乃投資控股。其主要附屬公司之業務及其他詳情載於財務報表附註24。

本集團按經營分部的表現分析載於財務報表附註8。截至2020年及2019年12月31日止年度，本集團主要於中國營運及本集團之收入主要來自中國，而於2020年12月31日及2019年12月31日，本集團非流動資產主要位於中國。概無披露本集團按地區劃分的業績及資產分析。

業績及分派

本集團截至2020年12月31日止年度之業績載於第76至77頁之綜合損益及其他全面收益表內。

本公司董事不建議就截至2020年12月31日止年度派付任何股息。

業務回顧

本集團之業務回顧載於本年報第16至21頁。

五年財務概要

本集團於過去5個財政年度之業績、資產及負債概要載於本年報第208頁。

The Directors have pleasure in submitting their report together with the audited financial statements of the Group for the year ended 31 December 2020, which are set out on pages 76 to 207.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities and other particulars of its principal subsidiaries are shown under Note 24 to the financial statements.

An analysis of the Group's performance by operating segments is set out in Note 8 to the financial statements. During the years ended 31 December 2020 and 2019, the Group mainly operated in the PRC and the Group's revenue are mainly derived from the PRC and non-current assets of the Group are mainly located in the PRC as at 31 December 2020 and 31 December 2019. No analysis of the Group's result and assets by geographical area is disclosed.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2020 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 76 to 77.

The directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2020.

BUSINESS REVIEW

A business review of the Group is set out on pages 16 to 21 of the annual report.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last 5 financial years is set out on page 208 of the annual report.

董事會報告 Directors' Report

物業、廠房及設備

本集團之物業、廠房及設備變動詳情載於財務報表附註16。

股本

本公司之股本變動詳情載於財務報表附註36。

與股份掛鈎協議

(a) 授予董事及被選員工之購股權

截至2020年12月31日止年度被頒授、被行使及已失效之購股權，詳情載於財務報表附註38及本董事會報告之「購股權計劃」章節內。

(b) 認購期權

於2019年12月13日，本公司之間接全資附屬公司（「授予人」）與獨立第三方（「期權承授人」）訂立認購期權協議。據此，授予人同意以不可退還期權費2,000,000港元向期權承授人授出認購期權，期權承授人可於期權期間，並須根據及受限於認購期權協議條款，按行使價每股稀鎂科技股份0.35港元，向授予人認購最多200,000,000股稀鎂科技股份。倘認購期權獲悉數行使，授予人應收之總代價將為72,000,000港元。

欲了解更多詳情，請參閱本公司於2019年12月13日和2020年3月23日發佈的公佈。

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in Note 16 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in Note 36 to the financial statements.

EQUITY LINKED AGREEMENTS

(a) *Share options granted to directors and selected employees*

For share options granted, exercised and lapsed during the year ended 31 December 2020, details are set out in Note 38 of the financial statements and the section named "Share Option Schemes" contained in this Directors' Report.

(b) *Call option*

On 13 December 2019, an indirect wholly owned subsidiary of the Company (the "Grantor") entered into a call option agreement with an independent third party (the "Optionee"). Pursuant to which, the Grantor agreed to grant to the Optionee a call option at a non-refundable option fee of HK\$2,000,000 relating to the purchase of up to 200,000,000 REMT shares at an exercise price of HK\$0.35 per REMT share during an option period on and subject to the terms of the call option agreement. In the event that the call option is exercised in full, the aggregate consideration receivable by the Grantors will be HK\$72,000,000.

For more details, please refer to the announcements made by the Company on 13 December 2019 and 23 March 2020.

(c) 可轉換債券

於2020年4月18日，本公司與一家公司（「認購方」，其由控股股東、董事會主席兼執行董事池文富先生擁有及控制）訂立認購協議（「認購協議」），據此，本公司有條件地同意發行，及認購方有條件地同意認購本金總額3億港元之可轉換債券，其可按初步換股價每股本公司股份0.1875港元全數兌換為1,600,000,000股本公司股份。

於2020年7月3日，本公司及認購人同意終止協議，此乃由於本公司無法給予任何保證以履行認購協議之條款。

有關詳情，請參閱本公司於2020年4月18日、2020年5月26日、2020年6月12日及2020年7月3日發佈之公佈。

(c) Convertible bonds

On 18 April 2020, the Company entered into a subscription agreement (the "Subscription Agreement") with a company (the "Subscriber") owned and controlled by Mr. Chi Wen Fu, a controlling Shareholder, chairman of the Board and an executive Director, pursuant to which, the Company conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe for, convertible bonds in the aggregate principal amount of HK\$300 million, which may be converted into 1,600,000,000 Shares based on the initial conversion price of HK\$0.1875 per Share upon full conversion.

On 3 July 2020, the Company and the Subscriber agreed to terminate the Subscription Agreement because the Company was not able to give any warranty to fulfil the terms of the Subscription Agreement.

For more details, please refer to the announcements made by the Company on 18 April 2020, 26 May 2020, 12 June 2020 and 3 July 2020.

董事會報告 Directors' Report

上市後償票據

於2017年6月5日，本公司發行了面值101,750,000新加坡元之上市後償票據(根據多種幣值中期票據計劃)。該等票據票息率為7.0厘，並於新加坡交易所上市。該等票據已於2020年7月3日到期並違約。

截至2020年12月31日止尚未償還之上市後償票據詳情載於財務報表附註32。

儲備

本集團及本公司年內之儲備變動詳情分別載於第91頁之綜合權益變動表及財務報表附註36(b)。

可供分派儲備

本公司於2020年12月31日之可供分派儲備為978,395,000港元(2019年：1,465,597,000港元)。

優先購買權

本公司之組織章程細則或開曼群島法例並無優先購買權條款，規定本公司須按比例向現有股東提呈發售新股。

LISTED SUBORDINATED NOTES

On 5 June 2017, the Company issued listed subordinated notes (under the Multicurrency Medium Term Note Programme) with the face value of SGD101.75 million. The note carries a coupon rate of 7.0% and are listed on the Singapore Stock Exchange. The note matured on 3 July 2020 and was defaulted.

Details of the listed subordinated notes outstanding as at 31 December 2020 are set out in Note 32 of the financial statement.

RESERVES

Details of the movements in reserves of the Group and of the Company during the year are set out in consolidated statement of changes in equity on page 91 and Note 36(b) to the financial statements respectively.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2020 amounted to HK\$978,395,000 (2019: HK\$1,465,597,000).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

購買、出售或贖回本公司上市證券

於2020及2019年內，本公司或其任何附屬公司於年內及截至本年報日期並無購買、出售或贖回本公司任何上市證券。

董事

於年內及截至本年報日期之董事如下：

執行董事

池文富(主席)
沈世捷(行政總裁)
池靜超

非執行董事

郭孟勇

獨立非執行董事

張省本
盛洪
劉智傑

根據本公司組織章程細則第87條，池文富先生、盛洪先生及劉智傑先生將於本公司應屆股東週年大會上輪值告退，並符合資格及願意膺選連任。

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

During the year 2020 and 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year and up to the date of the annual report.

DIRECTORS

The Directors during the year and up to the date of the annual report are:

Executive Directors

Chi Wen Fu (*Chairman*)
Shum Sai Chit (*CEO*)
Chi Jing Chao

Non-Executive Director

Guo Mengyong

Independent Non-Executive Directors

Cheung Sound Poon
Sheng Hong
Lau Chi Kit

In accordance with Article 87 of the Company's Articles of Association, Mr. Chi Wan Fu, Mr. Sheng Hong and Mr. Lau Chi Kit will retire from office by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

董事會報告

Directors' Report

董事服務合約

擬於應屆股東週年大會上膺選連任之董事概無與本公司訂立不可由本公司於一年內終止而毋須賠償(法定賠償除外)之服務合約。

董事於合約之權益

於年末或年內任何時間，本公司或其任何附屬公司或其母公司概無訂立任何涉及本集團業務而董事於其中直接或間接擁有重大權益之重要合約。

董事於競爭業務之權益

年內，本公司董事或管理層股東或彼等各自之聯繫人士(定義見上市規則)概無於任何與本集團業務構成或可能構成競爭之業務中擁有任何權益。

獲准許彌償

根據本公司的組織章程細則第167條，本公司之每名董事就其執行職務或與此有關所蒙受或招致之一切損失或負債，均有權從本公司資產中獲得彌償保證，而各董事概無須就其執行職務出現或招致之任何損失，損害賠償或不幸情況負責。

現時及於年內已備有適當的董事責任保險以保障本公司之董事在面對索償時可能產生的成本和責任。

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance in relation to the Group's business to which the Company, any of its subsidiaries or its parent company 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.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors or the management shareholders of the Company or their respective associates (as defined in the Listing Rules) had any interest in a business that competed or might compete with the business of the Group.

PERMITTED INDEMNITY

Pursuant to Article 167 of the Company's Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.

A Directors liability insurance is currently in place, and was in place during the year, to protect the Directors of the Company against potential costs and liabilities arising from claims brought against them.

董事及高級管理層履歷詳情

董事及高級管理層的簡歷載於本年報第32至36頁。

購股權計劃

(a) 本公司之購股權計劃

為吸引及挽留最優秀之員工以發展本集團業務，以及提供額外鼓勵或獎勵予獲選之合資格參與者，本公司分別於2008年12月3日採納一項購股權計劃（「舊計劃」）及於2019年6月26日採納一項購股權計劃（「新計劃」）。合資格參與者主要為本集團僱員、董事及對本集團有所貢獻之本集團承包商、供應商或服務供應商。除非另行註銷或修訂，否則該舊計劃及新計劃將自成立日期起10年內有效。舊計劃已於2018年12月3日屆滿，於舊計劃屆滿前根據舊計劃授出之購股權亦已全部於2020年內到期及失效。新計劃之餘下年期約為9年（於2029年6月26日屆滿）。

於2020年12月31日，舊計劃項下尚未行使之購股權合共可認購零股股份（2019年：14,956,204股），以及新計劃項下尚未行使之購股權合共可認購299,900,000股股份。購股權變動詳情載於財務報表附註38。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out on pages 32 to 36 of the annual report.

SHARE OPTION SCHEMES

(a) *Share option scheme of the Company*

In order to attract and retain the best quality employees for the development of the Group's businesses and to provide additional incentives or rewards to selected qualifying participants, the Company adopted a share option scheme on 3 December 2008 (the "Old Scheme") and on 26 June 2019 (the "New Scheme") respectively. The qualifying participants mainly include employees of the Group, Directors and contractors, suppliers or service providers of the Group who have contribution to the Group. Both schemes, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The Old Scheme was expired on 3 December 2018, options granted under the Old Scheme before its expiry were all expired and lapsed in 2020. The remaining life of the New Scheme is approximately 9 years (expiry on 26 June 2029).

As at 31 December 2020, options to subscribe for a total of Nil Shares were outstanding under the Old Scheme (2019: 14,956,204 Shares) and options to subscribe for a total of 299,900,000 Shares were outstanding under the New Scheme. Details of the movements in the options are set out in note 38 to the financial statements.

董事會報告

Directors' Report

(b) 附屬公司之購股權計劃

稀鎂科技

為吸引及挽留優秀員工發展本集團稀鎂科技的業務，並提供經選定合資格參與者額外獎勵或回報，稀鎂科技於2017年12月4日採納購股權計劃（「稀鎂科技計劃」）。合資格參與者主要包括僱員、董事、承包商、供應商或服務供應商。彼等皆曾為稀鎂科技集團作出貢獻。稀鎂科技計劃自其成立日期起計十年內有效，惟遭註銷或修改則除外。稀鎂科技計劃餘下年期約為7年（於2027年12月4日屆滿）。

於2020年12月31日，稀鎂科技計劃項下認購合共356,400,000股份的購股權（「稀鎂科技購股權」）尚未行使。購股權變動詳情載於財務報表附註37。

董事及主要行政人員於本公司及任何相聯法團股份、相關股份及債券之權益

於2020年12月31日，本公司各董事或主要行政人員於本公司或任何其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中有記錄於本公司根據證券及期貨條例第XV部第352條存置之登記冊內之相關權益及短倉如下：

(b) Share option scheme of a subsidiary

REMT

In order to attract and retain the best quality employees for the development of the Group of REMT's businesses and to provide additional incentives or rewards to selected qualifying participants, REMT adopted a share option scheme on 4 December 2017 (the "REMT Scheme"). The qualifying participants mainly include employees, directors, contractors, suppliers or service providers who have contribution to the Group of REMT. The REMT Scheme, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The remaining life of the REMT Scheme is approximately 7 years (expiry on 4 December 2027).

As at 31 December 2020, options to subscribe for a total of 356,400,000 Shares were outstanding under the REMT Scheme (the "REMT Options"). Details of the movements in the options are set out in note 37 to the financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATION

As at 31 December 2020, the relevant interests and short positions of the Directors or chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register to be kept by the Company under Section 352 of Part XV of the SFO were as follows:

董事會報告
Directors' Report

(i) 於本公司之股份及購股權之長倉

(i) Long Positions in Shares and Share Options of the Company

| 董事姓名 Name of Director | 持有股份數目 Number of Shares held | | | | 持有購股權數目 (附註2) Number of Options held (note 2) | 佔本公司 於2020年 12月31日 已發行股本 之百分比 Percentage of issued share capital of the Company as at 31 December 2020 |
|--------------------------------------|---------------------------------|-----------------------------|---------------------------------|---------------|--|--|
| | 個人權益 Personal interests | 配偶權益 Spouse interests | 公司權益 Corporate interests | 合計 Total | | |
| 池文富(「池先生」) Chi Wen Fu ("Mr. Chi") | 249,970,548 | - | 1,341,871,364 (附註1) (note 1) | 1,591,841,912 | 20,000,000 | 34.75% 0.44% |
| 沈世捷 Shum Sai Chit | 14,666,305 | - | - | 14,666,305 | 20,000,000 | 0.32% 0.44% |
| 池靜超 Chi Jing Chao | - | 1,633,998 | - | 1,633,998 | 8,000,000 | 0.04% 0.17% |
| 郭孟勇 Guo Mengyong | 2,625,000 | - | - | 2,625,000 | 5,000,000 | 0.06% 0.11% |
| 張省本 Cheung Sound Poon | - | - | - | - | 5,000,000 | - 0.11% |
| 盛洪 Sheng Hong | 1,775,000 | - | - | 1,775,000 | 5,000,000 | 0.04% 0.11% |
| 劉智傑 Lau Chi Kit | 2,000,000 | - | - | 2,000,000 | 5,000,000 | 0.04% 0.11% |

董事會報告

Directors' Report

(iii) 於本公司之債券之長倉

(ii) Long position in debentures of the Company

| 董事姓名 Name of director | 身份／權益性質 Capacity/Nature of interest | 所持債券金額 Amount of debentures held 新加坡元 SGD |
|--------------------------|--|--|
| 池先生 Mr. Chi | 個人權益 Personal interest | 2,500,000 |

附註：

notes:

1. 該等股份由冠華國際有限公司(「冠華」)持有。鑒於池先生持有冠華已發行股本83.74%，據此賦予彼於冠華股東大會上行使或控制行使三分之一或以上之投票權，因此被視為公司權益。

1. These Shares are held by Alpha Sino International Limited ("Alpha Sino") and are deemed corporate interests by virtue of Mr. Chi's holding of 83.74% of the issued share capital of Alpha Sino which entitled him to exercise or control the exercise of one-third or more of the voting power at general meeting of Alpha Sino.

按照日期為2014年7月10日之股份抵押合同，作為本公司主要股東的冠華，將本公司549,280,000股股份(相當於2015年6月30日本公司已發行股本約12%)抵押給國際金融公司(「國際金融公司」)，作為由國際金融公司和白山市天安金屬鎂礦業有限公司於2014年5月30日簽署(於2015年12月7日經修訂及重列)的貸款協議之抵押品。

As pursuant to a share mortgage agreement dated 10 July 2014, Alpha Sino, being the substantial shareholder of the Company, had mortgaged 549,280,000 Shares (representing approximately 12% of the issued share capital of the Company as at 30 June 2015) to International Finance Corporation ("IFC") as security for a loan agreement dated 30 May 2014 (as amended and restated on 7 December 2015) entered into between IFC and Baishan City Tianan Magnesium Resources Co. Ltd.

2. 持有之購股權之詳情載列於上文「購股權計劃」一節。

2. Details of Options held are set out in the above section headed "Share Options Schemes".

除上文所披露者外，於2020年12月31日，本公司各董事或主要行政人員或彼等各自之聯繫人士，概無於本公司或任何其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有記錄於本公司根據證券及期貨條例第352條存置之登記冊內之相關權益及短倉。

Save as disclosed above, as at 31 December 2020, none of the Directors or chief executive of the Company or their respective associates had interests and short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register to be kept by the Company under Section 352 of SFO.

董事會報告
Directors' Report

(iii) 於本公司之相聯法團股份、相關股份及債券之權益

稀鎂科技

(iii) *Interests in the shares, underlying shares and debenture of associated corporation of the Company*

REMT

| 董事 Director | 擁有權益或視為擁有權益之普通股數目 Number of ordinary shares interested or deemed to be interested | | | 持有稀鎂科技 購股權數目 (附註) Number of REMT Options held (note) | 佔稀鎂科技 於2020年 12月31日 已發行股本之 百分比 Percentage of issued share capital of REMT as at 31 December 2020 |
|--------------------------|--|--------------------------------|-------------|--|--|
| | 家族權益 Family interests | 公司權益 Corporate interests | 合計 Total | | |
| | | | | | |
| 長倉 Long position | | | | | |
| 沈世捷 Shum Sai Chit | — | — | — | 30,000,000 | 0.46% |
| 池靜超 Chi Jing Chao | — | — | — | 3,000,000 | 0.05% |
| 張省本 Cheung Sound Poon | — | — | — | 5,000,000 | 0.08% |

附註： 持有之購股權之詳情載列於上文「購股權計劃」一節。

note: Details of Options held are set out in the above section headed "Share Options Schemes".

董事會報告

Directors' Report

主要股東於本公司股份及相關股份中之權益及短倉

就董事或本公司主要行政人員所知悉，於2020年12月31日，於本公司股份或股票衍生工具的相關股份擁有記錄於根據證券及期貨條例第336條規定須保存的登記冊的權益或短倉的人士如下：

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

So far as is known to any Director or chief executive of the Company, as at 31 December 2020, persons who had interests or short positions in the Shares or underlying shares of equity derivatives of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

| 股東姓名／名稱 Name of shareholder | 持倉性質 Nature | 持有股份數目 Number of Shares held | 佔本公司於2020年12月31日已發行股本之百分比 Percentage of issued share capital of the Company as at 31 December 2020 |
|--|---------------------|---------------------------------|---|
| 池文富 Chi Wen Fu | 長倉 Long position | 1,591,841,912 (附註1) (note 1) | 34.75% |
| 冠華 Alpha Sino | 長倉 Long position | 1,341,871,364 (附註2) (note 2) | 29.29% |
| 國際金融公司(「國際金融公司」) International Finance Corporation ("IFC") | 長倉 Long position | 793,526,275 (附註2) (note 2) | 17.32% |

附註：

notes:

1. 池文富先生於本公司合共1,591,841,912股股份中擁有權益，當中(a) 249,970,548股股份乃由其實益擁有，並以其名義登記；及(b) 1,341,871,364股股份乃基於其持有冠華已發行股本83.74%，據此賦予其權力可於冠華股東大會上行使或控制行使三分之一或以上之投票權而被視為公司權益。

1. Mr. Chi Wen Fu has interest in an aggregate of 1,591,841,912 Shares of which (a) 249,970,548 Shares are beneficially owned by him and registered in his name; and (b) 1,341,871,364 Shares are deemed corporate interests by virtue of his holding of 83.74% of the issued share capital of Alpha Sino which entitled him to exercise or control the exercise of one-third or more of the voting power at general meeting of Alpha Sino.

董事會報告 Directors' Report

按照日期為2014年7月10日之股份抵押合同，作為本公司主要股東的冠華，將本公司549,280,000股股份(相當於2015年6月30日本公司已發行股本約12%)抵押給國際金融公司(「國際金融公司」)，作為由國際金融公司和白山市天安金屬鎂礦業有限公司於2014年5月30日簽署(於2015年12月7日經修訂及重列)的貸款協議之抵押品。

- 國際金融公司於合共793,526,275股股份中擁有權益，當中(a) 244,246,275股股份乃由其實益擁有，並以其名義登記；及(b)按照日期為2014年7月10日之股份抵押合同，作為本公司主要股東的冠華，將本公司549,280,000股股份(相當於2015年6月30日本公司已發行股本約12%)抵押給國際金融公司，作為由國際金融公司和白山市天安金屬鎂礦業有限公司於2014年5月30日簽署(於2015年12月7日經修訂及重列)的貸款協議之抵押品。

董事於競爭業務之權益

於回顧期內，董事或本公司管理層股東或彼等各自之聯繫人士(定義見香港聯合交易所有限公司證券上市規則(「上市規則」))概無於任何與本集團業務構成或可能構成競爭之業務中擁有任何權益。

管理合約

於年內，本公司概無訂立亦無存在任何有關本公司全部或任何重大部分業務之管理及行政合約。

As pursuant to a share mortgage agreement dated 10 July 2014, Alpha Sino, being the substantial shareholder of the Company, had mortgaged 549,280,000 Shares (representing approximately 12% of the issued share capital of the Company as at 30 June 2015) to International Finance Corporation (“IFC”) as security for a loan agreement dated 30 May 2014 (as amended and restated on 7 December 2015) entered into between IFC and Baishan City Tianan Magnesium Resources Co. Ltd.

- IFC has interest in an aggregate of 793,526,275 Shares of which (a) 244,246,275 Shares are beneficially owned by it and registered in its name; and (b) pursuant to a share mortgage agreement dated 10 July 2014, Alpha Sino, being the substantial shareholder of the Company, had mortgaged 549,280,000 Shares (representing approximately 12% of the issued share capital of the Company as at 30 June 2015) to IFC as security for a loan agreement dated 30 May 2014 (as amended and restated on 7 December 2015) entered into between IFC and Baishan City Tianan Magnesium Resources Co. Ltd.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the period under review, none of the Directors nor the management shareholders of the Company or their respective associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) had any interest in a business that competed or might compete with the business of the Group.

MANAGEMENT CONTRACTS

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

董事會報告

Directors' Report

主要供應商及客戶

本年度本集團主要供應商及客戶應佔之採購及銷售額之比重如下：

| | |
|-----------|-------|
| 採購 | |
| - 最大供應商 | 6.9% |
| - 5大供應商合佔 | 27.0% |
| 銷售 | |
| - 最大客戶 | 5.1% |
| - 5大客戶合佔 | 15.0% |

董事、彼等之聯繫人士或任何股東(據董事所知擁有本公司股本5%以上)概無於上述主要供應商或客戶中擁有權益。

關連交易

本年度及去年度並沒有任何關連交易，惟於財務報表附註40所披露者除外。

公眾持股量之充足性

根據本公司可從公開途徑取得之資料及就董事所知，本公司於截至2020年12月31日止年度內一直維持足夠公眾持股量。

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

| | |
|------------------------------------|-------|
| Purchases | |
| - the largest supplier | 6.9% |
| - 5 largest suppliers in aggregate | 27.0% |
| Sales | |
| - the largest customer | 5.1% |
| - 5 largest customers in aggregate | 15.0% |

None of the Directors, their associates or any shareholders which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

CONNECTED TRANSACTION

Other than those disclosed in Note 40 to the financial statements, there was no connected transaction during the year and in last year.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2020.

核數師

截至2020年12月31日止年度的賬目經由國衛會計師事務所有限公司審核，其任期於即將舉行之股東週年大會上屆滿。本公司將於即將舉行之股東週年大會上提呈一項決議案再次委任國衛會計師事務所有限公司為本公司之核數師。

代表董事會

沈世捷
執行董事

香港，2021年3月26日

AUDITORS

The accounts for the year ended 31 December 2020 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Shum Sai Chit
Executive Director

Hong Kong, 26 March 2021

獨立核數師報告

Independent Auditors' Report

截至2020年12月31日止年度
For the year ended 31 December 2020



國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

香港
中環
畢打街11號
置地廣場
告羅士打大廈31樓

31/F., Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

致

世紀陽光集團控股有限公司股東
(臨時清盤中)
(於開曼群島註冊成立的有限公司)

不發表意見

我們獲委聘以審核載於第76至207頁之世紀陽光集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)截至2020年12月31日之綜合財務狀況表與截至該日止年度之綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表之附註，包括主要會計政策概要。

我們對 貴集團之綜合財務報表不發表意見。由於我們報告中不發表意見之基準一節內所述事項之重要性，我們並未能夠取得充足適當審核憑據以就該等綜合財務報表發表之審核意見提供基準。我們認為，在所有重大方面，該等財務報表已根據香港公司條例妥為編製。

不發表意見之基準

與持續經營基準有關之重大不明朗因素

誠如綜合財務報表附註1所解釋，於2020年7月3日，貴公司公佈(i) 貴公司違約贖回本金金額為101.75百萬新加坡元之上市後償票據(「新加坡元票據」)；(ii) 本公司已接獲其兩名銀行債權人要求 貴公司及其附屬公司償還 貴公司擔保之約51百萬港元借款另加應計利息並相信其很有可能在違約支付後進一步收到其債權人之催收；以及(iii) 一份清盤呈請連同委任共同臨時清盤人(「共同臨時清盤人」)之申請已於2020年7月

TO THE SHAREHOLDERS OF CENTURY SUNSHINE GROUP HOLDINGS LIMITED (IN PROVISIONAL LIQUIDATION)

(Incorporated in Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Century Sunshine Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 76 to 207, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 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.

BASIS FOR DISCLAIMER OF OPINION

Material uncertainties relating to the going concern basis

As explained in Note 1 to the consolidated financial statements, on 3 July 2020, the Company announced (i) the Company defaulted on the redemption of the SGD 101.75 million in principal amount of the listed subordinated notes (the “SGD Notes”); (ii) the Company had received demands from two of its bank creditors for the repayment of borrowings of the Company and its subsidiary guaranteed by the Company of approximately HK\$51 million plus interest accrued and believed it was likely to receive further calls from its creditors; and (iii)

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2日(開曼群島時間)向開曼群島最高法院提交，藉此按「非強制性」原則進行債務重組。共同臨時清盤人已於2020年7月14日(開曼群島時間)根據開曼群島法院授予之命令獲委任並於2020年8月28日獲香港高等法院認可以及於2020年11月30日獲新加坡高等法院認可。

此外，誠如綜合財務報表附註3所解釋，貴集團截至2020年12月31日止年度產生淨虧損約984,205,000港元，以及截至該日，貴集團之流動負債超過其流動資產約1,082,484,000港元。截至2020年12月31日流動及非流動借款分別約為2,065,408,000港元及75,381,000港元，而其現金及現金等價物僅約157,417,000港元。此外，截至2020年12月31日貴集團未能履行有關金額為1,900,268,000港元至若干借貸之若干契約，有關金額須按貸方要求時支付，於2021年2月22日，貸方已就計入貴集團截至2020年12月31日之其他借貸之借貸154,686,000港元對貴集團發起訴訟，要求償還未償付結餘。

上述狀況可能對貴集團之持續經營能力構成重大疑慮。誠如綜合財務報表附註3所載，董事正在採取若干措施改善貴集團之流動資金及財務狀況。該等綜合財務報表乃按持續經營基準編製，其有效程度視乎該等措施之結果，截至本報告日期不能以合理理由確定並受多項不明朗因素之規限，包括(i)在與貴集團一般債權人之債權人委員會及新加坡元票據債券持有人之非正式指導委員協商後，共同臨時清盤人及貴公司是否能夠落實建議重組計劃，以對貴集團之債務及負債進行重組；及(ii)貴集團是否能夠對資本投資、生產及行政經營執行進一步成本控制措施，以減少本集團之整體運營成本。

a winding up petition has been filed on 2 July 2020 (Cayman Islands time) to the Supreme Court of the Cayman Islands together with the application for the appointment of the joint provisional liquidators ("JPLs") on a "light touch" basis for debt restructuring purpose. The JPLs were appointed pursuant to an order granted by the court in the Cayman Islands on 14 July 2020 (Cayman Islands time) and recognised by the High Court in Hong Kong on 28 August 2020 and by the Singapore High Court on 30 November 2020.

Further, as explained in Note 3 to the consolidated financial statements, the Group incurred a net loss of approximately HK\$984,205,000 for the year ended 31 December 2020, and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$1,082,484,000. Its current and non-current borrowings amounted to HK\$2,065,408,000 and HK\$157,417,000 as at 31 December 2020 respectively, while its cash and cash equivalents amounted to HK\$173,595,000 only. In addition, the Group could not fulfil certain covenants relating to certain borrowings of the Group amounting to HK\$1,900,268,000 as at 31 December 2020, which have become repayable on demand of the lenders. Included in the other borrowings of the Group as at 31 December 2020 were borrowings of HK\$154,686,000 which the lenders have commenced litigations against the Group to repay the outstanding balances on 22 February 2021.

The conditions described above indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. The directors have been undertaking certain measures to improve the Group's liquidity and financial position, as set out in Note 3 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the successful eventual outcome of these measures, which as at the date of this report cannot be ascertained with reasonable certainty and are still subject to multiple uncertainties, including whether (i) the JPLs and the Company will be able to finalise the proposed restructuring plan for the restructuring of the debts and liabilities of the Group after consultations with the creditors' committee of the creditors of the Group and the Informal Steering Committee of the holders of the SGD Notes and obtain the sanctions of the relevant courts for the schemes of arrangement for the implementation of the finalised restructuring plan; and (ii) the Group is able to implement further cost control measures on capital investments, production and administrative operations to reduce overall operating costs of the Group.

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倘本集團不能自上述計劃及措施取得成功結果，其可能不會按持續基準經營，因此必須作出調整將貴集團資產之賬面值撇減至其可回收金額，以為可能進一步產生之負債作出撥備，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。此等調整之影響尚未反映於綜合財務報表內。

我們未獲提供足夠適當之審核憑證來推斷管理層在編製綜合財務報表時已使用持續經營會計基礎是否恰當，這是由於管理層有關其持續經營評估之未來行動尚未落實。倘發現需要作出任何調整，可能會對貴集團於2020年12月31日之綜合資產淨值及貴集團於截至2020年12月31日年度之綜合虧損及其他全面虧損及現金流量以及其在綜合財務報表中之相關披露產生重大影響。

董事及審核委員會就綜合財務報表須承擔的責任

董事負責根據已根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」）及相關公司條例編製真實而公平列報之綜合財務報表，及對董事認為必要之內部監控負責，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

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

審核委員會負責監督貴集團之財務報告過程。

Should the Group fail to achieve successful outcomes from the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's 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 effects of these adjustments have not been reflected in these consolidated financial statements.

We have not been provided with sufficient appropriate audit evidence to conclude on the appropriateness of management's use of the going concern basis of accounting in the preparation of the consolidated financial statements because management's plans for future actions in relation to its going concern assessment could not be finalized yet. Any adjustments found to be required may have consequential significant effects on the consolidated net assets of the Group as at 31 December 2020 and the consolidated loss and other comprehensive income or loss and cash flows of the Group for the year ended 31 December 2020, and the related elements and disclosures thereof presented or disclosed in the consolidated financial statements.

RESPONSIBILITIES OF THE DIRECTORS AND THE AUDIT COMMITTEE 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 the Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the Hong Kong Companies Ordinance and for such internal control as directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

獨立核數師報告 Independent Auditors' Report

截至2020年12月31日止年度
For the year ended 31 December 2020

核數師就審核綜合財務報表須承擔的責任

我們的責任是根據根據香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)對綜合財務報表進行審並僅向閣下(作為整體)出具審核報告，除此之外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔責任。然而，由於本報告不發表意見之基準一節所述之事項，我們就該等綜合財務報表發表審核意見。

根據香港會計師公會頒佈之專業會計師道德守則(「守則」)，我們獨立於貴集團，並已履行守則中之其他專業道德責任。

出具本獨立核數師報告之審計項目董事是郭梓俊。

國衛會計師事務所有限公司
執業會計師

郭梓俊
執業證書編號：P06901

香港2021年3月26日

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the consolidated financial statements in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA and to issue an auditor's report solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to form 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.

The engagement director on the audit resulting in this independent auditors' report is Kwok Tsz Chun.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Kwok Tsz Chun
Practising Certificate Number: P06901

Hong Kong, 26 March 2021

綜合損益表

Consolidated Statement of Profit or Loss

截至2020年12月31日止年度

For the year ended 31 December 2020

| | | 附註 Notes | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|----------------------------|---|-------------|-------------------------|-------------------------|
| 收入 | Revenue | 7 | 2,151,811 | 4,314,420 |
| 銷售成本 | Cost of sales | | (1,848,286) | (3,251,036) |
| 毛利 | Gross profit | | 303,525 | 1,063,384 |
| 其他收益或虧損淨額 | Other gains or losses, net | 9 | 60,309 | 86,656 |
| 銷售及市場推廣費用 | Selling and marketing costs | | (55,377) | (107,917) |
| 行政開支 | Administrative expenses | | (237,492) | (295,171) |
| 物業、廠房及設備撇銷 | Written-off of property, plant and equipment | 16 | (660,000) | — |
| 商譽減值 | Impairment of goodwill | 20 | (46,252) | — |
| 貿易應收款項、按金及其他應收款項預期信貸虧損撥備淨額 | Net allowance for expected credit losses on trade receivables, deposits and other receivables | 12 | (147,212) | (3,134) |
| 財務擔保負債公允值變動 | Change in fair value of financial guarantee liabilities | | 48,132 | 8,606 |
| 匯兌差額淨值 | Exchange differences, net | | (14,115) | (7,159) |
| 財務費用 | Finance costs | 10 | (179,501) | (153,664) |
| 除所得稅前(虧損)/溢利 | (Loss)/profit before income tax | 12 | (927,983) | 591,601 |
| 所得稅開支 | Income tax expense | 11 | (56,222) | (163,347) |
| 年內(虧損)/溢利 | (Loss)/profit for the year | | (984,205) | 428,254 |
| 下列人士應佔年內(虧損)/溢利： | (Loss)/profit for the year attributable to: | | | |
| 本公司擁有人 | Owners of the Company | | (745,368) | 380,368 |
| 非控股權益 | Non-controlling interests | | (238,837) | 47,886 |
| | | | (984,205) | 428,254 |
| 每股(虧損)/盈利： | (Loss)/earnings per share: | | | |
| – 基本(港仙) | – basic (HK cents) | 15 | (16.27) 仙 cents | 8.30 仙 cents |
| – 攤薄(港仙) | – diluted (HK cents) | 15 | (16.27) 仙 cents | 8.30 仙 cents |

綜合全面收益表

Consolidated Statement of Comprehensive Income

截至2020年12月31日止年度
For the year ended 31 December 2020

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|--|--|-------------------------|-------------------------|
| 年內(虧損)/溢利 | (Loss)/profit for the year | (984,205) | 428,254 |
| 其他全面收益/(支出)， 扣除所得稅： 換算海外業務所產生之 匯兌差額 | Other comprehensive income/ (expense), net of income tax: Exchange differences arising from translation of foreign operations | 286,738 | (128,864) |
| 年內其他全面支出收入/(支出) (扣除所得稅) | Other comprehensive income/ (expense) for the year (net of income tax) | 286,738 | (128,864) |
| 年內全面(支出)/收益總額 | Total comprehensive (expense)/income for the year | (697,467) | 299,390 |
| 下列人士應佔年內全面 (支出)/收益總額： | Total comprehensive (expense)/income for the year attributable to: | | |
| 本公司擁有人 | Owners of the Company | (480,539) | 275,973 |
| 非控股權益 | Non-controlling interests | (216,928) | 23,417 |
| | | (697,467) | 299,390 |

隨附附註屬本綜合財務報表的一部分。

The accompanying notes form an integral part of these consolidated financial statements.

