

Annual Report 年報

2019



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

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



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Corporate information

公司資料

DIRECTORS

Executive Directors

Mr. Cai Xiao Ming, David (*Chairman*)
(resigned on 31 March 2020)
Mr. Qin Song (*Vice-Chairman and Chief Executive Officer*)
Mr. Chen Xiao Liang
(appointed on 12 March 2019 and
re-designated as Chairman on 31 March 2020)
Mr. Chen Huapei (resigned on 31 March 2020)
Mr. Huang Wanru
(appointed on 31 March 2020)
Ms. Zheng Jinghui
(appointed on 31 March 2020)

Non-Executive Director

Ms. Li Li

Independent Non-Executive Directors

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

COMPANY SECRETARY

Mr. Chung Tat Hung

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

董事

執行董事

蔡曉明先生(主席)
(於二零二零年三月三十一日辭任)
欽松先生(副主席兼行政總裁)
陳校良先生
(於二零一九年三月十二日獲委任，
後於二零二零年三月三十一日調任主席)
陳華培先生(於二零二零年三月三十一日辭任)
黃萬如先生
(於二零二零年三月三十一日獲委任)
鄭靜慧女士
(於二零二零年三月三十一日獲委任)

非執行董事

李莉女士

獨立非執行董事

林英鴻先生
呂天能先生
蕭文豪先生

公司秘書

鍾達鴻先生

審核委員會

呂天能先生(審核委員會主席)
林英鴻先生
蕭文豪先生
李莉女士

薪酬委員會

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

Corporate information

公司資料

NOMINATION COMMITTEE

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

AUTHORISED REPRESENTATIVES

Mr. Chen Huapei
(resigned on 31 March 2020)
Mr. Chung Tat Hung
Mr. Huang Wanru
(appointed on 31 March 2020)

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE

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

提名委員會

蕭文豪先生
(提名委員會主席)
林英鴻先生
呂天能先生
欽松先生
李莉女士

授權代表

陳華培先生
(於二零二零年三月三十一日辭任)
鍾達鴻先生
黃萬如先生
(於二零二零年三月三十一日獲委任)

核數師

德勤•關黃陳方會計師行

主要往來銀行

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

股份過戶及登記總處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心 54 樓

註冊辦事處

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

Corporate information

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

CORPORATE WEBSITE

www.bcghk.cn

STOCK CODE

1008

LISTING DATE

30 March 2009

總部及香港主要營業地點

香港
灣仔
告士打道151號
資本中心
12樓1201A室

公司網站

www.bcghk.cn

股份代號

1008

上市日期

二零零九年三月三十日

Chairman's statement

主席報告書

On behalf of the board (the “Board”) of directors (the “Directors”) of Brilliant Circle Holdings International Limited (the “Company”) and its subsidiaries (together the “Group”), I am pleased to present to you the annual results of the Group for the year ended 31 December 2019.

BUSINESS REVIEW

For the year ended 31 December 2019, the Company achieved revenue of approximately HK\$1,495.8 million with profit attributable to owners amounting to approximately HK\$175.9 million and basic earnings per share of approximately HK11 cents.

In 2019, global growth recorded its weakest pace since the global financial crisis a decade ago, reflecting common influences across countries. The year was haunted with vengeful lifts on tariffs and painstaking trade talks between US and China, the world's two biggest economies. Trade conflicts and associated uncertainty has taken a brief break in December after phase one of the trade deal was agreed and central banks racing for reversal of monetary policy back to quantitative easing. Despite the trade war and other economic headwinds, China managed to meet the growth rate of 6.1% in the year of 2019. Meanwhile, signs of economic challenge became more visible in term of falling profit in manufacturing sector and over gearing in finance sector. It was also comparatively a quiet year of major economic reforms by Chinese government except for the cut on value-added tax (VAT) rates and increased the scope of VAT deductions in order to boost consumption and stimulate economy.

After years of destocking, the production and sales of China cigarette industry showed exciting exuberance in the first quarter with steady cool-off for the remaining months, resulting in a low single-digit annual growth in quantity. This was consistent with China National Tobacco Corporation's strategy to balance between reasonable sustainable growth, tight balance and quantity control. On the other hand, the industry has recorded a historic high tax contribution to the government. During the year, the industry in general was marked with enhancement in product mix into high tier product and rapidly growing importance of cigarette of various size, length and features.

本人謹代表貴聯控股國際有限公司(「本公司」)及其附屬公司(統稱「本集團」)的董事(「董事」)會(「董事會」)欣然向閣下呈報本集團截至二零一九年十二月三十一日止年度的年度業績。

業務回顧

截至二零一九年十二月三十一日止年度，本公司實現收益約1,495,800,000港元，而擁有人應佔溢利約達175,900,000港元，每股基本盈利約為11港仙。

於二零一九年，全球增長步伐創下十年前環球金融危機以來最弱記錄，世界各國同受影響。今年，世界兩大經濟體中國與美國互相加徵關稅，陷入貿易談判困局。隨著第一階段貿易協議達成及各國央行爭相實施量化寬鬆貨幣政策，貿易衝突及相關不確定因素於十二月暫時休止。儘管面對貿易戰及其他經濟不利因素，中國於二零一九年度仍然達成6.1%的增長率。與此同時，製造業利潤下降及金融業過度負債反映經濟挑戰日益明顯。除降低增值稅稅率及擴大增值稅抵扣範圍以促進消費及刺激經濟外，中國政府今年未有進行重大經濟改革，相對較為淡靜。

經歷多年去庫存後，中國香煙業於第一季度迎來生產及銷售盛況，惟熱潮於其後數月逐漸冷卻，導致在數量上錄得偏低的單位數年度增長，符合中國國家煙草局(「中煙」)的「總量控制、稍緊平衡、增速合理、貴在持續」的策略。另一方面，業界為政府貢獻的稅收創下歷史新高。年內，行業整體聚焦於發展高檔產品以增強產品組合，各種尺寸、長度及特徵的香煙的重要性迅速提高。

Chairman's statement

主席報告書

Printing and Manufacturing of Cigarette Package and Related Materials

The Group's cigarette package business has recorded a restorative growth during the year mainly in terms of business volume from the conventional cigarette package direct customers. The Company has proved its ability to outlive the continuous price pressure brought by mandatory tendering system and achieved improved profitability across all product tiers with simultaneous volume increase. The strategic vertical integration into package materials manufacturing has successfully helped lower the core costs within the supply chain which not only enhanced the Company's position in the tendering process on one hand but also reached into the business opportunities and markets untouched before on the other.

Manufacturing of Laminated Papers

The short-term decrease in business volume with major local customer has dampened the profitability in this segment.

Sales of RFID products

During the year, the profitability of RFID business has suffered due to the shake-up of a major foreign customer and the new retail project relating to unmanned stores and online shopping has not progressed at an expected pace. The Group's maneuver into replacement geographical markets has yet to yield better returns.

PROSPECTS

China has suffered deep economic damage from the coronavirus pandemic. According to figures recently released by the National Bureau of Statistics (NBS), retail sales of consumer goods dropped 20.5% year on year in January and February. Online sales of physical consumer goods increased 3%, accounting for about a fifth of overall retail sales. Industrial production fell 13.5%, while fixed-asset investment fell 24.5% in January-February, compared with 2019. The contraction in January and February data implies negative first quarter GDP growth. Analysts expect the government's 6% GDP growth target in 2020 be revised down significantly given domestic economic disruptions and the risk of global recession.

印刷及製造香煙包裝及相關材料

本集團的香煙包裝業務於年內錄得恢復性增長，主要受惠於傳統香煙包裝直接客戶的業務量。本公司已充份證明有能力克服強制招標制度所帶來的持續價格壓力，並在提高產量的同時改善所有產品類別的盈利能力。在包裝物料製造領域進行戰略性縱向整合成功降低供應鏈的核心成本，不僅加強本公司於招標過程的優勢，亦有助開拓過往從未接觸的商機及市場。

製造複合紙

與本地主要客戶的業務量短暫下降，削弱此分部的盈利能力。

銷售射頻識別產品

年內，由於一名主要外國客戶進行重組，加上與無人商店及線上購物有關的新零售項目進展未如預期，射頻識別業務的盈利能力備受影響。本集團對替代地理市場的操控尚未產生理想回報。

前景

冠狀病毒疫情為中國帶來嚴重經濟損失。根據國家統計局(NBS)近期公布的數據，一月及二月消費品零售額按年下跌20.5%。實物消費品線上銷售增長3%，佔零售總額約五分之一。與二零一九年相比，一月至二月工業生產及固定資產投資分別下跌13.5%及24.5%。一月及二月數據收縮意味第一季度GDP可能出現負增長。考慮到國內經濟受挫及全球衰退風險，分析師預料政府將大幅下調二零二零年6%的GDP增長目標。

Chairman's statement

主席報告書

The National Bureau of Statistics also indicated that urban unemployment rate in February jumped to 6.2%, the highest since the official records were published. The Chinese Government's stern urge for maintaining employment in addition to commitment to President Xi's 2020 socio-economic goal is expected to pervade various restorative measures on the financial sector, fiscal policy, businesses capital expenditure and consumer spending for the rest of the year.

After an extended Lunar New Year holiday and the gradual release of lockdowns in various China major cities after taming of epidemic, the Company's various major manufacturing facilities in China, to a large extent, have resumed business since mid-February gradually. The most affected Hubei facilities have also become up and running again in mid-March. Though the Group's business in the first quarter of 2020 was inevitably affected, it is expected that the Group will undergo a satisfactory catchup in the second quarter from the conventional cigarette package market to cover up the lag in the first quarter.

Amid the double challenge from pandemic and trade war, the Group will keep striving for widening and deepening the existing conventional cigarette direct market by expanding its facilities in eastern and southern China for boutique package printing which has been on rapid growth in cigarette package market while also extrapolating these facilities into the other non-cigarette package arena.

It is the Group's corporate mission to continue to explore ways to improve its financial performance, to equip the Group with growth momentum, to diversify its operations internationally into new and more profitable businesses and to broaden the sources of revenue within acceptable risk level. Hence, the Company does not rule out the possibility of investing in or diversifying into other profitable business as long as it is in the interests of the Company and its shareholders as a whole.

Looking ahead, the Group will continue to seek investment and business opportunities with a view to achieving a sustainable growth, increasing profitability and ultimately maximising the return to the shareholders of the Company.

國家統計局亦指出，二月份城市失業率躍升至6.2%，為官方記錄公布以來的最高水平。除積極落實習主席發表的二零二零年經濟社會發展目標外，中國政府亦以穩定就業為重點任務，預計將於今年餘下時間針對金融領域、財政政策、企業資本開支及消費者支出方面採取各種復甦措施。

經歷漫長的農曆新年假期，中國各大城市於疫情緩解後逐步解封，而本公司設於中國各地的主要生產設施大致自二月中旬起逐步復工。最受打擊的湖北工廠亦已於三月中旬重投服務。儘管本集團二零二零年第一季度業務難免受到影響，惟傳統香煙包裝市場可望於第二季度為本集團帶來理想回報，以彌補第一季度的不足。

面對疫情及貿易戰所帶來的雙重挑戰，本集團將持續致力拓展及深化現有傳統香煙直接市場，在華東及華南地區擴大其一直於香煙包裝市場保持快速增長的精品包裝印刷設施，亦會將其應用伸延至其他非香煙包裝領域。

本集團的企業使命一向為持續提升財務表現、推動本集團增長、致力國際化拓展業務至創新及更有利可圖的業務以及在可承受的風險下擴闊收益來源。因此，只要符合本公司及其股東的整體利益，本公司不排除投資於或多元化擴展至其他有利可圖業務的可能性。

展望未來，本集團將繼續尋求投資及業務機會，務求達致可持續增長，提高盈利能力，最終為本公司股東爭取最大回報。

Chairman's statement

主席報告書

APPRECIATION

On behalf of the Group, I would also like to take this opportunity to express my gratitude to our customers, suppliers and shareholders for their continuing support, my fellow directors for their guidance as well as our staff for their dedication and hard work.

Cai Xiao Ming, David

Chairman

30 March 2020

致謝

本人亦謹藉此機會代表本集團對客戶、供應商及股東的長期支持、董事仝人的指導以及員工的熱誠辛勤工作表示謝意。

蔡曉明

主席

二零二零年三月三十日

Management discussion and analysis

管理層討論及分析

REVENUE

During the year, the revenue of the Group was approximately HK\$1,495.8 million (2018: HK\$1,366.8 million), which represents an increase of approximately HK\$129.1 million or 9.4% as compared with 2018. The revenues of our business segment of (1) printing and manufacturing of cigarette package and related materials increased by 10.5% to HK\$1,366.7 million, (2) manufacturing of laminated papers decreased by 6.1% to HK\$42.0 million, and (3) sales of RFID products increased by 2.4% to HK\$87.1 million.

The increase in revenue is mainly due to increase in business volume as a result of restorative growth in China cigarette package market partially offset by slight decrease in average selling price during the year.

GROSS PROFIT

During the year, gross profit of the Group increased by approximately HK\$46.7 million or 15.5% to HK\$347.7 million as compared with 2018. The gross profit margin has increased from 22.2% in 2018 to 23.2% in 2019. The gross profit increase was mainly due to increase in business volume brought by growth in China cigarette package market during the year. The Group has successfully mitigated the sales price pressure by tight control over production costs and have the gross profit ratio improved.

OTHER INCOME

Other income increased by HK\$1.2 million as compared with 2018. The increase is primarily attributable to (i) increase in government grant of HK\$4.9 million; (ii) decrease in processing fee income of HK\$2.2 million; (iii) decrease in rental income of HK\$2.1 million due to lesser idle industrial premises.

OTHER GAINS AND LOSSES

The net losses decreased by HK\$40.3 million to HK\$24.0 million. The decrease was mainly due to (i) decrease of goodwill impairment losses by HK\$33.0 million to HK\$15 million due to downward adjustment of a cash-generating unit ("CGU")'s business forecast and (ii) absence of HK\$8.5 million losses on disposal of partial equity interest in an associate in 2018.

收益

年內，本集團的收益約為1,495,800,000港元(二零一八年：1,366,800,000港元)，較二零一八年增加約129,100,000港元或9.4%。來自(1)印刷及製造香煙包裝及相關材料業務分部的收益增加10.5%至1,366,700,000港元；(2)製造複合紙業務分部的收益減少6.1%至42,000,000港元；及(3)銷售射頻識別產品業務分部的收益增加2.4%至87,100,000港元。

收益增加主要由於中國香煙包裝市場復甦增長帶動業務量上升，惟部分因年內平均售價微跌而抵銷。

毛利

年內，本集團毛利較二零一八年增加約46,700,000港元或15.5%至347,700,000港元。毛利率由二零一八年的22.2%上升至二零一九年的23.2%。毛利增加主要由於年內中國香煙包裝市場增長帶動業務量上升。本集團通過嚴格控制生產成本，成功抵禦售價壓力並提高毛利率。

其他收入

其他收入較二零一八年增加1,200,000港元，主要由於(i)政府補助增加4,900,000港元；(ii)加工費收入減少2,200,000港元；(iii)閒置工業物業減少導致租金收入下降2,100,000港元。

其他收益及虧損

虧損淨額減少40,300,000港元至24,000,000港元，主要由於(i)下調現金產生單位(「現金產生單位」)業務預測導致商譽減值虧損減少33,000,000港元至15,000,000港元；及(ii)未有如二零一八年錄得出售一間聯營公司部分股權所產生的虧損8,500,000港元。

Management discussion and analysis

管理層討論及分析

IMPAIRMENT LOSSES

The assumptions and estimates are the same as or similar to those used in prior years and considered by the management to be reasonable and supportable by reference to the historical results save for the Xiangyang Jinfeihuan factory in Hubei (“CGU3”).

For CGU3, the assumed gross profit margin has been adjusted downward from 21% to 18% due to prudent estimation of profitability of the subcontracting market which comprises higher proportion of business in CUG3 than the remaining group. These led to a further provision made for impairment losses of HK\$15 million in 2019. However, the newly awarded tender of CGU3 is expected to yield a rising gross margin gradually back to 20%. Such assumptions are considered reasonable and supportable in view of encouraging orders on hand as at 31 December 2019. The impairment provision made on goodwill for CGU3 is considered reasonable based on the valuation by Jones Lang LaSalle, an independent valuer.

The recoverable amounts of the remaining CGUs were determined to be in excess of their respective carrying amounts. The management believes that the reasonable and supportable changes in the key assumptions would not cause the recoverable amount to fall below the carrying value of the respective CGUs.

SELLING AND DISTRIBUTION EXPENSES

The selling and distribution expenses decreased by HK\$3.4 million to HK\$57.0 million. Less marketing expenses has been spent in promoting the application of RF technology and services to the conventional cigarette customers during the year.

ADMINISTRATIVE EXPENSES AND OTHER EXPENSES

During the year, administrative expenses and other expenses decreased by approximately HK\$15.4 million or 15.1% to HK\$86.6 million. The decrease was primarily due to the (i) decrease in legal expenses of HK\$8.0 million; and (ii) decrease in staff costs of HK\$7.1 million because of consolidation of administration functions and cutback of entertainment expenses.

減值虧損

除位於湖北的襄陽金飛環工廠（「現金產生單位3」）外，假設及估計與過往年度所用者相同或相似，而管理層經參考歷史業績後認為屬合理可靠。

由於針對分包市場的盈利能力進行審慎估計，而該市場佔現金產生單位3的業務比例高於其餘組別，現金產生單位3的假定毛利率已由21%下調至18%。此舉導致於二零一九年進一步計提減值虧損撥備15,000,000港元。然而，現金產生單位3新近中標的項目有望帶動毛利率逐步回升至20%。鑑於截至二零一九年十二月三十一日的手頭訂單令人鼓舞，該等假設被視為合理可靠。根據獨立估值師仲量聯行的估值，就現金產生單位3商譽作出的減值撥備被視為合理。

其餘現金產生單位的可收回金額被釐定為超越其各自的賬面值。管理層認為，主要假設的合理可靠變動不會導致可收回金額跌至低於相關現金產生單位的賬面值。

銷售及分銷開支

銷售及分銷開支減少3,400,000港元至57,000,000港元。年內縮減用於向傳統香煙客戶推廣射頻技術及服務應用範圍的營銷開支。

行政開支及其他開支

年內，行政開支及其他開支減少約15,400,000港元或15.1%至86,600,000港元，主要由於(i)法律開支減少8,000,000港元；及(ii)合併行政職能及削減娛樂開支導致員工成本減少7,100,000港元。

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FINANCE COSTS

Finance costs decreased by 13.6% to approximately HK\$19.7 million. It was mainly due to repayment of bank borrowings during the year.

SHARE OF PROFITS OF ASSOCIATES

Share of profits of associates decreased by approximately HK\$9.9 million to HK\$41.8 million during the year. The decrease in net profit of our associates was mainly due to decrease in business volume of the Group's major associate, namely Changde Goldroc Rotogravure Printing Co. ("Changde Goldroc") during the year when new tender did not come in full fledge. Changde Goldroc is principally engaged in the provision of cigarette printing package services. It has a carrying value of HK\$422.6 million, i.e. more than 5% of the Group's total assets of HK\$3,647.2 million as at 31 December 2019. The Group beneficially owns RMB50,546,120 of its registered capital, representing 31% of the total registered capital of RMB163,052,000. The fair value of Changde Goldroc as at 31 December 2019 was approximately HK\$1,338.5 million. During the year, the Group received dividend of HK\$73.2 million from Changde Goldroc. The Group holds the investment in Changde Goldroc for stable earnings and dividend income in view of its stable business with the local customer.

TAXATION

The effective tax rate of the Group increased from 21.2% to 24.0% in 2019. It was primarily due to absence of non-assessable profit related to disposal of subsidiary in 2018.

PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit attributable to the owners of the Company increased by 3.8% or by HK\$6.5 million to HK\$175.9 million.

融資成本

融資成本減少13.6%至約19,700,000港元，主要由於年內償還銀行借貸。

分佔聯營公司溢利

年內分佔聯營公司溢利減少約9,900,000港元至41,800,000港元。聯營公司的純利減少，主要由於新招標未能完全兌現導致本集團主要聯營公司常德金鵬印務有限公司（「常德金鵬」）年內業務量減少。常德金鵬主要從事提供香煙印刷包裝服務，其賬面值為422,600,000港元，佔本集團於二零一九年十二月三十一日的資產總值3,647,200,000港元超過5%。本集團實益擁有其註冊股本其中人民幣50,546,120元，佔註冊股本總額人民幣163,052,000元的31%。於二零一九年十二月三十一日，常德金鵬的公允價值約為1,338,500,000港元。年內，本集團自常德金鵬收取股息73,200,000港元。鑑於常德金鵬與地方客戶之間業務穩定，本集團投資於常德金鵬以賺取穩定盈利及股息收入。

稅項

本集團的實際稅率由21.2%上升至二零一九年的24.0%，主要由於未有如二零一八年錄得與出售附屬公司相關的毋須課稅溢利。

本公司擁有人應佔年度溢利

本公司擁有人應佔溢利增加3.8%或6,500,000港元至175,900,000港元。

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SEGMENT INFORMATION

During the year, revenue was generated from three business segments: (i) the printing and manufacturing of cigarette packages and related materials of approximately HK\$1,366.7 million (2018: HK\$1,236.9 million), (ii) manufacturing of laminated papers of approximately HK\$42.0 million (2018: HK\$44.8 million), and (iii) sales of RFID products of approximately HK\$87.1 million (2018: HK\$85.1 million). The earnings from the printing and manufacturing of cigarette packages and related materials, manufacturing of laminated papers and sales of RFID products was increased by 25.0% to approximately HK\$324.6 million (2018: HK\$259.8 million), decreased by 16.9% to approximately HK\$8.6 million (2018: HK\$10.4 million), and decreased by 56.9% to approximately HK\$7.2 million (2018: HK\$16.6 million) respectively. Earnings from the printing and manufacturing of cigarette packages and related materials accounted for approximately 95.4% of the total segment earnings before unallocated items.

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated resources and banking facilities. As at 31 December 2019, the Group had net current assets of HK\$514.5 million (2018: HK\$287.1 million), while the Group's cash and cash equivalents amounted to HK\$201.2 million (2018: HK\$355.6 million). As at 31 December 2019, the short-term interest-bearing bank borrowings of the Group amounted to HK\$256.5 million (2018: HK\$601.3 million). Carrying amounts of bank deposits pledged by the Group to secure the bank borrowings granted to the Group amounted to approximately HK\$9.5 million (2018: HK\$11.3 million). As at 31 December 2019, the Group's gearing ratio, represented by the amount of interest-bearing borrowings divided by shareholders equity, was reduced to 8.9% (as at 31 December 2018: 22.9%). As at 31 December 2018, the Group had capital commitments for purchase of property, plant and equipment which amounted to HK\$95.5 million (2018: HK\$67.1 million).