綜合財務狀況表

Consolidated Statement of Financial Position

於2020年12月31日
As at 31 December 2020

| | | 附註 Notes | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|--------------------|--|-------------|-------------------------|-------------------------|
| 非流動資產 | Non-current assets | | | |
| 物業、廠房及設備 | Property, plant and equipment | 16 | 3,693,366 | 3,866,144 |
| 投資物業 | Investment properties | 17 | 104,896 | — |
| 使用權資產 | Right-of-use assets | 18 | 296,330 | 287,442 |
| 商譽 | Goodwill | 20 | 151,116 | 197,368 |
| 無形資產 | Intangible assets | 21 | 366,511 | 348,142 |
| 採礦權 | Mining rights | 22 | 449,642 | 428,468 |
| 長期銀行存款 | Long-term bank deposits | 28 | 59 | 9,604 |
| | | | 5,061,920 | 5,137,168 |
| 流動資產 | Current assets | | | |
| 按公允值計入損益之 股本工具 | Equity instruments at fair value through profit or loss | 24 | 8,737 | 8,782 |
| 存貨 | Inventories | 25 | 583,002 | 471,760 |
| 貿易應收款項及應收票據 | Trade and bills receivables | 26 | 526,093 | 461,381 |
| 預付款項、按金及其他 應收款項 | Prepayments, deposits and other receivables | 27 | 581,128 | 634,397 |
| 銀行及現金結餘 | Bank and cash balances | 28 | 173,595 | 823,058 |
| | | | 1,872,555 | 2,399,378 |
| 分類為持作出售的資產 | Assets classified as held for sale | 19 | — | 91,019 |
| | | | 1,872,555 | 2,490,397 |
| 流動負債 | Current liabilities | | | |
| 貿易應付款項及應付票據 | Trade and bills payables | 29 | 250,061 | 291,863 |
| 應計費用及其他應付款項 | Accruals and other payables | 30 | 290,206 | 217,096 |
| 合約負債 | Contract liabilities | 30 | 337,126 | 186,707 |
| 租賃負債 | Lease liabilities | 31 | 514 | 1,962 |
| 應付所得稅 | Income tax payable | | 11,724 | 22,397 |
| 借貸 | Borrowings | 32 | 2,065,408 | 1,524,157 |
| 可轉換債券 | Exchangeable bonds | 33 | — | 120,640 |
| | | | 2,955,039 | 2,364,822 |
| 流動(負債)/資產淨值 | Net current (liabilities)/ assets | | (1,082,484) | 125,575 |
| 資產總值減流動負債 | Total assets less current liabilities | | 3,979,436 | 5,262,743 |

綜合財務狀況表

Consolidated Statement of Financial Position

於2020年12月31日
As at 31 December 2020

| | | 附註 Notes | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|----------------------|---|-------------|-------------------------|-------------------------|
| 非流動負債 | Non-current liabilities | | | |
| 遞延收入 | Deferred revenue | 34 | 72,834 | 68,283 |
| 其他應付款項 | Other payables | 30 | 47,907 | 46,962 |
| 合約負債 | Contract liabilities | 30 | — | 176,448 |
| 租賃負債 | Lease liabilities | 31 | 6,034 | 5,870 |
| 借貸 | Borrowings | 32 | 75,381 | 536,086 |
| 遞延稅項負債 | Deferred tax liabilities | 35 | 190,282 | 159,183 |
| | | | 392,438 | 992,832 |
| 資產淨值 | Net assets | | 3,586,998 | 4,269,911 |
| 本公司擁有人應佔股本及儲備 | Capital and reserves attributable to owners of the Company | | | |
| 股本 | Share capital | 36 | 101,419 | 101,419 |
| 儲備 | Reserves | | 3,259,868 | 3,727,404 |
| | | | 3,361,287 | 3,828,823 |
| 非控股權益 | Non-controlling interests | | 225,711 | 441,088 |
| 權益總額 | Total equity | | 3,586,998 | 4,269,911 |

董事會於2021年3月26日批准及授權刊發載於第76至207頁之綜合財務報表，並由下列董事代表簽署：

池文富
Chi Wen Fu
董事
Director

沈世捷
Shum Sai Chit
董事
Director

The consolidated financial statements on pages 76 to 207 were approved and authorised for issue by the board of directors on 26 March 2021 and are signed on its behalf by:

隨附附註屬本綜合財務報表的一部分。

The accompanying notes form an integral part of these consolidated financial statements.

綜合權益變動表

Consolidated Statement of Changes in Equity

截至2020年12月31日止年度

For the year ended 31 December 2020

| | | 本公司擁有人應佔 | | | | | | | | | | | | |
|----------------------------|---|---------------------------------------|------------------|-----------------------|-----------------------------------|--------------------------------------|----------------------------|------------------------|------------------|----------------------|-----------|----------------------------------|-----------|----|
| | | Attributable to Owners of the Company | | | | | | | | | | | | |
| | | 資本贖回 | | | | | 資本儲備 | | | | | 非控股權益 | | 總計 |
| | | 股本 | 股份溢價 | 儲備 (附註(i)) | 資本儲備 (附註(ii)) | 法定儲備 (附註(iii)) | 購股權 儲備 | 換算儲備 | 其他儲備 | 保留盈利 | 小計 | 非控股權益 | 總計 | |
| | | Share capital | Share premium | reserve (note (i)) | Capital reserve (note (ii)) | Statutory reserve (note (iii)) | Share option reserve | Translation reserve | Other reserve | Retained earnings | Sub-total | Non- controlling interests | Total | |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| 於2018年12月31日 及2019年1月1日 | As at 31 December 2018 and 1 January 2019 | 101,419 | 1,353,356 | 4,526 | 13,666 | 244,242 | 9,625 | (243,203) | (232,769) | 2,277,023 | 3,527,885 | 428,733 | 3,956,618 | |
| 年內溢利 | Profit for the year | - | - | - | - | - | - | - | - | 380,368 | 380,368 | 47,886 | 428,254 | |
| 年內其他全面虧損 (扣除所得稅) | Other comprehensive loss for the year, (net of income tax) | - | - | - | - | - | - | - | - | - | - | - | - | |
| 換算海外業務 所產生之 匯兌差額 | Exchange differences arising from translation of foreign operations | - | - | - | - | - | - | (104,395) | - | - | (104,395) | (24,469) | (128,864) | |
| 年內全面(虧損)/ 收益總額 | Total comprehensive (loss)/ income for the year | - | - | - | - | - | - | (104,395) | - | 380,368 | 275,973 | 23,417 | 299,390 | |
| 已付股息 | Dividend paid | - | - | - | - | - | - | - | - | (9,066) | (9,066) | - | (9,066) | |
| 附屬公司所有權 權益變動 | Change in ownership interest of subsidiaries | - | - | - | - | - | - | - | 11,062 | - | 11,062 | (11,062) | - | |
| 轉撥至儲備 | Transfer to reserve | - | - | - | - | 30,809 | - | - | - | (30,809) | - | - | - | |
| 股權結算股份付款 之交易 | Equity settled share-based transactions | - | - | - | - | - | 22,969 | - | - | - | 22,969 | - | 22,969 | |
| 於2019年12月31日 及2020年1月1日 | As at 31 December 2019 and 1 January 2020 | 101,419 | 1,353,356 | 4,526 | 13,666 | 275,051 | 32,594 | (347,598) | (221,707) | 2,617,516 | 3,828,823 | 441,088 | 4,269,911 | |
| 年內虧損 | Loss for the year | - | - | - | - | - | - | - | - | (745,368) | (745,368) | (238,837) | (984,205) | |
| 年內其他全面收益 (扣除所得稅) | Other comprehensive income for the year, (net of income tax) | - | - | - | - | - | - | - | - | - | - | - | - | |
| 換算海外業務 所產生之 匯兌差額 | Exchange differences arising from translation of foreign operations | - | - | - | - | - | - | 264,829 | - | - | 264,829 | 21,909 | 286,738 | |
| 年內全面(開支)/ 收益總額 | Total comprehensive (expense)/income for the year | - | - | - | - | - | - | 264,829 | - | (745,368) | (480,539) | (216,928) | (697,467) | |
| 附屬公司所有權 權益變動 | Change in ownership interest of subsidiaries | - | - | - | - | - | (557) | - | 2,006 | - | 1,449 | 1,551 | 3,000 | |
| 已失效時股權 | Share option lapsed | - | - | - | - | - | (3,778) | - | - | 3,778 | - | - | - | |
| 轉撥至儲備 | Transfer to reserve | - | - | - | - | 5,149 | - | - | - | (5,149) | - | - | - | |
| 股權結算股份付款 之交易 | Equity settled share-based transactions | - | - | - | - | - | 11,554 | - | - | - | 11,554 | - | 11,554 | |
| 於2020年12月31日 | As at 31 December 2020 | 101,419 | 1,353,356 | 4,526 | 13,666 | 280,200 | 39,813 | (82,769) | (219,701) | 1,870,777 | 3,361,287 | 225,711 | 3,586,998 | |

綜合權益變動表

Consolidated Statement of Changes in Equity

截至2020年12月31日止年度
For the year ended 31 December 2020

附註：

- (i) 資本贖回儲備指本公司於購回及註銷股份時由本公司保留盈利轉撥之本公司股份之面值。
- (ii) 資本儲備指根據集團重組已收購及資本化之附屬公司股份面值，與用作交換有關股份而發行之本公司股份的面值，兩者間之差額。
- (iii) 法定儲備主要為附屬公司按其中華人民共和國（「中國」）法定財務報表所列純利的10%及為若干安全生產活動提撥的資金。

根據中國成立之附屬公司之組織章程細則及相關之中國法則及法規，該等附屬公司須撥出10%之扣除所得稅後溢利（按中國國內法定財務報表記錄為準）作為法定儲備，除非該儲備資金結餘已達附屬公司註冊資本50%。該儲備資金僅可用於對銷附屬公司過往年度之虧損、擴充附屬公司之生產業務或增加附屬公司之股本。

根據中國國家安全生產監督管理總局及其他相關監管機構發佈的若干規例，本集團需按規定比例為白雲石及蛇紋石採掘活動提撥資金。該等資金可供用於維護及／或改善上述安全生產，不得向股東分派。

notes:

- (i) Capital redemption reserve represents the nominal value of the Shares of the Company which was transferred from the Company's retained earnings upon repurchase and cancellation of Shares by the Company.
- (ii) Capital reserve represents the difference between the nominal value of the shares of the subsidiaries that have been acquired and capitalised pursuant to a group reorganisation over the nominal value of the Company's Shares issued in exchange therefore.
- (iii) Statutory reserve mainly represents the fund set aside by the subsidiaries based on 10% of their net profit of the People's Republic of China (the "PRC") statutory financial statements and that for the purpose of certain safety production activities.

In accordance with the articles of association of the subsidiaries established in the PRC and the relevant PRC rules and regulations, these subsidiaries are required to set aside 10% of their profit after income tax as recorded in the PRC statutory financial statements as statutory reserve, except where the reserve fund balance has reached 50% of the subsidiaries' registered capital. The reserve fund can only be used to make good the subsidiaries' previous years' losses, to expand the subsidiaries' production operations or to increase the capital of the subsidiaries.

Pursuant to certain regulations issued by the State Administration of Work Safety of the PRC and other relevant regulatory bodies, the Group is required to set aside funds mainly for mining of dolomite and serpentine at prescribed rates. These funds can be used for maintenance and/or improvements of safety of these activities, and is not available for distribution to shareholders.

綜合現金流量表

Consolidated Statement of Cash Flows

截至2020年12月31日止年度

For the year ended 31 December 2020

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|--------------------------------------|--|---------------------------------|-------------------------|
| 經營活動 | Operating activities | | |
| 除所得稅前(虧損)/溢利 | (Loss)/profit before income tax | (927,983) | 591,601 |
| 就下列項目作出調整： | Adjustments for: | | |
| 折舊及攤銷 | Depreciation and amortisation | 226,056 | 219,427 |
| 財務費用 | Finance costs | 179,501 | 153,664 |
| 出售物業、廠房及設備及 土地使用權的收益淨額 | Net gain on disposal of property, plant and equipment and land use rights | 8,781 | (42,089) |
| 利息收入 | Interest income | (6,842) | (7,835) |
| 股權結算股份付款 | Equity settled share-based payments | 11,554 | 22,969 |
| 貿易應收款項預期信貸 虧損撥備淨額 | Net allowance for expected credit losses on trade receivables | 148,021 | 1,077 |
| 其他應收款項預期信貸 虧損撥備(撥回)/撥備 淨額 | Net (reversal) of allowance for/allowance for expected credit losses on other receivables | (809) | 2,057 |
| 衍生財務擔保公允價值變動 | Change in fair value derivative financial guarantee | (48,132) | (8,606) |
| 衍生金融負債產生之 公允價值虧損 | Fair value loss arising from derivative financial liabilities | 613 | 9,310 |
| 按公允價值計入損益之 股本工具之公允價值變動 | Change in fair value of equity instruments at fair value through profit or loss | 45 | (4,906) |
| 出售分類為持作出售之 資產之虧損 | Loss on disposal of asset classified as held for sale | - | 2,435 |
| 有關商譽確認之減值虧損 | Impairment loss recognised in respect of goodwill | 46,252 | - |
| 物業、廠房及設備撇銷 | Written off of property, plant and equipment | 660,000 | - |
| 營運資金變動前的 經營現金流量 | Operating cash flows before movements in working capital | 297,057 | 939,104 |
| 存貨(增加)/減少 | (Increase)/decrease in inventory | (75,791) | 212,428 |
| 貿易應收款項及應收票據 增加 | Increase in trade and bills receivable | (180,276) | (97,862) |
| 預付款項、按金及其他應收 款項減少/(增加) | Decrease/(increase) in prepayment, deposits and other receivables | 56,471 | (92,916) |
| 貿易應付款項及應付票據 增加 | Increase in trade and bills payables | (58,177) | (304,331) |
| 應計費用、其他應付款項及 預收款項及合約負債 (減少)/增加 | (Decrease)/increase in accruals, other payable and receipt in advance and contract liabilities | (31,376) | 48,085 |
| 經營業務所產生的現金 已付所得稅 | Cash generated from operations Income tax paid | 7,908 (57,182) | 704,508 (185,562) |
| 經營活動(所用)/所產生的 現金淨額 | Net cash (used in)/generated from operating activities | (49,274) | 518,946 |

綜合現金流量表

Consolidated Statement of Cash Flows

截至2020年12月31日止年度
For the year ended 31 December 2020

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|--------------------|--|-------------------------|-------------------------|
| 投資活動 | Investing activities | | |
| 提取銀行存款 | Withdrawal of deposits with banks | 32,704 | 98,990 |
| 購買物業、廠房及設備 | Purchase of property, plant and equipment | (471,161) | (431,807) |
| 存置長期存款 | Placement of long term deposits | - | (55) |
| 已收利息 | Interest received | 6,842 | 7,835 |
| 出售物業、廠房及設備的所得款項 | Proceeds from disposal of property, plant and equipment | 11,636 | 70,200 |
| 出售分類為持作出售的資產所得款項 | Proceeds from disposal of assets classified as held for sale | - | 4,321 |
| 投資活動所用的現金淨額 | Net cash used in investing activities | (419,979) | (250,516) |
| 融資活動 | Financing activities | | |
| 新借貸的所得款項 | Proceeds from new borrowings | 564,876 | 1,145,422 |
| 償還借貸 | Repayment of borrowings | (668,591) | (882,274) |
| 已付利息 | Interest paid | (88,200) | (149,968) |
| 償還租賃負債 | Repayment of lease liabilities | (2,587) | (2,798) |
| 償還可轉換債券 | Repayment of exchangeable bonds | - | (111,360) |
| 已付股息 | Dividend paid | - | (9,066) |
| 行使購股權所得款項 | Proceeds from share option exercised | 3,000 | - |
| 融資活動所用的現金淨額 | Net cash used in financing activities | (191,502) | (10,044) |

綜合現金流量表

Consolidated Statement of Cash Flows

截至2020年12月31日止年度
For the year ended 31 December 2020

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|-----------------------------------|--|-------------------------|-------------------------|
| 現金及等同現金項目 (減少)/增加淨額 | Net (decrease)/increase in cash and cash equivalents | (660,755) | 258,386 |
| 年初的現金及等同現金項目 | Cash and cash equivalents at the beginning of the year | 785,157 | 568,651 |
| 外匯匯率變動的影響 | Effect of foreign exchange rate changes | 33,015 | (41,880) |
| 年末的現金及等同現金項目 | Cash and cash equivalents at the end of the year | 157,417 | 785,157 |
| 現金及等同現金項目 結餘分析 | Analysis of balances of cash and cash equivalents | | |
| 綜合財務狀況表所列之已 抵押銀行存款及銀行 及現金結餘 | Pledged bank deposits and bank and cash balances as stated in the consolidated statement of financial position | 173,654 | 832,662 |
| 已抵押為借貸及應付票據 擔保之已抵押銀行存款 | Pledged deposits with banks pledged as security for borrowings and bills payable | (16,178) | (47,450) |
| 收購時原到期日 三個月以上之非抵押 銀行存款 | Non-pledged deposits with bank with original maturity of more than three months when acquired | (59) | (55) |
| 綜合現金流量表所列之 現金及等同現金項目 | Cash and cash equivalents as stated in the consolidated statement of cash flows | 157,417 | 785,157 |

隨附附註屬本綜合財務報表的一部分。

The accompanying notes form an integral part of these consolidated financial statements.

財務報表附註

Notes to the Financial Statements

截至2020年12月31日止年度
For the year ended 31 December 2020

1. 一般資料

世紀陽光集團控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事農業肥料業務、鎂產品業務及煉鋼熔劑業務。

本公司乃於2003年1月21日根據開曼群島公司法第22章(1961年法律3，經綜合及修訂)在開曼群島註冊成立的獲豁免有限公司。本公司的股份於2004年2月17日於香港聯合交易所有限公司(「聯交所」)GEM(「GEM」)上市，並於2008年7月31日撤銷其於GEM的上市地位。自2008年8月1日起，本公司的股份已於聯交所主板上市。董事認為，本公司之最終控股公司為冠華國際有限公司，該公司為於英屬處女群島註冊成立之公司。

綜合財務報表均以港元(「港元」)為單位，與本公司的功能貨幣相同。除非另有說明，否則所有金額均以近千位(千港元)計值。

1. GENERAL INFORMATION

Century Sunshine Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in fertiliser business, magnesium product business and metallurgical flux business.

The Company was incorporated in the Cayman Islands on 21 January 2003 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 17 February 2004, the Company’s shares were listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and were withdrawn from the GEM Board on 31 July 2008. Since 1 August 2008, the Company’s shares have been listing on the Main Board of the Stock Exchange. In the opinion of the directors, the ultimate holding company of the Company is Alpha Sino International Limited, a company incorporated in the British Virgin Islands.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand (“HK\$’000”) except when otherwise indicated.

財務報表附註

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清盤呈請及委任臨時清盤人之

於2020年7月3日，本公司公佈(i)本公司違約贖回於2020年7月3日到期之本金金額為101.75百萬新加坡元之上市後償票據(「新加坡票據」)(附註31 iii)；(ii)本公司於2020年6月接獲其兩名銀行債權人要求本公司償還其借款及由本公司擔保之附屬公司借款約51.00百萬港元另加應計利息並相信其很有可能在違約支付後進一步收到其債權人之催收；(iii)一份清盤呈請連同委任共同臨時清盤人之申請已代表本公司於2020年7月2日(開曼群島時間)向開曼群島最高法院提交，其為「非強制」原則行事，即本公司董事會(「董事會」)仍將管理本公司，而共同臨時清盤人會與公司管理層一起致力於(其中包括)監督、督導和監察對整個集團進行全面及經協調的債務和負債重組(「建議重組計劃」)，包括維持本公司在香港聯合交易所有限公司的上市。

於2020年7月14日(開曼群島時間)，開曼群島大法院(「大法院」)頒佈一項命令，委任安永企業財務服務有限公司的閻正為先生、蘇潔儀女士、Ernst & Young Ltd.的Roy Bailey先生以及EY Cayman Ltd的Tammy Karina Fu女士為本公司共同臨時清盤人，並授予其共同及個別之權力。

於2020年8月18日，大法院向香港高等法院發出請求書(「請求書」)，要求在香港承認共同臨時清盤人的任命和權力，以(其中包括)制定並提出重組計劃，致使本公司能夠繼續持續經營。大法院亦於當日接受其中一位共同臨時清盤人閻正為先生之辭任。而有關Roy Bailey先生、Tammy Karina Fu女士及蘇潔儀女士作為共同臨時清盤人的委任令則維持生效。共同臨時清盤人於2020年8月26日向香港高等法院提出申請，要求頒令認可共同臨時清盤人的任命，及獲得根據該請求書所給予的共同臨時清盤人權利。於2020年8月28日，香港高等法院已批准該申請。

Winding-up petitions and appointment of provisional liquidators

On 3 July 2020, the Company announced (i) the Company defaulted on the redemption of the SGDD 101.75 million in principal amount of the listed subordinated notes (the “SGD Notes”) on their maturity on 3 July 2020 (the “Payment Default”) (Note 31 iii); (ii) the Company had received in June 2020 demands from two of its bank creditors for the repayment of borrowings of the Company and its subsidiary guaranteed by the Company of approximately HK\$51 million plus interest accrued and believed it was likely to receive further calls from its creditors following the Payment Default; (iii) a winding-up petition has been filed on 2 July 2020 (Cayman Islands time) to the Supreme Court of the Cayman Islands on behalf of the Company together with an application for the appointment of joint provisional liquidators (“JPLs”) on a “light touch” basis that the board of directors of the Company (the “Board”) will retain management of the Company while the JPLs will work alongside the Company’s management to, amongst other things, monitor, supervise and oversee the implementation of a group-wide holistic and coordinated restructuring of its debts and liabilities (the “Proposed Restructuring Plan”) including to maintain the listing of the Company on the Stock Exchange of the Hong Kong Limited.

On 14 July 2020 (Cayman Islands time), an order was granted by the Grand Court of Cayman Islands (the “Grand Court”) for the appointment of Mr. Yen Ching Wai David and Ms. So Kit Yee Anita of Ernst & Young Transactions Limited, Mr. Roy Bailey of Ernst & Young Ltd., and Ms. Tammy Karina Fu of EY Cayman Ltd as JPLs of the Company with the power to act jointly and severally.

On 18 August 2020, the Grand Court issued a letter of request (“LOR”) to the High Court of Hong Kong for the recognition of the appointment and powers of the JPLs in Hong Kong to, inter alia, develop and propose a restructuring plan to allow the Company to continue as a going concern. The Grand Court also accepted the resignation of one of the JPLs, Mr. Yen Ching Wai David on the same day. The JPLs appointment order remains in force in respect of Mr. Roy Bailey, Ms. Tammy Karina Fu and Ms. So Kit Yee Anita as JPLs. An application has been filed by the JPLs to the High Court of Hong Kong on 26 August 2020 for the recognition of the appointment and powers of the JPLs pursuant to the LOR. On 28 August 2020, the High Court of Hong Kong has approved the said application.

財務報表附註 Notes to the Financial Statements

截至2020年12月31日止年度
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2. 應用香港財務報告準則(「香港財務報告準則」)之修訂

於本年度強制生效之香港財務報告準則之修訂

於本年度，本集團已就編製綜合財務報表首次採用於2020年1月1日或之後開始之年度期間強制生效之香港財務報告準則標準中有關概念框架之提述的修訂及以下由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則之修訂：

| | |
|---|--------|
| 香港會計準則第1號 及香港會計準則 第8號的修訂 | 重大之定義 |
| 香港財務報告準則 第3號的修訂 | 業務之定義 |
| 香港財務報告準則 第9號、香港會計 準則第39號及 香港財務報告準 則第7號的修訂 | 利率基準改革 |

此外，本集團已提早應用香港財務報告準則第16號修訂本「新冠肺炎疫情相關租金優惠」。

採用香港財務報告準則內提述之概念框架之修訂以及香港財務報告準則修訂本對該等合併財務報表所載本集團於本期間或以前期間之財務狀況及業績及並無產生重大影響。

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

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

In addition, the Group has early applied the Amendment to HKFRS 16 *Covid-19-Related Rent Concessions*.

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

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Notes to the Financial Statements

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已頒佈但未生效的新訂及經修訂香港財務報告準則

本集團並未提前應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

| | |
|--|--|
| 香港財務報告準則第17號 | 保險合約及相關修訂 ¹ |
| 香港財務報告準則第3號的修訂 | 有關概念框架之提述 ² |
| 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號的修訂 | 利率基準改革—第2階段 ⁴ |
| 香港財務報告準則第10號及香港會計準則第28號的修訂 | 投資者與其聯營公司或合資公司之間的資產出售或注資 ³ |
| 香港會計準則第1號的修訂 | 將負債分類為流動或非流動以及香港詮釋第5號(2020年)之有關修訂 ¹ |
| 香港會計準則第16號的修訂 | 物業、廠房及設備—作擬定用途前之所得款項 ² |
| 香港會計準則第37號的修訂 | 有償合約—履行合約的成本 ² |
| 香港財務報告準則的修訂 | 香港財務報告準則2018年至2020年之年度改進 ² |

- 1 於2023年1月1日或之後開始之年度期間生效。
- 2 於2022年1月1日或之後開始之年度期間生效。
- 3 於待定期限或之後開始之年度期間生效。
- 4 於2021年1月1日或之後開始之年度期間生效。

本公司董事預測，應用所有香港財務報告準則新訂及修訂本於可預見的未來將不會對綜合財務報表產生重大影響。

New and amendments to HKFRSs in issue but not yet effective

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

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

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

The directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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3. 主要會計政策概要

編製基準

於編製此等綜合財務報表時應用之主要會計政策載列如下。除非另有說明，此等政策已一致應用於所有呈列年度。

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例（「公司條例」）所規定之適用披露資料。

持續經營

截至2020年12月31日止年度，本集團產生虧損約984,205,000港元，而截至該日，本集團之流動負債超過其流動資產約1,082,484,000港元。此外，於2020年12月31日，本集團之流動及非流動借款分別約為2,065,408,000港元及75,381,000港元，而本集團僅維持其現金及現金等價物僅約157,417,000港元誠如綜合財務報表附註1所述，本公司違約償還其本金為101,750,000新加坡元（相當於約593,782,000港元）之上市後償票據加2020年7月3日到期日時到期應計之利息，並收到其兩家銀行債權人要求償還約51,000,000港元之本集團借款。截至2020年12月31日本集團未能履行本集團若干借款內之若干契約約為1,900,268,000港元，有關金額須按要求應付並在綜合財務報表中呈列為流動負債。此外，於2021年2月22日，貸方已就計入本集團截至2020年12月31日其他借貸中約154,686,000港元借款對本集團發起訴訟，要求償還未償付結餘。

上述狀況表示存在對本集團之持續經營能力構成疑慮之重大不明朗因素。因此，本集團可能無法於日常業務過程中變現其資產及解除債務。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with HKFRSs, issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

Going concern

During year ended 31 December 2020, the Group recorded loss of approximately HK\$984,205,000, and, as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$1,082,484,000. Further, as at 31 December 2020, the Group’s current and non-current borrowings amounted to approximately HK\$2,065,408,000 and HK\$75,381,000 respectively, while its cash and cash equivalents only amounted to approximately HK\$157,417,000. As stated in note 1 to the consolidated financial statements, the Company had defaulted in repayment of its listed subordinated notes of principal amount of SGD101.75 million (equivalent to approximately HK\$593,782,000) plus interests accrued when they fell due on their maturity date on 3 July 2020 and had received demands from two of its bank creditors for repayment of the borrowings of the Group of approximately HK\$51 million. The Group could not fulfil certain covenants of certain borrowings amounting to approximately HK\$1,900,268,000 as at 31 December 2020, which have become repayable on demand and are presented as current liabilities in the consolidated statement of financial position. Further, included in the other borrowings of the Group as at 31 December 2020 were borrowings of HK\$154,686,000 which the lenders have commenced litigations against the Group to repay the outstanding balances on 22 February 2021.

The conditions described above indicate the existence of a material uncertainty that cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

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本公司正積極探索本集團債務重組之方案，藉開曼群島大法院監督臨時清盤制度（通常稱為「非強制」臨時清盤）下執行管理層領導之重組，從而取得法定延緩以禁止未經開曼群島大法院准許下對本公司展開或持續進行任何訴訟。本公司正在積極努力地考慮制定切實可行之建議重組計劃，包括但不限於以下部分或全部事項：

1. 進行股權重組以便本公司透過發行股權自第三方投資者籌集現金；
2. 進行可能涉及再融資及／或本集團負債及債務和解或安排之債務重組；及
3. 可能由一個或以上之第三方投資者投資於本公司，借此為本公司籌集現金，以及可能出售非核心業務及本集團非營運中之固定資產。

建議之建議重組計劃將通過安排計劃（「計劃」）方式與包括本公司在內之公司之債權人執行。計劃很可能會受到大法院、英屬處女群島法院（有關臨時清盤中之於英屬處女群島註冊成立之附屬公司）、香港法院及新加坡法院制裁。

此外，本公司計劃對資本投資、生產及行政運營採取進一步之成本控制措施，以降低本集團之整體運營成本。

The Company is actively exploring options to restructure the debts of the Group and intends to implement a management led restructuring by taking advantage of the court-supervised provisional liquidation regime in the Cayman Islands, commonly known as a “light touch” provisional liquidation, which gives the Company the benefit of a statutory moratorium prohibiting the commencement or continuance of any proceedings against the Company without the leave of the Grand Court of the Cayman Islands. The Company is actively considering to develop a viable proposed restructuring plan, including but not limited to some or all of the followings:

1. equity restructuring to facilitate the raising of cash for the Company from third party investors through equity issue;
2. a debt restructuring that may involve refinancing and/or a compromise or arrangement of the debts and liabilities of the Group; and
3. potential investment in the Company from one or more third party investor(s) to facilitate raising of cash for the Company and potential disposal of non-core business and non-operating fixed assets of the Group.

It is proposed that the proposed restructuring plan will be implemented by way of schemes of arrangement (the “Schemes”) with the creditors of the companies in provisional liquidation, including the Company. The Schemes are likely subject to the sanction of the Grand Court, the BVI Court (in respect of the subsidiaries in provisional liquidation which are incorporated in the BVI), the Hong Kong Court and the Singapore Court.

In addition, the Company plans to implement further cost control measures on capital investments, production and administrative operations to reduce overall operating costs of the Group.

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本公司董事認為，按持續經營基準編製綜合財務報表乃合宜之舉。該等綜合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，或完成債務融資以為本集團提供資金以滿足到期之債務。這進而取決於(i)在向本集團一般債權人之債權人委員會、新加坡元票據債券持有人之非正式指導委員會(「非正式指導委員會」)及委聘之獨立財務顧問協商後，共同臨時清盤人及本公司能夠落實建議重組計劃；及(ii)為執行已落實之建議重組計劃，將成功地從上述相關法院取得對計劃之制裁。

截至批准刊發綜合財務報表之日，建議重組計劃尚未制定且建議重組計劃之最終結果無法合理確定。因此，截至批准刊發綜合財務報表之日，存在對本集團之持續經營能力構成疑慮之重大不明朗因素。倘本集團無法持續經營，則須於綜合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之負債作出撥備，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。此等調整之影響尚未反映於綜合財務報表內。

除若干按公允值計量的金融工具外，誠如下文會計政策所釋，綜合財務報表已按歷史成本基準編製。歷史成本通常根據為換取資產支付的代價的公允值釐定。

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 the Group being able to successfully negotiate and agree with the creditors to renew or extend the existing borrowings or complete debt financing to provide funds for the Group to meet its liabilities as they fall due. This in turn is dependent upon (i) the JPLs and the Company being able to finalise the proposed restructuring plan after consultations with the creditors' committee of the general creditors of the Group, the Informal Steering Committee ("ISC") of the noteholders of the SGD Notes and the Independent Financial Adviser engaged to represent the ISC; and (ii) the sanctions of the Schemes will be successfully obtained from the relevant courts referred to above for the implementation of the finalised Proposed Restructuring Plan.