分部資料

年內，收益來自三大業務分部：(i) 印刷及製造香煙包裝及相關材料的收益約為1,366,700,000港元(二零一八年：1,236,900,000港元)；(ii) 製造複合紙的收益約為42,000,000港元(二零一八年：44,800,000港元)；及(iii) 銷售射頻識別產品的收益約為87,100,000港元(二零一八年：85,100,000港元)。來自印刷及製造香煙包裝及相關材料、製造複合紙以及銷售射頻識別產品的盈利分別增加25.0%至約324,600,000港元(二零一八年：259,800,000港元)、減少16.9%至約8,600,000港元(二零一八年：10,400,000港元)及減少56.9%至約7,200,000港元(二零一八年：16,600,000港元)。來自印刷及製造香煙包裝及相關材料的盈利佔剔除未分配項目前分部盈利總額約95.4%。

財務狀況及流動資金

本集團一般以內部產生的資源及銀行融資撥付營運資金。於二零一九年十二月三十一日，本集團的流動資產淨值為514,500,000港元(二零一八年：287,100,000港元)，而本集團的現金及現金等值項目則為201,200,000港元(二零一八年：355,600,000港元)。於二零一九年十二月三十一日，本集團的付息短期銀行借貸為256,500,000港元(二零一八年：601,300,000港元)。本集團為取得所獲授銀行借貸而質押的銀行存款賬面值約為9,500,000港元(二零一八年：11,300,000港元)。於二零一九年十二月三十一日，本集團按付息借貸除股東權益所得金額計算的資產負債比率減至8.9%(於二零一八年十二月三十一日：22.9%)。於二零一八年十二月三十一日，本集團就收購物業、廠房及設備的資本承擔為95,500,000港元(二零一八年：67,100,000港元)。

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CONTINGENT LIABILITIES AND GUARANTEES

Save as disclosed in note 50 to the consolidated financial statements before, the Group did not provide any guarantees to third party and had no material contingent liabilities as at 31 December 2019.

MATERIAL ACQUISITION AND DISPOSAL

There was no material acquisition or disposal of subsidiaries or associated companies by the Group during the year ended 31 December 2019.

TREASURY POLICIES

The Group adopted a prudent strategy towards the treasury and funding policies, with strong emphasis on risk control and transactions directly related to the Group's principal business. Funds, primarily denominated in Renminbi and Hong Kong dollars, are normally placed with banks in short or medium term deposits for working capital of the Group.

CAPITAL STRUCTURE

The Group's operation was mainly financed by funds generated from its operations and borrowings. As at 31 December 2019, the borrowings were mainly denominated in Hong Kong dollars and RMB, while the cash and cash equivalents held by the Group were mainly denominated in Hong Kong dollars and RMB. The Group's turnover is denominated in RMB, while its costs and expenses are mainly denominated in Hong Kong dollars and RMB. In view of the prevailing macro-economic environment and the volatile foreign exchange market, the Group is exposed to the foreign exchange rate risk. An exchange gain has arisen due to the translation of functional currency of RMB to presentation currency of Hong Kong dollar during the reporting period when RMB depreciated against Hong Kong dollar. However, such translation is a non-cash item in nature and has no practical effect to our daily operation as majority of our revenue and cost are all denominated in RMB. The Group will closely monitor the volatility of foreign exchange rate and apply the appropriate hedging strategy if necessary.

或然負債及擔保

除前述綜合財務報表附註50所披露者外，於二零一九年十二月三十一日，本集團並無向第三方提供任何擔保，亦無任何重大或然負債。

重大收購事項及出售事項

截至二零一九年十二月三十一日止年度，本集團概無進行有關附屬公司或聯營公司的重大收購或出售事項。

庫務政策

本集團對庫務及撥資政策採取審慎策略，且非常重視直接牽涉本集團主要業務的風險監控及交易。資本主要以人民幣及港元計值，其通常以短期或中期存款形式存於銀行作為本集團營運資金。

資本架構

本集團的營運資金主要來自營運所產生資金及借貸。於二零一九年十二月三十一日，借貸主要以港元及人民幣計值，而本集團持有的現金及現金等值項目則主要以港元及人民幣計值。本集團的營業額以人民幣計值，而其成本及開支則主要以港元及人民幣計值。考慮到當前宏觀經濟環境及外匯市場波動，本集團承受外幣匯率風險。於報告期內的匯兌收益乃源自人民幣(功能貨幣)換算港元(呈報貨幣)，期間人民幣兌港元的匯率貶值。然而，有關換算實質上屬非現金項目，且對日常營運並無實際影響，此乃由於大部分收益及成本均以人民幣計值。本集團將密切監察匯率波幅，適時採用適當對沖策略。

Management discussion and analysis

管理層討論及分析

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2019, assets with carrying amounts of approximately HK\$9.5 million (31 December 2018: HK\$11.3 million) were pledged to banks in respect of banking facilities granted to the Group.

HUMAN RESOURCES

As at 31 December 2019, the Group had 6 (2018: 11) and 1,490 (2018: 1,315) full-time staff based in Hong Kong and the PRC respectively. The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Group participates in a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' base salaries. The Group also made contributions to provident funds, elderly insurance, medical insurance, unemployment insurance and work-related injury insurance in accordance with the applicable laws and regulations in the PRC.

本集團的資產抵押

於二零一九年十二月三十一日，本集團就獲授銀行融資向銀行質押賬面值約9,500,000港元(二零一八年十二月三十一日：11,300,000港元)的資產。

人力資源

於二零一九年十二月三十一日，本集團分別在香港及中國聘用6名(二零一八年：11名)及1,490名(二零一八年：1,315名)全職員工。本集團的薪酬待遇一般參考市況及個人資歷釐定。本集團根據強制性公積金計劃條例為全體香港僱員營運定額供款退休福利計劃。供款乃按僱員基本薪金的某個百分比計算。本集團亦根據中國適用法律及法規向公積金、養老保險、醫療保險、失業保險及工傷保險供款。

Profile of directors and senior management

董事及高級管理層履歷

BOARD OF DIRECTORS

Executive Directors

Mr. CAI Xiao Ming, David (蔡曉明), aged 41, was appointed as an executive Director on 18 December 2008. He was re-designated as the Chairman of the Board with effect from 31 October 2014 and is responsible for the overall management of the Group. Mr. David Cai is a director of most subsidiaries of the Company. Mr. David Cai has more than 11 years of experience in the packaging and printing industry gained from the management of the Group's business. Mr. David Cai joined the Group in January 2001 and resigned as executive Director on 31 March 2020.

Mr. QIN Song (欽松), aged 47, is an executive Director, the Chief Executive Officer and a member of the Nomination Committee of the Company. He was appointed as the Vice Chairman of the Group with effect from 3 December 2015. Mr. Qin joined the Group in May 2002, and worked, among other positions, as the Office Administrator of the Group and General Manager of various subsidiaries of the Company. Since September 2005, Mr. Qin serves as the Deputy Director of the market committee of the Company and since February 2006, a Vice President of the Company. From May 2010 to October 2011, he also served as the General Manager of Bengbu Jinhuangshan Rotogravure Printing Company Limited in addition to his then existing duties. Mr. Qin holds a Bachelor's degree in Economics and Management Administration.

Mr. Chen Xiao Liang (陳校良), aged 61, has over 20 years of extensive experience in the property investment and development industry. He was the Chairman of Merryeard (Holdings) Limited (香港廣銀集團有限公司) from 1985 to 1995. He has been the Chairman of a number of corporations in mainland China, namely, Shenzhen Guangyin Building Industry Co., Limited* (深圳廣銀大廈實業有限公司) since 1995; Shenzhen Hongta Industry Co., Limited* (深圳紅塔實業有限公司) since November 2002 (in which he has also been acting as a general manager); Shenzhen Hongding Asset Management Co., Limited* (深圳市紅鼎資產管理有限公司) since February 2010; and Shenzhen Hongding Property Development Co., Limited* (深圳市紅鼎房地產開發有限公司) since June 2010. Mr. Chen is the father-in-law of Mr. Cai Xiao Ming, David (an executive Director and the Chairman of the Board). Mr. Chen has been appointed as an executive Director with effect from 12 March 2019 and was re-designated as Chairman with effect from 31 March 2020.

董事會

執行董事

蔡曉明先生，41歲，於二零零八年十二月十八日獲委任為執行董事。彼於二零一四年十月三十一日調任董事會主席，負責本集團的整體管理。蔡曉明先生為本公司大部分附屬公司的董事。蔡曉明先生自管理本集團業務獲取逾11年包裝及印刷業經驗。蔡曉明先生於二零零一年一月加入本集團，後於二零二零年三月三十一日辭任執行董事。

欽松先生，47歲，為本公司執行董事、行政總裁及提名委員會成員。彼於二零一五年十二月三日獲委任為本集團副主席。欽先生於二零零二年五月加入本集團，彼曾出任的職務包括本集團辦公室主任及本公司多家附屬公司的總經理。欽先生自二零零五年九月起出任本公司市場委員會副總監，並自二零零六年二月起出任本公司副總裁。自二零一零年五月至二零一一年十月，除當時的職務外，彼亦出任蚌埠金黃山凹版印刷有限公司的總經理。欽先生持有經濟學及工商管理學士學位。

陳校良先生，61歲，在物業投資及發展行業擁有逾20年豐富經驗。彼於一九八五年至一九九五年擔任香港廣銀集團有限公司的主席。彼曾於中國內地擔任多家公司的主席，包括自一九九五年起於深圳廣銀大廈實業有限公司；自二零零二年十一月起於深圳紅塔實業有限公司(亦曾擔任總經理)；自二零一零年二月起於深圳市紅鼎資產管理有限公司；及自二零一零年六月起於深圳市紅鼎房地產開發有限公司。陳先生為蔡曉明先生(執行董事兼董事會主席)的岳父。陳先生自二零一九年三月十二日起獲委任為執行董事，並自二零二零年三月三十一日起調任主席。

Profile of directors and senior management

董事及高級管理層履歷

Mr. Chen Huapei (陳華培), aged 45, has been appointed as the Group's Vice President since October 2018. With extensive experience in financial audit management, Mr. Chen is responsible for managing the financial and auditing systems of the Group. Mr. Chen joined the Group in October 1997 and has served in various subsidiaries of the Group. He has served as the chief cost accountant at the Group's Head Office, finance manager of Bengbu Jinhuangshan Rotogravure Printing Co., Limited, finance director of Shenzhen Kecai Printing Co., Limited, deputy general manager of Changde Goldroc Printing Co., Limited and assistant to Group's CEO. Mr. Chen graduated from Yangzhou University with a major in economic information management and he is currently pursuing a master's degree at Xian University of Technology. Mr. Chen has been appointed as an executive Director with effect from 9 November 2018 and resigned as executive Director on 31 March 2020 to assume other roles within the Group.

Mr. Huang Wanru (黃萬如), aged 51, was appointed as a vice president of the Group in October 2011 and resumed the same position in March 2020 when he rejoined the Group after brief departure from the Group in June 2018 for other business engagements. With years of extensive working experience in the finance field, Mr. Huang has been responsible for the financial and management information system of the Group. Since he joined the Group in May 1998, he has been serving in various subsidiary companies of the Group in various roles such as cost accounting, finance manager and finance controller. Since March 2008, he has been appointed as the financial controller of the Group. Mr. Huang has been appointed as an executive Director with effect from 31 March 2020.

Ms. Zheng Jinghui (鄭靜慧), aged 42, has been appointed as a vice president of the Group since March 2016. She is responsible for the management of the human resources and office administration of the Group. Ms. Zheng graduated from Beihang University specializing in computer application and Zhejiang University specializing in human resources management. She joined the Group in 2000 and has since served in various roles such as information technology manager, operations manager, human resources manager, assistant to the chief executive officer and vice president of the Group. Ms. Zheng has been appointed as an executive Director with effect from 31 March 2020.

陳華培先生，45歲，自二零一八年十月起獲委任為本集團副總裁。憑藉於財務審核管理之豐富經驗，陳先生負責管理本集團之財務及審核制度。陳先生於一九九七年十月加盟本集團，效力本集團多家附屬公司。彼擔任本集團總辦事處之總成本會計師、蚌埠金黃山凹版印刷有限公司之財務經理、深圳市科彩印務有限公司之財務總監、常德金鵬印務有限公司之副總經理及本集團行政總裁助理。陳先生於揚州大學畢業，主修經濟資訊管理。彼現正於西安理工大學修讀碩士學位。陳先生自二零一八年十一月九日起獲委任為執行董事，後於二零二零年三月三十一日辭任執行董事以擔當本集團內其他職位。

黃萬如先生，51歲，於二零一一年十月獲委任為本集團副總裁。彼其後於二零一八年六月短暫離開本集團另謀發展，並於二零二零年三月重返本集團恢復原職。憑藉多年來於財務領域累積的豐富工作經驗，黃先生負責主理本集團的財務及管理資訊系統。彼自一九九八年五月加盟本集團後曾效力本集團多家附屬公司，擔任成本會計、財務經理及財務總監等職位。彼自二零零八年三月起獲委任為本集團的財務總監。黃先生自二零二零年三月三十一日起獲委任為執行董事。

鄭靜慧女士，42歲，自二零一六年三月起獲委任為本集團副總裁。彼負責管理本集團的人力資源及行政管理。鄭女士畢業於北京航空航天大學(主修計算機應用)及浙江大學(主修人力資源管理)。彼於二零零零年加盟本集團，此後在本集團擔任信息技術經理、營運經理、人力資源經理、行政總裁助理及副總裁等職位。鄭女士自二零二零年三月三十一日起獲委任為執行董事。

Profile of directors and senior management

董事及高級管理層履歷

Non-Executive Director

Ms. LI Li (李莉), aged 48, was appointed as a non-executive Director on 22 July 2015. Ms. Li is a Chairman of the board of directors of Masterwork Group Co., Ltd. (天津長榮科技集團股份有限公司) (“Masterwork” together with its subsidiaries, the “Masterwork Group”), a company whose issued shares are listed on the Shenzhen Stock Exchange (Stock code: 300195). She is also an executive director of certain subsidiaries of the Masterwork Group Co., Ltd. and Tianjin Ming Xuan Investment Limited Company* (天津名軒投資有限公司). Ms. Li is qualified as a senior economist in the People’s Republic of China. She has extensive management experience in the printing and packaging companies.

Independent Non-Executive Directors

Mr. LAM Ying Hung, Andy (林英鴻), aged 55, was appointed as an Independent Non-Executive Director on 4 March 2009. Mr. Lam is the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Mr. Lam has over 25 years of experience in accounting, banking and finance sectors. Mr. Lam is the Managing Consultant of Lontreprise Consulting Limited. Mr. Lam is an associate member of various professional organisations, namely The Institute of Chartered Secretaries and Administrators, The Hong Kong Institute of Company Secretaries and The Hong Kong Institute of Bankers. Mr. Lam is also a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants (“HKICPA”). Mr. Lam is an Independent Non-Executive Director of Xingfa Aluminium Holdings Limited and Synertone Communication Corporation and Weiye Holdings Limited, all of them are companies listed on the Main Board of the Stock Exchange. Mr. Lam received his Master of Professional Accounting and Master of Science in E-commerce for Executives both from The Hong Kong Polytechnic University.

非執行董事

李莉女士，48歲，於二零一五年七月二十二日獲委任為非執行董事。李女士為天津長榮科技集團股份有限公司（「長榮」，連同其附屬公司統稱「長榮集團」）的董事會主席，該公司的已發行股份於深圳證券交易所上市（股份代號：300195）。彼亦為天津長榮科技集團股份有限公司若干附屬公司及天津名軒投資有限公司的執行董事。李女士具備中華人民共和國高級經濟師資格。彼於印刷及包裝公司擁有豐富管理經驗。

獨立非執行董事

林英鴻先生，55歲，於二零零九年三月四日獲委任為獨立非執行董事。林先生為本公司薪酬委員會主席以及審核委員會及提名委員會成員。林先生於會計、銀行及金融業擁有逾25年經驗，現為Lontreprise Consulting Limited的首席顧問，另為多個專業組織（特許秘書及行政人員公會、香港公司秘書公會及香港銀行家學會）的會員。林先生亦為英國特許公認會計師公會資深會員及香港會計師公會（「香港會計師公會」）執業會計師。林先生為聯交所主板上市公司興發鋁業控股有限公司、協同通信集團有限公司及偉業控股有限公司的獨立非執行董事。林先生持有香港理工大學專業會計碩士及電子商貿（行政人員）理學碩士學位。

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

Profile of directors and senior management

董事及高級管理層履歷

Mr. LUI Tin Nang (呂天能), aged 62 was appointed as an Independent Non-Executive Director on 4 March 2009. Mr. Lui is the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company. Mr. Lui has a Bachelor degree in Science from the University of Leeds, a Master Degree in Business Administration from the University of Bradford in United Kingdom and a Postgraduate Diploma in insolvency from HKICPA. He is a fellow member of the HKICPA (Practicing), the Institute of Chartered Accountants in England & Wales, the Taxation Institute of Hong Kong, and The Society of Chinese Accountants and Auditors. He is also a member of the Chartered Institute of Management Accountant, Institute of Certified Public Accountants in Australia and the Certified Tax Adviser. He has years of experience in accounting, auditing, taxation, corporate finance and business advisory.

Mr. SIU Man Ho, Simon (蕭文豪), aged 46, is a practising solicitor of the High Court of Hong Kong. He obtained a Bachelor of Laws degree from the University of Hong Kong in 1996 and is a partner of a Hong Kong law firm, namely Sit, Fung, Kwong & Shum Solicitors. Mr. Siu is also a China Appointed Attesting Officer appointed by the Ministry of Justice of the PRC. His areas of practice include corporate finance, capital markets, securities, mergers and acquisitions, joint ventures and general commercial matters. Mr. Siu is also an independent non-executive director of Wai Yuen Tong Medicine Holdings Limited (stock code 897), Shuang Yun Holdings Limited (stock code 1706) and HKE Holdings Limited (stock code 1726), all of which are companies listed on the Main Board of the Stock Exchange. Moreover, he was appointed as the independent non-executive director of Weiye Holdings Limited (stock code 1570) in March 2016 and resigned from the position in December 2018. He also actively participates in charitable and social services in Hong Kong. He was previously appointed as the director of Hong Kong Pok Oi Hospital. He is acting as the legal adviser for United Hearts Youth Foundation and VQ Foundation as well as the school manager of The Association of Directors and Former Directors of Pok Oi Hospital Ltd. Leung Sing Tak College. He is also a member of the Committee of the Chinese People's Political Consultative Conference in Yangjiang City of Guangdong Province, the PRC. Mr. Siu is the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee of the Company.

呂天能先生，62歲，於二零零九年三月四日獲委任為獨立非執行董事。呂先生為本公司審核委員會主席以及薪酬委員會及提名委員會成員。呂先生持有英國University of Leeds理學士學位、英國University of Bradford工商管理碩士學位及香港會計師公會破產管理文憑。彼為香港會計師公會(執業)、英格蘭及威爾斯特許會計師公會、香港稅務學會及華人會計師公會資深會員。彼亦為英國特許管理會計師協會會員、澳洲會計師公會會員及香港註冊稅務師。彼於會計、核數、稅務、企業融資及業務諮詢等方面累積多年經驗。

蕭文豪先生，46歲，為香港高等法院執業律師，於一九九六年取得香港大學法律學士學位，現為薛馮鄭岑律師行合夥人。蕭先生亦為中國司法部委任的中國委託公證人，其專業包括企業融資、資本市場、證券、合併及收購、合營及一般商業事宜。蕭先生亦為聯交所主板上市公司位元堂藥業控股有限公司(股份代號897)、雙運控股有限公司(股份代號1706)及HKE Holdings Limited(股份代號1726)的獨立非執行董事。此外，彼曾於二零一六年三月獲委任為偉業控股有限公司(股份代號1570)的獨立非執行董事，並於二零一八年十二月辭任。蕭先生同時積極參與香港的慈善及社會服務，曾擔任香港博愛醫院總理。彼現時擔任雁心會樂幼基金及願景基金會的法律顧問，並擔任博愛醫院歷屆總理聯誼會梁省德中學校董。彼亦是中國廣東省陽江市中國人民政治協商會議委員。蕭先生為本公司提名委員會主席以及審核委員會及薪酬委員會成員。

* The English name is not an official name and is provided for identification purpose only

Profile of directors and senior management

董事及高級管理層履歷

SENIOR MANAGEMENT

Mr. JIANG Xiang Yu (蔣祥瑜), aged 64, is the General Manager of Bengbu Jinhuangshan Rotogravure Printing Co., Limited. He joined the Group in 1999 and has over 15 years of experience in the cigarette package industry.

Mr. YAN Feng (嚴峰), aged 62, is the Vice President of the Group since March 2016 responsible for the Group infrastructure advancement, equipment management and investment, policy research and technology management. Mr. Yan joined the Group in 2000 and has more than 20 years of experience in the cigarette package industry and he also has experience in printing of books services. Between May 2000 to April 2001, he served as the design director and marketing manager in the headquarter of the Group. Between November 2003 to November 2006, he served as Deputy General Manager of Xiangfan Jinfeihuan Colour Packing Company Limited (“Xiangfan Jinfeihuan”). Between April 2009 to May 2010, he served as the General Manager of the Group responsible for the printing of paper products. Between November 2010 to December 2012, he served as the Deputy General Manager of CD Goldroc. Between May 2013 to March 2016, he served as General Manager of Xiangfan Jinfeihuan.

Ms. AI Ping (艾萍) aged 45, joined the Group in July 2001 and has been appointed as the Group’s Vice President since June 2018. With extensive experience in market development and business management, Ms. Ai Ping is responsible for the expansion of some of the Group’s business markets and concurrently serves as the general manager of the subsidiary Xiangyang Jinfeihuan Color Package Co., Ltd.

高級管理層

蔣祥瑜先生，64歲，為蚌埠金黃山凹版印刷有限公司的總經理。彼於一九九九年加盟本集團，於香煙包裝業積逾15年經驗。

嚴峰先生，62歲。自二零一六年三月起出任本集團副總裁，負責本集團基建技改、設備管理及投資、政策研究及技術管理。嚴先生於二零零零年加入本集團，於香煙包裝業積逾20年經驗，彼也有書刊業務管理經驗。自二零零零年五月至二零零一年四月先後擔任本集團總部設計部主任和營銷經理。於二零零三年十一月至二零零六年十一月，彼出任襄陽金飛環彩色包裝有限公司（「襄陽金飛環」）副總經理。二零零九年四月至二零一零年五月出任本集團的紙品印刷廠總經理。二零一零年十一月至二零一二年十二月出任常德金鵬印務有限公司副總經理。二零一三年五月至二零一六年三月出任襄陽金飛環總經理。

艾萍女士，45歲，於二零零一年七月加盟本集團，自二零一八年六月起獲委任為本集團副總裁。憑藉於市場拓展、企業經營管理的豐富經驗，艾萍女士負責本集團部分業務市場的拓展工作，並兼任附屬公司襄陽金飛環彩色包裝有限公司總經理。

Profile of directors and senior management

董事及高級管理層履歷

Mr. CHUNG Tat Hung (鍾達鴻), aged 52, is the Chief Financial Officer and Company Secretary of the Group. Mr. Chung had worked in various companies as finance manager and accounting manager, and was previously an accountant of an international accounting firm. Mr. Chung joined the Group in October 2003 until February 2013 and served as the Finance Manager of the Group. He rejoined the Group in March 2014. Mr. Chung is a fellow member of HKICPA and a certified practicing accountant of Australian Society of Certified Practising Accountants. Mr. Chung received his Master of Business Administration jointly offered by the University of Sydney and the University of New South Wales in Australia in 2002 and Bachelor of Commerce from the Australian National University in 1991.

鍾達鴻先生，52歲，為本集團財務總監兼公司秘書。鍾先生曾於多間公司擔任財務經理及會計經理，並曾在一間跨國會計事務所擔任會計師。鍾先生於二零零三年十月加盟本集團，擔任本集團的財務總監直至二零一三年二月為止，後於二零一四年三月再次加入本集團。鍾先生為香港會計師公會的資深會員及澳洲執業會計師公會的執業會計師。鍾先生於二零零二年獲得澳洲悉尼大學及新南威爾斯大學聯合頒授的工商管理碩士學位，及於一九九一年獲得澳洲國立大學頒授的商業學士學位。

Report of the directors

董事會報告書

The Directors are pleased to present their report together with the audited financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries of the Company are set out in note 51 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Group for the year ended 31 December 2019 and the future development of the Group's business is set out in the section headed "Chairman's Statement" on pages 5 to 8 of this annual report. Financial and business performance analysis is disclosed in the section headed "Management Discussion and Analysis" on pages 9 to 14 and note 6 to the consolidated financial statements. The principal risks and uncertainties affecting the Group's results and business can be found in notes 4, 41 to 42 to the consolidated financial statements.

The PRC cigarette industry is closely monitored and controlled by the PRC government and our customers are concentrated on a limited number of state-owned cigarette manufacturers. The Group's success depends on the support from key stakeholders which comprise shareholders, regulators, customers, employees, local communities and business partners etc. and we have maintained good and strong business relationship with our customers through joint venture and other co-operations. During the year ended 31 December, 2019 and up to the date of this annual report, we have complied with all the relevant rules, laws and regulations in the PRC that have a significant impact on the Group. Further details about the environmental and social responsibility will be published in separate report to be uploaded on the websites of the Company and the Hong Kong Stock Exchange.

董事欣然呈列其報告連同本集團截至二零一九年十二月三十一日止年度的經審核財務報表。

主要業務

本公司的主要業務為投資控股。本公司主要附屬公司的主要業務載於綜合財務報表附註51。

業務回顧

本集團截至二零一九年十二月三十一日止年度的業務回顧及本集團業務的日後發展載於本年報第5至8頁「主席報告書」一節。財務及業務表現分析於第9至14頁「管理層討論及分析」一節及綜合財務報表附註6內披露。影響本集團業績及業務的主要風險及不明朗因素載於綜合財務報表附註4、41至42。

中國香煙行業受中國政府嚴密監控，客戶集中為少數國有香煙生產商。本集團的成功有賴股東、監管機構、客戶、僱員、本地社區及業務夥伴等主要權益相關者的支持，而本集團一直透過合營企業及其他合作方式與客戶保持良好穩健的業務關係。於截至二零一九年十二月三十一日止年度及截至本年報日期，本集團一直遵守所有對本集團有重大影響的中國相關法規、法例及規例。有關環境及社會責任的進一步詳情將於獨立報告刊載，並於本公司及香港聯交所的網站登載。

Report of the directors

董事會報告書

RESULTS AND DIVIDEND

The results of the Group are set out in the consolidated statement of profit or loss and other comprehensive income on pages 57 to 58. The Board recommended the payment of a final dividend for the year under review of HK\$19.13 cents per share totaling approximately HK\$299,936,330 to be payable to the shareholders of the Company whose names appear on the register of members to the Company as at 24 June 2020.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2020 AGM, the register of members of the Company will be closed from 1 June 2020 to 5 June 2020 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2020 AGM, all transfer of shares of the Company accompanied by the relevant share certificate(s) and appropriate transfer form(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 29 May 2020.

For determining the entitlement to receive the proposed final dividend, the register of members of the Company will be closed from 22 June 2020 to 24 June 2020 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to receive the proposed final dividend, all transfer of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 19 June 2020.

業績及股息

本集團的業績載於第57至58頁的綜合損益及其他全面收益報表。董事會建議就回顧年度派付末期股息每股19.13港仙，總計約299,936,330港元。末期股息將派付予於二零二零年六月二十四日名列本公司股東名冊的本公司股東。

暫停辦理股份過戶登記

為釐定出席二零二零年股東週年大會並於會上投票的資格，本公司將由二零二零年六月一日至二零二零年六月五日（包括首尾兩天）暫停辦理股份過戶登記，在此期間將不會登記本公司股份轉讓。為符合資格出席二零二零年股東週年大會並於會上投票，所有本公司股份過戶文件連同有關股票及適用轉讓表格須於二零二零年五月二十九日下午四時三十分前送交本公司香港股份過戶登記分處卓佳證券登記有限公司辦理股份過戶登記手續，地址為香港皇后大道東183號合和中心54樓。

為釐定收取建議末期股息的資格，本公司將由二零二零年六月二十二日至二零二零年六月二十四日（包括首尾兩天）暫停辦理股份過戶登記，在此期間將不會登記本公司股份轉讓。為符合資格收取建議末期股息，所有本公司股份過戶文件連同有關股票及適用轉讓表格須於二零二零年六月十九日下午四時三十分前送交本公司香港股份過戶登記分處卓佳證券登記有限公司辦理股份過戶登記手續，地址為香港皇后大道東183號合和中心54樓。

Report of the directors

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales to the Group's five largest customers accounted for approximately 59.8% of the Group's turnover and sales to the Group's largest customer was approximately 28.8% of the Group's total revenue. During the year, the aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 27.0% of the Group's total purchases, and the purchases attributable to the Group's largest supplier was approximately 9.0% of the Group's total purchases.

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

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the share capital of the Company are set out in note 37 to the consolidated financial statements.

RESERVES

At 31 December 2019, the Company's reserves available for distribution amounted to approximately HK\$1,197 million. Under the Companies Law of the Cayman Islands, the share premium of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the distribution or dividend is proposed to be distributed, the Company shall be able to pay its debts as they fall due in the ordinary course of business. Details of the movements in reserves of the Group and the Company are set out in the consolidated statement of changes in equity.

PRE-EMPTIVE RIGHTS

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

主要客戶及供應商

年內，對本集團五大客戶作出的銷售總額佔本集團營業額約59.8%，而對本集團最大客戶作出的銷售額則佔本集團總收入約28.8%。年內，本集團五大供應商所佔採購總額佔本集團採購總額約27.0%，而本集團最大供應商所佔採購額則佔本集團採購總額約9.0%。

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

物業、廠房及設備

本集團物業、廠房及設備的變動詳情載於綜合財務報表附註17。

股本

本公司股本的詳情載於綜合財務報表附註37。

儲備

於二零一九年十二月三十一日，本公司可供分派的儲備約為1,197,000,000港元。根據開曼群島公司法，本公司的股份溢價乃可供分派予股東，惟於緊隨建議分派或派息當日後，本公司須有能力償還其於日常業務過程中到期的債項。本集團及本公司儲備變動的詳情載於綜合權益變動表。

優先購買權

本公司的公司組織章程大綱及細則或開曼群島法例並無有關優先購買權的條文。

Report of the directors

董事會報告書

TAX RELIEF

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

FINANCIAL SUMMARY

A summary of the consolidated results of the Group for the last five financial years and of its consolidated assets and liabilities as at the end of the last five financial years is set out on pages 57 to 67.

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

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

SHARE OPTION SCHEME

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

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

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

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

SUBSIDIARIES

Details of the Company's subsidiaries as at the date of this report are set out in note 51 to the consolidated financial statements.

稅務減免

本公司並不知悉有股東因持有本公司股份而獲減免任何稅項。

財務概要

本集團於過往五個財政年度的綜合業績及其於過往五個財政年度年末的綜合資產及負債載於第57至67頁。

購買、出售或贖回本公司的上市證券

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

購股權計劃

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

董事會概無根據購股權計劃授予任何購股權，亦無任何尚未行使購股權。

購買股份或債券的安排

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

附屬公司

本公司附屬公司於本報告日期的詳情載於綜合財務報表附註51。

Report of the directors

董事會報告書

RETIREMENT BENEFIT SCHEME

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

The MPF Scheme is available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions were made by the Group at 5% based on the staff's relevant income. The maximum relevant income for contribution purpose is HK\$30,000 per month. Staff members were entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefits were required by law to be preserved until the retirement age of 65.

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

The Group's cost for the schemes charged to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019 amounted to approximately HK\$15,094,000 (2018: HK\$14,096,000).

退休福利計劃

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

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

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

本集團於截至二零一九年十二月三十一日止年度就該等計劃在綜合損益及其他全面收益報表扣除的費用約為15,094,000港元(二零一八年：14,096,000港元)。

Report of the directors

董事會報告書

DIRECTORS

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

Executive Directors:

Mr. Cai Xiao Ming, David (*Chairman*)
(resigned on 31 March 2020)
Mr. Qin Song (*Chief Executive Officer and Vice-Chairman*)
Mr. Chen Xiao Liang (appointed on 12 March 2019 and
re-designated as Chairman on 31 March 2020)

Mr. Chen Huapei (resigned on 31 March 2020)

Mr. Huang Wanru (appointed on 31 March 2020)

Ms. Zheng Jinghui (appointed on 31 March 2020)

Non-Executive Director:

Ms. Li Li

Independent Non-Executive Directors:

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

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

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

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

董事

於年內及直至本報告日期的董事如下：

執行董事：

蔡曉明先生(主席)
(於二零二零年三月三十一日辭任)
欽松先生(行政總裁兼副主席)
陳校良先生
(於二零一九年三月十二日獲委任，
後於二零二零年三月三十一日調任主席)
陳華培先生
(於二零二零年三月三十一日辭任)
黃萬如先生
(於二零二零年三月三十一日獲委任)
鄭靜慧女士
(於二零二零年三月三十一日獲委任)

非執行董事：

李莉女士

獨立非執行董事：

林英鴻先生
呂天能先生
蕭文豪先生

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

須輪值退任及重選的董事詳情載於連同本年報一併寄發的通函內。

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

Report of the directors

董事會報告書

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out on pages 15 to 20.

DIRECTORS' SERVICE CONTRACTS

Mr. Chen Xiao Liang has entered into a letter of appointment with the Company for an initial term of two years commencing from 12 March 2019, and will continue thereafter until terminated by not less than three months' notice in writing served by either party. Each of Mr. Huang Wanru and Ms. Zheng Jinghui has signed a letter of appointment with the Company for a term of 3 years commencing from 31 March 2020, which may be terminated by serving 3 months' notice in advance by either party. Mr. Chen Huapei has entered into a letter of appointment with the Company for a term of three years commencing from 9 November 2018, which may be terminated by not less than three months' notice by either party. Ms. Li Li has entered into a letter of appointment with the Company for an initial term of three years commencing from 22 July 2015, and will continue thereafter until terminated by not less than three months' notice in writing served by either party. Each of Mr. David Cai and Mr. Qin Song has entered into a service agreement with the Company for a term of three years commencing from 30 March 2018 and will continue thereafter until terminated by not less than three months' notice in writing served by either party. Each of Mr. Lam Ying Hung, Andy, Mr. Lui Tin Nang and Mr. Siu Man Ho, Simon has renewed their appointment for a fixed term of three years commencing from 30 March 2018.

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

董事及高級管理層的履歷詳情

董事及高級管理層履歷詳情摘要載於第15至20頁。

董事的服務合約

陳校良先生已與本公司訂立委任函，自二零一九年三月十二日起計初步為期兩年，並將於其後延續，直至其中一方發出不少於三個月的書面通知終止為止。黃萬如先生及鄭靜慧女士已與本公司簽署委任函，自二零二零年三月三十一日起計為期三年，並可由任何一方發出三個月事先通知予以終止。陳華培先生已與本公司訂立委任函，自二零一八年十一月九日起計為期三年，並可由任何一方發出不少於三個月通知予以終止。李莉女士已與本公司訂立委任函，自二零一五年七月二十二日起計初步為期三年，並將於其後延續，直至其中一方發出不少於三個月的書面通知終止為止。蔡曉明先生及欽松先生已各自與本公司訂立服務協議，自二零一八年三月三十日起計為期三年，並將於其後延續，直至其中一方發出不少於三個月的書面通知終止為止。林英鴻先生、呂天能先生及蕭文豪先生已重續任期，固定任期自二零一八年三月三十日起計為期三年。

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

Report of the directors

董事會報告書

DIRECTORS' INTERESTS IN CONTRACTS

Details of the related party transactions entered into during the year were disclosed in note 49 to the consolidated financial statements. Save as those disclosed under the paragraph headed "Continuing Connected Transactions" below, these related party transactions either did not constitute connected transactions under the Listing Rules or were exempted connected transactions under the Listing Rules. Save as the transactions aforementioned, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director, an entity connected with a Director or the controlling shareholder of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year, and there was no contract of significance for the provision of services to the Group by the controlling shareholder of the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

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

MANAGEMENT CONTRACTS

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

PERMITTED INDEMNITY PROVISION

Subject to the applicable laws, every Director and other officers of the Company shall be entitled to be indemnified by the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur in the execution and discharge of his or her duties or in relation thereto pursuant to the Company's Articles of Association. Such provisions were in force during the course of the financial year ended 31 December 2019 and remained in force as of the date of this report.

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

董事於合約的權益

年內進行的關聯方交易詳情於綜合財務報表附註49披露。除下文「持續關連交易」一段披露者外，該等關聯方交易並不構成上市規則界定的關連交易，或屬於上市規則的獲豁免關連交易。除上文所述的交易外，概無有關本集團業務而本公司或其任何附屬公司為訂約方及董事、與董事有關連的實體或本公司控股股東於其中直接或間接擁有重大權益且於年末或本年度任何時間存續的重大交易、安排或合約，亦無就本公司的控股股東向本集團提供服務而訂立任何重要合約。

董事於競爭業務的權益

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

管理合約

年內並無訂立或存在任何有關本集團全部或任何主要部分業務的管理及行政合約。

許可彌償條文

在適用法律規限下，本公司每名董事及其他高級職員有權根據本公司的組織章程細則就彼等或彼等任何成員於執行及履行職責時所產生或與之有關的一切訴訟、成本、費用、損失、損害及開支而獲得彌償。有關條文於截至二零一九年十二月三十一日止財政年度內生效及於本報告日期維持生效。

本集團亦全年為董事及高級職員投購責任保險。

Report of the directors

董事會報告書

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

As at 31 December 2019, the following Directors or the chief executives of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules:

The Company

Name of Director 董事姓名	Capacity 身份	Number of shares/ underlying shares held 所持股份/ 相關股份數目	Position 持倉	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Cai Xiao Ming, David 蔡曉明先生	Interest of controlled corporation (note 1) 受控制法團權益(附註1)	851,456,892	Long 好倉	54.3%
Mr. Qin Song 欽松先生	Beneficial owner 實益擁有人	15,321,062	Long 好倉	1.0%
Mr. Chen Huapei 陳華培先生	Beneficial owner 實益擁有人	1,022,000	Long 好倉	0.07%
Ms. Li Li 李莉女士	Interest of controlled corporation 受控制法團權益	250,551,964	Long 好倉	16.0%

Note:

- 274,325,278 shares are held by Profitcharm Limited and 577,131,614 shares are held by Sinorise International Limited, the entire issued share capitals of them are wholly and beneficially owned by Mr. Cai Xiao Ming, David.

董事及主要行政人員於本公司或其相聯法團的股份、相關股份或債券的權益及淡倉

於二零一九年十二月三十一日，本公司以下董事或主要行政人員於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份或債券中，擁有或被視為擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例該等條文彼等被當作或視為擁有的權益或淡倉）；或(ii)根據證券及期貨條例第352條須記入該條所述登記冊的權益或淡倉；或(iii)須根據上市規則所載上市公司董事進行證券交易的標準守則（「標準守則」）知會本公司及聯交所的權益或淡倉：

本公司

Number of shares/ underlying shares held 所持股份/ 相關股份數目	Position 持倉	Approximate percentage of issued share capital 佔已發行股本 概約百分比
851,456,892	Long 好倉	54.3%
15,321,062	Long 好倉	1.0%
1,022,000	Long 好倉	0.07%
250,551,964	Long 好倉	16.0%

附註：

- 創益有限公司持有274,325,278股股份及振華國際有限公司持有577,131,614股股份，兩者全部已發行股本均由蔡曉明先生全資實益擁有。

Report of the directors

董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN AND/OR SHORT POSITIONS

So far as is known to the Directors and chief executives of the Company, as at 31 December 2019, the following persons (not being a Director or chief executive of the Company) had, or were deemed to have, interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

主要股東的權益及／或淡倉

據本公司董事及主要行政人員所知，於二零一九年十二月三十一日，以下人士（並非本公司的董事或主要行政人員）於本公司股份或相關股份中擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉：

Name of shareholder	Notes	Capacity	Number of shares/ underlying shares held	Position	Approximate percentage of issued share capital
股東名稱	附註	身份	所持股份/ 相關股份數目	持倉	佔已發行股本 概約百分比
Profitcharm Limited 創益有限公司	1	Beneficial owner 實益擁有人	274,325,278	Long 好倉	17.5%
Sinorise International Limited 振華國際有限公司	2	Beneficial owner 實益擁有人	577,131,614	Long 好倉	36.8%
Masterwork Group Co., Ltd. 天津長榮科技集團股份有限公司		Interest of controlled corporation 受控制法團權益	250,551,964	Long 好倉	16.0%
Masterwork Machinery (H.K.) Limited 長榮股份(香港)有限公司		Beneficial owner 實益擁有人	250,551,964	Long 好倉	16.0%
Partners Group Holding AG Partners Group Holding AG		Beneficial owner 實益擁有人	103,555,231	Long 好倉	6.6%
Tianjin Dehou Investment Management Partnership (Limited Partnership) Tianjin Dehou Investment Management Partnership (Limited Partnership)		Interest of controlled corporation 受控制法團權益	103,555,231	Long 好倉	6.6%

Notes:

- Profitcharm Limited is a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. Cai Xiao Ming, David.
- Sinorise International Limited is a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. Cai Xiao Ming, David.

附註：

- 創益有限公司為於英屬處女群島註冊成立的有限公司，由蔡曉明先生全資實益擁有。
- 振華國際有限公司為於英屬處女群島註冊成立的有限公司，由蔡曉明先生全資實益擁有。

Report of the directors

董事會報告書

CONTINUING CONNECTED TRANSACTION

Transactions with Masterwork Group

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

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

持續關連交易

與長榮集團的交易

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

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

Report of the directors

董事會報告書

The actual purchase amount incurred under the Master Sale and Purchase Agreement for the year ended 31 December 2019 was approximately HK\$10.2 million. There was no sale of old machinery to Masterwork Group during the year ended 31 December 2019.

Masterwork Group, being a substantial shareholder of the Company interested in 16.0% of the issued share capital of the Company, is a connected person under the Listing Rules and the transactions contemplated under the Master Sale and Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Details of the Master Sale and Purchase Agreement were set out in the announcement of the Company dated 22 December 2017.

Compliance with Disclosure Requirements

Save for the “Purchase of printing and packing machineries” during the year as shown in note 48(a) to the consolidated financial statements which constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules, all other transactions as shown in note 48 are continuing connected transactions exempted from announcement, reporting, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above continuing connected transactions.

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

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

截至二零一九年十二月三十一日止年度總買賣協議產生的實際購買金額約為10,200,000港元。截至二零一九年十二月三十一日止年度，概無向長榮集團銷售舊機器。

長榮集團(即本公司主要股東，於本公司已發行股本中擁有16.0%權益)根據上市規則為關連人士，故總買賣協議項下擬進行的交易構成上市規則第14A章項下的本公司持續關連交易。總買賣協議詳情載於本公司日期為二零一七年十二月二十二日的公布。

遵守披露規定

除綜合財務報表附註48(a)所載於年內進行的「購買印刷及包裝機器」根據上市規則第14A章構成本公司的持續關連交易外，附註48所載所有其他交易均為獲豁免遵守上市規則第14A章的公布、報告、年度審閱及獨立股東批准規定的持續關連交易。本公司已就上述持續關連交易遵守上市規則第14A章的披露規定。

獨立非執行董事已審閱上述持續關連交易，並確認訂立持續關連交易：

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

Report of the directors

董事會報告書

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

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report section set out on pages 35 to 48.

PUBLIC FLOAT

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

此外，本公司已委聘核數師，以根據香港會計師公會所頒布的香港核證委聘準則第3000號「歷史財務資料審核或審閱以外的核證委聘」以及參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。核數師已發出載有彼等對上述持續關連交易結論的無保留意見函件，因此已符合上市規則第14A.56條的規定。

企業管治

本公司採納的主要企業管治條例載於第35至48頁企業管治報告書一節。

公眾持股量

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

Report of the directors

董事會報告書

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

During 2015, the Company has been offered a four-year term loan facility of HK\$340,000,000 from a local bank, additional term loan facilities from an existing local bank of HK\$150 million and HK\$83 million repayable within 4 and 6 years respectively, and a revolving loan facilities of HK\$170 million. Such loan facilities have been renewed in 2019 with two term loan facilities of HK\$37,500,000 (repayable by 8 semi-annual instalments commencing 6 months after drawdown with final maturity in June 2020) and HK\$45,714,285.84 (repayable by 84 monthly instalments commencing 1 month after drawdown with final maturity in September 2022) respectively, and a revolving loan facility of HK\$250,000,000. As at the date of this report, the two term loan facilities have been fully repaid. The Company has undertaken, among other matters, that Mr. Cai Xiao Ming, David shall maintain at least 50% beneficial shareholding interest in the Company at all times during the life of the above banking facilities (the “Undertaking”). The breach of such Undertaking may result in the loan becoming immediately due and repayable. Such Undertaking also exists in other revolving banking facilities made available to the Group from other banks in the total amount of HK\$170 million.

AUDITOR

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

On behalf of the Board

Brilliant Circle Holdings International Limited

Cai Xiao Ming, David

Chairman

Hong Kong, 30 March 2020

根據上市規則第13.21條披露

於二零一五年，本公司獲一間本地銀行提供為數340,000,000港元的四年期貸款融資。目前一間本地銀行提供為數150,000,000港元及83,000,000港元的額外有期貸款融資（分別須於4年及6年內償還）以及為數170,000,000港元的循環貸款融資。上述貸款融資已於二零一九年重續，包括兩筆有期貸款融資分別37,500,000港元（須於提取後六個月開始分8期每半年償還，最終到期日為二零二零年六月）及45,714,285.84港元（須於提取後一個月開始分84期每月償還，最終到期日為二零二二年九月）以及循環貸款融資250,000,000港元。於本報告日期，該兩筆有期貸款融資已悉數償還。本公司已承諾（其中包括）蔡曉明先生將於上述銀行融資年期內任何時間於本公司維持最少50%的實益股權（「承諾」）。違反有關承諾可能導致有關貸款即時到期及須予償還。其他銀行向本集團提供為數合共170,000,000港元的其他循環銀行融資亦存在同類承諾。

核數師

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

代表董事會

貴聯控股國際有限公司

蔡曉明

主席

香港，二零二零年三月三十日

Corporate governance report

企業管治報告書

OVERVIEW

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

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the “Code”) contained in Appendix 14 of the Listing Rules. For the year ended 31 December 2019, the Company has complied in general with the Code, except code provisions A.6.7 and E.1.2 of the Code as Mr. Cai Xiao Ming David (the executive Director) and Ms. Li Li (the non-executive Director) were unable to attend the annual general meeting of the Company held on 5 June 2019 due to their other business engagement.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors’ securities transactions for the year ended 31 December 2019.

THE BOARD OF DIRECTORS

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

概覽

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

企業管治

本公司已採納上市規則附錄十四所載企業管治守則(「守則」)。截至二零一九年十二月三十一日止年度，本公司一般已遵守守則，惟守則第A.6.7及E.1.2條守則條文除外，原因為蔡曉明先生(執行董事)及李莉女士(非執行董事)因其他既定事務而未能出席於二零一九年六月五日舉行的本公司股東週年大會。

遵守董事進行證券交易的標準守則

本公司已採納上市條例附錄十所載標準守則，作為董事進行證券交易的準則。本公司已特別向全體董事查詢，且全體董事確認，截至二零一九年十二月三十一日止年度，彼等一直符合標準守則及其有關董事進行證券交易操守守則規定的準則。

董事會

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

Corporate governance report

企業管治報告書

As at 31 December 2019, the Board comprised eight Directors, including four executive Directors namely Mr. Cai Xiao Ming, David, Mr. Qin Song, Mr. Chen Xiao Liang and Mr. Chen Huapei, one non-executive Director namely Ms. Li Li, and three independent non-executive Directors namely Mr. Lam Ying Hung, Andy, Mr. Lui Tin Nang and Mr. Siu Man Ho, Simon. Save and except that Mr. Chen Xiao Liang is the father-in-law of Mr. Cai Xiao Ming, David, there is no financial, business, family or other material or relevant relationship among the Directors. The names and biographical details of the Directors are set in the section entitled “Profile of Directors and Senior Management” in this annual report.