As at the date of approval for issuance of the consolidated financial statements, the proposed restructuring plan has not been formulated yet and the eventual outcome of the proposed restructuring plan cannot be determined with reasonable certainty. Accordingly, the material uncertainty that cast significant doubt on the Group's ability to continue as a going concern remains in existence as at the date of approval for issuance of the consolidated financial statements. 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 carrying values of the Group's 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 effects of these adjustments have not been reflected in the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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公允值為市場參與者於計量日期在有序交易中出售資產可能收取或轉讓負債可能支付之價格，不論該價格是否直接觀察可得或使用另一種估值技術估計。估計資產或負債之公允值時，本集團考慮了市場參與者在計量日期為該資產或負債進行定價時將會考慮的資產或負債特徵。在該等綜合財務報表中計量和／或披露的公允值均在此基礎上予以確定，惟香港財務報告準則第2號以股份為基礎付款範圍內之以股份支付的交易、香港會計準則第16號範圍內之租賃交易及以及與公允值類似但並非公允值的計量(例如，香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值)除外。

非金融資產的公允值計量參考市場參與者能否以最高及最佳用途使用該資產，或把該資產售予另一能夠以最高及最佳用途使用該資產的市場參與者所產生的經濟效益。

就以公允值進行交易的金融工具以及於往後期間使用不可觀察輸入數據計量公允值的估值方法而言，估值方法曾經校準，以使初始確認時估值方法的結果與交易價格相同。

此外，就財務報告而言，公允值計量根據公允值計量之輸入數據可觀察程度及輸入數據對公允值計量之整體重要性分類為第1類、第2類及第3類，載述如下：

- 第1類輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第2類輸入數據是就資產或負債直接或間接地可觀察之輸入數據(第1類內包括的報價除外)；及
- 第3類輸入數據是資產或負債的不可觀察輸入數據。

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

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

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

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

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

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合併基準

綜合財務報表包括本公司及本公司所控制的實體(包括結構性實體)及其附屬公司的財務報表。倘出現以下情況，則本公司已取得控制權：

- 可對投資對象行使權力；
- 因參與投資對象之業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響該等回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制投資對象。

本公司於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止綜合入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本公司獲得控制權當日起至本公司失去附屬公司控制權當日止，計入綜合損益及其他全面收益報表內。

本公司擁有人及非控股股東權益應佔損益及其他全面收益各組成部分。即使會使非控股權益出現虧絀，一間附屬公司的全面收益及開支總額仍歸本公司擁有人及非控股權益所有。

如有需要，會對附屬公司的財務報表作出調整，以使其會計政策與本集團採用的會計政策一致。

所有本集團成員間集團內部交易有關資產及負債、權益、收益、開支及現金流已於編製綜合賬目時悉數抵銷。

於附屬公司的非控股權益與本集團的權益分開呈列，其指現有擁有權權益，使其持有人有權於清盤時按比例取得有關附屬公司之資產淨值。

Basis of Consolidation

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

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

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

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

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

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

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

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

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本集團於現有附屬公司之擁有權變動

本集團於附屬公司擁有權之變動並無導致本集團對附屬公司失去控制權，而作為股本交易入賬。本集團之權益及非控股權益之賬面值經調整以反映彼等於附屬公司之有關權益變動。經調整非控股權益之面額與已付或已收代價之公允價值間任何差額直接於權益中確認並歸屬於本公司擁有人所有。

當本集團失去附屬公司控制權時，出售損益按(i)已收代價的公允值及任何保留權益公允值的總額與(ii)附屬公司先前的資產(包括商譽)及負債和任何非控制權益賬面值的差額計算。倘附屬公司的若干資產按重估金額或公允值計量，且相關累計損益已於其他全面收益表確認並於權益累計，則之前於其他全面收益表確認並於權益累計的金額猶如本公司已直接出售有關資產(即重新分類至損益或直接轉撥至保留盈利)入賬。根據香港會計準則第39號金融工具：確認及計量，於失去控制權之日在前附屬公司保留的任何投資公允值視為首次確認公允值或(如適用)聯營公司或共同控制實體投資的首次確認成本，以供日後入賬處理。

Changes in the Group's Ownership Interests in Existing Subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

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附屬公司

附屬公司為本公司直接或間接控制之實體(包括結構性實體)。當本集團對參與投資對象業務之浮動回報承擔風險或享有權利以及能透過對投資對象之權力(即本集團獲賦予現有能以主導投資對象相關活動之既存權利)影響該等回報時，即取得控制權。

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

- (a) 與投資對象其他投票持有人之合約安排；
- (b) 其他合約安排所產生之權利；及
- (c) 本集團之投票權及潛在投票權。

附屬公司業績按已收取及應收取之股息列入本公司損益賬。本公司於附屬公司之投資按成本扣除任何減值列賬。

業務合併

收購業務以收購法入賬。業務合併所轉讓代價以公允值計量，而公允值按本集團所轉讓資產、本集團對被收購方前擁有人所產生負債以及本集團就交換被收購方控制權所發行股本權益於收購日期之公允值總和計算。收購相關成本一般於產生時於損益內確認。

除若干確認豁免外，所購入可識別資產及所承擔負債必須符合《財務報表編製及列報框架》(由2010年10月發布的《財務報告概念框架》取代)中之資產及負債定義。

Subsidiaries

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

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

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

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivables. The Company's investments in subsidiaries are stated at cost less any impairment.

Business combinations

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

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

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於收購日期，所購入可識別資產及所承擔負債按其公允值確認，但以下各項除外：

- 遞延稅項資產或負債及有關僱員福利安排之資產或負債分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；
- 與被收購方以股份為基礎支付安排或為替代被收購方以股份為基礎支付安排而訂立之本集團以股份為基礎支付安排有關之負債或股本工具，於收購日期根據香港財務報告準則第2號以股份為基礎之支付計量(見下文會計政策)；
- 根據香港財務報告準則第5號持作出售非流動資產及已終止經營業務分類為持作出售之資產(或出售組合)按該準則計量；及
- 租賃負債按剩餘租賃付款(定義見香港財務報告準則第16號)之現值確認及計量，猶如收購之租賃於收購日期為新租賃，惟(a)租期於收購日期12個月內結束；或(b)相關資產為低價值的租賃除外。使用權資產按與相關租賃負債相同之金額確認及計量，並進行調整以反映與市場條件相比租賃之有利或不利條款。

商譽按所轉讓代價、於被收購方任何非控股權益之金額及收購方過往所持被收購方股本權益(如有)公允值總和超出所收購可識別資產及所承擔負債於收購日期之淨額計量。倘於重新評估後，所收購可識別資產及所承擔負債之淨額超出所轉讓代價、於被收購方任何非控股權益之金額及收購方過往所持被收購方權益(如有)公允值之總和，差額即時於損益確認為按折價收購收益。

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

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

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非控股權益為現有所有權權益，使持有人於清盤時能夠按比例分佔相關附屬公司資產淨值，其可初步按非控股權益按比例分佔被收購方可識別資產淨值之已確認數額或按公允值計量。

當本集團於一項業務合併轉移之代價包括或然代價安排，則或然代價乃按其收購日期之公允值計量，並計入作為於一項業務合併轉移之代價一部分。合資格作計量期間調整之或然代價之公允值變動乃追溯調整。計量期間調整為「計量期間」(不得超過收購日期起計一年)因獲得於收購日期已存在事實及情況之額外資料而作出之調整。

不符合作為計量期間調整之或然代價之其後會計處理，取決於或然代價如何分類。分類為權益之或然代價於其後報告日期不會重新計量，其後結算於權益內進行入賬處理。分類為資產或負債之或然代價於其後報告日期重新計量至公允值，而相應收益或虧損乃於損益中確認。

倘業務合併分階段達成，本集團先前持有之被收購方股權乃於收購日期(即本集團獲得控制權之日期)重新計量至公允值，而所產生之收益或虧損(如有)乃於損益或其他全面收益(如適用)內確認。於收購日期前已於其他全面收益確認並按香港財務報告準則第9號計量之被收購方權益產生之金額，將按本集團直接出售先前持有之股權所需之相同基準入賬。

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

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倘業務合併之初步會計處理於合併發生之報告期末仍未完成，則本集團會就仍未完成會計處理之項目呈報暫定金額。該等暫定金額於計量期間(見上文)內作出追溯調整，並確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況之新資料，而倘知悉該等資料，將會影響於當日確認之金額。

商譽

自收購業務產生之商譽指收購成本超過於收購日期本集團於相關業務之可資識別資產、負債及或然負債之公允值之權益之金額。該商譽以成本減任何累計減值虧損列賬。

就減值測試而言，收購所產生之商譽分配至預期將受惠於收購協同效益之各有關現金產生單位(「現金產生單位」)或現金產生單位組別。獲分配商譽之現金產生單位於每年及如有跡象顯示該單位可能已經減值時進行減值測試。就於財政年度因收購而產生之商譽而言，獲分配商譽之現金產生單位於該財政年度結束之前進行減值測試。當現金產生單位之可收回金額少於該單位之賬面值時，減值虧損首先分配作減低該單位獲分配之任何商譽之賬面值，其後根據該單位中各項資產賬面值之比例分配予該單位之其他資產。商譽之任何減值虧損直接於損益確認。商譽之減值虧損不會於隨後期間撥回。

於出售相關現金產生單位時，釐定出售損益金額時計入應佔資本化商譽之金額。

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash generating units ("CGUs"), or groups of CGU, that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

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來自客戶合約之收入

本集團於完成履約責任時(或就此)確認收益，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時確認收益。

履約責任指明確貨品及服務(或一組貨品或服務)或一系列大致相同的明確貨品或服務。

控制權會隨時間轉移，而倘滿足以下其中一項標準，則收益乃參照完全滿足相關履約責任的進度而隨時間確認：

- 於本集團履約時客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約行為創造及提升客戶於本集團履約時已控制的資產；或
- 本集團的履約行為並無創造對本集團而言有其他用途的資產，且本集團擁有就迄今為止已完成的履約部分獲付款的可強行執行權利。

否則，收益於客戶取得明確貨品或服務控制權的時間點確認。

合約資產指本集團就向客戶換取本集團已轉讓的商品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即只需待時間過去代價即須到期支付。

Revenue from contracts with customers

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

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

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

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

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

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

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合約負債指本集團因已自客戶收取代價(或到期收取的代價)，而須向客戶轉讓商品或服務之責任。

與合約有關之合約資產及合約負債列作以淨額基準呈列。

來自加工及銷售農業肥料、鎂產品及煉鋼熔劑之收益於產品的控制權在產品交付予客戶且客戶已接納產品的時間點轉移以及並無可能會影響客戶接納產品的未履行責任時隨時間點予以確認。當產品已運送到指定地點，產品陳舊及遺失的風險已轉移至客戶，及客戶按照銷售合約接納產品，或接納條款已失效，或本集團有客觀證據證明所有接納標準均已達成時，交付即告完成。

該等銷售的收益按照合約訂明的價格(扣除折扣、回報及增值稅)予以確認。

應收款項於產品交付及客戶接納產品時確認，因從那一刻開始，付款之到期僅須時間的流逝，故收取代價成為無條件。

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

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

Revenue from the processing and sales of fertiliser, magnesium products and metallurgical flux is recognised at a point in time when control of the products has transferred, being at the point the products are delivered to the customer and the customer has accepted the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of discounts, returns and value added taxes.

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

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政府撥款

政府撥款不予確認，直至有合理保證，本集團將符合政府撥款隨附的條件，以及將收獲撥款後，方會確認。

倘與收入相關者之政府撥款成為應收款項，作為已產生的開支或虧損的彌償，或提供予本集團而沒有相關未來成本即時財務支持，則於成為應收款項之期間於損益確認。有關撥備於「其他收益虧損淨額」項下呈列。

物業、廠房及設備

物業、廠房及設備為用作生產或供應貨物或服務，或行政用途的無形資產(在建工程除外)按成本減其後累計折舊及累計減值虧損列賬。

成本包括為使資產達到能夠按照管理層擬定的方式開展經營所必要的位置及條件而直接產生的任何成本，及(就合資格資產而言)根據本集團會計政策資本化的借貸成本。此等資產以其他物業資產的相同基準，當資產可供擬定用途時開始計提折舊。

在建工程包括建造以供生產或本身運用的物業、廠房及設備。在建工程乃按成本減任何已確認減值虧損列賬。當在建工程完成及可供擬定用途，則撥入物業、廠房及設備的適當分類。此等資產以其他物業資產的相同基準，當資產可供擬定用途時開始計算折舊。

Government Grants

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

Government grants related to income 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. Such grants are presented under “other gains or losses, net”.

Property, Plant and Equipment

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

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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當本集團就於物業的擁有權權益(包括租賃土地及樓宇部分)付款時，全部代價於租賃土地及樓宇部分之間按初始確認時的相對公允值的比例分配。

倘相關付款能可靠分配，則以經營租賃入賬的租賃土地權益於綜合財務狀況表中呈列為「使用權資產」。倘代價無法於相關租賃土地的非租賃樓宇部分及未分割權益間可靠分配，則整項物業分類為物業、廠房及設備。

折舊乃於估計可使用年期內以直線法確認，以撇銷資產成本。估計可使用年期、剩餘價值及折舊方法會在各報告期末進行審核，而任何估計變更之影響乃不予追溯地入賬。

物業、廠房及設備於出售時或預期持續使用該資產不再帶來未來經濟利益時取消確認。因資產取消確認產生的任何收益或虧損(按出售所得款項淨額與項目賬面值的差額計算)乃於項目取消確認的期間內計入期內損益。

投資物業

投資物業乃持有以賺取租金及為資本增值目的而持有之物業。

投資物業首次按成本(包括任何直接應佔開支)計量。首次確認後，投資物業按成本減其後之累計折舊及任何累計減值虧損列賬。折舊獲確認以按投資物業的估計可使用年期並計及其估計剩餘價值後以直線法撇銷其成本。

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Investment properties

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

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

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分類為持作出售資產

資產(及出售組別)之賬面值倘若主要通過出售交易而非通過持續使用而收回，則會分類為持作出售。僅當資產(或出售組別)在其當前狀態下即時出售，並且僅受限於出售該資產(或出售組別)之一般慣常條款，且出售的可能性很高，該條件方會被視為獲滿足。管理層必須對出售作出承諾，即出售預期應可於分類日期起計一年內合資格確認為已完成出售。

當本集團承諾進行涉及失去附屬公司控制權之出售計劃，倘符合上述條件，則不論本集團是否將於出售后保留於相關附屬公司之非控股權益，該附屬公司之全部資產及負債均會分類為持作出售。

分類為持作出售之資產(及出售組別)按照之前賬面值及公允值減出售成本(以較低者為準)計量。

本集團按(a)其在資產(及出售組別)分類為持作出售(倘資產未被分類為持作出售，則就可能已經確認之任何折舊、攤薄或重估作出調整)前之賬面值及(b)其在隨後的決定不會出售之日之可收回金額(二者較低者為準)計量不再分類為持作出售之非流動資產(及出售組別)。

Assets classified as held for sale

Assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

Assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

The Group measure a non-current asset (and disposal group) that ceases to be classified as held for sale at the lower of, (a) its carrying amount before the asset (and disposal group) was classified as held for sale adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (and disposal group) not been classified as held for sales, and (b) its recoverable amount at the date of the subsequent decision not to sell.

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租賃

租賃的定義

倘合約賦予權利於一段時間內控制已識別資產的用途以換取代價，則該合約為包含租賃。

就於首次應用日期或之後訂立或修改或由業務合併產生的合約而言，本集團根據香港財務報告準則第16號的定義於初始或修改日期或收購日期(倘適用)評估該合約是否為租賃或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

本集團作為承租人

將代價分配至合約組成部分

就包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分之合約而言，本集團根據租賃組成部分之相對獨立價格及非租賃組成部分之獨立價格總和將合約代價分配至各租賃組成部分，包括收購含有租賃土地及非租賃樓宇組成部分的物業的所有權權益的合約，惟有關分配無法可靠作出則除外。

本集團亦採用可行權宜方法，不將非租賃組成部分從租賃組成部分區分開來，而是將租賃組成部分及任何相關非租賃組成部分作為一項單獨的租賃組成部分進行入賬。

短期租賃及低價值資產租賃

對於租期自開始日期起計12個月或以內且並無包含購買選擇權的機器及設備租賃，本集團應用短期租賃確認豁免。本集團亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款按直線基準或另一系統基準於租期內確認為開支。

Leases

Definition of a lease

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

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

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

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

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使用權資產

使用權資產的成本包括：

- 租賃負債初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減去已獲得的租賃優惠；
- 本集團所產生的任何初始直接成本；及
- 由本集團廢除及移除相關資產，恢復其所在場地或將相關資產恢復到租賃條款及條件所要求的條件所產生的成本估算，除非該等成本乃因生產存貨而產生。

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

就本集團於租期結束時合理確定獲取相關租賃資產所有權之使用權資產而言，有關使用權資產自開始日期起至可使用年期結束期間計提折舊。在其他情況下，使用權資產按直線基準於其估計可使用年期與租期兩者之較短期間內計提折舊。

本集團於綜合財務狀況表內將使用權資產呈列為一項單獨項目。

Right-of-use assets

The cost of right-of-use asset includes:

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

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

Right-of-use assets 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. Straight-line basis over the shorter of its estimated useful life and the lease term.

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

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可退回租賃按金

已付可退回租賃按金按照香港財務報告準則第9號金融工具(「香港財務報告準則第9號」)入賬及初步按公允值計量。於初始確認時對公允值的調整視為額外租賃付款，並計入使用權資產的成本。

租賃負債

於租賃開始日期，本集團按當日尚未支付的租賃付款現值確認及計量租賃負債。就計算租賃付款現值而言，倘租賃中隱含利率不易確定，則本集團於租賃開始日期使用的增量借款利率進行計算。

計入計量租賃負債之租賃付款包括：

- 固定租賃款項(包括實質性的固定付款)減去任何已獲得租賃優惠；
- 跟隨指數或比率而定的可變租賃付款，初步按開始日期的指數或比率計量；
- 根據剩餘價值擔保預期將由承租人支付的金額；
- 倘承租人合理確定行使購買選擇權，則為該選擇權的行使價；及
- 倘租期反映將行使選擇權終止租賃，則支付終止租賃的罰款。

於開始日期後，租賃負債就應計利息及租賃付款作出調整。

Refundable rental deposits

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

Lease liabilities

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

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

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倘出現以下情況，本集團重新計量租賃負債(並就相關使用權資產作出相應調整)：

- 租期有所變動或行使購買選擇權的評估發生變化，在此情況下，相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因進行市場租金調查後市場租金變動／有擔保剩餘價值下預期付款變動而出現變動，在此情況下，相關租賃負債使用初始貼現率貼現經修訂租賃付款而重新計量。

租賃負債於綜合財務狀況表中呈列為一項單獨項目。

租賃的修訂

除本集團已應用可行權宜方法的新冠肺炎疫情相關租金優惠外，倘出現以下情況，本集團將租賃的修改作為一項單獨的租賃進行入賬：

- 租賃修訂通過增加了使用一項或以上相關資產的權利使租賃範圍增大；及
- 租賃代價增加的金額相當於擴大範圍對應的單獨價格，加上以反映特定合約的實際情況對單獨價格進行的任何適當調整。

就未作為一項單獨租賃入賬的租賃修改而言，本集團透過使用修改生效日期的經修訂貼現率貼現經修訂租賃付款，根據經修訂租賃的租期重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整，以對租賃負債進行重新計量。當經修訂合約包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分時，本集團根據租賃組成部分的相對獨立價格及非租賃組成部分的獨立價格總額，將經修訂合約中的代價分配至各租賃組成部分。

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The lease liability is presented as a separate line in the consolidated statement of financial position.

Lease modifications

Except for Covid-19-related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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新冠肺炎疫情相關租金寬免

就因導致直接產生的與租賃合約有關的租金寬免而言，本集團已選擇在滿足下列所有條件時應用可行權宜方法不評估有關變動是否為一項租賃修改：

- 租賃付款變動導致之租賃之經修訂代價與緊接變動之前的租賃代價基本相同或低於該代價；
- 租賃付款之任何減少僅影響原於2021年6月30日或之前到期的付款；及
- 租賃的其他條款及條件並無實質性變動。

應用可行權宜方法將租金寬免導致之租賃付款變動列賬之承租人將以同一方式將應用香港財務報告準則第16號「租賃」的變動入賬（倘變動並非租賃修訂）。租賃付款之寬免或豁免被入賬列作可變租賃付款。相關租賃負債獲調整以反映寬免或豁免之金額，並於該事件發生的期間內在損益中確認相應調整。

無形資產

於業務合併中收購的無形資產

在業務合併中收購的無形資產，若符合無形資產的定義，而公允值能可靠地計量，則須與商譽分開識別及確認。有關無形資產的成本確認為其於收購日期的公允值。

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

Intangible Assets

Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is recognised at their fair value at the acquisition date.

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於首次確認後，具有有限使用年期的無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有有限使用年期的無形資產以直線法按其估計可使用年期計提攤銷。或者，擁有無限使用年期的資產可按成本減任何其後累計減值虧損列賬。

無形資產乃於出售時或於預期使用或出售不會產生未來經濟利益時終止確認。於終止確認無形資產所產生的收益及虧損(按資產的出售所得款項淨額與賬面值之間的差額計量)於終止確認資產時在損益中確認。

技術知識

購入技術知識的開支撥作資本，並按自技術知識可使用日期起計分三至五年估計可使用年期以直線法攤銷。

商標

商標以歷史成本列示。於業務合併收購的商標按收購日期之公允值確認，由於許可證可以較低費用續期，可使用年期被評估為無限期。

專利權

購入專利權之開支將予資本化，並以直線法按自專利可使用日期起計九至十六年之估計可使用年期攤銷。

倘無形資產之可使用年期被評定為無限期，則不會進行攤銷。倘評定無形資產之可使用年期為無限期，則會每年檢討以釐定有否有任何事件或情況繼續支持該項資產的無限可使用年期。倘並無任何該等事件或情況，可使用年期評估由無限期轉為有限期時，則自變動日期起就其預期情況及根據上文所載攤銷有限期無形資產之政策列賬。

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

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

Technical Know-how

Expenditure on acquired technical know-how is capitalised and amortised using the straight-line method over its estimated useful life of 3 to 5 years, from the date when the technical know-how is available for use.

Trademark

Trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date and the useful lives are assessed to be indefinite as the license can be renewed at little cost.

Patent

Expenditure on acquired patent is capitalised and amortised using the straight-line method over its estimated useful life of 9 to 16 years, from the date when the patent is available for use.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

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會所會籍

會所會籍按歷史成本發列示。業務合併中收購之會所會籍於收購日期按公允值確認，且由於其使用年期被評定為無限期，則不會進行攤銷須受年度化減值審閱。

研究及開發開支

研究活動開支於產生期間確認為費用。

由發展項目(或由一項在發展階段期間的內部項目)內部所產生的無形資產，只會在以下全部已被證明的情況下方會予以確認：

- 具可行性技術以完成無形資產並使其將可供使用或出售；
- 有意向完成及使用或出售之無形資產；
- 具能力可使用或出售之無形資產；
- 無形資產如何產生可能的將來經濟利益；
- 有足夠之技術、財政及其他資源可完成發展項目並使用或出售之無形資產；及
- 有能力確實地計量無形資產在其發展階段時所應佔的費用。

就內部產生的無形資產初始確認的金額為由無形資產首次符合上述確認要求的日期起所涉的開支總額。倘並無內部產生的無形資產可予確認，開發開支則會於產生期間的損益賬內扣除。

於初始確認後，內部產生的無形資產乃按與獨立購買的無形資產相同的基準，以成本扣除累計攤銷及累計減值虧損(如有)計算。

Club membership

Club membership are shown at historical cost. Club membership acquired in a business combination are recognised at fair value at the acquisition date and are not amortised as their useful lives are assessed to be indefinite and subject to annualised impairment review.

Research and Development Expenditure

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

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

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

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

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

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物業、廠房及設備、使用權資產及無形資產(商譽除外)減值

於各報告期末，本集團審閱其物業、廠房及設備、使用權資產及具有限使用年期無形資產(商譽除外)之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何有關跡象，則會估計有關資產的可收回金額以釐定減值虧損(如有)之程度。無限使用年期之無形資產及尚未可供使用之無形資產至少每年及於有跡象顯示資產可能出現減值時進行減值測試。

物業、廠房及設備、使用權資產及無形資產之可收回金額予以個別估計。倘無法個別估計可收回金額，則本集團會估計該資產所屬現金產生單位之可收回金額。

在就減值測試現金產生單位時，於可設定合理一致的分配基準時，公司資產會分配至相關現金產生單位，否則有關資產會分配至可設定合理一致分配基準之現金產生單位最小組別。就公司資產所屬現金產生單位或現金產生單位組別釐定可收回金額，並與相關現金產生單位或現金產生單位組別之賬面值進行比較。

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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

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

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可收回金額為公允值減出售成本與使用價值兩者中之較高者。於評估使用價值時，乃以反映目前市場對貨幣時間價值及資產（或現金產生單位）於估計未來現金流量調整前之獨有風險之稅前貼現率將估計未來現金流量貼現至其現值。

倘估計資產（或現金產生單位）之可收回金額低於其賬面值，則資產（或現金產生單位）之賬面值下調至其可收回金額。就未能按合理一致基準分配至現金產生單位之公司資產或一部分公司資產而言，本集團會將現金產生單位組別之賬面值（包括分配至該現金產生單位組別的公司資產或一部分公司資產的賬面值）與該現金產生單位組別之可收回款項作比較。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值（如適用），然後按比例根據該單位或現金產生單位組別各資產之賬面值分配至其他資產。一項資產的賬面值不會減至低於其公允值減出售成本（如可計量）、其使用價值（如可釐定）及零當中之最高者。本將分配至該資產之減值虧損之金額按比例分配至該單位或現金產生單位組別的其他資產。減值虧損即時於損益確認。

倘減值虧損於其後撥回，則資產（或現金產生單位或現金產生單位組別）的賬面值會增加至其經修訂的估計可收回金額，惟增加後的賬面值不得超出假設過往年度並無就該項資產（或現金產生單位或現金產生單位組別）確認減值虧損時原應釐定的賬面值。減值虧損撥回即時於損益確認。

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

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

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

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採礦權

採礦權包括所轉撥之勘探及評估資產，以成本扣除累計攤銷及任何減值虧損後列示。採購權按生產量除以礦產資源總儲量作攤銷。倘礦山被廢置時，則採礦權在損益表中攤銷。

外幣

編製本集團旗下各個別實體的財務報表時，以該實體的功能貨幣以外貨幣(外幣)進行的交易按交易日期的匯率以其功能貨幣(即該實體經營業務所在主要經濟環境的貨幣)列賬。

於各報告期末，以外幣結算的貨幣項目按該日的匯率重新換算。以外幣計值並以公允值列賬之非現金項目於公允值釐定當日按當前比率重新換算。按過往成本以外幣結算的非貨幣項目不會重新換算。

結算貨幣項目及換算貨幣項目時產生的匯兌差額於產生期間在損益確認。重新換算非貨幣項目產生的匯兌差額按公允值納入有關期間的損益內。

Mining Rights

Mining rights, including transferred exploration and evaluation assets, are stated at cost less accumulated amortisation and any impairment losses. The mining rights are amortised on the production quantities over the total estimated mineral reserve. Mining rights are written off to the profit or loss if the mining property is abandoned.

Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value, are included in profit or loss for the period.

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就綜合財務報表呈報方式而言，本集團海外業務的資產及負債按報告期末的匯率換算為本集團的呈報貨幣(即港元)，而其收入及開支則按年內平均匯率換算，除非匯率於期內出現大幅波動，在此情況下，則採用交易日期的匯率換算。所產生匯兌差額(如有)於其他全面收益確認並於(如適用，按非控股權益應佔之)股本(即匯兌儲備)累計。

於出售海外業務(即出售本集團於海外業務的全部權益或涉及失去對一家從事海外業務的附屬公司的控制權的出售、涉及失去對一家從事海外業務的共同控制實體的共同控制權的出售、或失去對一家從事海外業務的聯營公司的重大影響力的出售)時，就本公司擁有人應佔該業務之權益而累計之所有匯兌差額重新分類至損益。

此外，就並未導致本集團失去附屬公司之控制權的附屬公司部分出售而言，累計匯兌差額的相應份額乃重新歸類為非控股權益，而並不於損益內確認。

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

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

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

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借貸成本

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

所有其他借貸成本於產生之期內在損益確認。

退休福利費用

退休金計劃

本集團根據強制性公積金計劃條例設立一項界定供款之強制性公積金退休福利計劃（「強積金計劃」），為所有僱員參與強積金計劃。供款按僱員基本薪金的若干百分比釐定並根據強積金計劃守則於需支付供款時在損益內扣除。強積金計劃之資產與本集團的其他資產分開處理，由一獨立管理之基金持有。在向強積金計劃供款時，本集團僱主供款將全數歸屬於僱員所有。

本集團亦為僱員（包括若干董事）設立一項界定供款僱員退休金計劃，該計劃依職業退休計劃條例註冊（「職業退休計劃」）。職業退休計劃的資產與本集團資產分開，由一個獨立管理的基金持有。供款按合資格僱員基本薪金的若干百分比釐定並於根據職業退休計劃守則於需支付供款時在損益內扣除。如僱員於其於本集團僱主供款的權益尚未全數歸於僱員前退出職業退休計劃，有關被沒收的供款可能減少本集團的持續應付供款。

Borrowing Costs

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

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

Retirement Benefit Costs

Pension Schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group also operates a defined contribution staff retirement scheme registered under the Occupational Retirement Schemes Ordinance (the “ORSO Scheme”) for its employees (including certain directors), the assets of which are held separately from those of the Group in an independently administered fund. Contributions are made based on a percentage of the eligible employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the ORSO Scheme. When an employee leaves the ORSO Scheme prior to his/her interest in the Group’s employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of forfeited contributions.

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本集團於中國內地營運附屬公司之僱員須參與一項由當地市政府管理之中央退休金計劃。此等附屬公司須按彼等薪金成本之若干百分比，向該中央退休金計劃作出供款。此供款根據中央退休金計劃之守則，於應付時在損益內扣除。

向界定供款退休金計劃的供款於僱員提供服務後而符合領取有關供款的資格時列作支出扣除。

現金及等同現金項目

就綜合現金流量表而言，現金及等同現金項目包括手頭現金及活期存款，以及可隨時轉換為已知數額現金並一般於購入後三個月內到期，且價值變動風險微不足道之短期及高度流通投資，另扣除須按要求償還及構成本集團現金管理一部分之銀行透支。

股份付款交易

授予僱員的購股權

就須待達成指定歸屬條件的購股權的授出而言，參照授出當日已授出購股權的公允值而釐定已收取服務的公允值，於歸屬期間按直線法支銷，而股本(購股權儲備)則相應增加。

於報告期末，本集團修訂預期最終歸屬的購股權估計數目。倘原先估計數目有所修訂(如有)，則於歸屬期間修訂估計的影響在損益確認，並於購股權儲備中作相應的調整。

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

Payments to defined contribution retirement plans are charged as an expense when employees have rendered service entitling them to the contributions.

Cash and Cash Equivalents

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

Share-based Payment Transactions

Share Options Granted to Employees

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss with a corresponding adjustment to share option reserve.

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就授出日期已即時歸屬的購股權而言，已授出購股權的公允值隨即於損益支銷。

購股權獲行使時，先前於購股權儲備中確認之數額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於到期日仍未獲行使，先前於購股權儲備中確認之數額將轉撥至保留盈利。

稅項

所得稅開支指當前應付稅項及遞延稅項總額。

當前應付稅項乃按年內應課稅溢利計算。應課稅溢利不包括已撥往其他年間的應課稅收入或可扣減開支項目，亦不包括可作免稅或不可作稅項扣減之項目，故與綜合損益及其他全面收益表所列溢利不同。本集團即期稅項負債乃按於報告期末已頒佈或大致上已頒佈之稅率計算。

遞延稅項乃按於財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者之暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產通常會於可能出現應課稅溢利抵銷有關可動用可扣減暫時差額時就所有可扣減暫時差額確認。若暫時差額因商譽或因於一項既不影響應課稅溢利亦不影響會計溢利之交易(不包括業務合併)中開始確認其他資產及負債而引致，則不會確認該等資產及負債。

For share options that are vested immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When the share options are exercised, the amount previously recognised in share option 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 option reserve will be transferred to retained earnings.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes 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.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that is probable that taxable profit will be available against which those deductible temporary differences 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.

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遞延稅項負債就與於附屬公司投資有關之應課稅臨時差額確認，惟倘集團能控制臨時差額撥回且臨時差額於可見未來不會撥回則作別論。與該等投資及權益相關的可抵扣暫時差額所產生的遞延稅項資產僅在動用暫時差額利益時有足夠的應課稅溢利且預期在可見將來其將被撥回時，方可確認。

遞延稅項資產之賬面值會於各報告期末均作檢討，並在不大可能再有足夠應課稅溢利收回全部或部分資產時減少。

遞延稅項負債及資產以負債被清償或資產被變現的期間內預期適用的稅率計量，並根據於報告期末已頒佈或大致上已頒佈的稅率(和稅務法例)計量。遞延稅項負債及資產之計量反映隨本集團預期於報告期末時收回或償還資產及負債賬面值所產生之稅務後果。

對於其中稅項扣除歸屬於租賃負債之租賃交易，本集團將香港會計準則第12號所得稅要求分別應用於使用權資產及租賃負債。相關使用權資產及租賃負債初步確認之暫時差額乃由於應用初始確認豁免而並未確認。因重新計量租賃負債及租賃修訂導致對使用權資產及租賃負債的賬面值進行後續修訂而產生的不受初始確認豁免之暫時差額，於重新計量或修訂日期確認。

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

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當即期稅項資產與即期稅項負債可依法相互抵銷，且與同一稅務機關對同一應課稅實體所徵收之所得稅有關時，遞延稅項資產及負債可相互抵銷。即期及遞延稅項於損益確認。

存貨

存貨按成本與可變現淨值兩者的較低者列賬。如為在製品及製成品，包括直接物料、直接勞工及適當部分間接開支。成本以加權平均法計算。可變現淨值指存貨之估計售價減完成之所有估計成本以及出售所需之成本。

投資及其他金融資產

初步確認及計量

於初步確認時，金融資產分類為其後按攤銷成本計量、按公允值計入其他全面收入及按公允值計入損益。

初步確認金融資產分類取決於金融資產的合約現金流特徵，以及本集團管理金融資產的業務模式。除並未包含重大融資組成部分或本集團已實行權宜措施不調整重大融資組成部分影響的貿易應收款項外，本集團按公允值初步計量金融資產，倘金融資產並非按公允值計入損益，則另加交易成本。並未包含重大融資組成部分或本集團已實行權宜措施的貿易應收款項根據下文「收益確認」所述政策按香港財務報告準則第15號釐定的交易價計量。

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

Inventories

Inventories are stated at the lower of cost and net realisable value. In the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make sale.

Investments and other financial assets

Initial recognition and measurement

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

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

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金融資產須使現金流量僅為償還本金及未償還本金利息（「僅為償還本金及利息」），方可分類為按攤銷成本計量或按公允值計入其他全面收入的金融資產。現金流量並非純粹為支付本金及利息的金融資產，不論其業務模式，均按公允值計入損益分類及計量。現金流量並非純粹為支付本金及利息的金融資產，不論其業務模式，均按公允值計入損益分類及計量。本集團管理金融資產的業務模式指本集團如何管理其金融資產以產生現金流量。業務模式釐定現金流量會否因收取合約現金流量、出售金融資產或因前述兩者而產生。按攤銷成本進行分類及計量的金融資產於旨在持有金融資產以收取合約現金流量的業務模式中持有，而按公允值計入其他全面收入進行分類及計量的金融資產於旨在持有以收取合約現金流量及出售的業務模式中持有。並非於上述業務模式中持有的金融資產乃按公允值計入損益進行分類及計量。

金融資產的所有買賣概於交易日（即本集團承諾買賣資產的日期）確認。一般買賣指按照一般市場規定或慣例須在指定期間內交付資產的金融資產買賣。

後續計量

金融資產的後續計量取決於以下分類：

按攤銷成本計量的金融資產（債務工具）

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能出現減值。當資產被終止確認、修訂或出現減值時，收益及虧損於損益表中確認。

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

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按公允值計入損益的金融資產
按公允值計入損益的金融資產按公允值於財務狀況表列賬，公允值變動淨額於損益表確認。

該分類包括本集團並未不可撤銷地指定為按公允值計入其他全面收益分類至股本工具。分類為按公允值計入損益之金融資產之股本工具之股息，於付款權建立時，亦於損益表內確認為投資收益淨額。與股息有關的經濟利益可能將流入本集團，股息金額能可靠計量。

終止確認金融資產

金融資產(或(倘適用)一項金融資產的一部分或一組相類似金融資產的一部分)在下列情況下一般將會被大致終止確認(即從本集團綜合財務狀況表移除)：

- 收取該項資產所得現金流量的權利已屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量的權利，或已根據一項「轉付」安排承擔向第三方全數支付(並無出現重大延誤)所收現金流量的責任；且(a)本集團已轉讓該項資產的絕大部分風險及回報，或(b)本集團並無轉讓或保留該項資產絕大部分風險及回報，但已轉讓該項資產的控制權。

Financial assets at fair value through profit or loss

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

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

Derecognition of financial assets

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

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

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凡本集團已轉讓其收取該項資產所得現金流量的權利或作出一項轉付安排，其會評估是否以及在何種程度上保留資產所有權的風險及回報。如並無轉讓或保留該項資產的絕大部分風險及回報，亦無轉讓該項資產的控制權，則以本集團持續參與該資產的程度為限，本集團繼續確認已轉讓的資產。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債乃按可反映本集團所保留權利及責任的基準計量。

所轉讓資產擔保形式的持續參與，以資產原賬面值與本集團可能須償還的最高代價金額中的較低者計量。

金融資產減值

本集團確認對並非按公允值計入損益的所有債務工具預期信貸虧損的撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押品的現金流量或組成合約條款的其他信貸提升措施。

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

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

Impairment of financial assets

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

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一般方法

預期信貸虧損分兩個階段確認。就自初始確認起並未顯著增加的信貸風險而言，會為未來12個月(12個月預期信貸虧損)可能發生的違約事件所產生的信貸虧損作出信貸虧損撥備。就自初始確認起已顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須作出虧損撥備(全期預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險自初始確認後是否顯著增加。作出評估時，本集團比較金融工具於報告日期出現違約的風險與該金融工具於初始確認日期出現違約的風險，並考慮毋須花費不必要成本或精力即可獲得的合理及有根據的資料，包括歷史及前瞻性資料。

當合約付款逾期90天，則本集團認為金融資產違約。然而，在若干情況下，倘內部或外部資料顯示，於計及本集團持有的任何信貸提升前，本集團不大可能悉數收取未償還的合約款項，則本集團亦可認為金融資產違約。倘無法合理預期收回收約現金流量，則撇銷金融資產。

General approach

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

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

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

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按公允值計入其他全面收益之債務投資及按攤銷成本計量的金融資產須按一般方法作出減值，除貿易應收款項及合約資產應用下文詳述的簡化方法外，預期信貸虧損的計量於以下階段進行分類。

- 第1階段 — 信貸風險自初始確認以來並未顯著增加的金融工具，虧損撥備按12個月預期信貸虧損計量
- 第2階段 — 信貸風險自初始確認以來顯著增加但並非信貸減值金融資產的金融工具，虧損撥備按全期預期信貸虧損計量
- 第3階段 — 於報告日期已信貸減值(並非購買或原信貸減值)的金融資產，虧損撥備按全期預期信貸虧損計量

簡化方法

就並無重大融資組成部分或本集團實行權宜措施不調整重大融資組成部分影響的貿易應收款項而言，本集團應用簡化方法計算預期信貸虧損。根據簡化方法，本集團不會追蹤信貸風險的變動，而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已根據過往信貸虧損經驗建立撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

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

Simplified approach

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

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金融負債及股權

分類為債務或股權

債務及股本工具按所訂立之合約安排性質，以及金融負債及股本工具之定義而分類為金融負債或股權。

股本工具

股本工具為實體經扣除其所有負債後乃對資產擁有剩餘權益之任何合約。由本公司發行之股本工具扣除直接發行成本後按已收所得款項確認。

金融負債

全部金融負債後續按攤銷成本使用實際利率法或按公允值計入損益計量。

按攤銷成本列賬之金融負債

本集團的金融負債包括貿易應付款項及應付票據、其他應付款項及應計費用、租賃負債、借款及可轉換債券。

後續計量

金融負債按其分類的後續計量如下：

貸款及借款於初次確認後，計息貸款及借款隨後使用實際利率法按攤銷成本計量，除非貼現影響不大，則按成本列賬。

終止確認負債時以及於實際利率攤銷過程中，盈虧於損益確認。

攤銷成本於計及收購時的任何折讓或溢價以及組成實際利率一部分的費用或成本後計算。實際利率攤銷計入損益內的融資成本內。

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised costing using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

The Group's financial liabilities include trade and bills payables, other payables and accruals, lease liabilities, borrowings and exchangeable bond.

Subsequent measurement

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

Loans and borrowings after initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

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

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終止確認金融負債

當負債下的責任已履行、取消或屆滿，即會終止確認金融負債。倘一項現有金融負債被另一項由同一貸款人按條款相當不同的金融負債所取代，或一項現有負債的條款經重大修改，該項取代或修改乃視為終止確認原有負債及確認一項新負債，而各自賬面值的差額則於損益內確認。

關連人士交易

在下列情況下，有關人士將被視為與本集團有關連：

- (1) 倘屬以下人士，即該人士或該人士之直系親屬與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。

或

- (2) 倘符合下列任何條件，則有關人士為實體：
 - (i) 該實體與本公司屬同一集團之成員公司。
 - (ii) 一間實體為另一實體的聯營公司或合資公司(或另一實體的母公司、附屬公司或同系附屬公司)。
 - (iii) 該實體與本集團均為同一第三方的合資公司。
 - (iv) 一間實體為第三方實體的合資公司，而另一實體為該第三方實體的聯營公司。

Derecognition of financial liabilities

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

Related Parties Transactions

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

- (1) 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 Group or of a parent of the Group.

or

- (2) The party is an entity where any of the following condition applies:
 - (i) The entity and the Group are members of the same group.
 - (ii) One entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity).
 - (iii) the entity and the Group are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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| <p>(v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。倘本集團本身便是該計劃，則為離職福利計劃的提供資助的僱主。</p> | <p>(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. If the Group is itself such a plan, the sponsoring employers of the post-employment benefit plan.</p> |
| <p>(vi) 實體受(1)所識別人土控制或受共同控制。</p> | <p>(vi) The entity is controlled or jointly controlled by a person identified in (1).</p> |
| <p>(vii) 於(1)(i)所識別人土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。</p> | <p>(vii) A person identified in (1)(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).</p> |
| <p>(viii) 該實體或該實體所屬集團之任何成員公司為本集團或本集團之母公司提供主要管理人員服務。</p> | <p>(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.</p> |

一名人士的家族的密切成員指可能影響該名人士或被該名人士影響的家族成員，從而影響該名人士或其家族的密切成員與實體的交易，包括：

- (a) 該名人士的子女、配偶或同居者；
- (b) 該名人士或其配偶或其同居者的子女；及
- (c) 該名人士或其配偶或其同居者的家屬。

關連人士之間轉讓資源或責任的交易，乃視為關連人士交易。

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

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

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分部報告

經營分部及綜合財務報表所呈列各分部的金額，乃從為向本集團各項業務及地理位置分配資源及評估其業績而定期向本集團多數最高行政管理層提供的財務資料當中識別出來。

個別重要的經營分部不會合計以供財務報告之用，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別不重要的經營分部如果符合以上大部分條件，則可以合計為一個報告分部。

4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用於附註3所述之本集團之會計政策時，本公司之董事須對未能透過其他來源確定之資產及負債之賬面值作出判斷、估計及假設。所作出之估計及相關假設乃以過往經驗及其他被視為相關之因素為基準。實際業績可能與該等估計有異。

估計及相關假設乃以持續基準被審閱。倘對會計估計之修訂僅影響進行修訂之期間，則於該期間確認，或倘修訂會影響目前及未來期間，則會於目前及未來期間確認。

Segment Reporting

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

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

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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估計不明朗因素的主要來源

以下為於報告期末極可能導致本集團資產與負債賬面值於下一財政年度需要作出重大調整之未來相關重要假設及導致估計不明朗因素的其他主要來源。

(a) *採礦權、使用權資產、物業、廠房及設備以及無形資產的減值的估計*

根據附註3所述的會計政策，倘任何事件或情況改變顯示資產的賬面值不能收回，則本集團會評估採礦權、使用權資產、物業、廠房及設備以及無形資產有否出現減值。現金產生單位的可收回金額指資產之公允值減銷售成本或其可使用價值(以較高者為準)。公允值減銷售成本或其可使用價值之計算方法需要作出估計。於本年度，本集團並無就採礦權、使用權資產、物業、廠房及設備以及無形資產(2019年：零港元)。

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of 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.

(a) *Estimated Impairment of Mining Rights, Right-of-use Assets, Property, Plant and Equipment and Intangible Assets*

The Group evaluates whether mining rights, right-of-use assets, property, plant and equipment and intangible assets have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable, in accordance with the accounting policy stated in Note 3. The recoverable amounts of CGUs represent the higher of the asset's fair value less costs to sell or its value-in-use. The calculations of fair value less costs to sell or value-in-use require the use of estimates. During the year, the Group did not provide any impairment for mining rights, right-of-use assets, property, plant and equipment and intangible assets (2019: HK\$ Nil).

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(b) **使用權資產、物業、廠房及設備、無形資產和採礦權的可使用年期的估計**

本集團的管理層為其使用權資產、物業、廠房及設備及無形資產釐定估計可使用年期及相關折舊／攤銷費用。此估計以相似性質及功能的使用權資產、物業、廠房及設備及無形資產過往經驗的實際可使用年期及獨立技術顧問所釐定的礦產資源為基準，其可因科技創新及競爭者對市況作出反應而有很大差距。倘可使用年期較之前估計年期短，管理層將提高折舊／攤銷費用，或撤銷或撇減已棄置或出售的技術上過時或非策略性的資產。

本集團於截至2020年及2019年12月31日止年度內並無更改使用權資產、物業、廠房及設備、無形資產以及採礦權之估計可使用年期。

(c) **所得稅**

本集團於多個司法權區均須繳納所得稅。若干交易及計算方法存在不明朗之最終稅項決定。本集團以額外稅項會否到期之估計就預期稅項事宜確認負債。倘該等事宜之最終稅務結果有別於首次記錄之金額，有關差額將於作出決定之期間影響當期及遞延稅項撥備。

(b) **Estimated Useful Lives of Right-of-use Assets, Property, Plant and Equipment, Intangible Assets and Mining Rights**

The Group's management determines the estimated useful lives and related depreciation/amortisation charges for its right-of-use assets, property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of right-of-use assets, property, plant and equipment and intangible assets of similar nature and functions and the mineral reserve determined by independent technical adviser. It could change significantly as a result of technical innovations and competitor actions in response to market conditions. Management will increase the depreciation/amortisation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

During the years ended 31 December 2020 and 2019, the Group did not change the estimated useful lives of right-of-use assets, property, plant and equipment, intangible assets and mining rights.

(c) **Income Tax**

The Group is subject to income taxes in several jurisdictions. There are certain transactions and calculations for which the ultimate tax determination may be uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

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(d) **貿易應收款項及應收票據預期信貸虧損撥備**

本集團使用撥備矩陣計算貿易應收款項的預期信貸虧損。撥備率乃基於具有類似虧損模式(即按地理區域、產品類型、客戶類型及評級, 以及信用證或其他形式的信用保險的承保範圍)的不同客戶分部組合逾期日數釐定。

撥備矩陣最初基於本集團過往觀察所得違約率而釐定。本集團將調整矩陣, 藉以按前瞻性資料調整過往信貸虧損經驗。舉例而言, 倘預測經濟環境(即本地生產總值)預期將於未來一年惡化, 導致製造業違約事件增加, 則會調整過往違約率。於各報告日期, 過往觀察所得違約率將予更新, 並會分析前瞻性估計變動。

對過往觀察所得違約率、預測經濟環境及預期信貸虧損之間關連性進行的評估屬重大估計。預期信貸虧損金額對情況變化及預測經濟環境相當敏感。本集團過往信貸虧損經驗及預測經濟環境亦未必能代表客戶日後的實際違約情況。有關本集團貿易應收款項的預期信貸虧損的資料於財務報表附註5及25披露。

(d) **Provision for expected credit losses on trade and bills receivables**

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i. e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

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

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in notes 5 and 25 to the financial statements.

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5. 金融工具

(a) 金融工具類別

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|---------------|---|-------------------------|-------------------------|
| 金融資產 | Financial assets | | |
| 按攤銷成本計量的金融資產 | Financial assets measured at amortised cost | 769,565 | 1,381,386 |
| 按公允值計入損益的金融資產 | Financial assets at fair value through profit or loss | 8,737 | 8,782 |
| | | 778,302 | 1,390,168 |
| 金融負債 | Financial liabilities | | |
| 攤銷成本 | Amortised cost | 2,735,511 | 2,744,636 |

(b) 財務風險管理目標及政策

本集團的主要金融工具包括按公允值計入損益的股本工具、貿易應收款項及應收票據、其他應收款項、按金、長期銀行存款、銀行及現金結餘、貿易應付款項及應付票據、應計費用及其他應付款項、租賃負債、借貸及可轉換債券。金融工具詳情於相關附註披露。與該等金融工具有關的風險包括外匯風險、利率風險、其他價格風險、信貸風險及流動資金風險。以下載列如何緩和該等風險的政策。本集團的整體風險管理計劃著重於不可預測的金融市場和尋求最大程度地降低本集團財務表現所遭受的潛在不利影響。

5. FINANCIAL INSTRUMENTS

(a) Categories of Financial Instruments

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|---|---|-------------------------|-------------------------|
| Financial assets | Financial assets | | |
| Financial assets measured at amortised cost | Financial assets measured at amortised cost | 769,565 | 1,381,386 |
| Financial assets at fair value through profit or loss | Financial assets at fair value through profit or loss | 8,737 | 8,782 |
| | | 778,302 | 1,390,168 |
| Financial liabilities | Financial liabilities | | |
| Amortised cost | Amortised cost | 2,735,511 | 2,744,636 |

(b) Financial Risk Management Objectives and Policies

The Group's major financial instruments include equity instruments on fair value through profit or loss, trade and bills receivables, other receivables, deposits, long-term bank deposits, bank and cash balances, trade and bills payables, accruals and other payables, lease liabilities, borrowings and exchangeable bonds. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include foreign exchange risk, interest rate risk, other price risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Group's overall risk management programme focus on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

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(i) 外匯風險

鑑於本集團大部分業務交易、資產及負債主要以各附屬公司的功能貨幣計值，故此並沒有承受巨大的外匯風險。本集團目前並無就外幣交易、資產及負債訂立外幣對沖政策。本集團將密切監測其外匯風險，並在需要時考慮對沖重大外幣風險。

(ii) 利率風險

本集團須面對有關已抵押銀行存款、銀行及現金結餘及借貸之公允值利率風險(詳情分別參閱附註28及32)。

敏感度分析

倘若於2020年12月31日之已抵押銀行存款、銀行及現金結餘及借貸利率較實際利率上升/下降10個基點(年利率0.1%) (2019年: 10個基點)，本集團年度稅後虧損會增加/減少約1,863,000港元(2019年: 年度稅後溢利會增加/減少約1,228,000港元)

由於管理層認為本集團面臨的上述公允值利率風險並非重大，因此於年內管理層並無採取息率掉期或其他對沖措施。

(i) Foreign Exchange Risk

The Group does not have significant exposures to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the respective subsidiaries. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency hedging significant foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

(ii) Interest Rate Risk

The Group is exposed to fair value interest rate risk in relation to pledged bank deposits, bank and cash balances and borrowings (see Notes 28 and 32 respectively for details).

Sensitivity Analysis

If interest rates on pledged bank deposits, bank and cash balances and borrowings as at 31 December 2020 had been 10 basis points (0.1% per annum) (2019: 10 basis points) higher/lower than the actual effective interest rate, the Group's post-tax loss for the year would increase/decrease by approximately HK\$1,863,000 (2019: post tax profit for the year would decrease/increase by approximately HK\$1,228,000).

As management considers the Group's exposure to the above fair value interest rate risk is not significant, no interest rate swaps or other hedging activities are undertaken by management during the year.

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本集團亦須面對有關按當前市場利率入賬之銀行結餘之現金流利率風險。然而，由於銀行結餘全部均為短期性質，因此本集團面對之風險屬輕微。

(iii) 其他價格風險

本集團透過其於澳洲的上市股本證券承受股權價格風險。管理層透過維持不同風險投資組合以管理此風險。本集團其他價格風險主要集中於在澳洲上市之股本工具。

敏感度分析

以下敏感度分析根據報告日須面對之股本價格風險釐定。

倘各自工具之價格上升／下降10% (2019年：10%)，本集團之本年度稅後虧損或其他綜合收益會增加／減少約874,000港元 (2019年：本年度稅後溢利或其他綜合收益會增加／減少878,000港元)。

(iv) 信貸風險

本集團僅與獲認可及信譽良好的第三方進行交易。按照本集團的政策，所有擬按信貸條款進行交易的客戶均須接受信貸核實程序。此外，本集團會持續監察應收款項結餘的情況，而本集團的壞賬風險並不重大。對於並非以相關營運單位的功能貨幣計值的交易，未經信貸監控主管的特別批准，本集團不會提供信貸條款。

The Group is also exposed to cash flow interest rate risk in relation to bank balances carried at prevailing market rate. However, such exposure is minimal to the Group as the bank balances are all short-term in nature.

(iii) Other Price Risk

The Group is exposed to equity price risk through its investments in listed equity securities in Australia. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's other price risk is mainly concentrated on equity instruments listed in the Australia.

Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date.

If the prices of respective instruments has been 10% (2019: 10%) higher/lower, the Group's post-tax loss or other comprehensive income for the year would decrease/increase by approximately HK\$874,000 (2019: post-tax profit or other comprehensive income for the year would increase/decrease by approximately HK\$878,000).

(iv) Credit Risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

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於2020年及2019年12月31日的最高風險及年終階段。

下表顯示基於本集團信貸政策的信貸質素及最大信貸風險敞口，主要基於過往逾期資料及經濟狀況等前瞻性資料(惟其他資料毋須過多的成本或努力)及於2020年及2019年12月31日的年終階段分類。所呈列的金額為金融資產的賬面值總額及財務擔保合約的信貸風險。

Maximum exposure and year-end staging as at 31 December 2020 and 2019.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information and forward looking information such as economic condition, unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2020 and 2019. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

貿易應收款項

Trade receivables

| | | 預期虧損率 | 賬面總值 | 虧損撥備 |
|--------------|----------------------------------|-----------|----------|-----------|
| | | Expected | Gross | Loss |
| | | loss rate | carrying | allowance |
| | | | amount | |
| | | | 千港元 | 千港元 |
| | | | HK\$'000 | HK\$'000 |
| 於2020年12月31日 | As at 31 December 2020 | | | |
| 即期(未逾期) | Current (not past due) | 5.26% | 547,129 | 28,791 |
| 逾期不多於1年 | Not more than 1 year past due | 100% | 143,829 | 143,829 |
| | | | 690,958 | 172,620 |

| | | 預期虧損率 | 賬面總值 | 虧損撥備 |
|--------------|----------------------------------|-----------|----------|-----------|
| | | Expected | Gross | Loss |
| | | loss rate | carrying | allowance |
| | | | amount | |
| | | | 千港元 | 千港元 |
| | | | HK\$'000 | HK\$'000 |
| 於2019年12月31日 | As at 31 December 2019 | | | |
| 即期(未逾期) | Current (not past due) | 2.38% | 461,217 | 10,974 |
| 逾期不多於1年 | Not more than 1 year past due | 100% | 4,902 | 4,902 |
| | | | 466,119 | 15,876 |

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按金及其他應收款項

Deposit and other receivables

| | | 預期虧損率 | 帳面總值 | 虧損撥備 |
|--------------|------------------------|-----------|----------|-----------|
| | | Expected | Gross | Loss |
| | | loss rate | carrying | allowance |
| | | | amount | |
| | | | 千港元 | 千港元 |
| | | | HK\$'000 | HK\$'000 |
| 於2020年12月31日 | As at 31 December 2020 | | | |
| 即期 | Current | 1.82% | 71,109 | 1,291 |
| <hr/> | | | | |
| | | 預期虧損率 | 帳面總值 | 虧損撥備 |
| | | Expected | Gross | Loss |
| | | loss rate | carrying | allowance |
| | | | amount | |
| | | | 千港元 | 千港元 |
| | | | HK\$'000 | HK\$'000 |
| 於2019年12月31日 | As at 31 December 2019 | | | |
| 即期 | Current | 2.25% | 89,352 | 2,009 |

有關應收票據以及現金及現金等價物之信貸風險由於交易對方為知名銀行而被視為低風險。現有交易對方在過往並無違約。因此，銀行預期信貸虧損率被評估為接近零且於2020年及2019年12月31日並無作出撥備。

本集團僅與認可及信貸記錄良好的第三方進行交易。本集團的政策是所有欲以信貸期作交易的客戶須參與信貸驗證程序。此外，本集團會持續監察應收結餘。

就本集團其他金融資產(包括現金及等同現金項目)所產生之信貸風險而言，本集團因對方拖欠還款而須面對的信貸風險有限，此乃由於對方擁有良好信貸評級，而本集團預期不會因該等實體的未分配墊款／應收款項／按金而引起重大損失。

In respect of bills receivables and cash and cash equivalents, the credit risk is considered to be low as the counterparties are reputable banks. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of cash at bank is assessed to be close to zero and no provision was made as of 31 December 2020 and 2019.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

With respect to credit risk arising from the other financial assets of the Group which comprise cash and cash equivalents, the Group's exposure to credit risk arising from default of the counterparties is limited as the counterparties have good credit standing and the Group does not expect to incur significant loss for unallocated advances/receivable/deposits from these entities.

財務報表附註 Notes to the Financial Statements

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本集團並無高度集中的信貸風險。本集團訂有既定政策確保向具有良好信貸記錄的客戶銷售產品。本集團的銀行存款及存放於金融機構之存款均存放於無重大信貸風險的優質金融機構。

由於有關金融機構並無拖欠付款記錄，故董事認為本集團存放於銀行及金融機構的存款及應收票據不會存在重大信貸風險。

有關本集團所面對來自貿易應收款項及其他應收款項及按金之信貸風險之進一步量化數據於財務報表附註26及附註27披露。

(v) 流動資金風險

下表分析本集團截至報告期末根據合約未折現付款之金融負債之到期情況。尤其是，按要求條款償付借款及債權人要求立即償還之款項計入最早時間範圍內。

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of goods are made to customers with an appropriate credit history. The Group's deposits with bank and deposits placed with financial institutions are placed in high quality financial institutions without significant exposure to credit risk.

The directors consider that there is no significant credit risk in respect of the Group's deposits with banks and deposits placed with financial institutions and bills receivable as the financial institutions have no record of default payment.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and other receivable and deposits are disclosed in note 26 and 27 respectively to the financial statements.

(v) *Liquidity Risk*

The table below analyses the maturity profile of the Group's financial liabilities as the end of the reporting period based on the contractual undiscounted payments. Specially, borrowings with repayment on demand clause and amounts being demanded by the creditors for immediate repayment are included in the earliest time band.

財務報表附註

Notes to the Financial Statements

截至2020年12月31日止年度
For the year ended 31 December 2020

2020年

2020

| | | 未貼現現金流 | | | | 賬面值 |
|-------------|---|-------------------------------------|------------------|-------------------------------------|--------------------|------------------|
| | | Undiscounted cashflow | | | 未貼現 現金總額 | |
| | 加權平均 實際利率 | 按要求或 一年以下 | 一年以上 | | | |
| | Weighted average effective interest rate | On demand or less than 1 year | Over 1 year | Total undiscounted cash flows | Carrying amount | |
| | % | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | |
| 貿易應付款項及應付票據 | Trade and bill payables | — | 250,061 | — | 250,061 | 250,061 |
| 應計費用及其他應付款項 | Accruals and other payables | — | 290,206 | 47,907 | 338,113 | 338,113 |
| 租賃負債 | Lease liabilities | 6.98 | 945 | 9,904 | 10,849 | 6,548 |
| 借貸 | Borrowings | 9.68 | 1,945,295 | 264,251 | 2,209,546 | 2,140,789 |
| | | | 2,486,507 | 322,062 | 2,808,569 | 2,735,511 |

2019年

2019

| | | 未貼現現金流 | | | | 賬面值 |
|-------------|---|-------------------------------------|------------------|-------------------------------------|--------------------|------------------|
| | | Undiscounted cashflow | | | 未貼現 現金總額 | |
| | 加權平均 實際利率 | 按要求或 一年以下 | 一年以上 | | | |
| | Weighted average effective interest rate | On demand or less than 1 year | Over 1 year | Total undiscounted cash flows | Carrying amount | |
| | % | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | |
| 貿易應付款項及應付票據 | Trade and bill payables | — | 291,863 | — | 291,863 | 291,863 |
| 應計費用及其他應付款項 | Accruals and other payables | — | 217,096 | 46,962 | 264,058 | 264,058 |
| 租賃負債 | Lease liabilities | 6.56 | 2,408 | 9,891 | 12,299 | 7,832 |
| 借貸 | Borrowings | 7.01 | 1,632,372 | 614,912 | 2,247,284 | 2,060,243 |
| 可轉換債券 | Exchangeable bond | 10.00 | 132,704 | — | 132,704 | 120,640 |
| | | | 2,276,443 | 671,765 | 2,948,208 | 2,744,636 |

(c) 公允值計量

本附註提供資料說明本集團為各項金融資產及金融負債釐定公允值的方法。

(c) Fair Value Measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

財務報表附註

Notes to the Financial Statements

截至2020年12月31日止年度
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(i) **根據經常性基準按公允值計量的本集團金融資產及金融負債的公允值**

本集團部分金融資產及金融負債於各報告期末按公允值計量。下表所載資料說明如何釐定該等金融資產及金融負債的公允值(尤其是所用估值技術及輸入數據)。

(i) **Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis**

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

| 於以下日期的公允值 | | | | |
|--|---|---|----------------------|---|
| Fair value as at | | | | |
| 金融資產 | 2020年12月31日 | 2019年12月31日 | 公允值級別 | 估值方法及主要輸入數據 |
| Financial assets | 31 December 2020 | 31 December 2019 | Fair value hierarchy | Valuation techniques and key inputs |
| 按公允值計入損益之股本工具(附註24) | 於香港境外的上市股本證券： 8,737,000港元 | 於香港境外的上市股本證券： 8,782,000港元 | 第1類 | 活躍市場所報買入價 |
| Equity instrument at fair value through profit or loss (Note 24) | Listed equity securities outside Hong Kong: HK\$8,737,000 | Listed equity securities outside Hong Kong: HK\$8,782,000 | Level 1 | Quoted bid prices in an active market |
| 金融負債 | 2020年12月31日 | 2019年12月31日 | 公允值級別 | 估值方法及主要輸入數據 |
| Financial liabilities | 31 December 2020 | 31 December 2019 | Fair value hierarchy | Valuation techniques and key inputs |
| 衍生金融負債(附註30) | 香港認購期權 11,923,000港元 | 香港認購期權： 11,310,000港元 | 第3類 | 二項式定價模型 (波動：21.29%) |
| Derivative financial liabilities (Note 30) | Call option in Hong Kong HK\$11,923,000 | Call option in Hong Kong HK\$11,310,000 | Level 3 | Binomial pricing model (Volatility: 21.29%) |

兩個年度內並無在第1類、第2類及第3類之間的轉移。

There were no transfers between Levels 1, 2 and 3 in both years.

財務報表附註

Notes to the Financial Statements

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根據重大不可觀察輸入數據(第3類)按公允值入賬之金融工具對賬如下:

Reconciliation for financial instruments carried at fair value based on significant unobservable input (level 3) is as follows:

| | | 2020 | 2019 |
|---------|-------------------|-----------------|----------|
| | | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 |
| 於1月1日 | As at 1 January | 11,310 | - |
| 已收溢價 | Premium received | - | 2,000 |
| 公允值虧損 | Fair value loss | 613 | 9,310 |
| 於12月31日 | As at 31 December | 11,923 | 11,310 |

敏感度分析

倘波動上升/下跌5%，則衍生金融負債之賬面值將增加約596,000港元(2019年：265,000港元)或減少596,000港元(2019年：308,000港元)。

Sensitivity Analysis

If the volatility increase/decrease by 5%, the carrying value of the derivative financial liabilities will increase by HK\$596,000 (2019: HK\$265,000) or decrease by HK\$596,000 (2019: HK\$308,000).

- (ii) *並非根據經常性基準按公允值計量的本集團金融資產及金融負債的公允值*
董事認為，於綜合財務報表確認的金融資產及金融負債的賬面值與其公允值相若。

- (ii) *Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis*

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximately their fair values.

財務報表附註 Notes to the Financial Statements

截至2020年12月31日止年度
For the year ended 31 December 2020

6. 資金風險管理

本集團利用負債比率監察其資本。此比率按照借貸及可轉換債券總值除以資產總值計算。資產總值已列於綜合財務狀況表內。

截至2020年12月31日止年度，本集團的策略為將負債比率維持在50%內。於2020年及2019年12月31日的負債比率如下：

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|------|------------------|-------------------------|-------------------------|
| 借貸總額 | Total borrowings | 2,140,789 | 2,180,883 |
| 資產總值 | Total assets | 6,934,475 | 7,627,565 |
| 負債比率 | Gearing ratio | 30.9% | 28.6% |

7. 收入

本集團主要從事農業肥料業務、鎂產品業務及煉鋼熔劑業務。本集團於年內之收入分析如下：

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|------------------|--|-------------------------|-------------------------|
| 來自與客戶之合約收益 | Revenue from contract with customers | | |
| 銷售農業肥料產品 | Sales of fertiliser products | 1,378,985 | 2,735,195 |
| 銷售鎂產品 | Sales of magnesium products | 744,836 | 1,515,291 |
| 銷售煉鋼熔劑產品 | Sales of metallurgical flux products | 27,990 | 63,934 |
| | | 2,151,811 | 4,314,420 |
| 收益確認時間： 一個時間點 | Timing of revenue recognition: A point in time | 2,151,811 | 4,314,420 |

6. CAPITAL RISK MANAGEMENT

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings and exchangeable bonds divided by total assets as shown in the consolidated statement of financial position.

During the year ended 31 December 2020, the Group's strategy is to maintain a gearing ratio within 50%. The gearing ratios at 31 December 2020 and 2019 were as follows:

7. REVENUE

The Group is principally engaged in fertiliser business, magnesium product business and metallurgical flux business. An analysis of the Group's revenue for the year is as follows:

財務報表附註

Notes to the Financial Statements

截至2020年12月31日止年度
For the year ended 31 December 2020

8. 分部資料

就資源調配及分部表現評估向本公司行政總裁(主要營運決策者)報告之資料側重於經營類別。本集團根據香港財務報告準則第8號經營及可報告的分部如下：

- 農業肥料業務
- 鎂產品業務
- 煉鋼熔劑業務

有關本集團之可報告分部資料於下文呈報。

分部收入及業績

本集團按可報告分部劃分之收入及業績分析如下。

截至2020年12月31日止年度：

| | | 農業肥料業務 Fertiliser business 千港元 HK\$'000 | 鎂產品業務 Magnesium product business 千港元 HK\$'000 | 煉鋼熔劑業務 Metallurgical flux business 千港元 HK\$'000 | 合計 Total 千港元 HK\$'000 |
|--------------|---|---|--|--|--------------------------------|
| 分部收入 | Segment revenue | 1,378,985 | 744,836 | 27,990 | 2,151,811 |
| 分部間收入 | Inter-segment revenue | — | — | — | — |
| 來自外部客戶的收入 | Revenue from external customers | 1,378,985 | 744,836 | 27,990 | 2,151,811 |
| 分部業績 | Segment results | (691,214) | 26,378 | (15,545) | (680,381) |
| 其他淨收益或虧損 | Other gain or losses, net | | | | 60,309 |
| 財務擔保負債公允價值變動 | Change in fair value of financial guarantee liabilities | | | | 48,132 |
| 中央行政費用 | Central administrative costs | | | | (176,542) |
| 財務費用 | Finance costs | | | | (179,501) |
| 除所得稅前虧損 | Loss before income tax | | | | (927,983) |

8. SEGMENT INFORMATION

Information reported to the Company's Chief Executive Officer, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the operating divisions. The Group's operating and reportable segments under HKFRS 8 are therefore as follows:

- Fertiliser business
- Magnesium product business
- Metallurgical flux business

Information regarding the Group's reportable segments is presented below.

Segment Revenue and Results

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 31 December 2020:

財務報表附註

Notes to the Financial Statements

截至2020年12月31日止年度
For the year ended 31 December 2020

截至2019年12月31日止年度：

For the year ended 31 December 2019:

| | | 農業肥料業務 Fertiliser business 千港元 HK\$'000 | 鎂產品業務 Magnesium product business 千港元 HK\$'000 | 煉鋼熔劑業務 Metallurgical flux business 千港元 HK\$'000 | 合計 Total 千港元 HK\$'000 |
|-----------------|--|---|--|--|--------------------------------|
| 分部收入 | Segment revenue | 2,735,195 | 1,515,291 | 65,016 | 4,315,502 |
| 分部間收入 | Inter-segment revenue | — | — | (1,082) | (1,082) |
| 來自外部客戶的收入 | Revenue from external customers | 2,735,195 | 1,515,291 | 63,934 | 4,314,420 |
| 分部業績 | Segment results | 526,484 | 350,825 | 28,392 | 905,701 |
| 其他淨收益或虧損 | Other gain or losses, net | | | | 86,656 |
| 財務擔保負債公允值 變動 | Change in fair value of financial guarantee liabilities | | | | 8,606 |
| 中央行政費用 | Central administrative costs | | | | (255,698) |
| 財務費用 | Finance costs | | | | (153,664) |
| 除所得稅前虧損 | Profit before income tax | | | | 591,601 |

上文呈列之分部收入，乃代表外部客戶所產生之收入。分部間交易均按公平基準訂立。

可報告分部之會計政策與本集團會計政策相同。分部業績指於並無分配中央行政費用(包括董事薪酬、若干其他淨收益或虧損、金融擔保負債之公允值變動及財務費用)情況下各分部之業績。此為向主要營運決策者報告以供其調配資源及評估分部表現之方式。

Segment revenue reported above represents revenue generated from external customers. Inter-segment transactions are entered into at arm's length.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of central administrative costs including directors' emoluments, certain net other gains or losses, change in fair value of financial guarantee liabilities, and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

財務報表附註

Notes to the Financial Statements

截至2020年12月31日止年度

For the year ended 31 December 2020

分部資產及負債

於2020年12月31日之分部資產及負債和截至該日止年度之資本開支按可報告分部劃分如下：

| | | 農業 | 鎂產品業務 | 煉鋼 | 分部合計 | 未分配 | 合計 |
|------|---------------------|------------------|------------------|----------------|------------------|------------------|------------------|
| | | 肥料業務 | Magnesium | 熔劑業務 | | | |
| | | Fertiliser | product | Metallurgical | Total | Unallocated | Total |
| | | business | business | flux business | segment | Unallocated | Total |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 分部資產 | Segment assets | 3,304,296 | 2,661,659 | 626,426 | 6,592,381 | 332,923 | 6,934,475 |
| 分部負債 | Segment liabilities | 1,418,900 | 650,951 | 171,970 | 2,241,821 | 1,105,655 | 3,347,477 |
| 資本開支 | Capital expenditure | 502,666 | 127,243 | 10,514 | 640,423 | 220 | 640,643 |

於2019年12月31日之分部資產及負債和截至該日止年度之資本開支按可報告分部劃分如下：

| | | 農業 | 鎂產品業務 | 煉鋼 | 分部合計 | 未分配 | 合計 |
|------|---------------------|------------|-----------|---------------|-----------|-------------|-----------|
| | | 肥料業務 | Magnesium | 熔劑業務 | | | |
| | | Fertiliser | product | Metallurgical | Total | Unallocated | Total |
| | | business | business | flux business | segment | Unallocated | Total |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 分部資產 | Segment assets | 3,509,692 | 2,478,920 | 598,761 | 6,587,373 | 1,040,192 | 7,627,565 |
| 分部負債 | Segment liabilities | 1,359,796 | 359,925 | 167,921 | 1,887,642 | 1,470,012 | 3,357,654 |
| 資本開支 | Capital expenditure | 304,931 | 114,891 | 11,478 | 431,300 | 507 | 431,807 |

Segment Assets and Liabilities

The segment assets and liabilities as at 31 December 2020 and capital expenditure for the year then ended by reportable segments are as follows:

The segment assets and liabilities as at 31 December 2019 and capital expenditure for the year then ended by reportable segments are as follows:

財務報表附註

Notes to the Financial Statements

截至2020年12月31日止年度
For the year ended 31 December 2020

為達成監察分部表現及於分部間調配資源之目標：

- 除分類為持作出售的資產、銀行及現金結餘和其他企業使用資產外，所有資產均分配至可報告分部；
- 除可轉換債券、企業用途之若干借貸及若干其他應付款項外，所有負債均分配至可報告分部。

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than assets classified as held for sale, bank and cash balances and other assets for corporate use;
- all liabilities are allocated to reportable segments other than exchangeable bonds, certain borrowings for corporate use and certain other payables.