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

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

於二零一九年十二月三十一日，董事會由八名董事組成，包括四名執行董事（即蔡曉明先生、欽松先生、陳校良先生及陳華培先生）、一名非執行董事李莉女士及三名獨立非執行董事（即林英鴻先生、呂天能先生及蕭文豪先生）。除陳校良先生為蔡曉明先生的岳父外，董事間概無財務、業務、家族或其他重要或相關關係。董事姓名及履歷詳情載於本年報「董事及高級管理層履歷」一節。

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

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

Corporate governance report

企業管治報告書

BOARD MEETINGS

Seven Board meetings were held during the year ended 31 December 2019. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of Board meeting was sent to all Directors at least 14 days prior to a regular board meeting. Reasonable notices will be given to the Directors for ad-hoc board meetings. Directors may participate either in person or through electronic means of communications.

All relevant materials were sent to all the Directors relating to the matters brought before the meetings. All the Directors have been provided with sufficient resources to discharge their duties, and, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for Board meetings. Details of individual attendance of Directors are set out in the table on page 44 of this annual report.

APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

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

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

董事會會議

截至二零一九年十二月三十一日止年度曾舉行七次董事會會議。需要時亦會召開臨時會議，商討整體策略以及本集團的營運及財務表現。全體董事於舉行定期董事會會議前最少14天獲發董事會會議通告，而臨時董事會會議通告則於合理時間內事先派發予董事。董事可選擇親身或以電子通訊的方式出席會議。

所有董事於會議前獲寄發有關會上討論事項的資料。所有董事將獲得充份資源以履行其職責，並在合理要求下，可按合適情況尋求獨立專業意見，費用由本公司承擔。所有董事有機會於董事會會議上將其關注的事宜加入議程。董事個別出席會議次數的詳情載於本年報第44頁的一覽表內。

委任、重選及罷免董事

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

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

Corporate governance report

企業管治報告書

Nomination Policy

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

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

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

提名政策

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

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

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

Corporate governance report

企業管治報告書

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

Chairman and Chief Executive Officer

Under provision A.2.1 of the Code, the roles of the Chairman and the Chief Executive Officer should be separate and should not be performed by the same individual. During the year ended 31 December 2019, Mr. David Cai was the Chairman who provided leadership to the Board but he would not be involved in the day-to-day management of the Group's business. Mr. Qin Song is the Vice-Chairman and the Chief Executive Officer of the Company and his role is to oversee the overall management of the Group.

Training for Directors

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

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

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

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

主席及行政總裁

根據守則第A.2.1條，主席及行政總裁的角色應分立，不應由同一人擔任。截至二零一九年十二月三十一日止年度，蔡曉明先生曾任主席，領導董事會的工作，但彼並無參與本集團日常的業務管理。欽松先生為本公司副主席兼行政總裁，職責為監管本集團的整體管理。

董事培訓

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

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

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

Corporate governance report

企業管治報告書

Below is a summary of the training the Directors had received during the year: 於年內，董事所接受的培訓概要如下：

Name of Directors 董事姓名	Type of trainings 培訓類型
Mr. Cai Xiao Ming, David 蔡曉明先生	B B
Mr. Qin Song 欽松先生	A & B A 及 B
Mr. Peng Guoyi (resigned on 9 November 2018) 彭國意先生(於二零一八年十一月九日辭任)	B B
Ms. Li Li 李莉女士	A & B A 及 B
Mr. Lam Ying Hung, Andy 林英鴻先生	A & B A 及 B
Mr. Lui Ting Nang 呂天能先生	A & B A 及 B
Mr. Siu Man Ho, Simon 蕭文豪先生	A & B A 及 B

A: attending seminars/conferences/workshops/forums

A: 出席座談會／會議／工作坊／論壇

B: reading newspapers, journals and updates relating to the economy, environmental protection business or director's duties and responsibilities etc.

B: 閱讀有關經濟、環保業務或董事職責等的報章、期刊及更新資料

Remuneration of Directors and Senior Management

The remuneration of the members of the senior management by band for the year ended 31 December 2019 is set out below:

董事及高級管理層薪酬

截至二零一九年十二月三十一日止年度高級管理層的薪酬組別如下：

Remuneration bands 薪酬組別	Number of persons 人數
Up to HK\$1,000,000 最多達 1,000,000 港元	12
HK\$1,000,001 to HK\$2,000,000 1,000,001 港元至 2,000,000 港元	2
Above HK\$2,000,001 2,000,001 港元以上	NIL 無

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

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

Corporate governance report

企業管治報告書

COMPANY SECRETARY

During the year ended 31 December 2019, Mr. Chung Tat Hung was the company secretary of the Company.

The company secretary of the Company reports to the Chairman of the Board and the Chief Executive Officer. He is responsible for advising the Board on governance matters. For the year ended 31 December 2019, Mr. Chung has taken not less than 15 hours of relevant professional training.

BOARD COMMITTEES

Audit Committee

The Company established the Audit Committee which consists of the three independent non-executive Directors, namely Mr. Lam Ying Hung, Andy, Mr. Lui Tin Nang and Mr. Siu Man Ho, Simon, and one non-executive Director, namely Ms. Li Li, and Mr. Lui Tin Nang is the chairman of the Audit Committee. The primary duties of the Audit Committee are, among other matters, to review and monitor the financial reporting process, internal control and risk management of the Group, and to report to the Board on matters relating to the corporate governance as stated in the Code. During the year ended 31 December 2019, the Audit Committee held two meetings and has reviewed, among other matters, the Company's financial statements and the Group's combined financial statements for the year ended 31 December 2018 and for the six months ended 30 June 2019, including the accounting principles and practices adopted by the Company and the Group. The Board has not taken a different view from that of the Audit Committee regarding the selections, appointment, resignation or dismissal of the external auditors.

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

公司秘書

截至二零一九年十二月三十一日止年度，鍾達鴻先生為本公司的公司秘書。

本公司的公司秘書向董事會主席及行政總裁匯報。彼負責就管治事宜向董事會提供建議。於截至二零一九年十二月三十一日止年度，鍾先生已接受不少於15小時的相關專業培訓。

董事委員會

審核委員會

本公司成立審核委員會，審核委員會由三名獨立非執行董事（即林英鴻先生、呂天能先生及蕭文豪先生）及一名非執行董事（即李莉女士）組成，而呂天能先生是審核委員會的主席。審核委員會的主要職責是（其中包括）審閱及監督本集團的財務報告程序、內部監控及風險管理程序，並就有關守則所載的企業管治事宜向董事會匯報。截至二零一九年十二月三十一日止年度內，審核委員會曾舉行兩次會議以及審閱（其中包括）截至二零一八年十二月三十一日止年度及截至二零一九年六月三十日止六個月的本公司財務報表及本集團的合併財務報表，包括本公司及本集團採納的會計原則及常規。董事會對審核委員會揀選、委任、辭任或解僱外聘核數師並無異議。

審核委員會的職權範圍已於本公司及聯交所的網站披露。

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企業管治報告書

Remuneration Committee

The Company established the Remuneration Committee pursuant to a resolution of the Directors passed on 4 March 2009. The Remuneration Committee consists of five members (including the three independent non-executive Directors, namely Mr. Lam Ying Hung, Andy, Mr. Lui Tin Nang and Mr. Siu Man Ho, Simon, one non-executive Director, namely Ms. Li Li and Mr. Chen Huapei, an executive Director whose role has been replaced by Mr. Huang Wanru with effect from 31 March 2020) and Mr. Lam Ying Hung, Andy was the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are, among other matters, to make recommendations to the Board on the remuneration of executive Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.

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

During the year, the Remuneration Committee held two meetings and reviewed the remuneration policy, assessed performance of executive Directors and approved the remuneration packages of the Directors and senior management.

薪酬委員會

本公司根據董事於二零零九年三月四日通過的決議案成立薪酬委員會。薪酬委員會由五名成員(包括三名獨立非執行董事(即林英鴻先生、呂天能先生及蕭文豪先生)、一名非執行董事(即李莉女士)及執行董事陳華培先生(自二零二零年三月三十一日起由黃萬如先生接替))組成,而林英鴻先生是薪酬委員會的主席。薪酬委員會的主要職責是(其中包括)就執行董事及高級管理人員的薪酬,並就發展該等薪酬政策設立正式及高透明度的程序,向董事會作出推薦意見。

薪酬委員會的職權範圍已於本公司及聯交所的網站披露。

於年內,薪酬委員會曾舉行兩次會議及審議薪酬政策、評估執行董事表現及批准董事及高級管理人員的薪酬待遇。

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企業管治報告書

Nomination Committee

The Company established a Nomination Committee pursuant to a resolution of the Directors passed on 4 March 2009. The Nomination Committee consists of five members (including the three independent non-executive Directors, namely Mr. Lam Ying Hung, Andy, Mr. Lui Tin Nang and Mr. Siu Man Ho, Simon, one non-executive Director, namely Ms. Li Li and Mr. Qin Song, an executive Director) and Mr. Siu Man Ho, Simon is the chairman of the Nomination Committee. The primary duties of the Nomination Committee are, among other matters, to review the structure, size and composition of the Board on a regular basis and to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors. According to the board diversity policy adopted by the Nomination Committee, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service etc. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service etc. The final decision will be based on merit and contribution that the selected candidates will bring to the Board.

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

During the year, the Nomination Committee held two meetings and discussed and reviewed the structure, size and composition of the Board.

提名委員會

本公司根據董事於二零零九年三月四日通過的決議案成立提名委員會。提名委員會由五名成員(包括三名獨立非執行董事(即林英鴻先生、呂天能先生及蕭文豪先生)、一名非執行董事(即李莉女士)及執行董事欽松先生)組成,而蕭文豪先生是提名委員會的主席。提名委員會的主要職責是(其中包括)定期審閱董事會的架構、規模與組成,並就有關委任及再度委任董事及董事接任計劃的事宜向董事會提出推薦意見。根據提名委員會採納的董事會成員多元化政策,董事會成員多元化已從多個方面考慮,包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年資等。所有董事會委任將基於實際能力,及將以客觀標準考慮候選人,以適當地顧及董事會成員多元化的裨益。候選人的選擇將基於一系列多元化觀點,包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年資等。最終決定將基於選定的候選人對董事會作出的功績及貢獻而釐定。

提名委員會的職權範圍已披露於本公司及聯交所的網站內。

於年內,提名委員會已舉行兩次會議,討論及檢討董事會的架構、規模及組成。

Corporate governance report

企業管治報告書

Attendance of meetings

The attendance of each Director at Board meetings, Board Committees meetings and general meetings during the year ended 31 December 2019 was as follows:

會議出席次數

截至二零一九年十二月三十一日止年度，各董事於董事會會議、董事委員會會議及股東大會的出席情況如下：

Attendance out of number of meetings

相對會議數目的出席次數

Name of director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual general meeting
					(Note 1)
董事姓名	董事會	審核委員會	薪酬委員會	提名委員會	股東週年大會 (附註1)
<i>Executive Directors</i> 執行董事					
Cai Xiao Ming, David (Chairman)	2/7	-	-	-	0/1
Qin Song	7/7	-	-	2/2	1/1
Chen Huapei	1/7	-	2/2	-	1/1
Chen Xiao Liang (appointed on 12 March 2019)	2/5	-	-	-	1/1
<i>Non-Executive Director</i> 非執行董事					
Li Li	7/7	2/2	2/2	2/2	0/1
<i>Independent Non-Executive Directors</i> 獨立非執行董事					
Lam Ying Hung, Andy	7/7	2/2	2/2	2/2	1/1
Lui Tin Nang	6/7	2/2	2/2	2/2	1/1
Siu Man Ho, Simon	7/7	2/2	2/2	2/2	1/1

Note:

1. The annual general meeting was held on 5 June 2019.

附註：

1. 股東週年大會於二零一九年六月五日舉行。

Corporate governance report

企業管治報告書

FINANCIAL REPORTING, INTERNAL CONTROL AND RISK MANAGEMENT

Financial Reporting

The Board is responsible for the preparation of the financial statements of the Company and the Group. In the preparation of financial statements, Hong Kong Financial Reporting Standards have been adopted and the appropriate accounting policies and statutory requirements have been consistently complied with. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the shareholders, and make appropriate disclosure and announcements in a timely manner.

External Auditors

During the year ended 31 December 2019, the fee paid/payable to the external auditors of the Company amounted to approximately HK\$4.4 million, all for statutory audit services.

Internal controls

The Board is responsible for the internal control of the Group and for reviewing its effectiveness. Procedures have been designed to ensure maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, ensure compliance of applicable laws, rules and regulations. The Group has an internal audit department primarily responsible for reviewing the internal control function of the Group.

During the year ended 31 December 2019, the Group has appointed Deloitte Touche Tohmatsu ("Deloitte") to review the internal control system. Improvements in internal control and risk management measures as recommended were adopted. Based on the findings from Deloitte, the Board considers that the internal control system is effective and adequate for the Group as a whole.

財務報告、內部監控及風險管理

財務報告

董事會負責編製本公司及本集團的財務報表。本公司在編製財務報表時，已採納香港財務報告準則，並貫徹遵從適當的會計政策及法規。董事會的目的是在致股東的年報及中期報告中，對本集團的業績作出清晰平衡的評估，並適時作出合適披露及公布。

外聘核數師

截至二零一九年十二月三十一日止年度，就法定審核服務已付／應付本公司外聘核數師的費用約為4,400,000港元。

內部監控

董事會負責本集團的內部監控，檢討監控的成效。本公司已設計程序，確保保存適當的會計記錄，以便提供可靠的財務資料，以供內部使用或刊印發行，亦確保符合相關法律、規則及規例。本集團設有內部審核部門，主要負責審閱本集團的內部監控功能。

截至二零一九年十二月三十一日止年度，本集團已委任德勤•關黃陳方會計師行(「德勤」)審閱內部監控制度。本集團已採用有關所建議的內部監控改進及風險管理措施。根據德勤目前的發現，董事會認為該內部監控制度就本集團整體而言乃有效及充足。

Corporate governance report

企業管治報告書

Risk management

The Board is also responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management system.

During the year ended 31 December 2019, the Group has reviewed the risk management system. The Board considers that the risk management system is effective and adequate for the Group as a whole.

The Board further considers that (i) there was no issue relating to the material controls, including financial, operational and compliance controls and risk management functions, of the Group; and (ii) that there were adequate staff with appropriate qualifications and experience, resources and budget of its accounting and financial reporting function, and adequate training programmes have been provided for the year ended 31 December 2019.

Directors' responsibility on the consolidated financial statements

The Directors acknowledge their responsibility for preparing the consolidated financial statements for the year ended 31 December 2019, which were prepared in accordance with applicable accounting standards. The reporting responsibilities of the external auditor of the Company on the consolidated financial statements of the Company are set out in the independent auditor's report on pages 49 to 56.

GOING CONCERN

There are no material uncertainties relating to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

CONSTITUTIONAL DOCUMENTS

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

風險管理

董事會亦負責評估並釐定其在實現本公司策略目標時願意承擔的風險的性質及程度，並確保本公司建立及維持適當及有效的風險管理制度。

截至二零一九年十二月三十一日止年度，本集團已審閱風險管理制度。董事會認為，風險管理制度對本集團整體而言屬有效及充足。

董事會亦認為，截至二零一九年十二月三十一日止年度，(i)概無任何有關本集團的重大監控問題，包括財務、營運以及合規控制及風險管理職能方面；及(ii)已有足夠具備適當資歷與經驗的人員以及資源及預算處理其會計及財務申報工作，並已提供足夠培訓課程。

董事對綜合財務報表的責任

董事知悉，彼等須按照適用的會計準則，編製截至二零一九年十二月三十一日止年度的綜合財務報表。本公司外聘核數師對本公司綜合財務報表的申報責任，載於第49至56頁的獨立核數師報告。

持續經營

概無任何涉及可對本公司持續經營能力構成重大疑慮的事件或情況的重大不明朗因素。

章程文件

於年內，本公司的章程文件並無變動。

Corporate governance report

企業管治報告書

DIVIDEND POLICY

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

COMMUNICATION WITH SHAREHOLDERS

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

股息政策

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

與股東通訊

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

Corporate governance report

企業管治報告書

SHAREHOLDERS' RIGHTS

In accordance with the Article 58 of the Articles of Association of the Company, one or more shareholders of the Company 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, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to the requisitionists by the Company.

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

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

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

股東的權利

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

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

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

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

Independent auditor's report

獨立核數師報告

Deloitte.

德勤

To the Members of Brilliant Circle Holdings International Limited

貴聯控股國際有限公司

(incorporated in the Cayman Islands with limited liability)

致貴聯控股國際有限公司各股東

(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Brilliant Circle Holdings International Limited (the “Company”) and its subsidiaries (collectively referred to as “the Group”) set out on pages 57 to 242, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

意見

吾等已審核載列於第57至242頁貴聯控股國際有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，該等綜合財務報表包括於二零一九年十二月三十一日的綜合財務狀況報表與截至該日止年度的綜合損益及其他全面收益報表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一九年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見的基礎

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

Independent auditor's report

獨立核數師報告

KEY AUDIT MATTERS

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

關鍵審計事項

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

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

吾等在審計中的處理方法

Impairment assessment of goodwill

商譽減值評估

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

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

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

吾等就商譽減值評估進行的程序包括：

- Discussing with the Group's management on their approach to impairment assessment;
- 與 貴集團管理層討論減值評估的方法；
- Evaluating the appropriateness of the impairment models and checking their mathematical accuracy;
- 評估減值模式是否恰當及檢查其計算是否準確；
- Reviewing the valuation report provided by the independent valuer on the discount rate adopted in the discounted cash flow forecast model and evaluating its reasonableness;
- 就折現現金流量預測模式所採納折現率審閱管理層所提供的估值報告，並評估其是否合理；

Independent auditor's report

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

吾等在審計中的處理方法

Impairment assessment of goodwill (continued)

商譽減值評估(續)

The Group had a goodwill of HK\$1,025,495,000 (net of accumulated impairment loss of HK\$103,000,000) as at 31 December 2019 relating to the acquisition of printing businesses in 2009, 2012 and 2018 and the acquisition of sales of radio frequency products businesses in 2017 which are subject to impairment assessment in accordance with Hong Kong Accounting Standard 36 "Impairment of Assets" ("HKAS 36") issued by the HKICPA. As detailed in note 21 to the consolidated financial statements, in determining whether goodwill is impaired requires an estimation of the recoverable amount, which is the higher of its fair value less costs of disposal and its value in use of the cash-generating units to which goodwill has been allocated. Significant judgements, estimations and assumptions were required by management of the Group in assessing the recoverable amounts of cash-generating units. The value in use of the cash-generating units is determined based on the discounted cash flow forecast model which requires estimation on certain assumptions, including the discount rate, terminal growth rate, gross margin and sales growth rate.

於二零一九年十二月三十一日，貴集團就於二零零九年、二零一二年及二零一八年收購印刷業務及於二零一七年收購射頻產品銷售業務產生商譽1,025,495,000港元(扣除累計減值虧損103,000,000港元)，須根據香港會計師公會頒布的香港會計準則第36號「資產減值」(「香港會計準則第36號」)進行減值評估。誠如綜合財務報表附註21所詳述，釐定商譽是否減值須估計可收回金額，即公允價值減出售成本與獲分配商譽產生單位的使用價值兩者中的較高者。在評估現金產生單位的可收回金額時，貴集團管理層須作出重大判斷、估計及假設。現金產生單位的使用價值乃按折現現金流量預測模式釐定，當中須就若干假設(包括折現率、最終增長率、毛利率及銷售增長率)作出估計。

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

Independent auditor's report

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

吾等在審計中的處理方法

Estimated recognition of revenue from printing of cigarette packages and manufacturing of laminated papers over time

估計隨時間確認印刷香煙包裝及製造複合紙的收益

We identified the recognition of revenue from printing of cigarette packages and manufacturing of laminated papers as a key audit matter due to significant judgement exercised by the Group's management in assessing the enforceable right to payment.

吾等識別確認印刷香煙包裝及製造複合紙的收入為關鍵審計事項，原因為 貴集團管理層在評估強制執行付款權時須作出重大判斷。

As disclosed in note 5 to the consolidated financial statements, the management recognises revenue from printing of cigarette packages and manufacturing of laminated papers of approximately HK\$1,283,107,000 and HK\$42,028,000 respectively. Under HKFRS 15 "Revenue from Contracts with Customers", control is transferred over time when the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Significant judgment is required in determining whether the Group's contracts with customers in relation to printing of cigarette packages and manufacturing of laminated papers with no alternative use create an enforceable right to payment for the Group.

誠如綜合財務報表附註5所披露，管理層分別確認印刷香煙包裝及製造複合紙的收益約1,283,107,000港元及42,028,000港元。根據香港財務報告準則第15號「客戶合約收益」，倘 貴集團的履約並未產生對 貴集團有替代用途的資產，且 貴集團有強制執行權以收取迄今已履約部分的款項，則控制權隨時間轉移。釐定 貴集團有關印刷香煙包裝及製造複合紙的客戶合約是否並無為 貴集團創造強制付款權的其他用途時須作出重大判斷。

Our procedures in relation to the assessment of the enforceable right to payment included:

吾等就評估強制付款權進行的程序包括：

- Understanding and evaluating management's procedures in identifying and classifying sales contracts with or without right to payment;
- 了解及評價管理層對識別及分類附帶或不附帶付款權銷售合約程序的評估；
- Reviewing the key terms of significant sales contracts to assess the enforceable right to payment based on the contract terms;
- 審閱若干銷售合約樣本的關鍵條款，從而根據合約條款評估可執行的付款權；
- Obtaining and reviewing the opinion of the external legal counsel, in particular, the legal counsel's interpretation of the applicable laws and their implication on the assessment of the enforceability of the right to payment; and
- 獲取及審閱外部法律顧問的意見，特別是法律顧問對適用法例的詮釋及其對評估強制付款權的涵義；及
- Assessing the competence, experience and objectivity of the legal counsel engaged by the management.
- 評估管理層所委聘法律顧問的能力、經驗及客觀性。

Independent auditor's report

獨立核數師報告

OTHER INFORMATION

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

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

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

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

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

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

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

其他資料

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

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

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

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層負責監督貴集團的財務報告流程。

Independent auditor's report

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審核綜合財務報表須承擔的責任

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

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

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent auditor's report

獨立核數師報告

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

核數師就審核綜合財務報表須承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂吾等意見。吾等的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。吾等負責集團審計的方向、監督和執行。吾等為審核意見承擔全部責任。

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

Independent auditor's report

獨立核數師報告

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

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

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

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

30 March 2020

核數師就審核綜合財務報表須承擔的責任(續)

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

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

出具本獨立核數師報告的審計項目合夥人是李嘉琪。

德勤•關黃陳方會計師行

執業會計師

香港

二零二零年三月三十日

Consolidated statement of profit or loss and other comprehensive income

綜合損益及其他全面收益報表

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

		NOTES 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	5	1,495,833	1,366,753
Cost of sales	銷售成本		(1,148,171)	(1,065,863)
Gross profit	毛利		347,662	300,890
Other income	其他收入	7	33,460	32,244
Other gains and losses	其他收益及虧損	8	(24,049)	(64,357)
Impairment losses on financial assets and contract assets, net of reversal	金融資產及合約資產減值虧損(扣除撥回)	9	(1,960)	(6,218)
Selling and distribution expenses	銷售及分銷開支		(57,011)	(60,426)
Administrative expenses	行政開支		(83,458)	(98,572)
Other expenses	其他開支		(3,100)	(3,396)
Finance costs	融資成本	10	(19,678)	(22,776)
Share of profits of associates	分佔聯營公司溢利	23	41,751	51,669
Share of (loss) profit of a joint venture	分佔一間合營企業(虧損)溢利	24	(930)	623
Gain on disposal of subsidiaries	出售附屬公司的收益		-	91,681
Profit before taxation	除稅前溢利		232,687	221,362
Taxation	稅項	11	(55,801)	(46,930)
Profit for the year	年度溢利	12	176,886	174,432
Other comprehensive expense:	其他全面開支：			
Item that will not be reclassified to profit or loss:	其後不會重新分類至損益的項目：			
Exchange differences on translation from functional currency to presentation currency	因換算功能貨幣為呈報貨幣而產生匯兌差額		(43,119)	(132,393)
Total comprehensive income for the year	年度全面收益總額		133,767	42,039

Consolidated statement of profit or loss and other comprehensive income

綜合損益及其他全面收益報表

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

	NOTES 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit for the year attributable to:	以下人士應佔年度溢利：		
Owners of the Company	本公司擁有人	175,886	169,383
Non-controlling interests	非控股權益	1,000	5,049
		176,886	174,432
Total comprehensive income for the year attributable to:	以下人士應佔年度全面收益總額：		
Owners of the Company	本公司擁有人	133,370	39,408
Non-controlling interests	非控股權益	397	2,631
		133,767	42,039
		2019 二零一九年 HK\$ 港元	2018 二零一八年 HK\$ 港元
Earnings per share	每股盈利		
Basic	基本	15	0.11
			0.11

Consolidated statement of financial position

綜合財務狀況報表

At 31 December 2019 於二零一九年十二月三十一日

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	NOTES 附註			
Non-current Assets		非流動資產		
Property, plant and equipment	17	物業、廠房及設備	790,341	790,586
Right-of-use assets	18	使用權資產	103,596	–
Prepaid lease payments	19	預付租賃款項	–	100,434
Investment properties	20	投資物業	23,076	25,703
Goodwill	21	商譽	1,025,495	1,050,965
Intangible assets	22	無形資產	113,423	163,765
Interests in associates	23	於聯營公司的權益	423,245	460,604
Interest in a joint venture	24	於一間合營企業的權益	7,676	8,755
Deferred tax assets	36	遞延稅項資產	1,940	200
Rental and other deposits paid		已付租金及其他按金	20,249	27,946
			2,509,041	2,628,958
Current Assets		流動資產		
Inventories	25	存貨	160,771	163,766
Prepaid lease payments	19	預付租賃款項	–	2,425
Trade receivables	26	貿易應收款項	557,708	544,637
Contract assets	27	合約資產	170,724	165,385
Other receivables, prepayments and refundable deposits	28	其他應收款項、預付款項及 可退還訂金	35,936	59,904
Tax recoverable		可收回稅項	2,329	3,129
Pledged bank deposits	30	已抵押銀行存款	9,476	11,250
Bank balances and cash	30	銀行結餘及現金	201,168	355,508
			1,138,112	1,306,004

Consolidated statement of financial position

綜合財務狀況報表

At 31 December 2019 於二零一九年十二月三十一日

		NOTES 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current Liabilities	流動負債			
Trade payables	貿易應付款項	31	226,288	229,676
Other payables and accruals	其他應付款項及應計費用	32	92,568	116,545
Lease liabilities	租賃負債	34	4,354	–
Purchase consideration payable for acquisition	就收購事項所須支付購買代價		–	12,776
Amounts due to non-controlling interests of subsidiaries	應付附屬公司非控股權益款項	29	8,290	8,154
Bank borrowings	銀行借貸	33	256,462	601,334
Bank overdrafts	銀行透支	30	2,728	19,897
Income tax payable	應付所得稅		32,921	30,489
			623,611	1,018,871
Net Current Assets	流動資產淨值		514,501	287,133
Total Assets less Current Liabilities	總資產減流動負債		3,023,542	2,916,091
Non-current Liabilities	非流動負債			
Government grants	政府補助金	35	27,297	30,175
Bank borrowings	銀行借貸	33	–	18,750
Lease liabilities	租賃負債	34	551	–
Deferred tax liabilities	遞延稅項負債	36	69,518	68,565
			97,366	117,490
Net assets	資產淨值		2,926,176	2,798,601

Consolidated statement of financial position

綜合財務狀況報表

At 31 December 2019 於二零一九年十二月三十一日

		NOTES 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Capital and Reserves	資本及儲備			
Share capital	股本	37	7,839	7,839
Share premium and reserves	股份溢價及儲備		2,896,462	2,755,824
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,904,301	2,763,663
Non-controlling interests	非控股權益		21,875	34,938
Total Equity	權益總額		2,926,176	2,798,601

The consolidated financial statements on pages 57 to 242 were approved and authorised for issue by the Board of Directors on 30 March 2020 and are signed on its behalf by:

第57至242頁的綜合財務報表已於二零二零年三月三十日獲董事會批准及授權發布，並由下列人士代表簽署：

Mr. Cai Xiao Ming, David
蔡曉明先生
DIRECTOR
董事

Mr. Qin Song
欽松先生
DIRECTOR
董事

Consolidated statement of changes in equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests		Total equity
		Share capital	Share premium	Statutory reserves	Other reserve	Dividend reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	法定儲備	其他儲備	股息儲備	匯兌儲備	保留溢利	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note a) (附註a)	(Note b) (附註b)						
At 1 January 2018	於二零一八年一月一日	7,839	4,936,913	189,225	(2,905,743)	-	50,381	645,080	2,923,695	62,878	2,986,573
Profit for the year	年度溢利	-	-	-	-	-	-	169,383	169,383	5,049	174,432
Other comprehensive expense for the year	年度其他全面開支	-	-	-	-	-	(129,975)	-	(129,975)	(2,418)	(132,393)
Total comprehensive (expense) income for the year	年度全面(開支)收益總額	-	-	-	-	-	(129,975)	169,383	39,408	2,631	42,039
Dividends recognised as distribution (note 16)	確認為分派的股息(附註16)	-	-	-	-	-	-	(199,905)	(199,905)	-	(199,905)
Dividends declared to non-controlling interests	向非控股權益宣派股息	-	-	-	-	-	-	-	-	(23,920)	(23,920)
Acquisition of additional equity interest in a subsidiary	收購一間附屬公司的額外股權	-	-	-	465	-	-	-	465	(6,651)	(6,186)
At 31 December 2018	於二零一八年十二月三十一日	7,839	4,936,913	189,225	(2,905,278)	-	(79,594)	614,558	2,763,663	34,938	2,798,601
Profit for the year	年度溢利	-	-	-	-	-	-	175,886	175,886	1,000	176,886
Other comprehensive expense for the year	年度其他全面開支	-	-	-	-	-	(42,516)	-	(42,516)	(603)	(43,119)
Total comprehensive (expense) income for the year	年度全面(開支)收益總額	-	-	-	-	-	(42,516)	175,886	133,370	397	133,767
Final dividends for 2019 proposed (note 16)	二零一九年建議末期股息(附註16)	-	-	-	-	299,936	-	(299,936)	-	-	-
Dividends declared to non-controlling interests	向非控股權益宣派股息	-	-	-	-	-	-	-	-	(2,574)	(2,574)
Acquisition of additional equity interest in a subsidiary (note b)	收購一間附屬公司的額外股權(附註b)	-	-	655	(2,447)	-	143	8,917	7,268	(10,886)	(3,618)
At 31 December 2019	於二零一九年十二月三十一日	7,839	4,936,913	189,880	(2,907,725)	299,936	(121,967)	499,425	2,904,301	21,875	2,926,176

Consolidated statement of changes in equity

綜合權益變動表

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

Notes:

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

附註：

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

Consolidated statement of cash flows

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Profit before taxation	除稅前溢利	232,687	221,362
Adjustments for:	調整：		
Share of profits of associates	分佔聯營公司溢利	(41,751)	(51,669)
Share of loss (profit) of a joint venture	分佔一間合營企業虧損 (溢利)	930	(623)
Finance costs	融資成本	19,678	22,776
Depreciation of property, plant and equipment	物業、廠房及設備折舊	92,250	93,122
Depreciation of right-of-use assets	使用權資產折舊	6,508	-
Release of prepaid lease payments	解除預付租賃款項	-	2,263
Depreciation of investment properties	投資物業折舊	1,891	2,017
Impairment losses on financial assets and contract assets, net of reversal	金融資產及合約資產的減值 虧損(扣除撥回)	1,960	6,218
Amortisation of intangible assets	無形資產攤銷	50,190	46,759
Interest income	利息收入	(1,586)	(1,157)
Gain from changes in fair value of financial assets at FVTPL	按公允價值計入損益的金融 資產公允價值變動收益	(1,896)	(3,379)
(Gain) loss from changes in fair value of financial liabilities at FVTPL	按公允價值計入損益的金融 負債公允價值變動(收益) 虧損	(1,190)	482
Government grants for acquisition of property, plant and equipment	收購物業、廠房及設備的 政府補助金	(2,523)	(2,634)
(Gains) losses on disposal of property, plant and equipment	出售物業、廠房及設備的 (收益)虧損	(492)	39
Recognition of impairment on property, plant and equipment	確認物業、廠房及設備減值	33	-
Gain arising from early termination of lease contracts	提前贖回租賃合約所產生的 收益	(20)	-
Recognition of write-down on obsolete inventories	確認過時存貨撇減	1,053	592
Recognition of impairment on goodwill	確認商譽減值	15,000	48,000
Gain on disposal of subsidiaries	出售附屬公司的收益	-	(91,681)
Loss on disposal of partial equity interest in an associate	出售一間聯營公司部分股權 的虧損	-	8,536
Unrealised net exchange losses	未變現匯兌虧損淨額	7,524	10,519

Consolidated statement of cash flows

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Operating cash flows before movements in working capital	營運資金變動前的經營業務現金流量	380,246	311,542
Increase in inventories	存貨增加	(1,093)	(10,197)
(Increase) decrease in trade receivables	貿易應收款項(增加)減少	(29,617)	239,777
Decrease in other receivables, prepayments and refundable deposits	其他應收款項、預付款項及可退還訂金減少	2,438	14,001
Increase in contract assets	合約資產增加	(8,446)	(114,886)
Increase (decrease) in trade payables	貿易應付款項增加(減少)	882	(52,292)
Increase (decrease) in other payables and accruals	其他應付款項及應計費用增加(減少)	5,354	(4,561)
Cash generated from operations	經營產生現金	349,764	383,384
Income taxes paid	已付所得稅	(49,921)	(43,512)
Interest paid	已付利息	(19,819)	(24,417)
NET CASH FROM OPERATING ACTIVITIES	經營活動產生現金淨額	280,024	315,455

Consolidated statement of cash flows

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Purchase of structured deposits	購入結構性存款	(1,020,654)	(965,470)
Redemption of structured deposits	贖回結構性存款	1,022,550	975,951
Deposits paid for and acquisition of property, plant and equipment	就收購物業、廠房及設備支付的訂金	(138,813)	(186,833)
Acquisition of a subsidiary	收購一間附屬公司	-	(144,145)
Placement of pledged bank deposits	存置已抵押銀行存款	(26,763)	(55,057)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	28,352	48,748
Payments for prepaid lease payments	支付預付租賃款項	-	(28,259)
Dividend received from an associate, net of withholding tax	自一間聯營公司收取股息 (扣除預扣稅)	69,566	73,844
Proceeds on disposal of partial equity interest in an associate	出售一間聯營公司部分股權 所得款項	22,160	-
Payments for rental deposits	支付租賃按金	(690)	-
Payments for contingent consideration	支付或然代價	(436)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	12,628	8,371
Interest received	已收利息	1,586	1,157
Advance to a related party	向一間關連公司墊款	-	(54)
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	-	295,000
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(使用)產生現金淨額	(30,514)	23,253

Consolidated statement of cash flows

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
FINANCING ACTIVITIES			
	融資活動		
New bank borrowings raised	新增銀行借貸	415,261	521,098
Repayments of lease liabilities	償還租賃負債	(4,152)	–
Payments for purchase consideration	支付購買代價	(11,415)	–
Advance from a non-controlling interest	來自非控股權益的墊款	292	3,356
Repayment of bank borrowings	償還銀行借貸	(777,603)	(574,376)
Dividends paid to non-controlling interests	已付非控股權益股息	(2,574)	(23,920)
Dividends paid	已付股息	–	(199,905)
Acquisition of non-controlling interest of a subsidiary	收購一間附屬公司的非控股權益	(3,618)	(6,186)
NET CASH USED IN FINANCING ACTIVITIES	融資活動使用現金淨額	(383,809)	(279,933)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目(減少)增加淨額	(134,299)	58,775
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日的現金及現金等值項目	335,611	292,511
Effect of foreign exchange rate changes	外幣匯率變動的影響	(2,872)	(15,675)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by	於十二月三十一日的現金及現金等值項目，代表	198,440	335,611
Bank balances and cash	銀行結餘及現金	201,168	355,508
Bank overdrafts	銀行透支	(2,728)	(19,897)
		198,440	335,611

Notes to the consolidated financial statements

綜合財務報表附註

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

1. GENERAL

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

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

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

1. 一般資料

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

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

本公司的功能貨幣為人民幣(「人民幣」)。為方便使用財務報表的人士，綜合財務報表以港元(「港元」)呈列，原因為本公司股份於聯交所上市。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

New and Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

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

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本

於本年度強制生效的新訂香港財務報告準則及其修訂本

於本年度，本集團已首次應用以下由香港會計師公會(「香港會計師公會」)頒布的新訂香港財務報告準則及其修訂本：

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理的不確定性
香港財務報告準則第9號(修訂本)	具負補償的提早還款特性
香港會計準則第19號(修訂本)	計劃修訂、縮減或清償
香港會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益
香港財務報告準則(修訂本)	香港財務報告準則二零一五年至二零一七年週期的年度改進

除下文所述者外，於本年度應用新訂香港財務報告準則及其修訂本對本年度及過往年度本集團的財務狀況及表現及／或該等綜合財務報表所載披露資料概無重大影響。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

2.1 HKFRS 16 “Leases”

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 “Leases” (“HKAS 17”), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

於本年度強制生效的新訂香港財務報告準則及其修訂本(續)

2.1 香港財務報告準則第16號「租賃」

本集團於本年度首次應用香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號「租賃」(「香港會計準則第17號」)及相關詮釋。

租賃的定義

本集團已選用實際權宜之計，將香港財務報告準則第16號應用於先前根據香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號「決定一項安排是否包含租賃」識別為租賃的合約，而不會就先前未識別為包含租賃的合約應用此準則。因此，本集團尚未重新評估於首次應用日期之前已存在的合約。

就於二零一九年一月一日或之後訂立或修訂的合約而言，本集團根據香港財務報告準則第16號所載規定應用租賃的定義，以評估合約是否包含租賃。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

2.1 HKFRS 16 “Leases” (continued)

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognises additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- iii. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension and termination options.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

於本年度強制生效的新訂香港財務報告準則及其修訂本(續)

2.1 香港財務報告準則第16號「租賃」(續)

作為承租人

本集團已追溯應用香港財務報告準則第16號，並於首次應用日期二零一九年一月一日確認累計影響。

於二零一九年一月一日，本集團應用香港財務報告準則第16.C8(b)(ii)條過渡條文，按相等於經任何預付租賃款項調整的相關租賃負債的金額確認額外租賃負債及使用權資產。於首次應用日期的任何差額於期初保留溢利確認，惟並無重列比較資料。

於過渡期間應用香港財務報告準則第16號項下經修訂追溯法時，本集團將以下實際權宜之計應用於先前根據香港會計準則第17號分類為經營租賃的租賃(按個別租賃基準並以相關租賃合約所涉及範圍為限)：

- i. 選擇不就租期於首次應用日期起12個月內結束的租賃確認使用權資產及租賃負債；
- ii. 於首次應用日期計量使用權資產時撇除初始直接成本；
- iii. 根據於首次應用日期的事實及情況事後釐定本集團附有延續及終止選擇權的租賃的租期。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

2.1 HKFRS 16 “Leases” (continued)

As a lessee (continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The incremental borrowing rate applied by relevant group entities ranged from 4% to 6%.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

於本年度強制生效的新訂香港財務報告準則及其修訂本(續)

2.1 香港財務報告準則第16號「租賃」(續)

作為承租人(續)

就先前分類為經營租賃的租賃確認租賃負債時，本集團已於首次應用日期應用相關集團實體的增量借款利率。相關集團實體應用的增量借款利率介乎4%至6%。

**At 1 January
2019
於二零一九年
一月一日
HK\$'000
千港元**

Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	7,932
Lease liabilities discounted at relevant incremental borrowing rates	按相關增量借款利率貼現的租賃負債	7,619
Add: Lease liabilities resulting from lease modifications of existing leases #	加：對現有租賃作出租賃修訂所產生的租賃負債#	2,989
Less: Practical expedient — leases with lease term ending within 12 months from the date of initial application	減：實際權宜之計 — 租期於首次應用日期起計12個月內結束的租賃	(603)
Recognition exemption — low value assets (excluding short-term lease of low value leases)	確認豁免 — 低價值資產(不包括低價值租賃的短期租賃)	(125)
Lease liabilities as at 1 January 2019	於二零一九年一月一日的租賃負債	9,880
Analysed as	分析為	
Current	流動	4,446
Non-current	非流動	5,434
		9,880

The Group renewed the leases of existing offices by entering into new lease contracts which commenced after date of initial application. These new contracts are accounted as lease modifications of the existing contracts upon application of HKFRS 16.

本集團已透過訂立於首次應用日期後開始的新租賃合約重續現有辦公室的租賃。此等新租賃合約於應用香港財務報告準則第16號後乃作為現有合約的租賃修訂入賬。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

2.1 HKFRS 16 “Leases” (continued)

As a lessee (continued)

The carrying amount of right-of-use assets for own use as at 1 January 2019 comprises the following:

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

於本年度強制生效的新訂香港財務報告準則及其修訂本(續)

2.1 香港財務報告準則第16號「租賃」(續)

作為承租人(續)

自用使用權資產於二零一九年一月一日的賬面值包括以下各項：

		Right-of-use assets 使用權資產 HK\$'000 千港元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	於應用香港財務報告準則第16號後確認的經營租賃相關使用權資產	9,880
Reclassified from prepaid lease payments (Note)	從預付租賃款項重新分類(附註)	102,859
		112,739
By class:	按類別：	
Leasehold lands	租賃土地	102,859
Leasehold land and buildings	租賃土地及樓宇	9,880
		112,739

Note: Upfront payments for leasehold lands in the PRC were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to HK\$2,425,000 and HK\$100,434,000 respectively were reclassified to right-of-use assets.

附註：於二零一八年十二月三十一日，中國租賃土地的預付款項獲分類為預付租賃款項。於應用香港財務報告準則第16號後，預付租賃款項的流動及非流動部分分別2,425,000港元及100,434,000港元已重新分類為使用權資產。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

2.1 HKFRS 16 “Leases” (continued)

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group’s consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

於本年度強制生效的新訂香港財務報告準則及其修訂本(續)

2.1 香港財務報告準則第16號「租賃」(續)

作為出租人

根據香港財務報告準則第16號的過渡條文，本集團毋須就本集團作為出租人的租賃過渡作出任何調整，但須自首次應用日期起根據香港財務報告準則第16號就該等租賃入賬，且並無重列比較資料。

於應用香港財務報告準則第16號後，已訂立但於首次應用日期後開始並與現有租賃合約項下相同的相關資產有關的新租賃合約按猶如現有租賃已於二零一九年一月一日獲修訂者入賬。有關應用對本集團於二零一九年一月一日的綜合財務狀況報表並無構成影響。然而，自二零一九年一月一日起，與修訂後的經修訂租期相關的租賃付款會於經延長租期內按直線法基準確認為收入。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

2.1 HKFRS 16 “Leases” (continued)

As a lessor (continued)

Effective on 1 January 2019, the Group has applied HKFRS 15 “Revenue from Contracts with Customers” to allocate consideration in the contract to each lease. The change in allocation basis has had no material impact on the consolidated financial statements of the Group for the current year.

The application of HKFRS 16 as a lessor has no material impact on the Group’s consolidated statement of financial position as at 31 December 2019 and its consolidated statement of profit or loss and other comprehensive income and statement of cash flows for the current year.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

於本年度強制生效的新訂香港財務報告準則及其修訂本(續)

2.1 香港財務報告準則第16號「租賃」(續)

作為出租人(續)

自二零一九年一月一日起，本集團應用香港財務報告準則第15號「客戶合約收益」將合約代價分配至各租賃。分配基準的變動對本集團於本年度的綜合財務報表並無構成任何重大影響。

應用香港財務報告準則第16號對本集團(作為出租人)於二零一九年十二月三十一日的綜合財務狀況報表以及其他全面收益報表及現金流量表並無重大影響。

於二零一九年一月一日對綜合財務狀況報表內確認的金額作出以下調整，不包括未受變動影響的項目。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

2.1 HKFRS 16 “Leases” (continued)

As a lessor (continued)

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

於本年度強制生效的新訂香港財務報告準則及其修訂本(續)

2.1 香港財務報告準則第16號「租賃」(續)

作為出租人(續)

			Carrying amounts previously reported at 31 December 2018	Adjustments	Carrying amounts under HKFRS 16 at 1 January 2019
		Notes	HK\$'000	HK\$'000	HK\$'000
		附註	千港元	千港元	千港元
			過往於二零一八年十二月三十一日呈報的賬面值	調整	於二零一九年一月一日根據香港財務報告準則第16號列賬的賬面值
Non-current assets	非流動資產				
Prepaid lease payments	預付租賃款項	(i)	100,434	(100,434)	-
Right-of-use assets	使用權資產		-	112,739	112,739
Current asset	流動資產				
Prepaid lease payments	預付租賃款項	(i)	2,425	(2,425)	-
Current liability	流動負債				
Lease liabilities	租賃負債		-	4,446	4,446
Non-current liability	非流動負債				
Lease liabilities	租賃負債		-	5,434	5,434

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2019 as disclosed above.

附註：就截至二零一九年十二月三十一日止年度以間接方法報告經營活動的現金流量而言，營運資金的變動乃根據上文所披露於二零一九年一月一日的期初綜合財務狀況報表計算。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 3	Definition of a Business ²
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 and HKAS 8	Definition of Material ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴

- ¹ Effective for annual periods beginning on or after 1 January 2021.
- ² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
- 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 2020.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

已頒布但尚未生效的新訂香港財務報告準則及其修訂本

本集團並無提前應用下列已頒布但尚未生效的新訂香港財務報告準則及其修訂本：

香港財務報告準則第17號	保險合約 ¹
香港財務報告準則第3號(修訂本)	業務的定義 ²
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產銷售或注資 ³
香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義 ⁴
香港財務報告準則第9號、利率基準改革 ⁴ 、香港會計準則第39號及香港財務報告準則第7號(修訂本)	

- ¹ 於二零二一年一月一日或之後開始的年度期間生效。
- ² 對收購日期為二零二零年一月一日或之後開始的首個年度期間開始時或之後的業務合併及資產收購生效。
- ³ 於待定日期或之後開始的年度期間生效。
- ⁴ 於二零二零年一月一日或之後開始的年度期間生效。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the *Amendments to References to the Conceptual Framework in HKFRS Standards*, will be effective for annual periods beginning on or after 1 January 2020.