其他分部資料

截至2020年12月31日止年度：

Other Segment Information

For the year ended 31 December 2020:

| | | 農業肥料業務 Fertiliser business 千港元 HK\$'000 | 鎂產品業務 Magnesium product business 千港元 HK\$'000 | 煉鋼熔劑業務 Metallurgical flux business 千港元 HK\$'000 | 未分配 Unallocated 千港元 HK\$'000 | 合計 Total 千港元 HK\$'000 |
|-------------------------------|---|---|--|---|---------------------------------------|--------------------------------|
| 物業、廠房及設備折舊 (附註16) | Depreciation of property, plant and equipment (note 16) | 83,633 | 97,963 | 9,098 | 2,111 | 192,806 |
| 投資物業折舊 | Depreciation of investment property | - | - | - | 8,799 | 8,799 |
| 使用權資產折舊 (附註18) | Depreciation of right-of-use assets (note 18) | 6,731 | 1,273 | 2,085 | 2,641 | 12,730 |
| 採礦權及無形資產攤銷 | Amortisation of mining rights and intangible assets | - | 4,775 | 6,946 | - | 11,721 |
| 貿易應收款項預期信貸虧損撥備淨額 (附註26) | Net allowance for expected credit losses of trade receivables (note 26) | 146,326 | 1,649 | 46 | - | 148,021 |
| 其他應收款項預期信貸撥備/(撥備撥回) (附註27) | Allowance/(Reversal of allowance) for expected credit losses of other receivables (note 27) | (818) | 10 | (1) | - | (809) |
| 出售物業、廠房及設備的虧損/(收益) | Loss/(gain) on disposal of property, plant and equipment | 9,278 | (497) | - | - | 8,781 |
| 按公允值計入損益之股本工具之虧損 | Loss on equity instruments at fair value through profit or loss | - | - | - | 45 | 45 |
| 衍生金融負債產生之公允值虧損 | Fair value loss arising from derivative financial liabilities | - | - | - | 613 | 613 |
| 所得稅開支 | Income tax expenses | 45,725 | 5,363 | 5,134 | - | 56,222 |

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Notes to the Financial Statements

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For the year ended 31 December 2020

截至2019年12月31日止年度：

For the year ended 31 December 2019:

| | | 農業肥料業務 Fertiliser business 千港元 HK\$'000 | 鎂產品業務 Magnesium product business 千港元 HK\$'000 | 煉鋼熔劑業務 Metallurgical flux business 千港元 HK\$'000 | 未分配 Unallocated 千港元 HK\$'000 | 合計 Total 千港元 HK\$'000 |
|---|--|---|--|---|---------------------------------------|--------------------------------|
| 物業、廠房及設備折舊 (附註16) | Depreciation of property, plant and equipment (note 16) | 95,909 | 86,277 | 8,935 | 655 | 191,776 |
| 使用權資產折舊 (附註18) | Depreciation of right-of-use assets (note 18) | 7,239 | 1,320 | 2,013 | 2,134 | 12,706 |
| 採礦權及無形資產攤銷 | Amortisation of mining rights and intangible assets | — | 4,949 | 9,996 | — | 14,945 |
| 貿易應收款項信貸 虧損撥備/ (撥備撥回)淨額 (附註26) | Net allowance/(reversal of allowance) for credit losses of trade receivables (note 26) | 2,861 | (1,784) | — | — | 1,077 |
| 其他應收款項信貸虧損 撥備(附註27) | Allowance for credit losses of other receivables (note 27) | 1,883 | 174 | — | — | 2,057 |
| 出售物業、廠房及設備 的收益 | Gain on disposal of property, plant and equipment | (41,427) | (662) | — | — | (42,089) |
| 按公允值計入損益 之股本工具之收益 | Gain on equity instruments at fair value through profit or loss | — | — | — | (4,906) | (4,906) |
| 衍生金融負債產生 之公允值虧損 | Fair value loss arising from derivative financial liabilities | — | — | — | 9,310 | 9,310 |
| 所得稅開支 | Income tax expenses | 102,170 | 53,396 | 7,781 | — | 163,347 |

地區資料

截至2020年及2019年12月31日止年度，本集團主要於中國營運及本集團主要收入均來自中國，而於2020年12月31日及2019年12月31日，本集團大部分非流動資產均位於中國。概無披露本集團按地區劃分的業績及資產分析。

主要客戶資料

由於截至2020年及2019年12月31日止年度並無任何單一客戶之貢獻超過本集團總收入之10%，因此並無有關主要客戶的資料呈列。

Geographical Information

During the years ended 31 December 2020 and 2019, the Group mainly operated in the PRC and most of the Group's revenue are derived from the PRC and most of non-current assets of the Group are located in the PRC as at 31 December 2020 and 31 December 2019. No analysis of the Group's result and assets by geographical area is disclosed.

Information about Major Customers

No information about major customers is presented as no single customer contributed over 10% of the total revenue of the Group during the years ended 31 December 2020 and 2019.

財務報表附註

Notes to the Financial Statements

截至2020年12月31日止年度
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9. 其他收益或虧損淨額

9. OTHER GAINS OR LOSSES, NET

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|--------------------------|---|-------------------------|-------------------------|
| 利息收入 | Interest income | 6,842 | 7,835 |
| 出售分類為持作出售的 資產的虧損 | Loss on disposal of assets classified as held-for-sale | — | (2,435) |
| 出售物業、廠房及設備 的(虧損)/收益淨額 | Net (loss)/gain on disposal of property, plant and equipment | (8,781) | 42,089 |
| 按公允值計入損益之股本 工具公允值變動 | Change in fair value of equity instruments of fair value through profit or loss | (45) | 4,906 |
| 衍生金融負債產生 之公允值虧損 | Fair value loss arising from derivative financial liabilities | (613) | (9,310) |
| 政府補助(附註ii) | Government subsidy (note ii) | 22,516 | — |
| 銷售廢料 | Sale of scrap materials | 30,290 | 33,278 |
| 雜項收入(附註i) | Sundry income (note i) | 10,100 | 10,293 |
| | | 60,309 | 86,656 |

附註：

note:

(i) 截至2020年12月31日止年度，計入雜項收入主要為租金收益約3,848,000港元(2019年：4,331,000港元)。

(i) During the year ended 31 December 2020, in sundry income was rental income of approximately HK\$3,848,000 (2019: HK\$4,331,000).

(ii) 政府補助指截至2020年12月31日止年度，本集團確認與相關中國政府為山東紅日「退城入園」有關的政府補助約19,020,000港元。本年度內，補貼按酌情基準提供並完全符合有關附加條件。此外，本集團確認與截至2020年12月31日止年度香港政府提供的保就業計劃相關的政府補貼約648,000港元。

(ii) The government subsidy mainly represented during the year ended 31 December 2020, the Group recognised government grant of approximately HK\$19,020,000, which related to the relevant PRC government for "Relocation of industries from City Urban Area to Industrial Parks" by Shandong Hongri. The subsidies were granted on a discretionary basis during the year and the condition attached thereto were fully complied with. And the Group recognised government grant of approximately HK\$648,000 which related to Employee Support Scheme provided by the Hong Kong government for the year ended 31 December 2020.

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For the year ended 31 December 2020

10. 財務費用

10. FINANCE COSTS

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|---------------------|--|-------------------------|-------------------------|
| 上市後償票據之利息 開支 | Interest expenses on listed subordinated notes | 45,545 | 40,775 |
| 可轉換債券利息開支 | Interest expenses on exchangeable bonds | 16,566 | 28,325 |
| 須於五年內全數償還之 借貸的利息 | Interest on borrowings wholly repayable within five years | 116,920 | 84,060 |
| 租賃負債的利息 | Interest on lease liabilities | 470 | 504 |
| 借貸成本總額 | Total borrowing costs | 179,501 | 153,664 |

11. 所得稅開支

11. INCOME TAX EXPENSE

於綜合損益表內扣除／(計入)的數額指：

The amount of charged/(credited) to the consolidated
statement of profit or loss represents:

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|------------|---------------------------------|-------------------------|-------------------------|
| 即期稅項： | Current tax: | | |
| － 中國企業所得稅 | － PRC Enterprises Income Tax | 35,901 | 166,770 |
| － 過往年度撥備不足 | － Under-provision in prior year | — | 675 |
| | | 35,901 | 167,445 |
| 遞延稅項(附註35) | Deferred taxation (Note 35) | 20,321 | (4,098) |
| | | 56,222 | 163,347 |

財務報表附註

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For the year ended 31 December 2020

(a) 香港利得稅

於2018年3月21日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「條例草案」)，引入利得稅稅率兩級制。條例草案於2018年3月28日經簽署成為法律，並於次日刊憲。根據利得稅稅率兩級制，合資格集團實體的首2百萬港元溢利將按8.25%徵稅，而超過2百萬港元的溢利則須按16.5%徵稅。不符合利得稅稅率兩級制的集團實體的溢利將繼續按統一稅率16.5%徵稅。

本集團董事認為，利得稅稅率兩級制實施後所涉及金額在綜合財務報表內並不重大。香港利得稅兩年間按16.5%計算。截至2020年12月31日止年度並無應付稅項(2019年：零港元)，原因是並無於香港產生應課稅溢利。

(b) 中國企業所得稅

中國企業所得稅乃按截至2020年及2019年12月31日止年度之估計應課稅溢利之25%計算。

(c) 海外所得稅

本公司乃根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司，並據此獲豁免繳納開曼群島所得稅。本公司於英屬處女群島成立之附屬公司乃根據英屬處女群島國際商業公司法註冊成立，並獲豁免繳納英屬處女群島所得稅。

(a) Hong Kong Profits Tax

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rate regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day. Under the two-tiered profits tax rate regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25% and profits tax above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Group considered the amount involved upon implementation of the two-tiered profits tax rate as insignificant to the consolidation financial statement. Hong Kong Profits Tax is calculated at 16.5% for both years. No tax is payable for the year ended 31 December 2020 (2019: HK\$Nil) since there were no assessable profit generated in Hong Kong.

(b) The PRC Enterprise Income Tax

The PRC Enterprise Income Tax is calculated at 25% on the estimated assessable profits arising in the PRC for the years ended 31 December 2020 and 2019.

(c) Overseas Income Tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and, accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries established in the British Virgin Islands were incorporated under the International Business Companies Act of the British Virgin Islands and, are exempted from British Virgin Islands income tax.

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本集團的除所得稅前(虧損)/溢利與以中國企業的標準所得稅稅率25%計算的理論數額的差別如下：

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using a tax rate of 25%, the standard income tax rate of the PRC enterprises, as follows:

| | | 2020 | | 2019 | |
|---|--|------------------|---------------|----------|-------|
| | | 千港元 | | 千港元 | |
| | | HK\$'000 | % | HK\$'000 | % |
| 持續經營業務之除稅前 (虧損)/溢利 | (Loss)/profit before tax from continuing operation | (927,983) | | 591,601 | |
| 按適用所得稅稅率 25% (2019年: 25%) 計算的稅項支出 | Tax charge at applicable income tax rate of 25% (2019: 25%) | (231,996) | 25 | 147,900 | 25 |
| 於其他司法權區經營的 附屬公司的不同 稅率之影響 | Effect of different tax rates of subsidiaries operating in other jurisdictions | 11,259 | (1.2) | (978) | (0.2) |
| 毋須課稅的收入之 稅務影響 | Tax effect of income not taxable for tax purpose | (11,777) | 1.3 | (17,695) | (3.0) |
| 不可扣稅之稅項開支之 稅務影響 | Tax effect of expenses not deductible for tax purpose | 251,113 | (27.1) | 14,831 | 2.5 |
| 使用先前未確認之 稅務虧損 | Utilisation of previous unrecognised tax losses | (2,066) | 0.2 | (11,632) | (2.0) |
| 未確認之估計稅項虧損的 稅務影響 | Tax effect of estimated tax losses not recognised | 39,689 | (4.3) | 30,246 | 5.1 |
| 過往年度撥備不足 | Underprovision in prior years | — | — | 675 | 0.1 |
| 所得稅開支 | Income tax expenses | 56,222 | (6.1) | 163,347 | 27.6 |

於2020年12月31日，本集團未確認稅項虧損約889,761,000港元(2019年：695,184,000港元)可結轉以抵銷未來應課稅溢利。約491,649,000港元(2019年：426,729,000港元)之稅項虧損將於與其有關之評估年度起計五年後到期，而約398,112,000港元(2019年：268,455,000港元)之稅項虧損則可無限期結轉。由於認為未必有日後之應課稅溢利可與未動用的稅項虧損對銷，故該等稅項虧損之遞延稅項收益並未確認。

As at 31 December 2020, the Group has unrecognised tax losses of approximately HK\$889,761,000 (2019: HK\$695,184,000), which can be carried forward to offset future taxable profit. Tax losses of approximately HK\$491,649,000 (2019: HK\$426,729,000) will expire after five years from the year of assessment they relate to while tax losses of approximately HK\$398,112,000 (2019: HK\$268,455,000) can be carried forward indefinitely. The deferred tax benefit of such tax losses has not been recognised as it is not considered probable that future taxable profit will be available to utilise the unused tax losses.

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12. 年內(虧損)/溢利

12. (LOSS)/PROFIT FOR THE YEAR

年內(虧損)/溢利已扣除/(計入)下列費用：

(Loss)/profit for the year has been arrived at after charging/(crediting):

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|------------------------------------|--|-------------------------|-------------------------|
| 工資及薪金 | Wages and salaries | 141,615 | 195,165 |
| 以股份為基礎支付之開支 | Share-based payment expenses | 11,554 | 22,969 |
| 支付定額供款退休計劃款項 (附註a) | Payment to defined contribution retirement plans (note a) | 3,889 | 10,493 |
| 總員工成本(包括董事薪酬) | Total staff costs (including directors' emoluments) | 157,058 | 228,627 |
| 核數師薪酬 | Auditors' remuneration | | |
| 審核及審核相關工作 | Audit and audit related work | | |
| — 國衛會計師事務所 有限公司 | — HLB Hodgson Impey Cheng Limited | 2,110 | 3,527 |
| 非審核工作 | Non-audit work | | |
| — 國衛會計師事務所 有限公司 | — HLB Hodgson Impey Cheng Limited | 764 | 944 |
| 折舊及攤銷 | Depreciation and amortisation | 226,056 | 219,427 |
| 出售物業、廠房及設備及 土地使用權之虧損/(收益) 淨額 | Net loss/(gain) on disposal of property, plant and equipment and land use rights | 8,781 | (42,089) |
| 按公允值計入損益之股本 工具公允值變動 | Change in fair value of equity instrument at fair value through profit or loss | 45 | (4,906) |
| 衍生金融負債產生 之公允值虧損 | Fair value loss arising from derivative financial liabilities | 613 | 9,310 |
| 確認為開支之存貨成本 | Cost of inventories recognised as an expense | 1,845,828 | 3,090,078 |
| 貿易應收款項預期信貸虧損 撥備 | Allowance for expected credit losses of trade receivables | 158,376 | 2,861 |
| 其他應收款項預期信貸虧損 撥備 | Allowance for expected credit losses of other receivables | — | 2,057 |
| 撥回貿易應收款項預期信貸 虧損撥備 | Reversal of allowance for expected credit losses of trade receivables | (10,355) | (1,784) |
| 撥回其他應收款項預期信貸 虧損撥備 | Reversal of allowance for expected credit losses of other receivables | (809) | — |

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附註：

- (a) 中國規則及法例訂明，本集團為其中國僱員向一項由政府營辦的退休計劃供款，該計劃屬於定額供款計劃。根據當地政府的規定，本集團按僱員薪金約14%向該計劃供款，並且除年度供款之外，本集團概無日後實際支付養老金或退休後福利之責任。該項由政府營辦的退休計劃負責退休僱員的全部養老金責任。

本集團已為其香港僱員安排強積金計劃。強積金計劃屬於定額供款計劃，由獨立信託人管理。根據強積金計劃，本集團及其香港僱員須各自根據強制性公積金條例按僱員收入之5%按月向該計劃供款。自2014年6月1日起，本集團及僱員供款之上限為每月1,500港元。

截至2020年12月31日止年度，本集團向上述養老金計劃作出的供款總額約3,889,000港元(2019年：10,493,000港元)。於2020年12月31日，本集團並無權利獲得任何沒收供款可用於減少本集團未來的供款(2019年：零港元)。

note:

- (a) As stipulated by rules and regulations in the PRC, the Group contributes to a state-sponsored retirement plan for its employees in the PRC, which is a defined contribution plan. The Group contributes approximately 14% of the employees' salary as specified by the local government, and the Group has no future obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state sponsored retirement plan is responsible for the entire pension obligations to retired employees.

The Group has arranged for its Hong Kong employees to join the MPF Scheme, a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its Hong Kong employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Since 1 June 2014, both the Group's and the employees' contributions are subject to a cap of HK\$1,500 per month.

During the year ended 31 December 2020, the aggregate amount of the Group's contributions to the aforementioned pension schemes was approximately HK\$3,889,000 (2019: HK\$10,493,000). As at 31 December 2020, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions (2019: HK\$Nil).

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13. 董事、主要行政人員及僱員薪酬
及最高薪酬人士

(a) 董事薪酬

截至2020年12月31日止年度各董事之
薪酬載列如下：

13. DIRECTORS', CHIEF EXECUTIVES'
AND EMPLOYEES' EMOLUMENTS
AND INDIVIDUALS WITH HIGHEST
EMOLUMENTS

(a) Directors' Emoluments

The emoluments of each director for the year
ended 31 December 2020 is set below:

| | | 袍金 | 薪金 | 以股份為基礎 付款之開支 | 僱主的退休金 計劃供款 | 合計 |
|----------------|---|------------|--------------|------------------------------------|--|--------------|
| | | Fees | Salaries | Share-based payment expenses | Employer's contribution to pension scheme | Total |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 執行董事 | Executive directors | | | | | |
| 池文富(主席) | Chi Wen Fu (Chairman) | — | 2,175 | 502 | 18 | 2,695 |
| 沈世捷(行政總裁) | Shum Sai Chit (CEO) | — | 1,005 | 1,042 | 18 | 2,065 |
| 池靜超 | Chi Jing Chao | — | 210 | 282 | — | 492 |
| 非執行董事 | Non-executive director | | | | | |
| 郭孟勇 | Guo Mengyong | 35 | — | 126 | — | 161 |
| 獨立非執行董事 | Independent non- executive directors | | | | | |
| 張省本 | Cheung Sound Poon | 60 | — | 215 | — | 275 |
| 盛洪 | Sheng Hong | 35 | — | 126 | — | 161 |
| 劉智傑 | Lau Chi Kit | 240 | — | 126 | — | 366 |
| | | 370 | 3,390 | 2,419 | 36 | 6,215 |

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截至2019年12月31日止年度各董事之
薪酬載列如下：

The emoluments of each director for the year
ended 31 December 2019 is set below:

| | | 袍金 | 薪金 | 以股份為基礎 付款之開支 | 僱主的退休金 計劃供款 | 合計 |
|--------------------|---|-----------------|-----------------|------------------------------------|--|-----------------|
| | | Fees | Salaries | Share-based payment expenses | Employer's contribution to pension scheme | Total |
| | | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 執行董事 | Executive directors | | | | | |
| 池文富(主席) | Chi Wen Fu (Chairman) | — | 2,357 | 232 | 18 | 2,607 |
| 沈世捷(行政總裁) | Shum Sai Chit (CEO) | — | 1,059 | 1,035 | 18 | 2,112 |
| 池靜超 ⁽²⁾ | Chi Jing Chao ⁽²⁾ | — | 112 | 133 | — | 245 |
| 池碧芬 ⁽¹⁾ | Chi Bi Fen ⁽¹⁾ | — | 709 | 268 | 9 | 986 |
| 非執行董事 | Non-executive director | | | | | |
| 郭孟勇 | Guo Mengyong | 35 | — | 58 | — | 93 |
| 獨立非執行董事 | Independent non- executive directors | | | | | |
| 張省本 ⁽²⁾ | Cheung Sound Poon ⁽²⁾ | 45 | — | 192 | — | 237 |
| 盛洪 | Sheng Hong | 35 | — | 58 | — | 93 |
| 劉智傑 | Lau Chi Kit | 240 | — | 77 | — | 317 |
| 鄭炳文 ⁽¹⁾ | Kwong Ping Man ⁽¹⁾ | 67 | — | 134 | — | 201 |
| | | 422 | 4,237 | 2,187 | 45 | 6,891 |

⁽¹⁾ 於2019年6月26日已退任

⁽¹⁾ Retired on 26 June 2019

⁽²⁾ 於2019年6月27日獲委任

⁽²⁾ Appointed on 27 June 2019

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(b) 五位最高薪酬人士

於年內，本集團五位最高薪酬人士包括2位(2019年：1位)本公司董事，有關董事酬金的分析已於上文披露。年內應付予餘下之3位(2019年：4位)人士之酬金如下：

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|------------------------|--|-------------------------|-------------------------|
| 基本薪金、購股權、 其他津貼及實物利益 | Basic salaries, share options, other allowances and benefits in kind | 4,035 | 10,668 |
| 退休金費用—定額供款 計劃 | Pension costs—defined contribution plan | 41 | 20 |
| | | 4,076 | 10,688 |

該3位(2019年：4位)最高薪酬人士的酬金屬於以下範疇：

| | | 人數 Number of individuals | |
|-----------------------------|-------------------------------|-----------------------------|------|
| | | 2020 | 2019 |
| 零至1,000,000港元 | Nil — HK\$1,000,000 | — | — |
| 1,000,001港元至 2,000,000港元 | HK\$1,000,001 — HK\$2,000,000 | 3 | — |
| 2,000,001港元至 3,000,000港元 | HK\$2,000,001 — HK\$3,000,000 | — | 2 |
| 3,000,001港元至 4,000,000港元 | HK\$3,000,001 — HK\$4,000,000 | — | 2 |
| | | 3 | 4 |

(c) 截至2020年及2019年12月31日止年度，本集團並無向任何本公司董事及五位最高薪酬人士支付酬金作為加入本集團或加入本集團時的獎勵，或作為離職補償。於截至2020年及2019年12月31日止年度，概無本公司董事及五位最高薪酬人士同意放棄或已放棄領取任何酬金。

(b) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the year included 2 (2019: 1) directors of the Company whose directors' emoluments are disclosed in the above analysis. The emoluments payable to the rest 3 (2019: 4) individuals during the year are as follows:

The emoluments of the 3 (2019: 4) individuals with the highest remuneration are within the following bands:

(c) During the years ended 31 December 2020 and 2019, no emoluments were paid by the Group to any of the directors of the Company and the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. There was no director of the Company and the five highest paid individuals agreed to waive or waived any emoluments during the years ended 31 December 2020 and 2019.

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14. 股息

本公司董事不建議就截至2020年12月31日止年度派付任何股息(2019年：零港元)。

14. DIVIDEND

The directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2020 (2019: HK\$Nil).

15. 每股(虧損)/盈利

(a) 基本

每股基本(虧損)/盈利是根據本公司擁有人應佔年內(虧損)/溢利，除以年內已發行普通股加權平均數計算。

15. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

| | | 2020 | 2019 |
|-------------------------------------|--|-----------|-----------|
| 計算每股基本(虧損)/盈利所用之母公司普通權益持有人應佔(虧損)/溢利 | (Loss)/profit attributable to ordinary equity holders of the parent, used in the basic (loss)/earnings per share calculation | (745,368) | 380,368 |
| 已發行普通股加權平均數(千股) | Weighted average number of ordinary shares in issue (thousand shares) | 4,581,117 | 4,581,117 |
| 每股基本(虧損)/盈利(每股港仙) | Basic (loss)/earnings per share (HK cents per share) | (16.27) | 8.30 |

(b) 攤薄

每股攤薄(虧損)/盈利是假設轉換所有攤薄性潛在普通股，以調整已發行普通股加權平均數計算。本公司有一類攤薄性潛在普通股：購股權。

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one categories of dilutive potential ordinary shares: share options.

就購股權而言，本公司根據尚未行使購股權所附之認購權貨幣值進行計算，以釐定可按公允值(以本公司期內之股份平均市價釐定)購入的股份數目。按上文所述計算的股份數目，與假設行使購股權所發行的股份數目作比較。由於購股權行使價高於截至2020年及2019年12月31日止年度的股份平均市價，故計算每股攤薄(虧損)/盈利時並無假設行使本公司的購股權。

For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The computation of diluted (loss)/earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of shares for the years ended 31 December 2020 and 2019.

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16. 物業、廠房及設備

16. PROPERTY, PLANT AND EQUIPMENT

| | | 租賃 土地及樓宇 (附註(i)) | 租賃物業裝修 | 廠房及機器 | 傢俬及 辦公室設備 | 汽車 | 船舶 | 在建工程 (附註(ii)) | 總計 |
|----------------------------|---|--|---------------------------|------------------------|--------------------------------------|-------------------|-----------------|--|------------------|
| | | Leasehold land and buildings (note (i)) | Leasehold improvements | Plant and machinery | Furniture and office equipment | Motor vehicles | Ship | Construction in-progress (note (ii)) | Total |
| | | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 成本 | Cost | | | | | | | | |
| 於2019年1月1日 | As at 1 January 2019 | 892,425 | 21,598 | 1,996,220 | 49,894 | 15,484 | 381 | 1,280,295 | 4,256,297 |
| 添置 | Additions | 4,288 | — | 698 | 243 | 562 | — | 426,016 | 431,807 |
| 轉撥 | Transfers | 248,442 | — | 297,085 | 82 | 47 | — | (545,656) | — |
| 出售 | Disposals | (1,408) | — | (234,107) | (1,112) | (1,887) | — | — | (238,514) |
| 轉發至分類為持作 出售的資產 | Transfer to assets classified as held for sale | (55,994) | (8,899) | — | — | — | — | — | (64,893) |
| 匯兌調整 | Exchanges alignment | (25,843) | (58) | (46,429) | (1,172) | (517) | (27) | (24,921) | (98,967) |
| 於2019年12月31日及 2020年1月1日 | As at 31 December 2019 and 1 January 2020 | 1,061,910 | 12,641 | 2,013,467 | 47,935 | 13,689 | 354 | 1,135,734 | 4,285,730 |
| 添置 | Additions | — | — | 7,694 | 454 | 327 | — | 462,686 | 471,161 |
| 轉撥 | Transfers | 110,074 | — | 111,760 | — | — | — | (221,834) | — |
| 出售 | Disposals | (544) | — | (89,414) | (135) | (2,024) | — | (8,099) | (100,216) |
| 撤銷 | Written off | (280,757) | — | (443,179) | (8,771) | (2,065) | — | (20,031) | (754,803) |
| 轉發自分類為持作 出售的資產 | Transfer from assets classified as held for sale | 48,937 | — | — | — | — | — | — | 48,937 |
| 匯兌調整 | Exchanges alignment | 71,225 | 282 | 86,114 | 3,136 | 1,061 | 24 | 84,511 | 246,353 |
| 於2020年12月31日 | As at 31 December 2020 | 1,010,845 | 12,923 | 1,686,442 | 42,619 | 10,988 | 378 | 1,432,967 | 4,197,162 |

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| | | 租賃 土地及樓宇 (附註(i)) Leasehold land and buildings (note (i)) 千港元 HK\$'000 | 租賃物業裝修 Leasehold improvements 千港元 HK\$'000 | 廠房及機器 Plant and machinery 千港元 HK\$'000 | 傢俬及 辦公室設備 Furniture and office equipment 千港元 HK\$'000 | 汽車 Motor vehicles 千港元 HK\$'000 | 船舶 Ship 千港元 HK\$'000 | 在建工程 (附註(ii)) Construction in-progress (note (ii)) 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|----------------------------|---|---|--|--|---|--|-------------------------------|---|--------------------------------|
| 累計折舊 | | Accumulated depreciation | | | | | | | |
| 於2019年1月1日 | As at 1 January 2019 | 23,189 | 13,684 | 431,932 | 14,563 | 5,302 | 381 | — | 489,051 |
| 年內扣除 | Charge for the year | 46,294 | 473 | 140,590 | 2,097 | 2,322 | — | — | 191,776 |
| 轉撥 | Transfer | (21,194) | — | 21,194 | — | — | — | — | — |
| 出售時對銷 | Eliminated on disposal | (4,067) | — | (200,795) | (162) | (357) | — | — | (205,381) |
| 轉發至分類為持作 出售的資產 | Transfer to assets classified as held for sale | (36,919) | (8,899) | — | — | — | — | — | (45,818) |
| 匯兌調整 | Exchanges alignment | (636) | (48) | (8,559) | (427) | (345) | (27) | — | (10,042) |
| 於2019年12月31日及 2020年1月1日 | As at 31 December 2019 and 1 January 2020 | 6,667 | 5,210 | 384,362 | 16,071 | 6,922 | 354 | — | 419,586 |
| 年內扣除 | Charge for the year | 44,323 | 434 | 144,622 | 1,276 | 2,151 | — | — | 192,806 |
| 出售時對銷 | Eliminated on disposal | (143) | — | (77,605) | (128) | (1,923) | — | — | (79,799) |
| 撇銷時對銷 | Eliminated on written off | (32,915) | — | (56,495) | (3,575) | (1,818) | — | — | (94,803) |
| 轉發自分類為持作 出售的資產 | Transfer from assets classified as held for sale | 30,284 | — | — | — | — | — | — | 30,284 |
| 匯兌調整 | Exchanges alignment | 8,281 | 282 | 25,362 | 1,344 | 429 | 24 | — | 35,722 |
| 於2020年12月31日 | As at 31 December 2020 | 56,497 | 5,926 | 420,246 | 14,988 | 5,761 | 378 | — | 503,796 |
| 賬面淨值 | | Net carrying values | | | | | | | |
| 於2020年12月31日 | As at 31 December 2020 | 954,348 | 6,997 | 1,266,196 | 27,631 | 5,227 | — | 1,432,967 | 3,693,366 |
| 於2019年12月31日 | As at 31 December 2019 | 1,055,243 | 7,431 | 1,629,105 | 31,864 | 6,767 | — | 1,135,734 | 3,866,144 |

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附註：

- (i) 本集團的租賃土地及樓宇於報告期末的賬面值分析如下：

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|--------|-------------------------------|-------------------------|-------------------------|
| 中國中期租賃 | Medium term leases in the PRC | 954,348 | 1,055,243 |

- (ii) 於2020年12月31日，賬面值為約458,604,000港元(2019年：884,167,000港元)之租賃土地及樓宇、廠房及機器已作為銀行借貸之抵押(附註32)。

- (iii) 於截至2020年及2019年12月31日止年度，本集團董事認為概無減值虧損須於綜合損益表確認。

- (iv) 山東紅日化工股份有限公司(「山東紅日」)響應和配合臨沂市羅莊區政府關於企業「退城入園」(「項目」)的要求。自2019年下半年啟動項目至今，全部廠房已逐步拆遷。

計入截至2020年12月31日止年度物業、廠房及設備撇銷約660,000,000港元，其中約659,457,000港元於實施上述項目有關。

於本年度之物業、廠房及設備之使用年期如下：

| | |
|------------|-------|
| — 租賃土地及樓宇 | 租賃期內 |
| — 租賃物業裝修 | 2至5年 |
| — 廠房及機器 | 3至40年 |
| — 傢俬及辦公室設備 | 2至12年 |
| — 汽車 | 4至10年 |
| — 船舶 | 5年 |
| — 工具及模具 | 2年 |

notes:

- (i) The carrying amount of the Group's leasehold land and buildings at the end of the reporting period are analysed as follows:

- (ii) As at 31 December 2020, leasehold land and buildings and plant and machinery with a carrying amount of approximately HK\$458,604,000 (2019: HK\$884,167,000) have been pledged to secure bank borrowings (Note 32).

- (iii) During the year ended 31 December 2020 and 2019, the directors of the Group considered that no impairment loss should be recognised in the consolidated statement of profit or loss.

- (iv) Shandong Hongri Chemical Joint Stock Company Limited. ("Shandong Hongri") has cooperated with Luozhuang District Government of Linyi City to respond to the requirements of "Relocation of Industries from City Urban Area to Industrial Parks" ("the Plan"). All plants have been gradually demolished since the launch of the Plan in the second half of 2019 to date.

Included in written off of property, plant and equipment amounting approximately HK\$660,000,000 for the year ended 31 December 2020, approximately HK\$659,457,000 related to the implementation of the Plan above.

The useful lives of property, plant and equipment adopted for the current year are as follows:

| | |
|----------------------------------|----------------------|
| — Leasehold land and buildings | Over the lease terms |
| — Leasehold improvements | 2 to 5 years |
| — Plant and machinery | 3 to 40 years |
| — Furniture and office equipment | 2 to 12 years |
| — Motor vehicles | 4 to 10 years |
| — Ship | 5 years |
| — Tooling and moulds | 2 years |

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17. 投資物業

17. INVESTMENT PROPERTIES

| | | 千港元 HK\$'000 |
|--------------------------------------|--|-----------------|
| 成本 | Cost | |
| 於2019年1月1日，2019年12月31日及 2020年1月1日 | As at 1 January 2019, 31 December 2019 and 1 January 2020 | — |
| 自持作待售資產轉移(附註19) | Transfer from assets held for sales (Note 19) | 104,339 |
| 添置 | Addition | 36,832 |
| 匯兌調整 | Exchange realignment | 8,999 |
| 於2020年12月31日 | As at 31 December 2020 | 150,170 |
| 累計折舊 | Accumulated Depreciation | |
| 於2019年1月1日，2019年12月31日及 2020年1月1日 | As at 1 January 2019, 31 December 2019 and 1 January 2020 | — |
| 自持作待售資產轉移(附註19) | Transfer from assets held for sales (Note 19) | 34,201 |
| 年內扣除 | Charge for the year | 8,799 |
| 匯兌調整 | Exchange realignment | 2,274 |
| 於2020年12月31日 | As at 31 December 2020 | 45,274 |
| 賬面值 | Carrying amounts | |
| 於2020年12月31日 | As at 31 December 2020 | 104,896 |
| 於2019年12月31日 | As at 31 December 2019 | — |

投資物業指雲霄物業一期及二期之建設。

The investment properties represent the buildings to phase one and phase two of the Yunxiao properties.

上述投資物業持有作資本增值之目的，按成本列值且在租賃期內按直線基準貶值。投資物業之估計使用年限介乎43至48年。

The above investment properties are held for capital appreciation purpose, measured at cost and depreciated on a straight line basis over the lease term. The estimated useful life of the investment properties range from 43 to 48 years.

本集團截至2020年12月31日投資物業賬面值總額為104,896,000港元及投資物業公允值總額為115,588,000港元。估值由與本集團並無關連之獨立合資格估師進行。根據管理層評估之結果，經參考獨立合資格估師出具之估值報告後，概無對本集團截至2020年12月31日之投資物業之賬面值作出減值。

The aggregate carrying amount of the Group's investment properties at 31 December 2020 was HK\$104,896,000 and the aggregate fair value of the investment property HK\$115,588,000. The valuation was performed by independent qualified valuers not connected with the Group. Based on the result of management's assessment by making reference to the valuation report issued by the independent qualified valuers, there is no impairment on the carrying value of the Group's investment properties as at 31 December 2020.

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投資物業之土地部分公允值乃根據直接比較法經參考類似土地之出售後釐定。

The fair value of land portion of the investment properties was determined base on direct comparison approach by reference to sales of similar land.

投資物業之物業部分公允值乃根據折舊置換法經參考置換成本及折舊率後釐定。

The fair value of the properties portion of the investment properties was determined base on depreciation replacement costs approach by reference to the replacement cost and depreciation rate.

在估計投資物業公允值時，物業之最高及最佳用途為其現狀用途。

In estimating the fair value of the properties, the highest and best use of the properties is the their current use.

截至報告期末本集團投資物業之詳情以及有關公允值層級之詳情如下：

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

| | | 2020 | |
|-----|-----------|------------------------|--|
| | | 賬面值 | 公允值第三層級 |
| | | Carrying Amount | Fair value at Level 3 hierarchy |
| | | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 |
| 第一期 | Phase one | 36,832 | 36,832 |
| 第二期 | Phase two | 68,064 | 78,756 |
| | | 104,896 | 115,588 |

至2020年12月31日止年度，投資物業並無產生租金收入。

During the year ended 31 December 2020, no rental income was generated from investment properties.

上述投資物業之賬面價值包括：

The carrying value of investment properties shown above comprise:

| | | 2020 | 2019 |
|--------|---------------------|-----------------|-----------------|
| | | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 |
| 在中國持有： | In the PRC held on: | | |
| 中期租賃 | Medium term lease | 104,896 | — |

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18. 使用權資產

18. RIGHT-OF-USE ASSETS

| | | 土地使用權 Land use right 千港元 HK\$'000 | 辦公室 Office 千港元 HK\$'000 | 合計 Total 千港元 HK\$'000 |
|----------------------------|--|---|----------------------------------|--------------------------------|
| 於2019年1月1日 | At 1 January 2019 | 298,708 | 6,991 | 305,699 |
| 添置 | Additions | — | 3,199 | 3,199 |
| 折舊費 | Depreciation charge | (10,319) | (2,387) | (12,706) |
| 匯兌調整 | Exchange alignment | (8,690) | (60) | (8,750) |
| 於2019年12月31日及 2020年1月1日 | At 31 December 2019 and at 1 January 2020 | 279,699 | 7,743 | 287,442 |
| 添置 | Additions | 8,172 | 424 | 8,596 |
| 轉撥自持有待售資產 | Transfer from assets held for sales | 3,418 | — | 3,418 |
| 折舊費 | Depreciation charge | (10,346) | (2,384) | (12,730) |
| 匯兌調整 | Exchange alignment | 9,216 | 388 | 9,604 |
| 於2020年12月31日 | At 31 December 2020 | 290,159 | 6,171 | 296,330 |

使用權資產指本集團根據經營租賃安排於租期內使用相關租賃土地及物業的權利，其按成本減去累計折舊及累計減值虧損列賬，並就重新計量租賃負債而作出調整。

於2020年12月31日，賬面值約228,771,000港元(2019年：160,183,000港元)之使用權資產已抵押作銀行借款之擔保(附註32)。

於兩個年度，本集團就其業務運作租賃土地使用權及辦公室。就土地使用權及辦公室租賃合約訂立之固定期限分別為兩年至50年(2019年：50年)及兩年至24年(2019年：兩年至50年)，惟可能擁有如下所述之延期及終止選擇權。租賃期限按個別基準經磋商後商定，且包括不同條款及條件。在釐定租賃期限及評估不可撤銷期限之長度時，本集團應用合約之定義並釐定可強制執行合約之期限。

The right-of-use assets represent the Group's rights to use underlying leased land and premises under operating lease arrangements over the lease terms, which are stated at cost less accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

As at 31 December 2020, right-of-use assets with a carrying amount of approximately HK\$228,771,000 (2019: HK\$160,183,000) have been pledged to secure bank borrowings (Note 32).

For both years, the Group leases land use right and offices for its operations. Lease contracts are entered into for fixed term of 50 years for land use right (2019: 50 years), and 2 years to 24 years for office (2019: 2 years to 24 years) but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

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19. 分類為持作出售的資產

19. ASSETS CLASSIFIED AS HELD FOR SALE

| | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|------------------------------------|-------------------------|-------------------------|
| 分類為持作出售的資產 | — | 91,019 |
| Assets classified as held for sale | — | 91,019 |

鑑於與早前潛在買方的排他期於2018年12月31日才完結，全資附屬公司A於2018年12月31日與另一名獨立第三方（「潛在買方1」）簽署一份諒解備忘錄（「諒解備忘錄1」），並同意按條款及詳情以不低於人民幣110,000,000元買賣相關物業，而潛在買方1則向全資附屬公司A支付不可退回保證金人民幣1,000,000元。於2019年11月18日，部份分類為持作出售的資產其賬面值約45,641,000港元（人民幣40,142,000元）以代價約43,206,000港元（人民幣38,000,000元）出售予潛在買方1。遞延代價應收款項約37,972,000港元（人民幣34,200,000元）計入於2019年12月31日的其他應收款項。於2019年11月25日，全資附屬公司A與另一名獨立第三方（「潛在買方2」）簽訂諒解備忘錄（「諒解備忘錄2」），安排出售餘下部份之分類為持作出售的資產，並收取不可退還保證金人民幣1,500,000元。

Due to the exclusivity period with a former potential buyer was expired on 31 December 2018, a wholly owned subsidiary A signed a memorandum of understanding (“MOU 1”) with an independent third party (“Potential Buyer 1”) on 31 December 2018 and agreed to the terms and the details of sale and purchase of the related properties with the amount not less than RMB110,000,000 and the Potential Buyer 1 agreed to pay a non-refundable deposit RMB1,000,000 to the wholly owned subsidiary so received. On 18 November 2019, the carrying amount of part of assets classified as held for sale of approximately HK\$45,641,000 (RMB40,142,000) was disposed to Potential Buyer 1 and the consideration was approximately HK\$43,206,000 (RMB38,000,000). The receivable of the deferred consideration of approximately HK\$37,972,000 (RMB34,200,000) was included in other receivables as at 31 December 2019. On 25 November 2019, the wholly owned subsidiary A signed a memorandum of understanding (“MOU 2”) with another independent third party (“Potential Buyer 2”) for the disposal of the remaining part of assets classified as held for sale and a non-refundable deposit of amount RMB1,500,000 was received.

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於2019年10月31日，全資附屬公司B與一名獨立第三方（「潛在買方3」）簽訂諒解備忘錄（「諒解備忘錄3」），並同意按條款以及按不少於人民幣30,000,000元之金額買賣相關一項物業，並向全資附屬公司B支付不可退還保證金人民幣1,500,000元。

於2019年12月31日，分類為持作出售的資產的賬面值合共為91,091,000港元（人民幣81,977,000元）以及分類為持作出售的資產的公允值合共約為約118,575,000港元（人民幣106,796,000元）。估值乃由與本集團並無關連之獨立合資格估值師進行。根據管理層經參考獨立合資格估值師發行之估值報告後所作之評估結果，於2019年12月31日，本集團持作出售的非流動資產的賬面值並無減值。

於2020年年度內，董事經參考市況及需求不足之情況決定將投資物業重新分類至物業、廠房及設備、使用權資產及投資物業。

本公司董事計入由於(a)在現況下缺少直接銷售市場(b)本公司董事決定重新分類持作待售資產(按(a)其重新分類為持作待售資產前之賬面值(如資產未重新分類為持作待售，經調整可能會確認之任何折舊)及(b)於後續決定不會出售之日期其可回收淨額二者中較低者)至使用權資產(附註18)、投資物業(附註17)及物業、廠房及設備(附註16)導致之變動。

On 31 October 2019, a wholly owned subsidiary B signed a memorandum of understanding (“MOU 3”) with an independent third party (“Potential Buyer 3”) and agreed to the terms and the details of sale and purchase of a property with the amount not less than RMB30,000,000 and a non-refundable deposit of amount RMB1,500,000 had been paid to the wholly owned subsidiary B.

The aggregate carrying amount of the assets classified as held for sale as at 31 December 2019 was HK\$91,019,000 (RMB81,977,000) and the aggregate fair value of the assets classified as held for sale is approximately HK\$118,575,000 (RMB106,796,000). The valuation was performed by independent qualified valuers not connected with the Group. Based on the result of management's assessment by making reference to the valuation report issued by the independent qualified valuers, there is no impairment on the carrying value of the Group's assets classified as held for sale as at 31 December 2019.

During the year 2020, reference to the market conditions and lack of demand, the Directors decided to reclassify the assets held for sales to property, plant and equipment, right-of-use assets and investment properties.

The Directors account the change which due to (a) lack of market available for immediate sales in its present condition; (b) decision of directors of the Company, to reclassify the assets held for sales to right-of-use assets (note 18), investment properties (note 17) and property, plant and equipment (note 16) at lower of (a) its carrying amount before asset was classified as held for sales, adjusted for any depreciation that would have been recognised had the asset not been classified as held for sale, and (b) its recoverable amount at the date of subsequent decision not to sell.

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20. 商譽

20. GOODWILL

| | | 千港元 HK\$'000 |
|--|--|-----------------|
| 成本 | Cost | |
| 於2019年1月1日，2019年12月31日， 2020年1月1日及2020年12月31日 | As at 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020 | 197,368 |
| 累計減值 | Accumulated impairment | |
| 於2019年1月1日，2019年12月31日及 2020年1月1日 | As at 1 January 2019, 31 December 2019 and 1 January 2020 | — |
| 商譽減值 | Impairment of goodwill | 46,252 |
| 於2020年12月31日 | As at 31 December 2020 | 46,252 |
| 賬面值 | Carrying amounts | |
| 於2020年12月31日 | As at 31 December 2020 | 151,116 |
| 於2019年12月31日 | As at 31 December 2019 | 197,368 |

分配至本集團現金產生單位(「現金產生單位」)之商譽按以下業務分部識別：

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segment as follows:

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|----------|--------------------------------|-------------------------|-------------------------|
| 鎂產品業務(i) | Magnesium product business (i) | 151,116 | 197,144 |
| 其他業務(ii) | Other business (ii) | — | 224 |
| | | 151,116 | 197,368 |

除上述商譽外，產生現金流量之物業、廠房及設備、無形資產及使用權資產連同相關商譽會計入各自現金產生單位，以進行減值評估。

In addition to goodwill above, property, plant and equipment, intangible assets and right-of-use assets that generate cash flows together with the related goodwill are included in the respective CGU for the purpose of impairment assessment.

(i) 商譽來自收購稀鎂科技集團控股有限公司(「稀鎂科技」)(股份代號：601)。稀鎂科技的公允值乃參考活躍市場所報買入價計算。

(i) The goodwill was resulted from the acquisition of Rare Earth Magnesium Technology Group Holding Limited ("REMT") (stock code: 601).

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於2020年12月31日，稀鎂科技之可收回金額已根據使用價值計算釐定。該計算使用了基於管理層批准之5年期財務預算及17.02%稅前貼現率之現金流量預測。稀鎂科技超過5年之現金流量乃使用穩定3%增長率推算。該增長率乃基於相關行業增長預測，並不超過相關行業之平均長期增長率。就使用價值計算之其他關鍵假設涉及現金流入／流出(包括預算銷售額及毛利率、企業稅率)之估計。有關估計乃基於單位之過往業績及管理層對市場發展之預期。

本年度內，由於全球爆發新冠疫情，導致鋁廠及汽車廠停產，鎂產品出口下降。本集團委任獨立估值師評估與稀鎂科技直接相關之商譽減值約為46,028,000港元。截至2020年12月31日，稀鎂科技之可收回價值約2,351,537,000港元。

於2019年12月31日，稀鎂科技之公允值乃參照活躍市場報價計算。

- (ii) 新沂市二灣港務有限公司從事港務營運。該現金產生單位之可收回金額乃根據經本公司董事批准之財務預算為基準之五年期現金流量預測計算之可使用價值，以及每年除稅前貼現率17.02% (2019年：9.86%) 而釐定。預算期間的現金流量預測乃根據整個預算期間內相同的預期毛利率及原材料價格通脹釐定。有關計算使用價值的其他主要假設涉及現金流入／流出的估計(包括預算銷售額及毛利率)，而有關估計乃根據該單位過往的表現及本公司董事就市場發展的預期作出。

但鑑於該項業務的持續虧損，因此為商譽作減值虧損約224,000港元。

As at 31 December 2020, the recoverable amount of REMT has been determined based on a value in use calculation. That calculation use cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 17.02%. REMT's cash flows beyond the 5-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, corporate tax rate, such estimation is based on the unit's past performance and management's expectations for the market development.

During the year, due to the COVID-19 epidemic broke out all over the world and the decline in magnesium products export due to suspension of aluminum plants and automobile factories. An independent professional valuer was engaged by the Group to assess the impairment of goodwill directly related to REMT amounting to approximately HK\$46,028,000. The recoverable amount of the REMT amounted to approximately HK\$2,351,537,000 as at 31 December 2020.

As at 31 December 2019, the fair value of REMT is calculated by reference to bid price quoted in active market.

- (ii) 新沂市二灣港務有限公司 is engaged in the port operation. The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budgets approved by the directors of the Company covering a five-year period, and a pre-tax discount rate of 17.02% (2019: 9.86%) per annum. Cash flow projections during the budget period are based on the same expected gross margins and raw material price inflation the budget period. Other key assumptions for the value in use calculation relate to the estimation of cash inflow/outflow which include budgeted sales and gross profit margin, such estimation is based on the unit's past performance and the expectation of the directors of the Company for the market development.

However, for the continuing losses incurred in the business, an impairment loss on goodwill of approximately HK\$224,000 was made.

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21. 無形資產

21. INTANGIBLE ASSETS

| | | 技術知識 Technical Know-how 千港元 HK\$'000 | 會所會籍 Club membership 千港元 HK\$'000 | 商標 Trademark 千港元 HK\$'000 | 專利 Patent 千港元 HK\$'000 | 合計 Total 千港元 HK\$'000 |
|----------------------------|--|--|---|------------------------------------|---------------------------------|--------------------------------|
| 成本 | | Cost | | | | |
| 於2019年1月1日 | As at 1 January 2019 | 3,687 | 80 | 322,538 | 51,052 | 377,357 |
| 匯兌調整 | Exchange alignment | - | - | (7,404) | (1,088) | (8,492) |
| 於2019年12月31日 及2020年1月1日 | As at 31 December 2019 and 1 January 2020 | 3,687 | 80 | 315,134 | 49,964 | 368,865 |
| 匯兌調整 | Exchange alignment | - | - | 21,003 | 3,330 | 24,333 |
| 於2020年12月31日 | As at 31 December 2020 | 3,687 | 80 | 336,137 | 53,294 | 393,198 |
| 累計攤銷及減值 | | Accumulated amortisation and impairment | | | | |
| 於2019年1月1日 | As at 1 January 2019 | 3,687 | - | 1,988 | 11,022 | 16,697 |
| 年內攤銷 | Amortisation for the year | - | - | - | 4,549 | 4,549 |
| 匯兌調整 | Exchange alignment | - | - | (255) | (268) | (523) |
| 於2019年12月31日 及2020年1月1日 | As at 31 December 2019 and 1 January 2020 | 3,687 | - | 1,733 | 15,303 | 20,723 |
| 年內攤銷 | Amortisation for the year | - | - | - | 4,587 | 4,587 |
| 匯兌調整 | Exchange alignment | - | - | 115 | 1,262 | 1,377 |
| 於2020年12月31日 | As at 31 December 2020 | 3,687 | - | 1,848 | 21,152 | 26,687 |
| 賬面淨值 | | Net carrying values | | | | |
| 於2020年12月31日 | As at 31 December 2020 | - | 80 | 334,289 | 32,142 | 366,511 |
| 於2019年12月31日 | As at 31 December 2019 | - | 80 | 313,401 | 34,661 | 348,142 |

計算攤銷所使用年期如下：

The following useful lives are used in the calculation of amortisation:

技術專有知識 : 3至5年
會所會籍 : 無期限
商標 : 無期限
專利 : 9至16年

Technical know-how : 3 to 5 years
Club membership : Indefinite
Trademark : Indefinite
Patent : 9 to 16 years

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倘無形資產之可使用年期被評定為無限期，則不會進行攤銷。倘評定無形資產之可使用年期為無限期，則會每年檢討以釐定有否有任何事件或情況繼續支持該項資產的無限可使用年期。倘並無任何該等事件或情況，可使用年期評估由無限期轉為有限期時，則自變動日期起就其預期情況及根據上文所載攤銷有限期無形資產之政策列賬。

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

22. 採礦權

22. MINING RIGHTS

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|----------------|--|-------------------------|-------------------------|
| 成本 | Cost | | |
| 於1月1日 | As at 1 January | 530,183 | 541,738 |
| 匯兌調整 | Exchange alignment | 35,336 | (11,555) |
| 於12月31日 | As at 31 December | 565,519 | 530,183 |
| 累計攤銷及減值 | Accumulated amortisation and impairment | | |
| 於1月1日 | As at 1 January | 101,715 | 93,278 |
| 年內扣除 | Charge for the year | 7,134 | 10,396 |
| 匯兌調整 | Exchange alignment | 7,028 | (1,959) |
| 於12月31日 | As at 31 December | 115,877 | 101,715 |
| 賬面淨值 | Net carrying values | | |
| 於12月31日 | As at 31 December | 449,642 | 428,468 |

餘額代表中國江蘇省東海縣的蛇紋石礦及中國吉林省白山市之白雲石礦的兩項採礦權，而兩項採礦權均已按產量及礦石儲量攤銷。

The balance represents two mining rights, the serpentine mine located in Donghai County of Jiangsu Province, the PRC and the dolomite mine located in Baishan City of Jilin Province, the PRC, which are amortised by the production quantity over the ore reserve.

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23. 主要附屬公司

(a) 於2020年及2019年12月31日，本集團的主要附屬公司之詳情如下：

23. PRINCIPAL SUBSIDIARIES

(a) Particulars of the Group's principal subsidiaries as at 31 December 2020 and 2019 are as follow:

| 名稱 Name | 註冊成立地點及 法人實體類別 Place of incorporation and kind of legal entity | 主要業務 和營業地點 Principal activities and place of operation | 已發行股份/ 繳足註冊股本之詳情 Particulars of issued share/ paid up registered capital | 本公司持有的擁有權權益比例 Proportion of ownership interest held by the Company | | 持有的投票權比例 Proportion of voting power held | | | |
|--|---|---|--|--|------|--|--------|--------|--------|
| | | | | 直接 間接 Directly Indirectly | | 2020 2019 | | | |
| | | | | 2020 | 2019 | 2020 | 2019 | | |
| 世紀陽光生態科技有限公司 Century Sunshine Ecological Technology Limited | 香港，有限責任公司 Hong Kong, limited liability company | 於香港投資控股 Investment holdings in Hong Kong | 1,000股普通股每股面值1.00港元 1,000 ordinary shares of HK\$1.00 each | — | — | 100% | 100% | 100% | 100% |
| 江蘇藍藍科技開發有限公司 Jiangsu Azureblue Technology development Company Limited | 中國，有限責任公司 The PRC, limited liability company | 於中國製造及銷售肥料 Manufacturing and sale of fertilisers in the PRC | 註冊及繳足股本人民幣275,000,000元 Registered and paid up capital of RMB275,000,000 | — | — | 100% | 100% | 100% | 100% |
| 江蘇龍騰化工有限公司 Jiangsu Longteng Petrochemical Limited | 中國，有限責任公司 The PRC, limited liability company | 於中國進行蛇紋石加工、開採及銷售 Processing, exploration and sales of serpentine in the PRC | 註冊及繳足股本人民幣297,000,000元 Registered and paid up capital of RMB297,000,000 | — | — | 100% | 100% | 100% | 100% |
| 龍翔企業有限公司 Long Xiang Enterprises Limited | 英屬處女群島，有限責任公司 British Virgin Islands, limited liability company | 於香港投資控股 Investment holdings in Hong Kong | 100股普通股每股面值1美元 100 ordinary shares of US\$1 each | 100% | 100% | — | — | 100% | 100% |
| 山東紅日化工股份有限公司 Shandong Hongri Chemical Joint Stock Company Limited | 中國，有限責任公司 The PRC, limited liability company | 於中國製造及銷售肥料 Manufacturing and sales of fertilisers in the PRC | 註冊及繳足股本人民幣260,000,000元 Registered and paid up capital of RMB260,000,000 | — | — | 70.02% | 70.02% | 70.02% | 70.02% |
| 連雲港綠滴肥料有限公司 連雲港綠滴肥料有限公司 | 中國，有限責任公司 The PRC limited liability company | 於中國製造及銷售肥料 Manufacturing and sale of fertilisers in the PRC | 註冊及繳足股本人民幣30,000,000元 Registered and paid up capital of RMB30,000,000 | — | — | 100% | 100% | 100% | 100% |
| 江西天瑞豐收化工有限公司 江西天瑞豐收化工有限公司 | 中國，有限責任公司 The PRC limited liability company | 於中國製造及銷售肥料 Manufacturing and sale of fertilisers in the PRC | 已發行及繳足股本人民幣500,000,000元 Issued and fully paid RMB500,000,000 | — | — | 100% | 100% | 100% | 100% |
| 稀鎂科技集團控股有限公司 (「稀鎂科技」) Rare Earth Magnesium Technology Group Holdings Limited ("REMT") | 百慕達，有限責任公司 Bermuda, limited liability company | 於百慕達從事投資控股 Investment holdings in Bermuda | 每股0.10港元之已發行及繳足股本 6,574,390,058股 Issued and fully paid up capital of 6,574,390,058 of HK\$0.10 each | — | — | 72.31% | 72.42% | 72.31% | 72.42% |
| 新疆騰翔鎂製品有限公司 Xinjiang Tengxiang Magnesium Products Company Limited | 中國，有限責任公司 The PRC, limited liability company | 於中國製造及銷售金屬鎂相關產品 Manufacturing and sales of magnesium-related products in the PRC | 註冊及繳足股本人民幣171,800,000元 Registered and paid up capital of RMB171,800,000 | — | — | 72.31% | 72.42% | 72.31% | 72.42% |
| 白山市天安金屬礦業有限公司 Baishan City Tianan Magnesium Resources Company Limited | 中國，有限責任公司 The PRC, limited liability company | 於中國製造及銷售金屬鎂相關產品 Manufacturing and sale of magnesium- related products in the PRC | 註冊及繳足股本人民幣280,332,000元 Registered and paid up capital of RMB280,332,000 | — | — | 72.31% | 72.42% | 72.31% | 72.42% |

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上表載列董事認為對年度業績有重大影響或構成本集團資產淨值重大部分的本公司主要附屬公司。董事認為詳列其他附屬公司的資料會使篇幅過於冗長。

The above table lists the principal subsidiaries of the Company which, in the opinion of the directors, affected the results for the year materially or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries, in the opinion of the directors, would result in particulars of excessive length.

(b) 擁有重大非控股權益的非全資附屬公司詳情

(b) *Detail of non-wholly owned subsidiaries that have material non-controlling interests*

| 公司名稱 Name of company | 註冊成立及營業地點 Place of incorporation registration and operation | 非控股權益持有之所有權權益及投票權比例 Proportion of ownership interests and voting rights held by non-controlling interests | | 分配予非控股權益之溢利/(虧損) Profit/(loss) allocated to non-controlling interests | | 累計非控股權益 Accumulated non-controlling interests | |
|-------------------------|--|--|--------|--|-------------------------|--|-------------------------|
| | | 2020 | 2019 | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
| | | | | | | | |
| | | | | | | | |
| 稀鎂科技 REMT | 百慕達 Bermuda | 27.69% | 27.58% | (20,493) | 57,844 | 402,037 | 382,779 |

以下為擁有重大非控股權益之本集團附屬公司的財務資料概要。以下財務資料概要乃指集團內公司間對銷前金額。

Summarised financial information in respect of each of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

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稀鎂科技

REMT

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|------------|--|-------------------------|-------------------------|
| 流動資產 | Current assets | 772,908 | 888,298 |
| 非流動資產 | Non-current assets | 1,783,924 | 1,666,026 |
| 流動負債 | Current liabilities | (953,709) | (804,577) |
| 非流動負債 | Non-current liabilities | (151,201) | (361,860) |
| 本公司擁有人應佔權益 | Equity attributable to owners of the Company | 1,049,885 | 1,005,108 |
| 非控股權益 | Non-controlling interests | 402,037 | 382,779 |

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|-----------------|--|-------------------------|-------------------------|
| 收入 | Revenue | 744,836 | 1,515,291 |
| 開支 | Expenses | (818,847) | (1,305,559) |
| 年內(虧損)/溢利 | (Loss)/profit for the year | (74,011) | 209,732 |
| 本公司擁有人應佔(虧損)/溢利 | (Loss)/profit attribute to owners of the Company | (53,518) | 151,888 |
| 非控股權益應佔(虧損)/溢利 | (Loss)/profit attribute to non-controlling interests | (20,493) | 57,844 |
| 年內(虧損)/溢利 | (Loss)/profit for the year | (74,011) | 209,732 |
| 本公司擁有人應佔全面收益總額 | Total comprehensive income attributable to owners of the Company | 41,260 | 94,238 |
| 非控股權益應佔全面收益總額 | Total comprehensive income attributable to non-controlling interests | 15,800 | 35,889 |
| 年內全面收益總額 | Total comprehensive income for the year | 57,060 | 130,127 |
| 已付非控股權益股息 | Dividend paid to non-controlling interests | — | 9,066 |
| 經營活動所得現金流量淨額 | Net cash flows generated from operating activities | 29,788 | 290,138 |
| 投資活動所用現金流量淨額 | Net cash flows used in investing activities | (93,364) | (106,615) |
| 融資活動所用現金流量淨額 | Net cash flows used in financing activities | (148,010) | (32,104) |
| 現金(流出)/流入淨額 | Net cash (outflow)/inflow | (211,586) | 151,419 |

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24. 按公允值計入損益之股本投資

24. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|--------------------------|---|-------------------------|-------------------------|
| 上市投資 | Listed investments | | |
| – 澳洲之上市股本證券， 按公允值(附註) | – Listed equity securities in Australia, at fair value (note) | 8,737 | 8,782 |

附註：

該款項指本集團於澳洲之上市證券投資。本集團持有FinTech Chain Limited 14,744,000股股份。

上市股本證券投資之公允值乃參考活躍市場之買入價而釐定。

notes:

The amount represents the Group's investment in listed securities in Australia. The Group held 14,744,000 shares of FinTech Chain Limited.

Fair values of the investments in listed equity securities are determined by reference to bid prices quoted in active markets.

25. 存貨

25. INVENTORIES

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|-----|------------------|-------------------------|-------------------------|
| 原料 | Raw materials | 337,813 | 305,171 |
| 在製品 | Work in progress | 1,845 | 11,992 |
| 製成品 | Finished goods | 243,344 | 154,597 |
| | | 583,002 | 471,760 |

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26. 貿易應收款項及應收票據

26. TRADE AND BILLS RECEIVABLES

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|-------------|--------------------------------------|-------------------------|-------------------------|
| 應收貿易款項(附註i) | Trade receivables (note i) | 690,958 | 466,119 |
| 預期信貸虧損撥備 | Allowance for expected credit losses | (172,620) | (15,876) |
| | | 518,338 | 450,243 |
| 應收票據(附註ii) | Bills receivables (note ii) | 7,755 | 11,138 |
| | | 526,093 | 461,381 |

附註：

- (i) 本集團給予貿易客戶之信貸期一般不超過180日(2019年：不超過180日)。

概無逾期亦未減值的貿易應收款項與眾多近期沒有拖欠記錄的客戶有關。已逾期但未減值的貿易應收款項與多名於本集團往績記錄良好的客戶有關。根據過往經驗，管理層認為，毋須就該等結餘計提減值撥備，原因為信貸質素並無重大變動，且結餘仍被視作可全數收回。本集團並無就該等結餘持有任何抵押品。

- (ii) 於2020年12月31日，應收票據約7,755,000港元(2019年：11,138,000港元)將於報告期末後6個月(2019年：七個月)內到期。所有應收票據均以人民幣計值。

note:

- (i) The Group allows a credit period normally not more than 180 days (2019: not more than 180 days) to its trade customers.

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default. Trade receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balance are still considered fully recoverable. The Group does not hold any collateral over these balances.

- (ii) As at 31 December 2020, bills receivables of approximately HK\$7,755,000 (2019: HK\$11,138,000) will be matured within 6 months (2019: 7 months) after the end of the reporting period. All the bills receivables are denominated in RMB.

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本集團應收貿易款項(扣除預期信貸虧損撥備)之賬齡分析(按發票日期呈列)如下:

The ageing analysis of the trade receivables of the Group presented based on the invoice date and net of allowance for expected credit losses was as follows:

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|----------|---------------------|-------------------------|-------------------------|
| 30日以內 | Within 30 days | 126,010 | 231,951 |
| 31至60日 | 31 to 60 days | 76,043 | 159,223 |
| 61至90日 | 61 to 90 days | 87,497 | 56,541 |
| 91日至180日 | 91 days to 180 days | 228,788 | 2,528 |
| | | 518,338 | 450,243 |

就應收貿易賬款之信貸虧損撥備變動如下:

The movements of allowance for credit losses of trade receivables are as follows:

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|-------------|---|-------------------------|-------------------------|
| 於1月1日 | As at 1 January | 15,876 | 15,148 |
| 已確認預期信貸虧損撥備 | Allowance for expected credit losses recognised | 158,376 | 2,861 |
| 已撥回預期信貸虧損撥備 | Allowance for expected credit losses reversed | (10,355) | (1,784) |
| 匯兌調整 | Exchange alignment | 8,723 | (349) |
| 於12月31日 | As at 31 December | 172,620 | 15,876 |

計入截至2020年12月31日止年度應收貿易賬款的預期信貸虧損撥備為個別經減值應收貿易賬款之撥備143,708,000港元(2019年: 4,902,000港元)。個別經減值應收貿易賬款與客戶拖欠或遲繳款項有關, 預期僅可收回此等應收賬款之一部分。

Included in the allowance for expected credit losses of trade receivables for the year ended 31 December 2020 is a provision for individually impaired trade receivables of HK\$143,708,000 (2019: HK\$4,902,000). The individually impaired trade receivables relate to customers that were in default or delinquency in payments and only a portion of the receivables is expected to be recovered.

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香港財務報告準則第9號項下減值

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於向有類似虧損模式(即按地理區域、產品類型、客戶類型及評級，以及信用證或其他形式的信用保險的承保範圍)的多個客戶分部組合的逾期天數釐定。該計算反映或然率加權結果、貨幣時值及於報告日期可得有關過往事件、目前狀況及預測未來經濟狀況的合理佐證資料。一般而言，倘貿易應收款項逾期超過一年且並無適用強制執行事項，則會撇銷。

採用撥備矩陣分析本集團貿易應收款項的信貸風險資料如下：

於2020年12月31日

| | | 預期虧損率 | 賬面總值 | 虧損撥備 |
|---------|-------------------------------|--------------------|-----------------------|----------------|
| | | Expected loss rate | Gross carrying amount | Loss allowance |
| | | | 千港元 | 千港元 |
| | | | HK\$'000 | HK\$'000 |
| 即期(未逾期) | Current (not past due) | 5.28% | 547,250 | 28,912 |
| 逾期不多於1年 | Not more than 1 year past due | 100% | 143,708 | 143,708 |
| | | | 690,958 | 172,620 |

於2019年12月31日

As at 31 December 2019

| | | 預期虧損率 | 賬面總值 | 虧損撥備 |
|---------|-------------------------------|--------------------|-----------------------|----------------|
| | | Expected loss rate | Gross carrying amount | Loss allowance |
| | | | 千港元 | 千港元 |
| | | | HK\$'000 | HK\$'000 |
| 即期(未逾期) | Current (not past due) | 2.38% | 461,217 | 10,974 |
| 逾期不多於1年 | Not more than 1 year past due | 100% | 4,902 | 4,902 |
| | | | 466,119 | 15,876 |

Impairment under HKFRS 9

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2020

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27. 預付款項、按金及其他應收款項 27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|-------------|------------------------------------|-------------------------|-------------------------|
| 其他應收款項(附註i) | Other receivables (note i) | 36,110 | 86,269 |
| 預付款項(附註ii) | Prepayments (note ii) | 511,310 | 547,054 |
| 按金(附註iii) | Deposits (note iii) | 34,999 | 3,083 |
| | | 582,419 | 636,406 |
| 預期信貸虧損撥備 | Allowance for expected credit loss | (1,291) | (2,009) |
| | | 581,128 | 634,397 |

附註：

notes:

- (i) 其他應收款項主要包括中國的可收回增值稅約11,826,000港元(2019年：7,561,000港元)、約10,219,000港元(2019年：零港元)之應收承辦商代支款、及零港元之分類為持作出售資產應收代價款(2019年：約37,972,000港元)。
- (ii) 於2020年12月31日，預付款項及按金主要包括存貨之預付款項約472,518,000港元(2019年：434,727,000港元)及預付開支約為13,667,000港元(2019年：8,444,000港元)。
- (iii) 於2020年12月31日，按金內包括支付給供應商作保證用途之可退回按金約31,804,000港元(2019年：298,000港元)。餘額約3,195,000港元(2019年：2,785,000港元)為雜項及公用事業押金。
- (i) Other receivables mainly comprise of value-added tax recoverable in the PRC of approximately HK\$11,826,000 (2019: HK\$7,561,000), receivables from contractors for expenses paid on behalf, approximately HK\$10,219,000 (2019: HK\$Nil) and consideration receivable arising from disposal of assets classified as held for sale HK\$Nil (2019: approximately HK\$37,972,000).
- (ii) As at 31 December 2020, prepayment mainly comprise of prepayment of inventory of approximately HK\$472,518,000 (2019: HK\$434,727,000) and prepaid expenses of approximately HK\$13,667,000 (2019: HK\$8,444,000).
- (iii) As at 31 December 2020, included in the deposits mainly represented the refundable trade deposits of approximately HK\$31,804,000 (2019: HK\$298,000) which were paid to suppliers for due performance. The remaining approximately of HK\$3,195,000 (2019: HK\$2,785,000) were the sundry and utility deposits.