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

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of “obscuring” material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from “could influence” to “could reasonably be expected to influence”; and
- include the use of the phrase “primary users” rather than simply referring to “users” which was considered too broad when deciding what information to disclose in the financial statements.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

已頒布但尚未生效的新訂香港財務報告準則及其修訂本(續)

除上述新訂香港財務報告準則及其修訂本外，經修訂財務報告概念框架於二零一八年頒布，其後續修訂本「*提述香港財務報告準則概念框架的修訂*」將於二零二零年一月一日或之後開始的年度期間生效。

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

香港會計準則第1號及香港會計準則第8號(修訂本)重大的定義

修訂本對作出重大判斷加入額外指引及解釋，以改進重大的定義。尤其是，有關修訂本：

- 包含「掩蓋」重要資料的概念，其與遺漏或誤報資料有類似效果；
- 就影響使用者重要性的範圍以「可合理預期影響」取代「可影響」；及
- 包含使用詞組「主要使用者」而非僅指「使用者」（此用詞就決定於財務報表披露何等資料而言被視為過於廣義）。

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

Amendments to HKAS 1 and HKAS 8 Definition of Material (continued)

The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

Conceptual Framework for Financial Reporting 2018 (the “New Framework”) and the Amendments to References to the Conceptual Framework in HKFRS Standards

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

已頒布但尚未生效的新訂香港財務報告準則及其修訂本(續)

香港會計準則第1號及香港會計準則第8號(修訂本)重大的定義(續)

修訂本亦將該定義貫徹應用於所有香港財務報告準則，並將於本集團於二零二零年一月一日開始的年度期間強制生效。預期應用該等修訂本不會對本集團財務狀況及表現造成重大影響，惟可能影響綜合財務報表的呈列及披露。

二零一八年財務報告概念框架(「新框架」)及提述香港財務報告準則概念框架的修訂

新框架：

- 重新引入管理及審慎此等術語；
- 引入著重權利的新資產定義以及範圍可能較所取代定義更廣的新負債定義，惟不會改變負債與權益工具之間的區別；
- 討論歷史成本及現值計量，並就如何為某一資產或負債選擇計量基準提供額外指引；

Notes to the consolidated financial statements

綜合財務報表附註

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

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

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

Conceptual Framework for Financial Reporting 2018 (the “New Framework”) and the Amendments to References to the Conceptual Framework in HKFRS Standards (continued)

- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for the Group’s annual period beginning on 1 January 2020. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

已頒布但尚未生效的新訂香港財務報告準則及其修訂本(續)

二零一八年財務報告概念框架(「新框架」)及提述香港財務報告準則概念框架的修訂(續)

- 指出財務表現主要計量標準為損益，且於特殊情況下方會使用其他全面收益，且僅用於資產或負債現值產生變動的收入或開支；及
- 討論不確定因素、終止確認、會計單位、報告實體及合併財務報表。

相應修訂已作出，致使有關若干香港財務報告準則的提述已更新至符合新框架，惟部分香港財務報告準則繼續參考該框架的先前版本。該等修訂本自本集團於二零二零年一月一日開始的年度期間生效。除繼續參考該框架先前版本的特定準則外，本集團將於其生效日期按新框架決定會計政策，尤其是會計準則未有處理的交易、事件或條件。

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

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 and by the Hong Kong Companies Ordinance.

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (before application 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”.

3. 重大會計政策

綜合財務報表已根據香港會計師公會頒布的香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例規定的適用披露事項。

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

歷史成本一般根據交換貨物及服務所給予代價的公允價值而釐定。

公允價值是於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時考慮到資產或負債該等特點，則本集團於估計資產或負債的公允價值時會考慮該等特點。於該等綜合財務報表中作計量及／或披露用途的公允價值乃按此基準釐定，惟香港財務報告準則第2號「以股份為基礎付款」範圍內以股份為基礎付款的交易、根據香港財務報告準則第16號（自二零一九年一月一日起）或香港會計準則第17號（應用香港財務報告準則第16號前）入賬的租賃交易及與公允價值類似但並非公允價值的計量（如香港會計準則第2號「存貨」的可變現淨值或香港會計準則第36號「資產減值」的使用價值）除外。

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

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.

The principal accounting policies are set out below.

3. 重大會計政策(續)

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

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

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

主要會計政策載於下文。

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation

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

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

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

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

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

3. 重大會計政策(續)

綜合基準

綜合財務報表包括本公司及本公司控制實體及其附屬公司的財務報表。控制權在本公司達致下列情況取得：

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

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

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

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

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

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.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's 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 relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including the re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

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.

3. 重大會計政策(續)

綜合基準(續)

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

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

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

本集團於現有附屬公司的所有權權益的變動

本集團於附屬公司的所有權權益的變動如不導致本集團失去其控制權，將列作權益交易計算。本集團相關權益部分與非控股權益的賬面金額應予調整以反映彼等於附屬公司的相關權益的變動，包括根據本集團與非控股權益彼此間的權益比例重新劃撥本集團與非控股權益之間的相關儲備。

獲調整的非控股權益金額與所支付或收取代價的公允價值之間的任何差額直接於權益確認並歸屬於本公司擁有人。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation *(continued)*

Changes in the Group's ownership interests in existing subsidiaries *(continued)*

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and 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 carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). 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 HKFRS 9 "Financial Instruments", when applicable, the cost on initial recognition of an investment in an associate or joint venture.

3. 重大會計政策(續)

綜合基準(續)

本集團於現有附屬公司的所有權權益的變動(續)

當本集團失去對一家附屬公司的控制權，有關附屬公司的資產及負債以及非控股權益(如有)均終止確認。有關盈虧計入損益，並以：(i)已收代價公允價值及任何保留權益公允價值總和；及(ii)本公司擁有人應佔附屬公司資產(包括商譽)及負債的賬面值之間差額計算。所有原先在其他全面收益中確認有關該附屬公司的金額，按猶如本集團已直接出售附屬公司相關的資產或負債的方式入賬(即採用適用香港財務報告準則規定/允許，重新分類至損益或轉移至另外一類權益)。在失去控制權當日，任何保留在前附屬公司投資的公允價值被視作其後根據香港財務報告準則第9號「金融工具」入賬的初步確認公允價值，(如適用)為初步確認於聯營公司或合營企業投資時的成本。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations

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

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

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

3. 重大會計政策(續)

業務合併

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

於收購日期，所收購可識別資產及所承擔負債按其公允價值確認，惟下列項目除外：

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

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

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

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

3. 重大會計政策(續)

業務合併(續)

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

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

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

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

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.

Goodwill

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

3. 重大會計政策(續)

業務合併(續)

倘本集團於業務合併中所轉讓代價包括或然代價安排，或然代價乃按其收購日期的公允價值計量並計入業務合併中所轉讓代價的一部分。或然代價的公允價值變動(如符合計量期間調整資格)可追溯調整。計量期間調整指於「計量期間」(不超過收購日期起計一年)就於收購日期存在的事實及情況獲得額外資料而引致的調整。

或然代價如不合資格進行計量期間調整，則其後的會計處理取決於或然代價分類方式。分類為權益的或然代價不會於其後呈報日期重新計量，而結算日後結算於權益內入賬。分類為資產或負債的或然代價於其後呈報日期按公允價值重新計量，而相應的盈虧於損益內確認。

商譽

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

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill (continued)

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

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

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

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

3. 重大會計政策(續)

商譽(續)

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

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

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

本集團就收購一間聯營公司及一間合營企業所產生商譽的政策詳述如下。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates and joint ventures

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

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

The results and assets and liabilities of associates and joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in the net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate or joint venture.

3. 重大會計政策(續)

於聯營公司及合營企業的投資

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

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

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

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates and joint ventures

(continued)

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

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

3. 重大會計政策(續)

於聯營公司及合營企業的投資(續)

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

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

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates and joint ventures

(continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associates of joint venture.

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

3. 重大會計政策(續)

於聯營公司及合營企業的投資(續)

倘本集團不再對聯營公司擁有重大影響力或對合營企業擁有共同控制權，即入賬列作出售投資對象的全部權益，所得收益或虧損於損益確認。倘本集團保留於前聯營公司或合營企業的權益且該保留權益屬香港財務報告準則第9號項下的金融資產，則本集團會於該日按公允價值計量保留權益，而該公允價值被視為初步確認時的公允價值。聯營公司或合營企業的賬面值與任何保留權益及出售聯營公司或合營企業相關權益任何所得款項的公允價值之間的差額，於釐定出售該聯營公司或合營企業的收益或虧損時入賬。此外，倘該聯營公司或合營企業直接出售相關資產或負債，則本集團可能需要按相同基準計入有關該聯營公司或合營企業以往於其他全面收益確認的所有金額。因此，倘聯營公司或合營企業以往於其他全面收益確認的收益或虧損獲重新分類為出售相關資產或負債的損益，則本集團將於出售／局部出售相關聯營公司或合營企業時將收益或虧損自權益重新分類為損益(作為重新分類調整)。

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates and joint ventures

(continued)

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

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

Revenue from contracts with customers

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

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

3. 重大會計政策(續)

於聯營公司及合營企業的投資(續)

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

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

客戶合約收益

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

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue from contracts with customers (continued)

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

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

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

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

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

3. 重大會計政策(續)

客戶合約收益(續)

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

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

否則，收益於客戶獲得明確貨品或服務的控制權時確認。

並無替代用途的印刷香煙包裝及製造複合紙的收益隨時間確認。

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue from contracts with customers *(continued)*

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

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

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

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

Input method

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

3. 重大會計政策(續)

客戶合約收益(續)

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

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

與同一合約有關的合約資產及負債按淨額基準入賬及呈列。

隨時間確認收益：計量完全履行履約責任的進度

投入法

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

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leases

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2)

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

For contracts entered into or modified 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 (upon application of HKFRS 16 in accordance with transitions in note 2)

Short-term leases and leases of low-value assets

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

3. 重大會計政策(續)

租賃

租賃的定義(根據附註2所載過渡法應用香港財務報告準則第16號後)

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

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

本集團作為承租人(根據附註2所載過渡法應用香港財務報告準則第16號後)短期租賃及低價值資產租賃

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

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leases (continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

(continued)

Right-of-use assets

The cost of right-of-use asset includes:

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

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

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

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

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(根據附註2所載過渡法應用香港財務報告準則第16號後)(續)

使用權資產

使用權資產的成本包括：

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

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

使用權資產以直線法於其估計使用年期或租期(以較短者為準)內計提折舊。

本集團於綜合財務狀況報表將使用權資產呈列為單獨項目。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leases (continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

(continued)

Refundable rental deposits

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

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(根據附註2所載過渡法應用香港財務報告準則第16號後)(續)

可退還租賃按金

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

租賃負債

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

租賃付款包括：

- 固定付款(包括實質性的固定付款)減任何應收租賃優惠；
- 視乎指數或比率而定的可變租賃付款；
- 根據剩餘價值擔保預期將支付的金額；
- 本集團合理確定行使購買權的行使價；及
- 於租期反映本集團會行使選擇權終止租賃時，終止租賃的相關罰款。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leases *(continued)*

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

(continued)

Lease liabilities (continued)

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

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

- the lease term has changed 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, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(根據附註2所載過渡法應用香港財務報告準則第16號後)
(續)

租賃負債(續)

於開始日期後，租賃負債根據利息增長及租賃付款作出調整。

倘出現以下情況，本集團將重新計量租賃負債(並對相關使用權資產進行相應調整):

- 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而出現變動，在此情況下，相關租賃負債透過使用初始貼現率貼現經修訂租賃付款而重新計量。

本集團於綜合財務狀況報表將租賃負債呈列為單獨項目。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leases (continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

(continued)

Lease modifications

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

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

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

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

The Group as a lessee (prior to 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(根據附註2所載過渡法應用香港財務報告準則第16號後)(續)

租賃修改

倘出現以下情況，本集團將租賃修改作為單獨租賃入賬：

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

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

本集團透過對相關使用權資產進行相應調整而重新計量租賃負債。倘經修改合約包含租賃組成部分及一項或多項額外租賃或非租賃組成部分，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總計獨立價格分配經修改合約中的代價至各租賃組成部分。

本集團作為承租人(於二零一九年一月一日前)

凡租賃條款將擁有權絕大部分風險及回報轉移至承租人的租賃均分類為融資租賃。所有其他租賃分類為經營租賃。

經營租賃付款(包括收購根據經營租賃持有的土地的成本)於租期內以直線法確認為開支。

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leases (continued)

The Group as lessor

Classification and measurement of leases

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

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

The Group as a lessor (upon application of HKFRS 16 in accordance with transitions in note 2)

Refundable rental deposits

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

Lease modification

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

3. 重大會計政策(續)

租賃(續)

本集團作為出租人

租賃的分類及計量

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

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

本集團作為出租人(根據附註2所載過渡法應用香港財務報告準則第16號後)

可退還租賃按金

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

租賃修改

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

Notes to the consolidated financial statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies

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

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

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

3. 重大會計政策(續)

外幣

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

因結算及重新換算貨幣項目而產生的匯兌差額於其產生期間在損益確認。

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences resulting from translation to the Company's functional currency, RMB, accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

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

Borrowing costs

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

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

3. 重大會計政策(續)

外幣(續)

當出售境外業務時(即出售本集團境外業務全部權益,或涉及失去附屬公司控制權且包括境外業務的出售或出售聯合安排或包括保留權益為金融資產的境外業務的聯營公司部分權益),就本公司擁有人應佔該業務而於權益累計的換算至本公司功能貨幣人民幣產生的所有匯兌差額重新分類至損益。

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

借貸成本

借貸成本可直接分配至購買、建造或生產合資格資產(為須耗用大量時間以達至其擬定用途或可供出售的資產),其可加入該等資產的成本,直至資產大致上可準備投入作擬訂用途或出售。

所有其他借貸成本均於其產生期間在損益確認。

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Government grants

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

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

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

Retirement benefit costs

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

3. 重大會計政策(續)

政府補助金

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

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

作為已產生開支或虧損的補償或向本集團提供即時財務資助(並無日後相關成本)而可收取的政府補助金，乃於其成為可收取的期間於損益中確認。

退休福利成本

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Short-term employee benefits

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

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

Taxation

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

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

3. 重大會計政策(續)

短期僱員福利

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

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

稅項

所得稅開支指即期應付稅項及遞延稅項的總和。

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

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

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

3. 重大會計政策(續)

稅項(續)

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

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation *(continued)*

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

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

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

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

3. 重大會計政策(續)

稅項(續)

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

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

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

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

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

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

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

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

3. 重大會計政策(續)

稅項(續)

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

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

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment

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

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

Ownership interests in leasehold land and building

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" (upon application of HKFRS 16) or "prepaid lease payments" (before application of HKFRS 16) in the consolidated statement of financial position.

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

3. 重大會計政策(續)

物業、廠房及設備

物業、廠房及設備(包括持作用於生產或供應貨品或服務或作行政用途(下文所述在建工程除外)的樓宇)乃按成本減其後累計折舊及累計減值虧損(如有)於綜合財務狀況報表列賬。

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

租賃土地及樓宇的所有權權益

當本集團就包括租賃土地及樓宇部分的物業所有權權益付款時，全部代價根據初始確認時的相對公允價值按比例分配至租賃土地及樓宇部分。

於相關付款能可靠分配的前提下，作為經營租賃入賬的租賃土地權益於綜合財務狀況報表呈列為「使用權資產」(應用香港財務報告準則第16號後)或「預付租賃款項」(應用香港財務報告準則第16號前)。

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment (continued)

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

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

Investment properties

Investment properties are properties held to earn rentals and/or 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.

3. 重大會計政策(續)

物業、廠房及設備(續)

倘自用物業獲證實終止其自用用途而變為投資物業，該項目於轉撥當日的成本及累計折舊將轉撥至投資物業，以作後續計量及披露目的之用。

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

投資物業

投資物業為持作賺取租金及／或資本升值的物業。

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investment properties *(continued)*

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

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

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

3. 重大會計政策(續)

投資物業(續)

在建投資物業產生的建築成本撥充資本為在建投資物業賬面值的一部分。

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

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Intangible assets

Intangible assets acquired separately

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

Intangible assets acquired in a business combination

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

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

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

3. 重大會計政策(續)

無形資產

個別收購的無形資產

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

業務合併中收購的無形資產

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

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

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Intangible assets (continued)

Research and development expenditure

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

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

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

3. 重大會計政策(續)

無形資產(續)

研發開支

研究活動的支出於產生期間確認為開支。

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

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Intangible assets (continued)

Research and development expenditure (continued)

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

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

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

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

3. 重大會計政策(續)

無形資產(續)

研發開支(續)

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

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

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

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

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

In addition, corporate assets are allocated to individual cash-generating units 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 Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, the recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

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

3. 重大會計政策(續)

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

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

此外，如能確定合理及一致的分配基準，企業資產可分配至個別現金產生單位，否則，則將企業資產分配至能確定合理及一致的分配基準的最小組別現金產生單位。本集團評估是否有跡象顯示企業資產可能出現減值。倘出現有關跡象，則釐定企業資產所屬現金產生單位或現金產生單位組別的可收回金額，並與相關現金產生單位或現金產生單位組別的賬面值進行比較。

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

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

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

3. 重大會計政策(續)

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

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

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Inventories

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

Financial instruments

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

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

3. 重大會計政策(續)

存貨

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

金融工具

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

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

3. 重大會計政策(續)

金融工具(續)

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

金融資產

金融資產的分類及其後計量

符合下列條件的金融資產其後按攤銷成本計量：

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments *(continued)*

Financial assets *(continued)*

Classification and subsequent measurement of financial assets (continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

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

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

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

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及其後計量 (續)

符合下列條件的金融資產其後按公允價值計入其他全面收益(「按公允價值計入其他全面收益」)計量：

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

所有其他金融資產其後按公允價值計入損益計量。

倘符合下列條件，則金融資產為持作買賣用途：

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

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Amortised cost and interest income

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

Financial assets at FVTPL

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

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

攤銷成本及利息收入

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

按公允價值計入損益的金融資產

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

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

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments *(continued)*

Financial assets *(continued)*

Financial assets at FVTPL (continued)

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

Impairment of financial assets and contract assets

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

按公允價值計入損益的金融資產(續)

來自投資的股息收入於股東收取付款的權利確立時確認。

金融資產及合約資產減值

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and contract assets
(continued)

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

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings basing on internal credit ratings after considering historical default records, aging and length of customer relationship.

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

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

本集團始終就貿易應收款項及合約資產確認全期預期信貸虧損。該等資產的預期信貸虧損乃經考慮過往違約記錄、賬齡及與客戶關係時長後，就具重大結餘的債務人進行個別評估及／或採用具合適信貸風險組別的撥備矩陣進行整體評估。

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and contract assets
(continued)

(i) Significant increase in credit risk

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

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

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

(i) 信貸風險顯著增加

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

特別是，在評估信貸風險有否顯著增加時會考慮以下資料：

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

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and contract assets
(continued)

- (i) Significant increase in credit risk (continued)
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
 - an actual or expected significant deterioration in the operating results of the debtor;
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

- (i) 信貸風險顯著增加(續)
- 預計將導致債務人償還其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變化；
 - 債務人經營業績的實際或預期顯著惡化；
 - 導致債務人償還其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變化。

不論上述評估的結果，本集團認為，倘合約付款逾期超過30日，即表示信貸風險自初始確認以來已顯著增加，除非本集團有合理可靠的資料可作證明。

本集團定期監察識別信貸風險是否大幅增加所用標準的成效，並修訂標準(如適當)確保能夠在款項逾期前識別信貸風險的大幅增加。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and contract assets
(continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

(ii) 違約的定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文為何，倘金融資產已逾期超過90日，則本集團認為已發生違約，除非本集團有合理及可靠資料證明較寬鬆的違約標準更為適用則當別論。

(iii) 信貸減值金融資產

金融資產在一項或以上事件(對該金融資產估計未來現金流量構成不利影響)發生時維持信貸減值。金融資產維持信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人出現重大財困；
- (b) 違反合約(如違約或逾期事件)；
- (c) 借款人的貸款人因有關借款人財困的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；
- (d) 借款人將可能陷入破產或其他財務重組。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and contract assets
(continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

(iv) 撇銷政策

資料顯示交易對手處於嚴重財困及無實際收回可能時(例如交易對手被清盤或已進入破產程序時),本集團則撇銷金融資產。經考慮法律意見後(倘合適),遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成取消確認事項。任何其後收回在損益中確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約虧損率(即發生違約時的虧損程度)及違約風險的函數。違約概率及違約虧損率的評估乃基於經前瞻性資料調整的歷史數據作出。預期信貸虧損的預估乃無偏概率加權平均金額,以各自發生違約的風險為權重確定。

一般而言,預期信貸損失為根據合約應付本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差額,按初步確認時釐定的實際利率貼現。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and contract assets
(continued)

(v) Measurement and recognition of ECL (continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade related balances including trade receivables and contract assets are assessed as a separate group. Other financial assets are assessed for expected credit losses on an individual basis);
- Aging and past-due status;
- Nature, size and industry of debtors; and
- Length of customer relationship.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產及合約資產減值(續)

(v) 預期信貸虧損的計量及確認(續)
按集體基準計量或迎合個別工具水平證據未必存在的情況，則金融工具按以下基準歸類：

- 金融工具性質(即本集團的貿易相關結餘(包括貿易應收款項及合約資產)評為獨立組別。其他金融資產按個別基準評估預期信貸虧損)；
- 賬齡及逾期情況；
- 債務人的性質、規模及行業；及
- 客戶關係年期。

歸類工作經管理層定期檢討，確保各組別成份繼續分擔類似信貸風險特性。

利息收入乃根據金融資產的賬面總額計算，除非金融資產發生信貸減值，在此情況下，利息收入根據金融資產的攤銷成本計算。

本集團藉調整所有金融工具的賬面值於損益確認減值收益或虧損，惟貿易應收款項及合約資產則透過損失撥備賬確認相應調整。

Notes to the consolidated financial statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

終止確認金融資產

本集團僅在收取資產現金流量的已訂約權利屆滿，或將金融資產及該資產所有權的絕大部分風險及回報轉讓予另一實體的情況下方始終止確認一項金融資產。

於終止確認按攤銷成本列賬的金融資產時，資產賬面值與已收及應收代價之間的差額於損益確認。

金融負債及權益

分類為債務或權益

債務及權益工具乃根據所簽訂合約安排的性質與金融負債及權益工具的定義分類為金融負債或權益。

權益工具

權益工具乃證明本集團於扣減所有負債後的資產中擁有剩餘權益的任何合約。本公司所發行的權益工具按已收所得款項減直接發行成本確認。

金融負債

所有金融負債其後採用實際利率法或按公允價值計入損益按攤銷成本計量。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is contingent consideration that may be paid by the Group as part of a business combination to which HKFRS 3 applies.