就其他應收款項之信貸虧損撥備變動如下：

The movements of allowance for credit losses of other receivables are as follows:

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|----------------|--|-------------------------|-------------------------|
| 於1月1日 | As at 1 January | 2,009 | — |
| 已確認信貸虧損撥備 | Allowance for credit losses recognised | — | 2,057 |
| 撥回其他應收款項信貸虧損撥備 | Reversal of allowance for credit losses of other receivables | (809) | — |
| 匯兌調整 | Exchange alignment | 91 | (48) |
| 於12月31日 | As at 31 December | 1,291 | 2,009 |

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28. 已抵押銀行存款及銀行及現金結餘

於2020年12月31日，到期日超過三個月但少於一年之銀行存款約10,185,000港元(2019年：7,328,000港元)之固定年利率為3.3厘(2019年：1.50厘)。銀行存款以人民幣計值。

於2020年12月31日之銀行存款約16,178,000港元(2019年：47,450,000港元)已作為應付票據(附註29)及借貸之抵押(附註32)。

於報告期末，銀行及現金結餘包括以下項目：

28. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

As at 31 December 2020, the fixed interest rate on deposits with banks of approximately HK\$10,185,000 (2019: HK\$7,328,000), with maturity over three months but less than one year, was 3.3% (2019: 1.50%) per annum. The deposits with banks were denominated in RMB.

As at 31 December 2020, deposits with banks of approximately HK\$16,178,000 (2019: HK\$47,450,000), have been pledged to bills payables (Note 29) and secure borrowings (Note 32).

At the end of the reporting period, bank and cash balances comprise of the followings:

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|-----------|-------------------------------------|-------------------------|-------------------------|
| 於非流動資產的 | Long-term bank deposits under non- | | |
| 長期銀行存款： | current assets: | | |
| 非抵押長期銀行 | Non-pledged long-term bank | | |
| 存款 | deposits | 59 | 55 |
| 已抵押銀行存款 | Pledged bank deposits | — | 9,549 |
| | | 59 | 9,604 |
| 於流動資產的 | Bank and cash balances under | | |
| 銀行及現金結餘： | current assets: | | |
| 已抵押銀行存款及 | Pledged bank deposit and cash at | | |
| 銀行現金 | bank | 16,178 | 37,901 |
| 短期銀行存款 | Short-term bank deposits | 7,106 | 30,782 |
| 銀行現金及手頭 | Cash at bank and on hand | 150,311 | 754,375 |
| 現金 | | 173,595 | 823,058 |
| 總計 | Total | 173,654 | 832,662 |
| 減：已抵押為借貸及 | Less: Pledged deposits with | | |
| 應付票據擔保之 | bank pledged as security for | | |
| 已抵押銀行存款 | borrowings and bills payables | (16,178) | (47,450) |
| 收購時原到期日 | Non-pledged deposits with bank | | |
| 三個月以上之 | with original maturity of more than | | |
| 非抵押銀行存款 | three months when acquired | (59) | (55) |
| 現金及等同現金項目 | Cash and cash equivalents | 157,417 | 785,157 |

於報告期末，短期銀行存款之實際加權利率為1.1厘(2019年：1.62厘)；該等存款之平均到期日期均少於3個月(2019年：3個月)。

At the end of the reporting period, the weighted effective interest rate on short-term bank deposits was 1.1% (2019: 1.62%); these deposits have an average maturity of less than 3 months (2019: 3 months).

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銀行及現金結餘，及已抵押銀行存款按以下貨幣計值：

Bank and cash balances, and pledged bank deposits were denominated in the following currencies:

| | | 2020 | 2019 |
|-----|--------|----------------|----------|
| | | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 |
| 人民幣 | RMB | 165,220 | 684,605 |
| 港元 | HK\$ | 8,203 | 126,538 |
| 其他 | Others | 231 | 21,519 |
| | | 173,654 | 832,662 |

以人民幣計值之銀行及現金結餘匯出中國須受中國政府實施的外匯管制所規限。

The remittance of bank and cash balances denominated in RMB out of the PRC is subject to the foreign exchange control restrictions imposed by the government of the PRC.

29. 貿易應付款項及應付票據

29. TRADE AND BILLS PAYABLES

| | | 2020 | 2019 |
|--------|----------------|----------------|----------|
| | | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 |
| 應付貿易款項 | Trade payables | 232,568 | 251,793 |
| 應付票據 | Bills payables | 17,493 | 40,070 |
| | | 250,061 | 291,863 |

於12月31日，本集團應付貿易款項之賬齡分析(按發票日期呈列)如下：

As at 31 December, the ageing analysis of trade payables of the Group presented based on the invoice date was as follows:

| | | 2020 | 2019 |
|--------|----------------|----------------|----------|
| | | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 |
| 30日以內 | Within 30 days | 170,580 | 189,215 |
| 31至60日 | 31 to 60 days | 11,923 | 4,428 |
| 61至90日 | 61 to 90 days | 3,510 | 2,190 |
| 超過90日 | Over 90 days | 46,555 | 55,960 |
| | | 232,568 | 251,793 |

採購貨品之平均信貸期為60日至90日(2019年：60日至90日)。本集團設有財務風險管理政策，以確保所有應付款項於信貸期內償付。

The average credit period on purchases of goods is 60 to 90 days (2019: 60 to 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

應付票據由質押銀行存款抵押(附註28)。

Bills payable was secured by pledged bank deposits (Notes 28).

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30. 應計費用、其他應付款項、預收款項及合約負債 30. ACCRUALS, OTHER PAYABLES, RECEIPT IN ADVANCE AND CONTRACT LIABILITIES

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|----------------------|--|-------------------------|-------------------------|
| 應計費用及其他應付款項 (附註i) | Accruals and other payables (note i) | 321,903 | 203,604 |
| 衍生金融負債(附註ii) | Derivative financial liabilities (note ii) | 11,923 | 11,310 |
| 財務擔保負債(附註iii) | Financial guarantee liabilities (note iii) | 4,287 | 49,144 |
| | | 338,113 | 264,058 |
| 合約負債(附註iv) | Contract liabilities (note iv) | 337,126 | 363,155 |
| | | 675,239 | 627,213 |
| 即期 | Current | 627,332 | 403,803 |
| 非即期 | Non-current | 47,907 | 223,410 |
| | | 675,239 | 627,213 |

附註：

(i) 於2020年12月31日，應計款項及其他應付款項主要包括收購物業、廠房及設備之應付款項約35,282,000港元(2019年：37,420,000港元)及其他應付稅項約11,724,000港元(2019年：6,883,000港元)及應付銀行利息約110,213,000港元(2019年：32,867,000港元)。

(ii) 截至2020年12月31日及2019年12月31日止年度，本公司因授出認購期權而確認衍生金融負債。更多詳情請參閱日期為2019年12月13日之公佈。衍生金融負債之變動如下：

notes:

(i) As at 31 December 2020, accruals and other payables mainly comprised of payable for acquisition of property, plant and equipment of approximately HK\$35,282,000 (2019: HK\$37,420,000), other tax payable of approximately of HK\$11,724,000 (2019: HK\$6,883,000) and bank interest payable approximately HK\$110,213,000 (2019: HK\$32,867,000).

(ii) During the year ended 31 December 2020 and 31 December 2019, the Company recognised derivative financial liabilities due to the grant of call option. For detail, refer to the announcement dated 13 December 2019. The movement of derivative financial liabilities is as follows:

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|---------|-------------------|-------------------------|-------------------------|
| 於1月1日 | As at 1 January | 11,310 | — |
| 已收溢價 | Premium received | — | 2,000 |
| 公允值虧損 | Fair value loss | 613 | 9,310 |
| 於12月31日 | As at 31 December | 11,923 | 11,310 |

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(iii) 於2020年12月31日，山東紅日就一名獨立第三方(2019：一名獨立第三方)所獲授信貸融資向若干銀行簽立財務擔保約人民幣181,000,000元(2019年：人民幣181,000,000元)。若被要求全面履行擔保之情況時，須予以支付。

於2020年12月31日，該等公司擔保之公允價值約為4,287,000港元(2019年：49,144,000港元)。

有關公司擔保之更多詳情請參閱日期為2016年9月27日之公佈。

(iv) 合約負債之變動如下：

(iii) As at 31 December 2020, the Shandong Hongri has executed financial guarantees to certain banks for credit facilities granted to an independent third party (2019: an independent third parties), for approximately RMB181,000,000 (2019: RMB181,000,000) which would be required to be paid if the guarantees were called upon in entirety.

As at 31 December 2020, the fair value of these corporate guarantees was approximately HK\$4,287,000 (2019: HK\$49,144,000).

For more detail of the corporate guarantees please refer to announcement date 27 September 2016.

(iv) The movements of contract liabilities is as follows:

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|----------------------|---|-------------------------|-------------------------|
| 於1月1日 | As at 1 January | 363,155 | 348,889 |
| 自過往期間滿足履約責任 確認之收入 | Revenue recognised that was included in the contract liabilities balance at the beginning of the year | (186,707) | (348,889) |
| 自本年度內滿足履約責任 確認之收入 | Revenue recognised from performance obligation satisfied during the year | (1,026,415) | (2,247,400) |
| 年內收取按金導致之合約 負債增加 | Increase in contract liabilities as a result of receiving deposits during the year | 1,185,954 | 2,618,520 |
| 匯兌調整 | Exchange realignment | 1,139 | (7,965) |
| 於12月31日 | As at 31 December | 337,126 | 363,155 |

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31. 租賃負債

31. LEASE LIABILITIES

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|--------------------------------|--|-------------------------|-------------------------|
| 應付租賃負債： | Lease liabilities payable: | | |
| 一年以內 | Within one year | 514 | 1,962 |
| 一年以上 但不超過兩年 | More than one year but not later than two years | 380 | 269 |
| 兩年以上 但不超過五年 | More than two years but not later than five years | 1,217 | 1,018 |
| 五年以上 | Over five years | 4,437 | 4,583 |
| | | 6,548 | 7,832 |
| 減少：列作流動負債 於十二個月內到期結算 之款項 | Less: Amount due for settlement with 12 months shown under current liabilities | (514) | (1,962) |
| 列作非流動負債於 十二個月後到期結算 之款項 | Amount due for settlement after 12 months shown under non- current liabilities | 6,034 | 5,870 |

適用於租賃負債之加權平均增量借款利率介乎6.93%至7.03% (2019年：6.93%至7.03%)。

The weighted average incremental borrowing rates applied to lease liabilities range from 6.93% to 7.03% (2019: from 6.93% to 7.03%).

租賃負債按除如下所載功能貨幣以外之貨幣計值：

Lease obligations that are denominated in currencies other than the functional currencies are set out below:

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|-----|------|-------------------------|-------------------------|
| 港元 | HK\$ | — | 1,719 |
| 人民幣 | RMB | 6,548 | 6,113 |

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32. 借貸

32. BORROWINGS

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|---|---|-------------------------|-------------------------|
| 銀行借貸 | Bank borrowings | 924,553 | 862,772 |
| 其他借貸(附註ii) | Other borrowings (note ii) | 622,454 | 612,185 |
| 上市後償票據(附註iii) | Listed subordinated notes (note iii) | 593,782 | 585,286 |
| | | 2,140,789 | 2,060,243 |
| 不包括按要求應付條款 且應付之借款之賬面值 (附註v) : | Carrying amounts of borrowings that do not contain repayable on demand clause and repayable (note v): | | |
| 一年內 | Within one year | 1,822,408 | 1,260,969 |
| 一年以上但不超過 兩年期間內 | Within a period of more than one year but not exceeding two years | 75,381 | 213,409 |
| 兩年以上但不超過五年 期間內 | Within a period of more than two years but not exceeding five years | — | 288,677 |
| 小計 | Sub-total | 1,897,789 | 1,763,055 |
| 包括按要求應付條款且 應付之借款之賬面值 (附註v) | Carrying amounts of borrowings that contain a repayment on demand clause and repayable (note v): | | |
| 一年內 | Within one year | 243,000 | 263,188 |
| 一年以上但不超過兩年 期間內 | Within a period of more than one year but not exceeding two years | — | 13,000 |
| 兩年以上但不超過五年 期間內 | Within a period of more than two years but not exceeding five years | — | 21,000 |
| 小計 | Sub-total | 243,000 | 297,188 |
| | | 2,140,789 | 2,060,243 |
| 減：列作非流動負債之款項 | Less: Amounts shown under non-current liabilities | (75,381) | (536,086) |
| 列作流動負債之款項 | Amounts shown under current liabilities | 2,065,408 | 1,524,157 |
| 由於違反借貸契諾按要求 應付銀行借貸之賬面值 (列作流動負債)(附註vi) | The carrying amount of bank loans that are repayable on demand due to breach of loan covenants (shown under current liabilities) (note vi) | (1,900,268) | — |
| 減：就未違反貸款契諾列作 流動負債之款項 | Amounts shown under current liabilities for the borrowings without breach of loan covenants | 165,140 | 1,524,157 |
| 借貸： | Borrowings: | | |
| 有抵押(附註i) | Secured (note i) | 872,215 | 725,912 |
| 無抵押(附註iii及iv) | Unsecured (notes iii & iv) | 1,268,574 | 1,334,331 |
| | | 2,140,789 | 2,060,243 |

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借貸按以下貨幣計值：

Borrowings were denominated in the following currencies:

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|------|------|-------------------------|-------------------------|
| 人民幣 | RMB | 838,110 | 702,588 |
| 港元 | HK\$ | 512,101 | 526,106 |
| 美元 | US\$ | 196,795 | 246,263 |
| 新加坡元 | SGD | 593,783 | 585,286 |
| | | 2,140,789 | 2,060,243 |

本集團借貸的實際利率(亦相等於合約利率)範圍如下：

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

| | | 截至 2020年12月31日 止年度 Year ended 31 December 2020 | 截至 2019年12月31日 止年度 Year ended 31 December 2019 |
|--------|--------------------------|---|---|
| 實際利率： | Effective interest rate: | | |
| 固定利率借貸 | Fixed-rate borrowings | 4.5% to 20% | 4.5% to 7% |
| 可變利率借貸 | Variable-rate borrowings | 2.68% to 5.66% | 3.75% to 7.52% |

附註：

notes:

- (i) 於2020年12月31日，有抵押借貸主要以本集團之物業、廠房及設備、使用權資產及銀行存款作抵押，金額分別約458,604,000港元、228,771,000港元及10,185,000港元(2019年：884,167,000港元、160,183,000港元及27,308,000港元)，以及同系附屬公司間的公司擔保作擔保。
- (ii) 於2020年12月31日，計入其他借貸的為(a)國際金融公司貸款約47,904,000港元(2019年：63,461,000港元)、(b)貸款約267,476,000港元(2019年：146,251,000港元)及(c)若干債券約312,869,000港元(2019年：402,473,000港元)。

- (i) As at 31 December 2020, the secured borrowings were mainly secured by property, plant and equipment, right of use assets and deposits with banks of the Group amounting to approximately HK\$458,604,000, HK\$228,771,000 and HK\$10,185,000 (2019: HK\$884,167,000, HK\$160,183,000 and HK\$27,308,000) respectively and corporate guarantee between the fellow subsidiaries.
- (ii) As at 31 December 2020, included in other borrowings was (a) IFC loan of approximately HK\$42,109,000 (2019: HK\$63,461,000), (b) loan of approximately HK\$267,476,000 (2019: HK\$146,251,000) and (c) several bonds of approximately HK\$312,869,000 (2019: HK\$402,473,000).

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- (a) 根據一項由本公司之非全資附屬公司與國際金融公司(「國際金融公司」)訂立的貸款協議，國際金融公司已向附屬公司授出27,000,000美元之貸款。該貸款按倫敦銀行同業拆息加3.5厘之年利率計息，並按貸款協議所載的預期還款日期償還。來自國際金融公司之貸款以下列各項作抵押：(i)本公司作出之企業擔保；(ii)質押由冠華國際有限公司(「冠華」，為主要股東)擁有之本公司股份。於2020年12月31日，549,280,000股股份(約佔本公司於2015年6月30日已發行股本約12%)已由冠華質押給國際金融公司作為所授出貸款的擔保；(iii)銀行存款約10,185,000港元(2019年：16,877,000港元)。此外，本公司董事兼控股股東池文富先生(透過其於冠華之權益)向國際金融公司承諾維持其於本公司之最低持股量。本集團及附屬公司遵守若干契約，其中包括貸款協議訂明之若干財務契約。
- (b) 根據於2018年12月6日訂立的貸款協議，本公司獲授40,000,000港元的融資。貸款按6厘之年利率計息，須每半年支付一次。除非提早贖回，貸款之原到期日為2020年7月31日，於2019年5月6日簽署補充協議後，延長至2021年7月31日。
- (c) 由於本公司違反文據中若干條款，約108,576,000港元可轉換債券(附註33)於2020年7月21日成為按要要求應付，重新分類至其他借貸並附帶年利率20厘。
- (d) 於2021年2月22日，貸方已就計入本集團截至2020年12月31日其他借貸中約154,686,000港元借款對一間本集團非全資附屬公司發起訴訟，要求償還未償付結餘。
- (a) Pursuant to a loan agreement entered into by a non-wholly owned subsidiary of the Company and International Finance Corporation ("IFC"), IFC had granted a loan of US\$27,000,000 to the subsidiary. The loan bears interest at LIBOR plus 3.5% per annum and the amounts due are based on the scheduled repayment dates set out in the loan agreements. The loan from IFC was secured by (i) corporate guarantee given by the Company; and (ii) pledges of shares in the Company as owned by Alpha Sino International Limited ("Alpha Sino"), the substantial shareholder. As at 31 December 2020, 549,280,000 shares, representing approximately 12% of the issued share capital of the Company as at 30 June 2015, has been pledged by Alpha Sino to IFC as security for the loan granted; (iii) deposits with banks of approximately HK\$10,185,000 (2019: HK\$16,877,000). In addition, Mr. Chi Wen Fu, a director and controlling shareholder of the Company (through his interest in Alpha Sino), has given an undertaking to IFC to maintain a minimum level of shareholding in the Company. The Group and the subsidiary had to comply with certain covenants, including, among other things, certain financial covenants, under the loan arrangement.
- (b) According to a loan agreement entered on 6 December 2018, the Company was granted HK\$40,000,000 facilities. The loan bear an interest of 6% per annum in arrear semi-annually. The original maturity date of the loan is 31 July 2020 and extended upon maturity to 31 July 2021 upon a supplemental agreement signed on 6 May 2019, unless early redeemed.
- (c) The exchangeable bonds (note 33) of approximately HK\$108,576,000 become repayable on demand on 21 July 2020 due to breach of certain terms in the instruments by the Company, and were reclassified to other borrowings and carried at rate of 20% per annum.
- (d) Included in the other borrowings of the Group as at 31 December 2020 were borrowings of HK\$154,686,000 which the lenders have commenced litigations against a non-wholly owned subsidiary of the Group to repay the outstanding balances on 22 February 2021.
- (iii) 此指本公司於2017年6月5日發行之面值為101,750,000新加坡元之7.0厘後償票據(屬多種幣種中期票據計劃項下)之賬面值。該等票據於新加坡交易所上市，並已於2020年7月3日到期及違約。
- (iii) This represents the carrying amount of the 7.0% subordinated notes with the face value of SGD101.75 million (under the Multicurrency Medium Term Note Programme) issued by the Company on 5 June 2017. The notes are listed on the Singapore Stock Exchange and was matured and defaulted on 3 July 2020.

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- (iv) 計入無抵押借貸的約22,800,000港元(2019年: 50,000,000港元)指於2020年12月31日以本公司所提供公司擔保作擔保的銀行貸款。
- (v) 款項按貸款協議所載日期之計劃還款日期到期。
- (vi) 本集團若干銀行融資及其他借貸須履行常存在於與金融機構訂立的借貸安排中的契諾。於2020年7月3日,附註(iii)中上市後償票據屆滿且違約。因此,本集團不能履行若干借貸契諾合共金額1,900,268,000港元。計入本金額中,合共金額40,858,000港元之借貸在截至2020年12月31日之綜合財務狀況表中被分類為流動負債。本集團正在與借貸人磋商,以在報告期間末時續訂借款期限。截至合並財務報表核准之日,上述借貸尚未續期或償還。
- (iv) Included in unsecured borrowings, approximately HK\$22,800,000 (2019: HK\$50,000,000) represents bank loans guaranteed by the corporate guarantee of the Company as at 31 December 2020.
- (v) The amounts due are based on scheduled repayment dates set out in the loan agreements.
- (vi) Certain of the Group's banking facilities and other borrowings were subject to the fulfillment of covenants as are commonly found in lending arrangements. On 3 July 2020, the listed subordinated notes in note (iii) was matured and defaulted. As a result, the Group could not fulfill covenants on certain borrowings with an aggregate amount of HK\$1,900,268,000. Included in this amount, borrowings of an aggregate amount of HK\$40,858,000 were re-classified as current liabilities in the consolidated statement of financial position as at 31 December 2020. The Group is negotiating with the borrowers to renew the borrowings at the end of reporting period. As at the date of approval of the consolidated financial statements, the aforesaid borrowings were not yet renewed nor repaid.

於2020年12月31日,銀行借貸及其他借貸之加權平均實際利率為約9.68厘(2019年: 7.01厘)。

The weighted average effective interest rate of bank borrowing and other borrowings as at 31 December 2020 was approximately 9.68% (2019: 7.01%).

於2020年及2019年12月31日,借貸之賬面值等於其公允值為2,140,789,000港元(2019年: 2,060,243,000港元)。

As at 31 December 2020 and 2019, the carrying amount of borrowing approximately equal to its fair value were HK\$2,140,789,000 (2019: HK\$2,060,243,000).

33. 可轉換債券

33. EXCHANGEABLE BONDS

可轉換債券(「可轉換債券」)負債部分的賬面值如下:

The carrying values of the liability component of the exchangeable bonds ("EBs") are as follows:

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|----------------|--------------------------------------|-------------------------|-------------------------|
| 於1月1日 | As at 1 January | 120,640 | 250,464 |
| 已扣除利息開支 | Interest expense charged | 16,566 | 28,325 |
| 已付及應付利息開支 | Interest expense paid and payable | (16,566) | (46,789) |
| 償還本金 | Repayment of principal | (12,064) | (111,360) |
| 重新分類為其他借貸 | Reclassification to other borrowings | (108,576) | — |
| 於12月31日 | As at 31 December | — | 120,640 |

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附註：

於2016年5月5日，本公司發行本金金額為232,000,000港元之可轉換債券以換取現金。可轉換債券自發行日期起計按8%之年利率計息，須每六個曆月支付一次。可轉換債券持有人有權根據可轉換債券工具的條款及條件將可轉換債券轉換為中國稀鎂科技控股有限公司（「中國稀鎂」）股份。

詳情請參考本公司日期為2016年4月26日之公佈。

於2017年9月4日，由於中國稀鎂重組，本公司向可轉換債券持有人發出協議通知，而轉換權利於2017年10月6日失效。

可轉換債券到期日為自可轉換債券發行日期起計三年（「期限」），而其可延長一個曆年（「延長期限」）。該延長期限選項已於2019年被可轉換債券持有人已於到期時行使並延長至2020年5月5日，該期限於本年內再次延長至2021年5月5日。

由於本集團違反文據中若干條款，約108,576,000港元可轉換債券於2021年7月21日成為按要求應付，重新分類至其他借貸（附註32）並附帶年利率20厘。

負債部分在首次確認時的實際年利率為18.04%。而於2019年延期時，實際年利率變為10%。於本期內再次延期時，實際利率再次變更為9%。

note:

On 5 May 2016, the Company issued EBs with the principal amount of HK\$232,000,000 for cash. The EBs bear an interest of 8% per annum payable in arrear every six calendar months from the issue date. The EBs entitle the holder to exchange for the shares of China Rare Earth Magnesium Technology Holdings Limited ("China Rare Earth") pursuant to the terms and conditions of the EBs instrument.

For details, please refer to the announcement of the Company dated on 26 April 2016.

On 4 September 2017, an Agreement Notice was given to the holders of EBs due to the re-organisation in relation to China Rare Earth, the exchange right was lapsed on 6 October 2017.

The maturity date of the EBs is three years commencing from the date of issue of the EBs (the "Term") and it can be extended for another 1 calendar year (the "Extended Term"), the extension option was exercised by the holders of EBs upon maturity in 2019 to 5 May 2020, which was further extended to 5 May 2021 during the current year.

The exchangeable bonds of approximately HK\$108,576,000 become repayable on demand on 21 July 2021 due to the Group breach of certain terms in the instruments, reclassified to other borrowings (note 32) and carried at rate of 20% per annum.

The effective interest rate of the liability component on initial recognition is 18.04% per annum. Upon the extension in 2019, the effective interest rate changed to 10% per annum. The interest rate further changed to 9% upon further extension in current period.

34. 遞延收入

34. DEFERRED REVENUE

| | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|---|-------------------------|-------------------------|
| 與資產相關之政府撥款 Government grants received related to assets | 72,834 | 68,283 |

為促進鎂行業之發展，白山市天安金屬鎂礦業有限公司於2012年與當地政府訂立一份協議。根據該協議，當地政府同意向白山市天安金屬鎂礦業有限公司提供財務資助（「資助」）以改善其生產科技及提高物業、廠房及設備的產能。

In order to encourage the development of magnesium industry, Baishan City Tianan Magnesium Resources Co., Limited entered into an agreement with the local government in 2012. Pursuant to the agreement, the local government agree to provide financial assistance (the "Assistance") to Baishan City Tianan Magnesium Resources Company Limited to improve their production technology and enhance the capacity of the property, plant and equipment.

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截至2020年及2019年12月31日止年度，本集團未曾收取任何資助，而截至2020年及2019年12月31日止年度並無確認其他收入。於2020年及2019年12月31日之間的賬面值變動乃由於匯率差額導致。

所收或成為應收款項之資助，初始確認為遞延收入及其後以扣減折舊費開支，按該須予折舊資產可用年期於損益賬確認。

During the year ended 31 December 2020 and 2019, the Group has not received any Assistance and there were no other income was recognised for the years ended 31 December 2020 and 2019. The changes between the carrying amount as at 31 December 2020 and 2019 are arised from exchange difference.

The Assistance received or which becomes receivables is initially recognised as deferred revenue and subsequently recognised in profit or loss over the life of a depreciable asset by way of as a reduced depreciation charge expense.

35. 遞延稅項負債

年內於綜合財務狀況表確認之遞延稅項結餘的組成部分及其變動如下：

遞延稅項負債

| | | 採礦權 | 土地使用權 | 使用權資產 | 物業、廠房 及設備 | 無形資產 | 其他 | 總計 |
|--|--|------------------|--------------------|-------------------------|-------------------------------------|---------------------|-----------------|-----------------|
| | | Mining rights | Land use rights | Right-of- use assets | Property, plant and equipment | Intangible asset | Others | Total |
| | | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 於2019年1月1日 | As at 1 January 2019 | 88,015 | 18,849 | — | (32,353) | 80,106 | 11,731 | 166,348 |
| 自採納香港財務報告準則 第16號後轉撥 (計入)/扣除綜合損益表 (附註11) | Transfer upon adoption of HKFRS16 (Credited)/charged to the consolidated statement of profit or loss (Note 11) | — | (18,849) | 18,849 | — | — | — | — |
| 匯兌調整 | Exchange alignment | (2,189) | — | (603) | 4,444 | (19) | (5,731) | (4,098) |
| | | (1,826) | — | (399) | 867 | (1,709) | — | (3,067) |
| 於2019年12月31日及 2020年1月1日 | As at 31 December 2019 and 1 January 2020 | 84,000 | — | 17,847 | (27,042) | 78,378 | 6,000 | 159,183 |
| (計入)/扣除綜合損益表 (附註11) | (Credited)/charged to the consolidated statement of profit or loss (Note 11) | (1,782) | — | (4,344) | 32,466 | (19) | (6,000) | 20,321 |
| 匯兌調整 | Exchange alignment | 5,524 | — | 764 | (732) | 5,222 | — | 10,778 |
| 於2020年12月31日 | As at 31 December 2020 | 87,742 | — | 14,267 | 4,692 | 83,581 | — | 190,282 |

35. DEFERRED TAX LIABILITIES

The components of deferred tax balances recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred Tax Liabilities

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36. 本公司股本

36. SHARE CAPITAL OF THE COMPANY

| | | 股份數目 Number of shares 千股 '000 | 股本 Share capital 千港元 HK\$'000 |
|--|--|---|---|
| 法定： | Authorised: | | |
| 於2019年1月1日、 2019年12月31日、 2020年1月1日及 2020年12月31日 每股面值0.02港元 之普通股 | Ordinary shares of HK\$0.02 each As at 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020 | 10,000,000 | 200,000 |
| 已發行及繳足： | Issued and fully paid: | | |
| 於2019年1月1日、 2019年12月31日、 2020年1月1日及 2020年12月31日 | As at 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020 | 4,581,117 | 101,419 |

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37. 本公司財務狀況表及儲備

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(a) 財務狀況表

於12月31日

(a) Statement of Financial Position

As at 31 December

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|----------------------|---|-------------------------|-------------------------|
| 非流動資產 | Non-current assets | | |
| 物業、廠房及設備 | Property, plant and equipment | 47 | 530 |
| 於附屬公司之投資 | Investments in subsidiaries | 2,108 | 2,108 |
| | | 2,155 | 2,638 |
| 流動資產 | Current assets | | |
| 其他應收款項、 預付款項及按金 | Other receivables, prepayments and deposits | 2,087 | 1,302 |
| 應收附屬公司款項 | Amounts due from subsidiaries | 2,070,424 | 2,445,091 |
| 銀行及現金結餘 | Bank and cash balances | 80 | 50,709 |
| | | 2,072,591 | 2,497,102 |
| 流動負債 | Current liabilities | | |
| 其他應付款項 | Other payables | 99,616 | 25,700 |
| 應付所得稅 | Income tax payable | 2,974 | 2,974 |
| 借貸 | Borrowings | 772,676 | 648,598 |
| 可轉換債券 | Exchangeable bonds | 108,576 | 120,640 |
| | | 983,842 | 797,912 |
| 流動資產淨值 | Net current assets | 1,088,749 | 1,699,190 |
| 資產總值減流動負債 | Total assets less current liabilities | 1,090,904 | 1,701,828 |
| 非流動負債 | Non-current liability | | |
| 借貸 | Borrowings | — | 130,000 |
| | | — | 130,000 |
| 資產淨值 | Net assets | 1,090,904 | 1,571,828 |
| 本公司擁有人應佔股本及儲備 | Capital and reserves attributable to owners of the Company | | |
| 股本 | Share capital | 101,419 | 101,419 |
| 儲備 | Reserves | 989,485 | 1,470,409 |
| 權益總額 | Total equity | 1,090,904 | 1,571,828 |

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(b) 儲備**(b) Reserves**

| | | 股份溢價 Share premium 千港元 HK\$'000 | 資本贖回儲備 Capital redemption reserve 千港元 HK\$'000 | 購股權儲備 Share option reverse 千港元 HK\$'000 | 保留盈利 Retained earnings 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|----------------------------|--|--|---|--|--|--------------------------------|
| 於2019年1月1日 | As 1 January 2019 | 1,353,356 | 4,526 | 1,258 | 93,013 | 1,452,153 |
| 年內溢利 | Profit for the year | - | - | - | 14,702 | 14,702 |
| 年內全面收益總額 | Total comprehensive income for the year | - | - | - | 14,702 | 14,702 |
| 股權結算股份付款之交易 | Equity settled share-based transactions | - | - | 3,554 | - | 3,554 |
| 於2019年12月31日及 2020年1月1日 | As at 31 December 2019 and 1 January 2020 | 1,353,356 | 4,526 | 4,812 | 107,715 | 1,470,409 |
| 年內虧損 | Loss for the year | - | - | - | (488,503) | (488,503) |
| 年內全面開支總額 | Total comprehensive expense for the year | - | - | - | (488,503) | (488,503) |
| 股權結算股份付款之交易 | Equity settled share-based transactions | - | - | 7,579 | - | 7,579 |
| 已失效時股權 | Share options lapsed | - | - | (1,301) | 1,301 | - |
| 於2020年12月31日 | As at 31 December 2020 | 1,353,356 | 4,526 | 11,090 | (379,487) | 989,485 |

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38. 購股權計劃

(a) 本公司之購股權計劃

為吸引及挽留最優秀之員工以發展本集團業務，以及提供額外鼓勵或獎勵予獲選之合資格參與者，本公司分別於2008年12月3日採納一項購股權計劃(「舊計劃」)及於2019年6月26日採納一項購股權計劃(「新計劃」或「該計劃」)。合資格參與者主要為本集團僱員、董事及對本集團有所貢獻之本集團承包商、供應商或服務供應商。除非另行註銷或修訂，否則該舊計劃及新計劃將自成立日期起10年內有效。舊計劃已於2018年12月3日屆滿，而新計劃之餘下年期約為9年(於2029年6月26日屆滿)。於舊計劃屆滿前根據舊計劃授出之購股權仍然有效。

購股權可按董事全權酌情釐定的歸屬、行使或其他方面的條款及條件而授出，惟有關條款及條件須與該計劃的任何其他條款及條件相符一致。

認購價不會少於以下最高者：(i)股份在購股權授出日期於香港聯合交易所有限公司(「聯交所」)每日報價表所列之收市價；(ii)股份於緊接購股權授出日期前5個交易日於聯交所每日報價表所列之平均收市價；及(iii)股份之面值0.02港元。根據計劃可能授出購股權涉及之最高股份數目，合共不可多於本公司不時之已發行股本30%。於接納授出購股權之要約後，獲授予者須向本公司支付款項1.00港元。

38. SHARE OPTION SCHEMES

(a) *Share option scheme of the Company*

In order to attract and retain the best quality employees for the development of the Group's businesses and to provide additional incentives or rewards to selected qualifying participants, the Company adopted a share option scheme on 3 December 2008 (the "Old Scheme") and on 26 June 2019 (the "New Scheme" or the "Scheme") respectively. The qualifying participants mainly include employees of the Group, Directors and contractors, suppliers or service providers of the Group who have contribution to the Group. Both schemes, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The Old Scheme was expired on 3 December 2018 while the remaining life of the New Scheme is approximately 9 years (expiry on 26 June 2029). Options granted under the Old Scheme before its expiry remain in force.

Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise as the directors may determine in its absolute discretion, provided that such terms and conditions shall not be inconsistent with any other terms conditions of the Scheme.

The subscription price is not less than the highest of (i) the closing price of the Shares as stated in the daily quotation sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of offer of the option; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of offer of the option; and (iii) the nominal value of a Share of HK\$0.02. The maximum number of Shares in respect of which options may be granted under the Scheme shall not, in aggregate, exceed 30% of the issued share capital of the Company from time to time. Upon acceptance of the offer for the grant of option, an amount of HK\$1.00 is payable by the grantee to the Company.