Financial liabilities at amortised cost

Financial liabilities including trade payables, other payables, purchase consideration payable for acquisition at amortised cost, amounts due to non-controlling interests of subsidiaries, bank borrowings and bank overdrafts are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liability when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

3. 重大會計政策(續)

金融工具(續)

金融負債及權益(續)

按公允價值計入損益的金融負債

倘金融負債屬於本集團可能就香港財務報告準則第3號適用的業務合併支付的或然代價，則分類為按公允價值計入損益。

按攤銷成本的金融負債

金融負債包括貿易應付款項、其他應付款項、按攤銷成本的收購事項應付購買代價、應付附屬公司非控股權益款項、銀行借貸及銀行透支，該等款項其後將使用實際利率法按攤銷成本計量。

終止確認金融負債

本集團僅在其責任解除、註銷或屆滿時方始終止確認金融負債。金融負債的賬面值與已付及應付代價間的差額於損益內確認。

撥備

倘本集團因過往事件而承擔現有責任(法定或推定)，而本集團可能須履清償該責任及可對該責任金額作出可靠估計時，則確認撥備。

確認為撥備的金額為，經計及該責任的風險及不明朗因素後，於報告期末清償現有責任所需代價的最佳估計。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4. 重大會計判斷及估計不明朗因素的主要來源

於應用附註3所述本集團會計政策時，本公司董事須就資產和負債賬面值作出判斷、估計及假設，該等資料無法從其他渠道可靠取得。該等估計及相關假設乃基於過往經驗及其他被視為相關的因素而作出，實際結果或會有別於該等估計。

有關估計及相關假設須持續檢討。倘會計估計的修訂僅影響作出修訂的期間，則有關修訂會在該期間確認，而倘修訂對現時及未來期間均有影響，則須在作出修訂的期間及未來期間確認。

應用會計政策的關鍵判斷

除涉及估計(見下方)外，下述為本公司董事於應用本集團的會計政策過程中作出且對在綜合財務報表內所確認金額有最重大影響的重要判斷。

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綜合財務報表附註

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying accounting policies (continued)

Revenue recognition from sales of products with no alternative use over time

Under HKFRS 15, control is transferred over time when the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Significant judgment is required in determining whether the terms of the Group's contracts with customers in relation to printing of cigarette packages and manufacturing of laminated papers with no alternative use create an enforceable right to payment for the Group. The Group has considered the relevant local laws that apply to those relevant contracts and opinion from external legal counsel. Based on the assessment of the Group's management, the relevant sales contracts create an enforceable right to payment after taking into consideration the legal opinion, contract laws and the legal and regulatory environment in the PRC. Accordingly, contracts relating to printing of cigarette packages and manufacturing of laminated papers with no alternative use is considered to be performance obligation satisfied over time.

4. 重大會計判斷及估計不明朗因素的主要來源(續)

應用會計政策的關鍵判斷(續)

隨時間確認銷售並無替代用途的貨物的收益

根據香港財務報告準則第15號，倘本集團的履約並未產生對本集團有替代用途的資產，且本集團有強制執行權以收取迄今已履約部分的款項，則控制權隨時間轉移。釐定本集團有關印刷香煙包裝及製造複合紙的客戶合約條款是否並無創造強制付款權的其他用途時須作出重大判斷。本集團已考慮適用於相關合約的相關當地法律及外部法律顧問的意見。根據本集團管理層的評估，考慮到法律意見、合約法以及中國法律及監管環境等指標後，相關銷售合約為本集團創造強制付款權。因此，與並無替代用途的印刷香煙包裝及製造複合紙有關的合約被視為隨時間達成的履約責任。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

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

Impairment assessment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amounts of the cash-generating units to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate certain assumptions, including the discount rate, terminal growth rate, gross margin and sales growth rate in order to derive the net present value of the discounted future cash flow model. Where the actual future cash flows are less than expected, or changes in facts and circumstances which results in downward revision of the recoverable amount, a material impairment loss may arise.

As at 31 December 2019, the carrying amount of goodwill was HK\$1,025,495,000 (2018: HK\$1,050,965,000). During the year ended 31 December 2019, impairment loss on goodwill of HK\$15,000,000 (2018: HK\$48,000,000) was provided. Details of the recoverable amount calculation are set out in note 21.

4. 重大會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源

以下為報告期末有關未來的主要假設及其他估計不明朗因素的主要來源，附有可導致下一個財政年度的資產賬面值出現大幅調整的重大風險。

商譽減值評估

釐定商譽是否減值須估計獲分配商譽的現金產生單位的可收回金額，即使用價值與公允價值減出售成本兩者中的較高者。計算使用價值要求本集團估計若干假設，包括折現率、最終增長率、毛利率及銷售增長率，以得出折現未來現金流量模式的淨現值。倘實際未來現金流量低於預期或事實及情況變化導致可收回金額下調，則可能出現重大減值虧損。

於二零一九年十二月三十一日，商譽的賬面值為1,025,495,000港元(二零一八年：1,050,965,000港元)。截至二零一九年十二月三十一日止年度，就商譽減值虧損15,000,000港元(二零一八年：48,000,000港元)計提撥備。可收回金額的計算詳情載於附註21。

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綜合財務報表附註

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

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

5. 收益

(i) 客戶合約收益分類

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Printing and manufacturing of cigarette packages and related materials		
— Printing of cigarette packages	1,283,107	1,175,388
— Manufacturing of paper packaging materials	83,620	61,528
Manufacturing of laminated papers	42,028	44,776
Sales of RFID products	87,078	85,061
	1,495,833	1,366,753

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綜合財務報表附註

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

5. REVENUE (continued)

(i) Disaggregation of revenue from contracts with customers (continued)

Timing of revenue recognition

		2019 二零一九年				
		Manufacturing		Manufacturing	Sales	Total
		Printing of cigarette packages	of paper packaging materials	of laminated papers	of RFID products	
		印刷香煙包裝	製造紙包裝材料	製造複合紙	銷售射頻識別產品	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
A point in time	於時間點	-	83,620	-	87,078	170,698
Over time	隨時間	1,283,107	-	42,028	-	1,325,135
Total	總計	1,283,107	83,620	42,028	87,078	1,495,833

		2018 二零一八年				
		Manufacturing		Manufacturing	Sales	Total
		Printing of cigarette packages	of paper packaging materials	of laminated papers	of RFID products	
		印刷香煙包裝	製造紙包裝材料	製造複合紙	銷售射頻識別產品	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
A point in time	於時間點	-	61,528	-	85,061	146,589
Over time	隨時間	1,175,388	-	44,776	-	1,220,164
Total	總計	1,175,388	61,528	44,776	85,061	1,366,753

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綜合財務報表附註

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

5. REVENUE (continued)

(i) Disaggregation of revenue from contracts with customers (continued)

Geographical markets

Information about the Group's revenue from external customers is presented based on the location of customers irrespective of the origin of goods/services.

5. 收益(續)

(i) 客戶合約收益分類(續)

地區市場

有關本集團來自外部客戶收益的資料乃根據客戶所在地呈列，而不論貨品/服務的來源地。

		2019 二零一九年			
		Manufacturing of paper packaging materials 製造紙 包裝材料 HK\$'000 千港元	Printing of cigarette packages 印刷香煙 包裝 HK\$'000 千港元	Manufacturing of laminated papers 製造 複合紙 HK\$'000 千港元	Sales of RFID products 銷售射頻 識別產品 HK\$'000 千港元
PRC	中國	83,620	1,283,107	42,028	74,185
Others (Note)	其他(附註)	-	-	-	12,893
Total	總計	83,620	1,283,107	42,028	87,078

		2018 二零一八年			
		Manufacturing of paper packaging materials 製造紙 包裝材料 HK\$'000 千港元	Printing of cigarette packages 印刷香煙 包裝 HK\$'000 千港元	Manufacturing of laminated papers 製造 複合紙 HK\$'000 千港元	Sales of RFID products 銷售射頻 識別產品 HK\$'000 千港元
PRC	中國	61,528	1,175,388	44,776	56,405
Others (Note)	其他(附註)	-	-	-	28,656
Total	總計	61,528	1,175,388	44,776	85,061

Note: Others included the Republic of Indonesia, the United States of America and the Republic of Korea.

附註：其他包括印度尼西亞共和國、美利堅合眾國及大韓民國。

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5. REVENUE (continued)

(ii) Performance obligations for contracts with customers

Printing of cigarette packages and manufacturing of laminated papers

The Group's contracts with customers for printing of cigarette packages and manufacturing of laminated papers are tailor-made based on customers' specification with no alternative use to the Group. Taking into account the contract terms, the legal and regulatory environment in the PRC, all contracts provide the Group's enforceable right to payment for performance completed to date and hence the revenue is recognised over time.

Under the Group's standard contract terms, the customers have no right to return products except those with quality flaw. The Group generally does not require the customers to pay in advance. The customers should settle the trade receivable within 60 to 90 days upon the issue of value added tax invoice.

A contract asset is recognised over the period basing on the progress towards complete satisfaction of a performance obligation representing the Group's right to consideration because the rights are conditioned on the Group's future performance in delivery of goods. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers the contract assets to trade receivables when the goods are delivered to the customers.

5. 收益(續)

(ii) 客戶合約履約責任

印刷香煙包裝及製造複合紙

本集團與客戶訂立的香煙包裝印刷及複合紙製造合約乃根據客戶規格定制，對本集團並無替代用途。經計及合約條款、中國的法律及監管環境，所有合約均賦予本集團強制執行權可收取迄今已履約部分的款項，故收益隨時間確認。

根據本集團的標準合約條款，除質量方面的瑕疵外，客戶無權退回產品。本集團一般不要求客戶提前付款。客戶應在發出增值稅發票後60至90日內結清貿易應收款項。

合約資產在此期間按完全履行履約責任的進度(代表本集團收取代價的權利)確認，原因為有關權利取決於本集團未來交付貨物的表現。合約資產於權利成為無條件時轉撥至貿易應收款項。本集團一般於貨品交付予客戶時將合約資產轉撥至貿易應收款項。

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綜合財務報表附註

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5. REVENUE (continued)

(ii) Performance obligations for contracts with customers (continued)

Manufacturing of paper packaging materials

Revenue from the manufacturing of paper packaging materials is recognised when control of the goods has transferred, being at the point the goods are delivered to the customers. Delivery occurs when the goods have been shipped to the customer's specific locations.

Under the Group's standard contract terms, the customers have no right to return products except those with quality flaw. The Group generally does not require the customers to pay in advance. The customers should settle the trade receivable within 60 to 90 days upon the issue of value added tax invoice.

Sales of RFID products

Revenue from the sale of RFID products is recognised when control of the goods has transferred, being at the point the goods are delivered to the customers. Delivery occurs when the goods have been shipped to the customer's specific locations.

Under the Group's standard contract terms, the customers have no right to return products except those with quality flaw. The Group has no liability to refund some or all of the consideration to the customers. The Group generally does not require the customers to pay in advance. The customers should settle the trade receivable within 60 to 90 days upon the issue of value added tax invoice.

5. 收益(續)

(ii) 客戶合約履約責任(續)

製造紙包裝材料

製造紙包裝材料的收益於貨品控制權轉移(即將貨品交付客戶)時確認。貨品運送至客戶特定的地點即屬交付。

根據本集團的標準合約條款，除質量方面的瑕疵外，客戶無權退回產品。本集團一般不要求客戶提前付款。客戶應在發出增值稅發票後60至90日內結清貿易應收款項。

銷售射頻識別產品

銷售射頻識別產品的收益於貨品控制權轉移(即將貨品交付客戶)時確認。貨品運送至客戶特定的地點即屬交付。

根據本集團的標準合約條款，除質量方面的瑕疵外，客戶無權退回產品。本集團並無責任向客戶退還部分或全部代價。本集團一般不要求客戶提前付款。客戶應在發出增值稅發票後60至90日內結清貿易應收款項。

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綜合財務報表附註

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5. REVENUE (continued)

(iii) Transaction price allocated to the remaining performance obligation

All the Group's contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2019 is not disclosed.

6. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's operating and reportable segments currently are (i) printing and manufacturing of cigarette packages and related materials, (ii) manufacturing of laminated papers and (iii) sales of RFID products. The CODM considered the Group has three (2018: three) operating and reportable segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

5. 收益(續)

(iii) 分配至餘下履約責任的交易價

本集團所有客戶合約均為期一年或以下。根據香港財務報告準則第15號批准，於二零一九年十二月三十一日分配至餘下履約責任的交易價(未達成或部分未達成)不予披露。

6. 分部資料

為分配資源及評估分部表現而向本公司執行董事(即主要營運決策者(「主要營運決策者」))呈報資料，集中於所交付貨物或所提供服務類別。本集團並無任何經主要營運決策者識別的經營分部整合而成的可報告分部。

本集團的經營及可報告分部目前為(i)印刷及製造香煙包裝及相關材料；(ii)製造複合紙；及(iii)銷售射頻識別產品。主要營運決策者認為本集團有三個(二零一八年：三個)經營及可報告分部，乃根據內部組織及申報架構劃分。此乃本集團組織的基準。

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綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the year ended 31 December 2019

6. 分部資料(續)

分部收益及業績

以下為本集團按可報告分部劃分的收益及業績分析。

截至二零一九年十二月三十一日止年度

		Printing and manufacturing of cigarette packages and related materials 印刷及製造 香煙包裝及 相關材料 HK\$'000 千港元	Manufacturing of laminated papers 製造複合紙 HK\$'000 千港元	Sales of RFID products 銷售射頻 識別產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue	分部收益	1,366,727	42,028	87,078	1,495,833
Segment profit	分部溢利	324,629	8,621	7,157	340,407
Unallocated — other income and other gains and losses	未分配 — 其他收入以及其他收益及虧損				9,411
Unallocated expenses	未分配開支				(136,314)
Finance costs	融資成本				(19,678)
Share of profits of associates	分佔聯營公司溢利				41,751
Share of loss of a joint venture	分佔一間合營企業虧損				(930)
Impairment loss on financial assets and contract assets, net of reversal	金融資產及合約資產減值虧損(扣除撥回)				(1,960)
Profit before taxation	除稅前溢利				232,687

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

For the year ended 31 December 2018

6. 分部資料(續)

分部收益及業績(續)

截至二零一八年十二月三十一日止年度

		Printing and manufacturing of cigarette packages and related materials 印刷及製造 香煙包裝及 相關材料 HK\$'000 千港元	Manufacturing of laminated papers 製造複合紙 HK\$'000 千港元	Sales of RFID products 銷售射頻 識別產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue	分部收益	1,236,916	44,776	85,061	1,366,753
Segment profit	分部溢利	259,796	10,373	16,609	286,778
Unallocated — other income and other gains and losses	未分配 — 其他收入以及 其他收益及虧損				(32,113)
Unallocated expenses	未分配開支				(148,282)
Finance costs	融資成本				(22,776)
Share of profits of associates	分佔聯營公司溢利				51,669
Share of profit of a joint venture	分佔一間合營企業溢利				623
Impairment loss on financial assets and contract assets, net of reversal	金融資產及合約資產減值 虧損(扣除撥回)				(6,218)
Gain on disposal of subsidiaries	出售附屬公司的收益				91,681
Profit before taxation	除稅前溢利				221,362

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3.

Segment profit represents the profit earned by each segment without allocation of corporate management expenses, directors' emoluments, share of profits of associates, share of (loss) profit of a joint venture, finance costs, unallocated other income, other gains and losses, impairment loss on financial assets and contract assets, net of reversal, amortisation of intangible assets relating to customer relationship, other expenses and gain on disposal of subsidiaries. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

All of the segment revenue reported above is from external customers.

6. 分部資料(續)

分部收益及業績(續)

經營分部的會計政策與附註3所述本集團的會計政策相同。

分部溢利指各分部所賺取溢利，而並無分配公司管理開支、董事酬金、分佔聯營公司溢利、分佔一間合營企業(虧損)溢利、融資成本、未分配其他收入、其他收益及虧損、金融資產及合約資產減值虧損(扣除撥回)、與客戶關係有關的無形資產攤銷、其他開支以及出售附屬公司的收益。此乃就資源分配及表現評估向主要營運決策者呈報的計量方式。

上文呈報的所有分部收益均來自外部客戶。

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

Segment assets

6. 分部資料(續)

分部資產及負債

以下為本集團按經營及可報告分部劃分的資產及負債分析：

分部資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Printing and manufacturing of cigarette packages and related materials	印刷及製造香煙包裝及相關材料	1,471,153	1,476,033
Manufacturing of laminated papers	製造複合紙	30,867	33,859
Sales of RFID products	銷售射頻識別產品	172,322	124,344
Total segment assets	分部資產總值	1,674,342	1,634,236
Unallocated property, plant and equipment	未分配物業、廠房及設備	5,202	30,138
Right-of-use assets	使用權資產	103,596	-
Prepaid lease payments	預付租賃款項	-	102,859
Investment properties	投資物業	23,076	25,703
Goodwill	商譽	1,025,495	1,050,965
Intangible assets	無形資產	113,423	163,765
Deferred tax assets	遞延稅項資產	1,940	200
Interests in associates	於聯營公司的權益	423,245	460,604
Interest in a joint venture	於一間合營企業的權益	7,676	8,755
Rental and other deposits paid	已付租金及其他按金	15,243	18,524
Other receivables, prepayments and refundable deposits	其他應收款項、預付款項及可退還訂金	35,936	59,904
Amount due from a related party	應收一名關連方款項	5,006	9,422
Tax recoverable	可收回稅項	2,329	3,129
Pledged bank deposits	已抵押銀行存款	9,476	11,250
Bank balances and cash	銀行結餘及現金	201,168	355,508
Consolidated assets	綜合資產	3,647,153	3,934,962

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

Segment liabilities

6. 分部資料(續)

分部資產及負債(續)

分部負債

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Printing and manufacturing of cigarette packages and related materials	印刷及製造香煙包裝及 相關材料	206,915	209,528
Manufacturing of laminated papers	製造複合紙	3,336	1,119
Sales of RFID products	銷售射頻識別產品	16,037	19,029
Total segment liabilities	分部負債總額	226,288	229,676
Other payables and accruals	其他應付款項及應計費用	92,568	116,545
Amounts due to non-controlling interests of subsidiaries	應付附屬公司非控股權益 款項	8,290	8,154
Bank borrowings	銀行借貸	256,462	620,084
Bank overdraft	銀行透支	2,728	19,897
Income tax payable	應付所得稅	32,921	30,489
Deferred tax liabilities	遞延稅項負債	69,518	68,565
Government grants	政府補助金	27,297	30,175
Lease liabilities	租賃負債	4,905	-
Purchase consideration payable for acquisition	就收購事項所須支付購買 代價	-	12,776
Consolidated liabilities	綜合負債	720,977	1,136,361

Segment assets represent certain property, plant and equipment, trade receivables, contract assets and inventories which are directly attributable to the relevant operating and reportable segment. Segment liabilities represent trade payables which are directly attributable to the relevant operating and reportable segment. These are the measures reported to the CODM for the purpose of resource allocation and assessment of segment performance.

分部資產代表直接歸屬於相關經營及可報告分部的若干物業、廠房及設備、貿易應收款項、合約資產以及存貨。分部負債代表直接歸屬於相關經營及可報告分部的貿易應付款項。此乃就分配資源及評估分部表現向主要營運決策者匯報的計量方式。

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Other segment information

2019

6. 分部資料(續)

其他分部資料

二零一九年

		Printing and manufacturing of cigarette packages and related materials 印刷及製造 香煙包裝及 相關材料 HK\$'000 千港元	Manufacturing of laminated papers 製造複合紙 HK\$'000 千港元	Sales of RFID products 銷售射頻 識別產品 HK\$'000 千港元	Segment total 分部總值 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts included in the measurement of segment profit or loss or segment assets:	計量分部損益或分部資產時計入的金額：						
Addition to non-current assets (Note)	添置非流動資產(附註)	94,373	617	23,698	118,688	1,705	120,393
Depreciation and amortisation	折舊及攤銷	72,612	694	147	73,453	59,531	132,984
Impairment losses on goodwill	商譽減值虧損	-	-	-	-	15,000	15,000
Impairment losses on trade and other receivables	貿易及其他應收款項減值虧損	-	-	-	-	2,044	2,044
Reversal of impairment losses on contract assets	合約資產減值虧損撥回	-	-	-	-	(84)	(84)
Gains on disposal of property, plant and equipment	出售物業、廠房及設備的收益	-	-	-	-	(492)	(492)
Recognition of write-down on obsolete inventories	確認陳舊存貨撇減	608	-	445	1,053	-	1,053
Impairment losses on property, plant and equipment	物業、廠房及設備減值虧損	-	-	-	-	33	33
Gain arising from early termination of lease contracts	提前終止租賃合約產生的收益	-	-	-	-	(20)	(20)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:	定期向主要營運決策者提供，但並無於計量分部損益時計入的金額：						
Interest income	利息收入	(1,094)	(29)	(306)	(1,429)	(157)	(1,586)
Interest expense	利息開支	2,695	-	1,436	4,131	15,547	19,678
Taxation	稅項	40,840	892	1,558	43,290	12,511	55,801

Note: Non-current assets excluded goodwill.

附註：非流動資產不包括商譽。

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Other segment information (continued)

2018

6. 分部資料(續)

其他分部資料(續)

二零一八年

	Printing and manufacturing of cigarette packages and related materials 印刷及製造 香煙包裝及 相關材料 HK\$'000 千港元	Manufacturing of laminated papers 製造複合紙 HK\$'000 千港元	Sales of RFID products 銷售射頻 識別產品 HK\$'000 千港元	Segment total 分部總值 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts included in the measurement of segment profit or loss or segment assets:	計量分部損益或分部資產時計入的金額：					
Addition to non-current assets (Note)	添置非流動資產(附註)	149,597	123	29,644	179,364	228,005
Depreciation and amortisation	折舊及攤銷	93,749	1,093	115	94,957	137,339
Impairment losses on goodwill	商譽減值虧損	-	-	-	48,000	48,000
Impairment losses on trade and other receivables	貿易及其他應收款項減值虧損	-	-	-	1,937	1,937
Impairment losses on contract assets	合約資產減值虧損	-	-	-	4,281	4,281
Losses on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	-	-	-	39	39
Recognition of write-down on obsolete inventories	確認陳舊存貨撇減	267	-	325	592	592
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:	定期向主要營運決策者提供，但並無於計量分部損益時計入的金額：					
Interest income	利息收入	(1,076)	(10)	(7)	(1,093)	(1,157)
Interest expense	利息開支	3,299	-	1,641	4,940	22,776
Taxation	稅項	35,907	2,308	3,614	41,829	46,930

Note: Non-current assets excluded goodwill.

附註：非流動資產不包括商譽。

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Revenue from major products and services

An analysis of the Group's revenue from its major products and services is set out in note 5.

Geographical information

The Group's operations are located in Hong Kong and the mainland of the PRC (country of domicile).

Information about the Group's revenue from external customers is presented based on the geographical market irrespective of the origin of goods/services. Information about the Group's non-current assets is presented based on the geographical location of the assets.

6. 分部資料(續)

主要產品及服務收益

有關本集團主要產品及服務收益的分析載於附註5。

地區資料

本集團於香港及中國內地(註冊國)經營業務。

有關本集團來自外部客戶收益的資料，乃根據地理市場呈列，而不論貨物／服務的來源地。有關本集團非流動資產的資料，乃按資產的地理位置呈列。

		Revenue from external customers		Non-current assets (Note a)	
		來自外部客戶收益		非流動資產(附註a)	
		2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
PRC	中國	1,482,940	1,338,097	2,071,232	2,153,284
Hong Kong	香港	-	-	4,284	6,115
Others (Note b)	其他(附註b)	12,893	28,656	-	-
		1,495,833	1,366,753	2,075,516	2,159,399

Notes:

- (a) Non-current assets excluded those relating to rental deposit, deferred tax assets, interests in associates and interest in a joint venture, in which the operations of these associates and joint venture are mainly carried out in PRC.
- (b) Others included the Republic of Indonesia, the United States of America and the Republic of Korea.

附註：

- (a) 非流動資產不包括與租賃按金、遞延稅項資產、於聯營公司的權益及於合營企業的權益有關的資產，該等聯營公司及合營企業主要於中國營運。
- (b) 其他包括印度尼西亞共和國、美利堅合眾國及大韓民國。

Notes to the consolidated financial statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follow:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A (Note)	客戶 A (附註)	367,025	356,130
Customer B (Note)	客戶 B (附註)	242,280	151,095

Note: Revenue from printing of cigarette packages.

附註：來自印刷香煙包裝的收益。

6. 分部資料(續)

有關主要客戶的資料

於相應年度來自客戶且佔本集團總銷售逾 10% 的收益如下：

7. OTHER INCOME

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income on bank deposits	銀行存款利息收入	1,560	1,157
Interest income on rental deposits	租賃按金利息收入	26	-
		1,586	1,157
Sales of scrap materials	銷售廢料	12,212	11,671
Processing fee income	加工費收入	537	2,783
Rental income	租金收入	1,148	3,256
Government grants (Note)	政府補助金(附註)	17,327	12,476
Sundry income	雜項收入	650	901
		33,460	32,244

Note: Government grants were received from the government of the PRC mainly as incentives granted by local authority for encouragement of its business development and innovation except for an amount of HK\$2,523,000 (2018: HK\$2,634,000) which was granted for the acquisition of property, plant and equipment (as details in note 35). These grants are accounted for as financial support with no future related costs expected to be incurred nor related to any assets.