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本公司可發行購股權，限額為行使根據計劃將授出的全部購股權後可能發行的股份總數，合共不超過於批准計劃日期已發行股份的10%。本公司可在任何時候更新該10%限額，惟須根據上市規則獲得股東批准及刊發通函，方可進行，並且於行使根據計劃及其他任何購股權計劃下所有已授出但仍未獲行使的購股權後將予發行的股份數目，不得超過不時已發行股份的30%。

各合資格人士於要約日期屆滿前十二個月期間內因行使其獲授購股權(包括該計劃下已行使及尚未行使的購股權)而獲發行及將獲發行的股份總數，不得超過本公司已發行股本1%。倘向本公司主要股東或獨立非執行董事(或彼等各自的任何聯繫人)授出任何購股權而導致在截至授出日期(包括該日)止任何十二個月期間內，上述人士已獲授及將獲授的全部購股權(包括已行使、已註銷及尚未行使的購股權)獲行使而發行及將予發行的證券數目，(i)合共超過相關類別已發行證券的0.1%；及(ii)(倘證券於聯交所上市)根據證券於各授出日期收市價計算的總值超過5,000,000港元，該額外授出購股權須經本公司股東批准。

購股權僅於合資格參與者自購股權授出日期至指定之行使日期仍於本集團服務方可行使。

The Company can issue options so that the total number of shares that may be issued upon exercise of all options to be granted under the Scheme does not in aggregate exceed 10% of the shares in issue on the date of approval of the Scheme. The Company may refresh this 10% limit at any time, subject to shareholders' approval and the issue of a circular and in accordance with the Listing Rules provided that the number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes does not exceed 30% of the Shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the options granted to each eligible person (including both exercised and outstanding options under the Scheme) in the twelve-month period expiring on the offer date must not exceed 1% of the issued share capital of the Company. Where any grant of options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the relevant class of securities in issue; and (ii) (where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million, such further grant of options must be approved by shareholders of the Company.

The share options are exercisable only if the Eligible Participants remain in the service of the Group from the grant date of the share options up to the designated exercise date.

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2020年

2020

| | 於2020年 1月1日持有 | 年內授出 之購股權 | 年內行使 之購股權 | 年內失效 之購股權 | 於2020年 12月31日持有 | 行使價 港元 |
|-----------------------------|------------------------------|--|--|---|--------------------------------|---------------------------|
| | Held at 1 January 2020 | Options granted during the year | Options exercised during the year | Options lapsed during the year | Held at 31 December 2020 | Exercise price HK\$ |
| 舊計劃 | | | | | | |
| The Old Scheme | | | | | | |
| (A) 僱員 | 8,567,059 | — | — | (8,567,059) | — | 0.78258 |
| Employees | | | | | | |
| (B) 董事 | | | | | | |
| Directors | | | | | | |
| 劉智傑 | 6,389,145 | — | — | (6,389,145) | — | 0.78258 |
| Lau Chi Kit | | | | | | |
| | 14,956,204 | — | — | (14,956,204) | — | 0.78258 |
| 新計劃 | | | | | | |
| The New Scheme | | | | | | |
| (A) 僱員 | 121,900,000 | — | — | — | 121,900,000 | 0.3 |
| Employees | | | | | | |
| (B) 顧問(附註i) | 110,000,000 | — | — | — | 110,000,000 | 0.3 |
| Consultants (note i) | | | | | | |
| (C) 董事 | | | | | | |
| Directors | | | | | | |
| 池文富 | 20,000,000 | — | — | — | 20,000,000 | 0.3 |
| Chi Wen Fu | | | | | | |
| 沈世捷 | 20,000,000 | — | — | — | 20,000,000 | 0.3 |
| Shum Sai Chit | | | | | | |
| 池靜超 | 8,000,000 | — | — | — | 8,000,000 | 0.3 |
| Chi Jing Chao | | | | | | |
| 郭孟勇 | 5,000,000 | — | — | — | 5,000,000 | 0.3 |
| Guo Mengyong | | | | | | |
| 張省本 | 5,000,000 | — | — | — | 5,000,000 | 0.3 |
| Cheung Sound Poon | | | | | | |
| 盛洪 | 5,000,000 | — | — | — | 5,000,000 | 0.3 |
| Sheng Hong | | | | | | |
| 劉智傑 | 5,000,000 | — | — | — | 5,000,000 | 0.3 |
| Lau Chi Kit | | | | | | |
| | 299,900,000 | — | — | — | 299,900,000 | 0.3 |
| | 314,856,204 | — | — | (14,956,204) | 299,900,000 | |

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| | 2019年 | | 2019 | | | |
|-----------------------------|------------------------------|--|--|---|--------------------------------|---------------------------|
| | 於2019年 1月1日持有 | 年內授出 之購股權 | 年內行使 之購股權 | 年內失效 之購股權 | 於2019年 12月31日持有 | 行使價 港元 |
| | Held at 1 January 2019 | Options granted during the year | Options exercised during the year | Options lapsed during the year | Held at 31 December 2019 | Exercise price HK\$ |
| 舊計劃 | | | | | | |
| The Old Scheme | | | | | | |
| (A) 僱員 | 8,567,059 | — | — | — | 8,567,059 | 0.78258 |
| Employees | | | | | | |
| (B) 董事 | | | | | | |
| Directors | | | | | | |
| 劉智傑 | 6,389,145 | — | — | — | 6,389,145 | 0.78258 |
| Lau Chi Kit | | | | | | |
| | 14,956,204 | — | — | — | 14,956,204 | 0.78258 |
| 新計劃 | | | | | | |
| The New Scheme | | | | | | |
| (A) 僱員 | — | 121,900,000 | — | — | 121,900,000 | 0.3 |
| Employees | | | | | | |
| (B) 顧問(附註i) | — | 110,000,000 | — | — | 110,000,000 | 0.3 |
| Consultants (Note i) | | | | | | |
| (C) 董事 | | | | | | |
| Directors | | | | | | |
| 池文富 | — | 20,000,000 | — | — | 20,000,000 | 0.3 |
| Chi Wen Fu | | | | | | |
| 沈世捷 | — | 20,000,000 | — | — | 20,000,000 | 0.3 |
| Shum Sai Chit | | | | | | |
| 池靜超 | — | 8,000,000 | — | — | 8,000,000 | 0.3 |
| Chi Jing Chao | | | | | | |
| 郭孟勇 | — | 5,000,000 | — | — | 5,000,000 | 0.3 |
| Guo Mengyong | | | | | | |
| 張省本 | — | 5,000,000 | — | — | 5,000,000 | 0.3 |
| Cheung Sound Poon | | | | | | |
| 盛洪 | — | 5,000,000 | — | — | 5,000,000 | 0.3 |
| Sheng Hong | | | | | | |
| 劉智傑 | — | 5,000,000 | — | — | 5,000,000 | 0.3 |
| Lau Chi Kit | | | | | | |
| | — | 299,900,000 | — | — | 299,000,000 | 0.3 |
| | 14,956,204 | 299,900,000 | — | — | 313,856,204 | |

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附註：

- (i) 於2019年7月25日，3名顧問各自分別獲授45,000,000份、25,000,000份及40,000,000份購股權。彼等為法團及本集團的獨立第三方，並提供有關(包括但不限於)協助進行各種融資活動、進行投資者推介、及其他合適及所能提供的金融服務等。

本公司認為，鑒於本集團資源有限且為維持長期增長，向顧問授出購股權有助挽留及激勵該等非僱員促進公司價值增長。購股權乃為授予該等顧問以為本集團提供持續服務及與彼等維持長遠關係的獎勵，本集團因而可維持精簡且穩定的營運。除授出的購股權外，本公司並無就該等顧問所提供的服務向彼等提供任何其他報酬。

- (ii) 於2020年12月31日，新計劃(2019年：新及舊計劃)項下尚未行使之購股權合共可認購299,000,000(2019年：314,856,204)股股份。

note:

- (i) On 25 July 2019, 3 consultants were granted each with 45,000,000, 25,000,000 and 40,000,000 Share Options respectively. They are body incorporated and independent third parties to the Group who are rendering, including but not limited to, services in relation to assisting of all types of financing arrangement, introducing of investors, and other financial services if appropriate and available, etc.

The Company consider that in view of the limited resources of the Group and to maintain a long term growth, the Share Options granted to the consultants can help to retain and motivates these non-employees to generate growth in company value. The Share Options was granted as incentive for these consultants to provide ongoing service to the Group and to maintain a long-term relationship with them so that the Group can maintain a streamline operation with stability. Apart from the Share Options granted, the Company has not provided any other remuneration to these consultants for their services provided.

- (ii) As at 31 December 2020, Options to subscribe for a total of 299,000,000 (2019: 314,856,204) Shares were outstanding under the New Scheme (2019: New and Old Schemes).

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於2020年12月31日，尚未行使購股權有以下屆滿日期、行使期及行使價。

Options outstanding at 31 December 2020 have the following expiry date, exercise period and exercise prices.

| 頒授日期 Grant date | 屆滿日期 Expiry date | 行使期 Exercise period | 每股行使價 Exercise prices per Share 港元 HK\$ | 購股權數目 Number of Options |
|-----------------------|---------------------|---|---|-------------------------------|
| 舊計劃 | | | | |
| The Old Scheme | | | | |
| 2015年1月6日 | 2020年10月31日 | 自2015年11月1日起至 2020年10月31日 | 0.78258 | — |
| 6 January 2015 | 31 October 2020 | From 1 November 2015 to 31 October 2020 | | |
| 新計劃 | | | | |
| The New Scheme | | | | |
| 2019年7月25日 | 2025年12月30日 | 自2020年11月1日至 2025年12月30日 | 0.3 | 299,900,000 |
| 25 July 2019 | 30 December 2025 | From 1 November 2020 to 30 December 2025 | | |
| | | | | 299,900,000 |

於本年報日期，新計劃項下可供發行之本公司股份總數(包括上述尚未行使購股權)為458,111,684股，相當於本公司當日已發行股本約10%。新計劃將於2029年6月26日屆滿。

As at the date of the annual report, the total number of Shares of the Company available for issue under the New Scheme (including the above Options outstanding not yet exercised) was 458,111,684, representing approximately 10% of the issued share capital of the Company as of the date thereof. The New Scheme will expire on 26 June 2029.

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新計劃項下於2019年12月31日止年度所授出之購股權，使用二項式期權定價模式釐定公允值為約21,291,000港元。輸入該估值模式的重要計算因素為於授出日期的股價0.223港元(已就股份分拆的影響作出調整)、上述行使價、預期股價波動為42.352%、年度無風險利率為1.367%。約6.438年預計購股權年期及0%之派息率。按預期股價回報的標準偏差而計量的波幅，乃根據由2016年7月25日至2019年7月25日的每日股價的統計分析計算得出。截至2020年12月31日止年度，已計入綜合損益表內之付款約為7,579,000港元(2019年：3,511,000港元)。

舊計劃項下於2015年12月31日止年度所授出之購股權，使用柏力克-舒爾斯估值模式釐定公允值為約3,660,000港元。輸入該估值模式的重要計算因素為於授出日期的股價0.69港元(已就股份分拆的影響作出調整)、上述行使價、預期股價波動介於43.47%至49.69%、年度無風險利率0.71%至1.39%。約2.32至5.32年預計購股權年期及1.29%派息率。按預期股價回報的標準偏差而計量的波幅，乃根據由2009年8月19日至2012年8月28日的每日股價的統計分析計算得出。截至2020年12月31日止年度，已計入綜合損益表內約為零港元(2019年：43,000港元)。

截至2020年12月31日止年度，已計入綜合損益表內總金額約為7,579,000港元(2019年：3,554,800港元)。

The fair value of Options granted during the year ended 31 December 2019 under the New Scheme determined using the Binomial Option Pricing model was approximately HK\$21,291,000. The significant inputs into the model were share price of HK\$0.223, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility is 42.352%, annual risk-free interest rate of 1.367%. Expected life of Options of approximately 6.438 years and dividend payout ratio of 0%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 25 July 2016 to 25 July 2019. During the year ended 31 December 2020, approximately HK\$7,579,000 (2019: HK\$3,511,000) were charged to the consolidated statement of profit or loss.

The fair value of Options granted during the year ended 31 December 2015 under the Old Scheme determined using the Black-Scholes valuation model was approximately HK\$3,660,000. The significant inputs into the model were share price of HK\$0.69, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility ranged from 43.47% to 49.69%, annual risk-free interest rate of 0.71% to 1.39%. Expected life of Options of approximately 2.32 to 5.32 years and dividend payout ratio of 1.29%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 19 August 2009 to 28 August 2012. During the year ended 31 December 2020, approximately HK\$Nil (2019: HK\$43,000) were charged to the consolidated statement of profit.

During the year ended 31 December 2020, aggregate amount of approximately HK\$7,579,000 (2019: HK\$3,554,800) were charged to the consolidated statement of profit or loss.

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(b) 附屬公司之購股權計劃

稀鎂科技

為吸引及挽留優秀員工發展本集團稀鎂科技的業務，並提供經選定合資格參與者額外獎勵或回報，稀鎂科技於2017年12月4日採納購股權計劃（「稀鎂科技計劃」）。合資格參與者主要包括僱員、董事、承包商、供應商或服務供應商。彼等皆曾為稀鎂科技集團作出貢獻。稀鎂科技計劃自其成立日期起計十年內有效，惟遭註銷或修改則除外。稀鎂科技計劃餘下年期約為7年（於2027年12月4日屆滿）。

各合資格人士於要約日期屆滿前十二個月期間內因行使其獲授購股權（包括稀鎂科技計劃下已行使及尚未行使的購股權）而獲發行及將獲發行的股份總數，不得超過稀鎂科技已發行股本1%。倘向稀鎂科技主要股東或獨立非執行董事（或彼等各自的任何聯繫人）授出任何購股權而導致在截至授出日期（包括該日）止任何十二個月期間內，上述人士已獲授及將獲授的全部購股權（包括已行使、已註銷及尚未行使的購股權）獲行使而發行及將予發行的證券數目，(i) 合共超過相關類別已發行證券的0.1%；及(ii)（倘證券於聯交所上市）根據證券於各授出日期收市價計算的總值超過5,000,000港元，該額外授出購股權須經稀鎂科技股東批准。

(b) *Share option scheme of a subsidiary*

REMT

In order to attract and retain the best quality employees for the development of the Group of REMT's businesses and to provide additional incentives or rewards to selected qualifying participants, REMT adopted a share option scheme on 4 December 2017 (the "REMT Scheme"). The qualifying participants mainly include employees, directors, contractors, suppliers or service providers who have contribution to the Group of REMT. The REMT Scheme, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The remaining life of the REMT Scheme is approximately 7 years (expiry on 4 December 2027).

The total number of shares issued and to be issued upon exercise of the options granted to each eligible person (including both exercised and outstanding options under the REMT Scheme) in the twelve-month period expiring on the offer date must not exceed 1% of the issued share capital of REMT. Where any grant of options to a substantial shareholder or an independent non-executive director of REMT, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the relevant class of securities in issue; and (ii) (where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million, such further grant of options must be approved by shareholders of REMT.

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於2020年12月31日，稀鎂科技計劃項下認購合共356,400,000股股份的購股權（「稀鎂科技購股權」）尚未行使。

As at 31 December 2020, options to subscribe for a total of 356,400,000 Shares were outstanding under the REMT Scheme (the “REMT Options”).

2020年

2020

| | 於2020年 1月1日持有 | 年內授出之 稀鎂科技購股權 | 年內行使之 稀鎂科技購股權 | 年內失效之 稀鎂科技購股權 | 於2020年 12月31日持有 | 行使價 港元 |
|-------------------------------------|------------------------------|--|--|---|--------------------------------|---------------------------|
| | Held at 1 January 2020 | REMT Options granted during the year | REMT Options exercised during the year | REMT Options lapsed during the year | Held at 31 December 2020 | Exercise price HK\$ |
| (A) 僱員 | 163,400,000 | — | — | — | 163,400,000 | 0.4 |
| Employees | 40,000,000 | — | — | (40,000,000) | — | 0.5 |
| | 150,000,000 | — | (10,000,000) | — | 140,000,000 | 0.3 |
| (B) 董事 | | | | | | |
| Directors | | | | | | |
| 沈世捷 Shum Sai Chit | 30,000,000 | — | — | — | 30,000,000 | 0.4 |
| 池靜超 Chi Jing Chao | 3,000,000 | — | — | — | 3,000,000 | 0.4 |
| 張省本 Cheung Sound Poon | 5,000,000 | — | — | — | 5,000,000 | 0.4 |
| 稀鎂科技其他董事 Other directors of REMT | 20,000,000 | — | — | (5,000,000) | 15,000,000 | 0.4 |
| | 221,400,000 | — | — | (5,000,000) | 216,400,000 | 0.4 |
| | 40,000,000 | — | — | (40,000,000) | — | 0.5 |
| | 150,000,000 | — | (10,000,000) | — | 140,000,000 | 0.3 |
| | 411,400,000 | — | (10,000,000) | (45,000,000) | 356,400,000 | |

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| | 2019年 | | | | | | 2019 | | |
|--------------------------------------|--|--|--|--|---|--|--|--|--|
| | 於2019年 1月1日持有 Held at 1 January 2019 | 年內授出之 稀鎂科技購股權 REMT Options granted during the year | 年內行使之 稀鎂科技購股權 REMT Options exercised during the year | 年內註銷之 稀鎂科技購股權 REMT Options cancelled during the year | 年內失效之 稀鎂科技購股權 REMT Options lapsed during the year | 年內轉讓 Transfer during the year | 於2019年 12月31日持有 Held at 31 December 2019 | 行使價 Exercise price 港元 HK\$ | |
| (A) 僱員 | 146,400,000 | - | - | - | - | 17,000,000 | 163,400,000 | 0.4 | |
| Employees | 40,000,000 | - | - | - | - | - | 40,000,000 | 0.5 | |
| | - | 200,000,000 | - | (50,000,000) | - | - | 150,000,000 | 0.3 | |
| (B) 董事 | | | | | | | | | |
| Directors | | | | | | | | | |
| 沈世捷 Shum Sai Chit | 30,000,000 | - | - | - | - | - | 30,000,000 | 0.4 | |
| 池靜超(附註ii) Chi Jing Chao (note ii) | - | - | - | - | - | 3,000,000 | 3,000,000 | 0.4 | |
| 池碧芬(附註i) Chi Bi Fen (note i) | 20,000,000 | - | - | - | - | (20,000,000) | - | 0.4 | |
| 張省本 Cheung Sound Poon | 5,000,000 | - | - | - | - | - | 5,000,000 | 0.4 | |
| 稀鎂科技其他董事 Other directors of REMT | 20,000,000 | - | - | - | - | - | 20,000,000 | 0.4 | |
| | 221,400,000 | - | - | - | - | - | 221,400,000 | 0.4 | |
| | 40,000,000 | - | - | - | - | - | 40,000,000 | 0.5 | |
| | - | 200,000,000 | - | (50,000,000) | - | - | 150,000,000 | 0.3 | |
| | 261,400,000 | 200,000,000 | - | (50,000,000) | - | - | 411,400,000 | | |

附註：

- (i) 於2019年6月26日已退任
(ii) 於2019年6月27日獲委任

note:

- (i) Retired on 26 June 2019
(ii) Appointed on 27 June 2019

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於2020年12月31日，尚未行使之稀鎂科技購股權有以下屆滿日期、行使期及行使價。

REMT Options outstanding at 31 December 2020 have the following expiry date, exercise period and exercise prices.

| 頒授日期 | 屆滿日期 | 行使期 | 每股稀鎂科技 股份行使價 Exercise prices per REMT Share 港元 HK\$ | 稀鎂科技 購股權數目 Number of REMT Options |
|---------------|------------------|---|---|---|
| Grant date | Expiry date | Exercise period | | |
| 2018年4月25日 | 2023年12月29日 | 自2018年11月1日起至 2023年12月29日 | 0.4 | 216,400,000 |
| 25 April 2018 | 29 December 2023 | From 1 November 2018 to 29 December 2023 | | |
| 2019年7月25日 | 2022年8月31日 | 自2019年9月1日起至 2022年8月31日 | 0.3 | 140,000,000 |
| 25 July 2019 | 31 August 2022 | From 1 September 2019 to 31 August 2022 | | |
| | | | | 356,400,000 |

於本年報日期，該稀鎂科技計劃項下可供發行之稀鎂科技股份總數(包括上述尚未行使稀鎂科技購股權)為813,839,005股，相當於稀鎂科技當日已發行股本約12.4%。該稀鎂科技計劃之餘下年期約為7年，並將於2027年12月4日屆滿。

As at the date of the annual report, the total number of shares of REMT available for issue under the REMT Scheme (including the above REMT Options outstanding not yet exercised) was 813,839,005, representing approximately 12.4% of the issued share capital of REMT as of the date thereof. The remaining life of the REMT Scheme is approximately 7 years and to be expired on 4 December 2027.

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截至2019年12月31日止年度所授出之稀鎂科技購股權，使用二項式期權定價模式釐定公允值為約13,509,000港元。輸入該估值模式的重要計算因素為於授出日期的股價0.285港元(已就股份分拆的影響作出調整)、上述行使價、預期股價波動介於46.729%至54.568%、年度無風險利率1.459%至1.758%。約1.1至3.1年預計稀鎂科技購股權年期及股息收益率1.64。按預期股價回報的標準偏差而計量的波幅，乃根據由2010年12月31日至2019年7月25日的每日股價的統計分析計算得出。

截至2018年12月31日止年度所授出之稀鎂科技購股權，使用柏力克-舒爾斯估值模式釐定公允值為約21,558,000港元。輸入該估值模式的重要計算因素為於授出日期的股價0.325港元(已就股份分拆的影響作出調整)、上述行使價、預期股價波動介於42.107%至47.596%、年度無風險利率1.561%至1.999%。約1.52至5.68年預計稀鎂科技購股權年期及零派息率。按預期股價回報的標準偏差而計量的波幅，乃根據由2012年10月24日至2018年4月25日的每日股價的統計分析計算得出。

截至2020年12月31日止年度，總金額約3,975,000港元(2019年：19,415,000港元)已計入綜合損益表內。

The fair value of REMT Options granted during the year ended 31 December 2019 determined using the Binomial Option Pricing model was approximately HK\$13,509,000. The significant inputs into the model were share price of HK\$0.285, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility ranged from 46.729% to 54.568%, annual risk-free interest rate of 1.459% to 1.758%. Expected life of REMT Options of approximately 1.1 to 3.1 years and dividend yield of 1.64. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 31 December 2010 to 25 July 2019.

The fair value of REMT Options granted during the year ended 31 December 2018 determined using the Black-Scholes valuation model was approximately HK\$21,558,000. The significant inputs into the model were share price of HK\$0.325, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility ranged from 42.107% to 47.596%, annual risk-free interest rate of 1.561% to 1.999%. Expected life of REMT Options of approximately 1.52 to 5.68 years and dividend payout ratio of Nil. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 24 October 2012 to 25 April 2018.

During the year ended 31 December 2020, aggregate amount of approximately HK\$3,975,000 (2019: HK\$19,415,000) were charged to the consolidated statement of profit or loss.

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39. 資本承擔

39. CAPITAL COMMITMENTS

| | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 |
|-----------------------------------|-------------------------|-------------------------|
| 已訂約但尚未於綜合財務報表撥備之有關收購物業、廠房及設備之資本支出 | 285,688 | 206,808 |

40. 重大關連人士交易及關連交易

40. MATERIAL RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

除綜合財務報表另有披露外，年內本集團已進行以下主要關連人士交易。

Except as disclosed elsewhere in the consolidated financial statements, the Group entered into the following significant related party transactions during the year.

(a) 主要管理人員酬金

(a) Key Management Compensation

| | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 (經重列) (Restated) |
|--------------------------|-------------------------|--|
| 董事(附註13) | 6,215 | 6,891 |
| 其他主要管理人員： 薪金及其他短期僱員福利 | 4,076 | 10,688 |
| | 10,291 | 17,579 |

(b) 池文富先生已向國際金融公司作出承諾，將本公司之股權維持在最低水平作為借貸抵押品，詳情參見附註32。

(b) Mr. Chi Wen Fu has given an undertaking to IFC to maintain a minimum level of shareholding in the Company as collateral of the borrowings as detailed in Note 32.

根據香港聯合交易所有限公司證券有限公司(「上市規則」)第14A.72條，董事認為以上所披露之重大關連人士交易，概不符合上市規則第14A章所定義的關連交易或持續關連交易。

Pursuant to Rule 14A.72 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Directors consider that none of the material related party transactions disclosed above falls under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

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41. 非現金交易

截至2020年12月31日止年度內，本集團並無重大非現金交易。

41. NON-CASH TRANSACTIONS

During the year ended 31 December 2020, the Group did not have material non-cash transaction.

42. 由融資活動引起的負債對賬

42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

| | | 應付非控股 股東款項 Amount due to a non-controlling shareholder 千港元 HK\$'000 | 借貸 Borrowings 千港元 HK\$'000 | 可轉換債券 Exchangeable bonds 千港元 HK\$'000 | 租賃負債 Lease liabilities 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|---------------------|------------------------------------|--|-------------------------------------|---|---|--------------------------------|
| 於2019年1月1日 | As at 1 January 2019 | 799 | 1,814,609 | 250,464 | 6,991 | 2,072,863 |
| 融資現金流量 | Financing cash flow | - | 263,148 | (158,149) | (2,798) | 102,201 |
| 外匯調整 | Foreign exchange adjustments | - | (17,514) | - | (141) | (17,655) |
| 其他非現金變動 | Other non-cash movement | - | - | 28,325 | 3,780 | 32,105 |
| 於2020年1月1日 | At 1 January 2020 | 799 | 2,060,243 | 120,640 | 7,832 | 2,189,514 |
| 融資現金流量 | Financing cash flow | - | (91,651) | (12,064) | (2,587) | (106,302) |
| 外匯調整 | Foreign exchange adjustments | 4 | 63,621 | - | 409 | 64,034 |
| 其他非現金變動 | Other non-cash movement | - | 108,576 | (108,576) | 894 | 894 |
| 於2020年12月31日 淨債項 | Net debt as at 31 December 2020 | 803 | 2,140,789 | - | 6,548 | 2,148,140 |

附註：

本集團已採用經修訂追溯法初步應用香港財務報告準則第16號以及調整於2019年1月1日的年初結餘，以確認與先前根據香港會計準則第17號分類為經營租賃之租賃有關的租賃負債。參閱綜合財務報表附註2。

note:

The group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Refer to note 2 to the consolidated financial statements.

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43. 附屬公司擁有權權益之變動

截至2020年12月31日止年度，本集團於稀鎂科技集團控股有限公司之權益減少0.11%，此乃由於其僱員行使購股權所致。作為該等交易之結果，本集團確認非控股權益增加約1,551,000港元及其他儲備增加約2,006,000港元。

截至2019年12月31日止年度，本集團進一步收購山東紅日肥料銷售有限公司之10.41%權益、臨沂紅日物流有限公司之10.41%權益及江西紅日肥料銷售有限公司之4.80%權益。由於該等交易，本集團確認非控股權益減少約11,062,000港元及其他儲備增加約11,062,000港元。

44. 訴訟與或然負債

茲提述本公司2014年10月9日之公佈，內容提及對首智投資有限公司(「首智」)之民事訴訟，於綜合財務報表日期，據本公司所知悉，有關訴訟的傳訊令狀尚未送達首智。首智倘收到該法律文件後，將就有關訴訟及就此應予採取的必要行動尋求法律意見，且將就訴訟極力抗辯。董事認為，該訴訟不會對本集團的業務、營運及財務狀況構成重大不利影響。

43. CHANGES IN OWNERSHIP INTEREST IN SUBSIDIARIES

During the year ended 31 December 2020, there is a decrease in equity interest of 0.11% in Rare Earth Magnesium Technology Group Holdings Limited by the Group as a result of exercise of share options by its employees. As a result of these transactions the Group recognised an increase in non-controlling interest of approximately HK\$1,551,000 and an increase in other reserve of approximately HK\$2,006,000

During the year ended 31 December 2019, the Group has further acquired 10.41% of 山東紅日肥料銷售有限公司, 10.41% of 臨沂紅日物流有限公司 and 4.80% of 江西紅日肥料銷售有限公司. As a result of these transactions, the Group recognised a decrease in non-controlling interests of approximately HK\$11,062,000 and an increase in other reserve of approximately HK\$11,062,000.

44. LITIGATIONS AND CONTINGENT LIABILITIES

Reference was made to the announcement of the Company dated 9 October 2014 regarding a civil claim against Capital Idea Investments Limited (“Capital Idea”). As of the date of the consolidated financial statement, to the best knowledge of the Company, the writ of summons of the litigation has not yet been served on Capital Idea. Upon receiving this legal document, Capital Idea will seek legal advice in relation to the claim and the necessary actions to be taken in this respect and will vigorously defend against the claim. The directors are of the view that this claim will not have a material adverse impact on the business, operation and financial position of the Group.

財務報表附註

Notes to the Financial Statements

截至2020年12月31日止年度
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受到境外債務重組的影響，境內一些銀行要求本集團境內附屬公司提前還款，並對附屬公司的部分資產採取訴前財產保全措施。截至本報告日期，本集團附屬公司通過與上述債權銀行就還款條款溝通協商，雙方已達成諒解，目前雙方正在安排簽訂展期協議。董事認為該保全措施對集團的正常運營不會構成重大不利影響。

除上文所披露者外，董事認為直至報告日期概無對本集團業務及營運造成重大不利影響的重大訴訟。

45. 報告期後事項

於2021年2月25日，稀鎂科技(一間由本公司非全資持有之附屬公司)收到由AI Global Investment SPC(前稱Haitong Global Investment SP(III))代表AI Investment Fund S.P. (「呈請人」) 行事及為其利益於2021年2月22日向香港特別行政區高等法院(「法院」)針對稀鎂科技提交之呈請(「呈請」)，要求法院頒令稀鎂科技清盤。針對稀鎂科技提交之呈請乃由於稀鎂科技未能償付呈請人票據(定義如下)未償付本金連同未支付利息及拖欠利息總額20,707,777.78美元，有關金額乃根據呈請人(作為認購人)與稀鎂科技(作為發行人)於2017年8月7日訂立之於2020到期本金20,000,000美元之7%非後償及無抵押票據認購協議作出。呈請將於2021年6月2日於法院進行聆訊。稀鎂科技正就上述事項尋求法律意見。

Subject to the impact of overseas debt restructuring, some onshore bank creditors had requested some onshore subsidiaries of the Group to repay before maturity and had applied for taking property preservation measures on certain assets of some onshore subsidiaries pre-litigation. As at the date of this report, the subsidiaries had negotiated and reached mutual consents with the bank creditors in relation to the repayment terms and the parties were working on finalising the extension agreement. The Director are of the view that the preservation measures will not have a significant adverse effect on the normal operation of the Group.

Save as disclosed above, the Directors consider that up to report date there were no significant litigations would have material adverse impact on the business and operation of the Group.

45. EVENTS AFTER THE REPORTING PERIOD

On 25 February 2021, REMT, a non-wholly subsidiary of the Company, received a petition (the "Petition") filed by AI Global Investment SPC (formerly known as Haitong Global Investment SP(III)) acting on behalf of and for the account of AI Investment Fund S.P. (the "Petitioner") on 22 February 2021 against REMT in the Court for an order that REMT be wound up by the Court. The Petition was filed against REMT for its failure to repay the Petitioner an outstanding principal of the Notes (as defined below) together with the unpaid interest and default interest in an aggregate amount of US\$20,707,777.78, which was pursuant to a subscription agreement of 7% unsubordinated and unsecured notes due 2020 in a principal amount of US\$20,000,000 entered into between the Petitioner as subscriber and REMT as the issuer dated 7 August 2017. The Petition will be heard before the Court on 2 June 2021. REMT is in the course of seeking legal advice in respect of the above matter.

財務報表附註 Notes to the Financial Statements

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46. 比較數字

若干比較數字已重新分類以符合本年度之呈列方式。

47. 授權刊發綜合財務報表

董事會於2021年3月26日批准及授權刊發綜合財務報表。

46. COMPARATIVES

Certain comparative amounts have been reclassified to conform with current year's presentation.

47. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements was approved and authorised for issued by the board of directors on 26 March 2021.

五年財務概要

Five-Year Financial Summary

| | | 2020 千港元 HK\$'000 | 2019 千港元 HK\$'000 | 2018 千港元 HK\$'000 | 2017 千港元 HK\$'000 | 2016 千港元 HK\$'000 |
|----------------------|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 截至12月31日止年度 | For the year ended 31 December | | | | | |
| 收入 | Revenue | 2,151,811 | 4,314,420 | 4,655,116 | 3,443,219 | 2,589,221 |
| 銷售成本 | Cost of sales | (1,848,286) | (3,251,036) | (3,512,857) | (2,591,833) | (1,829,360) |
| 毛利 | Gross profit | 303,525 | 1,063,384 | 1,142,259 | 851,386 | 759,861 |
| 其他收入及收益淨額 | Other income and gains, net | (745,023) | 92,128 | 75,324 | 113,750 | 67,884 |
| 銷售及市場推廣費用 | Selling and marketing costs | (55,377) | (107,917) | (133,673) | (139,056) | (93,911) |
| 行政開支 | Administrative expenses | (251,607) | (302,330) | (227,127) | (275,998) | (159,379) |
| 財務費用 | Finance costs | (179,501) | (153,664) | (164,943) | (150,678) | (117,564) |
| 除所得稅前(虧損)/ 溢利 | (Loss)/profit before income tax | (927,983) | 591,601 | 691,840 | 399,404 | 456,891 |
| 所得稅開支 | Income tax expense | (56,222) | (163,347) | (150,318) | (144,292) | (143,839) |
| 持續經營業務之 年內溢利 | Profit for the year from continuing operations | — | — | 541,522 | 255,112 | — |
| 已終止經營業務之 年內溢利 | Profit for the year from discontinued operations | — | — | 31,315 | 6,510 | — |
| 年內(虧損)/溢利 | (Loss)/profit for the year | (984,205) | 428,254 | 572,837 | 261,622 | 313,052 |
| 下列人士應佔年內 (虧損)/溢利: | (Loss)/profit for the year attributable to: | | | | | |
| 本公司擁有人 | Owners of the Company | (745,368) | 380,368 | 474,230 | 260,316 | 302,334 |
| 非控股權益 | Non-controlling interests | (238,837) | 47,886 | 98,607 | 1,306 | 10,718 |
| 每股(虧損)/盈利: | (Loss)/earnings per share: | | | | | |
| - 基本(每股港仙) | - basic (HK cents per share) | (16.27) | 8.30 | 10.35 | 5.67 | 6.57 |
| - 攤薄(每股港仙) | - diluted (HK cents per share) | (16.27) | 8.30 | 10.35 | 5.67 | 6.57 |
| 於12月31日 | As at 31 December | | | | | |
| 資產總值 | Total assets | 6,934,475 | 7,627,565 | 7,474,567 | 7,502,278 | 5,246,469 |
| 負債總額 | Total liabilities | (3,347,477) | (3,357,654) | (3,517,949) | (3,848,850) | (2,192,003) |
| 權益總額 | Total equity | 3,586,998 | 4,269,911 | 3,956,618 | 3,653,428 | 3,054,466 |