附註：政府補助金乃取自中國政府，主要為地方當局為鼓勵業務發展及創新而授出的獎勵金，惟因收購物業、廠房及設備(詳見附註35)而獲授的2,523,000港元(二零一八年：2,634,000港元)除外。該等補助金乃入賬列作財務資助，預期不會產生任何未來相關成本，且與任何資產均無關連。

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綜合財務報表附註

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

8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net foreign exchange losses	外匯虧損淨額	(12,597)	(10,518)
Gain from changes in fair value of financial assets at FVTPL	按公允價值計入損益的金融資產公允價值變動收益	1,896	3,379
Gain (loss) from changes in fair value of financial liabilities at FVTPL	按公允價值計入損益的金融負債公允價值變動收益(虧損)	1,190	(482)
Gains (losses) on disposal of property, plant and equipment	出售物業、廠房及設備的收益(虧損)	492	(39)
Impairment losses on goodwill	商譽減值虧損	(15,000)	(48,000)
Losses on disposal of partial equity interest in an associate	出售一間聯營公司部分股權的虧損	-	(8,536)
Impairment losses on property, plant and equipment	物業、廠房及設備減值虧損	(33)	-
Gain arising from early termination of lease contracts	提前終止租賃合約產生的收益	20	-
Other	其他	(17)	(161)
		(24,049)	(64,357)

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綜合財務報表附註

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

9. IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS, NET OF REVERSAL

9. 金融資產及合約資產減值虧損 (扣除撥回)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net impairment losses recognised (reversed) on:	就以下各項確認的減值虧損 (撥回)淨額：		
— Trade receivables	— 貿易應收款項	2,141	2,474
— Contract assets	— 合約資產	(84)	4,281
— Other receivables	— 其他應收款項	(97)	(537)
		1,960	6,218

Details of impairment assessment for the year ended 31 December 2019 are set out in note 42.

有關載至二零一九年十二月三十一日止年度的減值評估詳情載於附註42。

10. FINANCE COSTS

10. 融資成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on bank loans and overdrafts	銀行貸款及透支利息	19,391	22,776
Interest on lease liabilities	租賃負債利息	287	—
		19,678	22,776

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綜合財務報表附註

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

11. TAXATION

11. 稅項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax:	本期稅項：		
The PRC	中國		
Enterprise Income Tax ("EIT")	企業所得稅 (「企業所得稅」)	39,799	30,327
Withholding tax	預扣稅	16,408	6,516
		56,207	36,843
(Overprovision) underprovision of EIT in prior year	過往年度企業所得稅 (超額撥備)撥備不足	(475)	208
Deferred tax (note 36):	遞延稅項(附註36)：		
Current year	本年度	69	9,879
		55,801	46,930

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

由於本集團的收入並非於香港產生或取得，故並無就香港稅項計提撥備。

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綜合財務報表附註

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

11. TAXATION (continued)

The PRC EIT is calculated at the applicable prevailing tax rates from 15% to 25% (2018: 15% to 25%) in the PRC. Pursuant to the “Enterprise Income Tax Law for Foreign Investment Enterprises and Foreign Enterprises”, some PRC subsidiaries, being a High-Tech Enterprise, were entitled to a reduced EIT rate of 15% for the years from 2016 to 2023 .

Upon the New Tax Law and Implementation Regulations, the PRC withholding income tax is applicable to dividends payable to investors that are “non-PRC tax resident enterprises”, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends have their sources within the PRC. Under such circumstances, dividends distributed from the PRC subsidiaries to non-PRC tax resident group entities shall be subject to the withholding income tax at 10% or lower tax rate, as applicable. Under the relevant tax treaty, withholding tax rate on distribution to Hong Kong resident companies is 5%. Deferred taxation has been provided on undistributed earnings of all subsidiaries and associates (as details in note 36).

11. 稅項(續)

中國企業所得稅按中國的適用當前稅率15%至25%(二零一八年:15%至25%)計算。根據《中國外商投資企業和外國企業所得稅法》，若干中國附屬公司(即高新科技企業)於二零一六年至二零二三年可按減免企業所得稅稅率15%繳稅。

根據新稅法及實施規例，中國預扣所得稅適用於應付屬「非中國居民納稅企業」投資者的股息，該等非中國居民納稅企業於中國並無機構或營業地點，或其於中國設有機構或營業地點但相關收入實際上與該機構或營業地點無關，惟以該等股息乃源自中國為限。於該等情況下，中國附屬公司派付予非中國居民納稅企業集團實體的股息須按10%的預扣所得稅稅率或較低稅率(如適用)繳稅。根據相關稅收協定，向香港居民公司派付股息應支付5%的預扣稅。遞延稅項已就所有附屬公司及聯營公司的未分派盈利計提撥備(詳見附註36)。

Notes to the consolidated financial statements

綜合財務報表附註

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

11. TAXATION (continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

11. 稅項(續)

年內稅項支出與綜合損益及其他全面收益報表所示除稅前溢利的對賬如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before taxation	除稅前溢利	232,687	221,362
Tax at the applicable rate of 25% (2018: 25%) (Note 1)	按適用稅率 25% (二零一八年：25%) 計算的稅項(附註 1)	58,172	55,341
Tax effect of share of profit of associates	分佔聯營公司溢利的稅務影響	(10,438)	(12,917)
Tax effect of share of loss (profit) of a joint venture	分佔一間合營企業虧損(溢利)的稅務影響	232	(156)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	24,286	44,135
Tax effect of income not taxable for tax purpose	免稅收入的稅務影響	-	(22,920)
(Overprovision) underprovision in respect of prior years	過往年度(超額撥備)撥備不足	(475)	208
Additional tax benefit on research and development expenses (Note 2)	研發開支的額外稅務利益(附註 2)	(11,571)	(10,327)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	605	6
Income tax on concessionary rate	按優惠稅率計算的所得稅	(23,487)	(19,035)
Deferred tax on undistributed earnings of the PRC subsidiaries/associates	中國附屬公司/聯營公司未分派盈利的遞延稅項	22,163	14,985
Tax effect of undistributed earnings re-invested in PRC not taxable	免稅再投資中國的未分派盈利的稅務影響	(3,686)	(2,390)
Tax charge for the year	年內稅項支出	55,801	46,930

Notes to the consolidated financial statements

綜合財務報表附註

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

11. TAXATION (continued)

Notes:

1. The applicable tax rate of 25% represents the applicable income tax rate of the subsidiaries in Shenzhen, Jiangsu, Hubei and Anhui in the PRC which constitute the substantial part of the Group's operation for the years ended 31 December 2019 and 2018.
2. Pursuant to the relevant tax rules and regulations, the Group could obtain additional tax benefit, which is a further 75% of certain qualified research and development cost incurred endorsed by the Shenzhen, Anhui, Jiangsu and Hubei Local Taxation Administrators.

11. 稅項(續)

附註：

1. 適用稅率25%代表位於中國深圳、江蘇、湖北及安徽的附屬公司的適用所得稅稅率，而該等附屬公司佔本集團截至二零一九年及二零一八年十二月三十一日止年度的大部分業務。
2. 根據相關稅務規則及法規，本集團可獲得額外稅項優惠，相當於深圳、安徽、江蘇及湖北當地稅務機關認可的若干合資格研發成本的額外75%。

Notes to the consolidated financial statements

綜合財務報表附註

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

12. PROFIT FOR THE YEAR

12. 年度溢利

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit for the year has been arrived at after charging (crediting):	經扣除(計入)下列各項後的年度溢利:		
Staff costs:	員工成本:		
Directors' emoluments (note 13)	董事酬金(附註13)	3,192	3,286
Other staff costs	其他員工成本		
Salaries and other benefits	薪金及其他福利	161,608	152,210
Contributions to retirement benefits schemes	退休福利計劃供款	15,021	14,003
Total staff costs	員工成本總額	179,821	169,499
Less: capitalised in inventories included in cost of sales	減: 於存貨中資本化計入銷售成本	(20,008)	(11,430)
		(126,037)	(113,480)
		33,776	44,589
Auditor's remuneration	核數師酬金	4,372	3,771
Cost of inventories recognised as expenses	確認為開支的存貨成本	850,815	718,809
Surcharges paid to governmental authorities (included in other expenses)	向政府機構支付的附加費(計入其他開支)	1,322	-
Depreciation of property, plant and equipment	物業、廠房及設備折舊	92,250	93,122
Depreciation of investment properties	投資物業折舊	1,891	2,017
Depreciation of right-of-use assets	使用權資產折舊	6,508	-
Release of prepaid lease payments	解除預付租賃款項	-	2,263
Amortisation of intangible assets (included in cost of sales and administrative expenses)	無形資產攤銷(計入銷售成本及行政開支)	50,190	46,759
Total depreciation and amortisation	折舊及攤銷總額	150,839	144,161
Less: capitalised in inventories included in cost of sales	減: 於存貨中資本化計入銷售成本	(17,855)	(6,822)
		(105,338)	(113,744)
		27,646	23,595

Notes to the consolidated financial statements

綜合財務報表附註

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

12. PROFIT FOR THE YEAR (continued)

12. 年度溢利(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Operating lease rentals in respect of rented premises	租賃物業的經營租賃租金	-	8,236
Recognition of write-down on obsolete inventories (included in cost of sales)	確認陳舊存貨撇減 (計入銷售成本)	1,053	592
Research and development costs recognised as an expense	確認為開支的研發成本	67,078	60,549
Less: included in cost of sales	減：計入銷售成本	(65,300)	(57,153)
Included in other expense	計入其他開支	1,778	3,396
Shares of taxation of associates	分佔聯營公司稅項	10,385	13,298

Notes to the consolidated financial statements

綜合財務報表附註

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

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the 8 (2018: 9) directors are as follows:

For the year ended 31 December 2019

13. 董事及行政總裁薪酬

已付或應付8名(二零一八年: 9名)董事的酬金如下:

截至二零一九年十二月三十一日止年度

		Other emoluments 其他薪酬			Total emoluments 總薪酬 HK\$'000 千港元
		Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及 其他福利 HK\$'000 千港元	Contributions to retirement benefits scheme 退休福利 計劃供款 HK\$'000 千港元	
Executive Directors 執行董事					
Mr. Cai Xiao Ming, David	蔡曉明先生	-	60	3	63
Mr. Qin Song (Chief Executive)	欽松先生(行政總裁)	-	1,697	36	1,733
Mr. Chen Huapei	陳華培先生	-	522	20	542
Mr. Chen Xiaoliang ***	陳校良先生***	-	405	14	419
Non-Executive Directors 非執行董事					
Ms. Li Li	李莉女士	-	-	-	-
Independent Non-Executive Directors 獨立非執行董事					
Mr. Lam Ying Hung, Andy	林英鴻先生	145	-	-	145
Mr. Lui Tin Nang	呂天能先生	145	-	-	145
Mr. Siu Man Ho, Simon	蕭文豪先生	145	-	-	145
		435	2,684	73	3,192

Notes to the consolidated financial statements

綜合財務報表附註

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

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

For the year ended 31 December 2018

13. 董事及行政總裁薪酬(續)

截至二零一八年十二月三十一日止年度

		Fees	Salaries and other benefits	Other emoluments 其他薪酬	Contributions to retirement benefits scheme 退休福利計劃供款	Others (Note)	Total emoluments
		袍金	薪金及其他福利	其他薪酬	退休福利計劃供款	其他(附註)	總薪酬
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Executive Directors	執行董事						
Mr. Cai Xiao Ming, David	蔡曉明先生	-	60	3	-	-	63
Mr. Qin Song (Chief Executive)	欽松先生(行政總裁)	-	1,353	43	-	-	1,396
Mr. Peng Guoyi*	彭國意先生*	-	704	35	504	-	1,243
Mr. Chen Huapei**	陳華培先生**	-	182	12	-	-	194
Non-Executive Directors	非執行董事						
Ms. Li Li	李莉女士	-	-	-	-	-	-
Independent Non-Executive Directors	獨立非執行董事						
Mr. Lam Ying Hung, Andy	林英鴻先生	130	-	-	-	-	130
Mr. Lui Tin Nang	呂天能先生	130	-	-	-	-	130
Mr. Siu Man Ho, Simon	蕭文豪先生	130	-	-	-	-	130
		390	2,299	93	504	-	3,286

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綜合財務報表附註

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

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

- * Mr. Peng Guoyi resigned from the position as executive director of the Company with effect from 9 November 2018.
- ** Mr. Chen Huapei was appointed as an executive director of the Company with effect from 9 November 2018.
- *** Mr. Chen Xiaoliang was appointed as an executive director of the Company with effect from 12 March 2019.

Note: Compensation for the loss of office as a director in connection with the management of the affairs of any member of the Group.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Mr. Qin Song is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

Except for Ms. Li Li, there was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

13. 董事及行政總裁薪酬(續)

- * 彭國意先生辭任本公司執行董事，自二零一八年十一月九日起生效。
- ** 陳華培先生獲委任為本公司執行董事，自二零一八年十一月九日起生效。
- *** 陳校良先生獲委任為本公司執行董事，自二零一九年三月十二日起生效。

附註：作為管理本集團任何成員公司事務的董事離職補償。

上文所示執行董事的酬金乃就彼等有關管理本公司及本集團事務的服務而支付。上文所示獨立非執行董事的酬金乃就彼等擔任本公司董事的服務而支付。

欽松先生亦為本公司的行政總裁，而上文所披露的酬金包括就彼擔任行政總裁提供服務而支付的酬金。

除李莉女士外，年內並無董事或行政總裁豁免或同意豁免任何酬金的安排。

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綜合財務報表附註

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

14. FIVE HIGHEST PAID EMPLOYEES

Of the five individuals with the highest emoluments in the Group, one (2018: two) was director and the Chief Executive of the Company whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining four (2018: three) individual were as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries	薪金	3,159	2,078
Compensation for loss of office	離職補償	-	929
Contributions to retirement benefits schemes	退休福利計劃供款	70	41
		3,229	3,048

Their emoluments were within the following bands:

		2019 二零一九年	2018 二零一八年
HK\$ nil to HK\$1,000,000	零港元至 1,000,000 港元	3	1
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	2

During the current period, HK\$nil (2018: HK\$929,000) were paid by the Group as compensation for loss of office.

14. 五名最高薪僱員

本集團五名最高薪人士中有一名(二零一八年：兩名)為本公司董事及行政總裁，彼等的酬金載於上文附註13。餘下四名(二零一八年：三名)人士的酬金如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries	薪金	3,159	2,078
Compensation for loss of office	離職補償	-	929
Contributions to retirement benefits schemes	退休福利計劃供款	70	41
		3,229	3,048

彼等的酬金於下列範圍內：

		2019 二零一九年	2018 二零一八年
HK\$ nil to HK\$1,000,000	零港元至 1,000,000 港元	3	1
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	2

於本期間，本集團支付零港元(二零一八年：929,000港元)作為離職補償。

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綜合財務報表附註

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

15. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

15. 每股盈利

本公司擁有人應佔每股基本盈利乃按下列數據計算：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Earnings: Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	盈利： 用以計算每股基本盈利的盈利(本公司擁有人應佔年度溢利)	175,886	169,383
		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Number of shares: Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	股份數目： 用以計算每股基本盈利的已發行普通股加權平均數	1,567,885	1,567,885

No dilutive earnings per share is presented as there were no potential ordinary shares in issue during both years.

概無呈列每股攤薄盈利，原因為在兩個年度均無任何潛在已發行普通股。

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

16. DIVIDENDS

16. 股息

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Dividends for ordinary shareholders of the Company recognised as distribution during the year:	年內確認為分派的本公司普通股股東股息：		
2017 special dividend	二零一七年特別股息	-	199,905
		-	199,905

During the current year, the special dividend of HK\$nil (2018: HK12.75 cents) per share, amounting approximately of HK\$nil (2018: HK\$199,905,000) has been paid to shareholders.

The final dividend of HK19.13 cents per share in respect of the year ended 31 December 2019 (2018: HK\$nil), amounting to approximately HK\$299,936,000 (2018: HK\$nil), has been proposed by the directors and is subject to approval by the shareholders in the annual general meeting.

於本年度，股東已獲派付特別股息每股零港元(二零一八年：12.75港仙)，共計約為零港元(二零一八年：199,905,000港元)。

董事會建議就截至二零一九年十二月三十一日止年度派付末期股息每股19.13港仙(二零一八年：零港元)，總計約299,936,000港元(二零一八年：零港元)，惟須待股東於股東週年大會批准後方可作實。

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綜合財務報表附註

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

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings	Leasehold improvement	Plant and machinery	Furniture and office equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃裝修	廠房及機器	辦公室設備傢俬及	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
COST	成本							
At 1 January 2018	於二零一八年一月一日	532,835	9,009	736,018	63,972	14,568	20,427	1,376,829
Exchange adjustments	匯兌調整	(22,945)	(308)	(33,320)	(2,266)	(691)	(1,440)	(60,970)
Additions	添置	4,715	7,352	113,775	11,100	4,469	33,047	174,458
Acquisition of a subsidiary	收購一間附屬公司	-	462	5,657	107	137	-	6,363
Transferred from construction in progress	轉撥自在建工程	2,409	-	16,920	2,330	-	(21,659)	-
Transferred to construction in progress	轉撥至在建工程	-	-	(7,808)	-	-	1,022	(6,786)
Transferred from investment properties	轉撥自投資物業	37,444	-	-	-	-	-	37,444
Disposals	出售	-	(8,807)	(35,442)	(12,938)	(1,587)	(1,581)	(60,355)
At 31 December 2018	於二零一八年十二月三十一日	554,458	7,708	795,800	62,305	16,896	29,816	1,466,983
Exchange adjustments	匯兌調整	(7,972)	(155)	(16,218)	(931)	(260)	(1,382)	(26,918)
Additions	添置	3,554	830	30,648	2,213	3,009	79,275	119,529
Transferred from construction in progress	轉撥自在建工程	373	-	23,337	-	-	(23,710)	-
Transferred from investment properties	轉撥自投資物業	721	-	-	-	-	-	721
Disposals	出售	-	-	(18,446)	(341)	(2,665)	-	(21,452)
At 31 December 2019	於二零一九年十二月三十一日	551,134	8,383	815,121	63,246	16,980	83,999	1,538,863

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

17. PROPERTY, PLANT AND EQUIPMENT

(continued)

17. 物業、廠房及設備(續)

		Buildings	Leasehold improvement	Plant and machinery	Furniture and office equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃裝修	廠房及機器	傢俬及辦公室設備	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1 January 2018	於二零一八年一月一日	160,938	1,580	434,120	41,316	9,010	-	646,964
Exchange adjustments	匯兌調整	(4,270)	(46)	(15,804)	(1,383)	(412)	-	(21,915)
Provided for the year	年內撥備	28,709	1,039	54,401	7,442	1,531	-	93,122
Transferred to construction in progress	轉撥至在建工程	-	-	(6,786)	-	-	-	(6,786)
Transferred from investment properties	轉撥自投資物業	9,771	-	-	-	-	-	9,771
Eliminated on disposals	出售時抵銷	-	(1,457)	(31,543)	(10,297)	(1,462)	-	(44,759)
At 31 December 2018	於二零一八年十二月三十一日	195,148	1,116	434,388	37,078	8,667	-	676,397
Exchange adjustments	匯兌調整	(1,632)	(61)	(8,821)	(627)	(130)	-	(11,271)
Impairment loss	減值虧損	-	-	-	33	-	-	33
Provided for the year	年內撥備	24,654	2,737	56,663	6,612	1,584	-	92,250
Transferred from investment properties	轉撥自投資物業	429	-	-	-	-	-	429
Eliminated on disposals	出售時抵銷	-	-	(6,926)	(84)	(2,306)	-	(9,316)
At 31 December 2019	於二零一九年十二月三十一日	218,599	3,792	475,304	43,012	7,815	-	748,522
CARRYING VALUES	賬面值							
At 31 December 2019	於二零一九年十二月三十一日	332,535	4,591	339,817	20,234	9,165	83,999	790,341
At 31 December 2018	於二零一八年十二月三十一日	359,310	6,592	361,412	25,227	8,229	29,816	790,586

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17. PROPERTY, PLANT AND EQUIPMENT

(continued)

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis, after taking into account of their residual values, over their estimated useful lives as follow:

Building	Over the shorter of the term of lease or 30 years
Leasehold improvement	3 years
Plant and machinery	5–20 years
Furniture and office equipment	3–5 years
Motor vehicles	4–5 years

At 31 December 2019, the Group is in the process of obtaining the property certificates for the buildings with carrying value of approximately HK\$47,626,000 (31 December 2018: HK\$51,424,000).

17. 物業、廠房及設備(續)

上述物業、廠房及設備項目(在建工程除外)乃按直線法基準,於計及其剩餘價值後按下列估計使用年期計算折舊:

樓宇	按租賃期或30年 (以較短者為準)
租賃裝修	3年
廠房及機器	5至20年
傢俬及辦公室設備	3至5年
汽車	4至5年

於二零一九年十二月三十一日,本集團仍在就賬面值約為47,626,000港元(二零一八年十二月三十一日:51,424,000港元)的樓宇辦理房產證。

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18. RIGHT-OF-USE ASSETS

18. 使用權資產

		Leasehold lands 租賃土地 HK\$'000 千港元	Leased properties 租賃物業 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日			
Carrying amount	賬面值	102,859	9,880	112,739
At 31 December 2019	於二零一九年 十二月三十一日			
Carrying amount	賬面值	98,743	4,853	103,596
For the year ended 31 December 2019	截至二零一九年 十二月三十一日止年度			
Depreciation charge	折舊支出	2,232	4,276	6,508
Expense relating to short-term leases	短期租賃相關開支			2,797
Expense relating to leases with lease terms end within 12 months of the date of initial application of HKFRS 16	租期於首次應用香港財務 報告準則第16號當日 起計12個月內結束的 租賃相關開支			627
Expense relating to leases of low-value assets, excluding short-term leases of low value assets	低價值資產租賃(不包括 低價值資產的短期 租賃)相關開支			69
Total cash outflow for leases	租賃現金流出總額			7,645
Additions to right-of-use assets	添置使用權資產			864

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18. RIGHT-OF-USE ASSETS (continued)

For both years, the Group leases offices for its operations. Lease contracts are entered into for fixed term of 2 to 3 years without extension and termination options. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

During the current year, there were reduction to right-of-use assets of HK\$1,647,000 and the related lease liabilities, due to early termination of certain contracts, resulting in a gain on early termination of HK\$20,000.

The Group has obtained the land use right certificates for all leasehold lands except for leasehold lands with carrying amount of HK\$24,177,000 (2018: HK\$24,893,000) in which the Group is in the process of obtaining.

As at 31 December 2019, the Group entered into new leases for buildings that have not yet commenced, with average non-cancellable period for 3 years, the total future undiscounted cash flows under which amounted to HK\$901,000 over the non-cancellable period.

The Group regularly entered into short-term leases for staff dormitories and motor vehicles. As at 31 December 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed as above.

Details of the lease maturity analysis of lease liabilities are set out in note 42.

18. 使用權資產(續)

本集團於兩個年度租賃辦公室以經營業務。租賃合約的固定期限為2年至3年，不設延期及終止選擇權。租賃條款按個別情況磋商釐定，當中包含不同條款及條件。釐定租期及評估不可撤銷期限時，本集團應用合約的定義並確定合約可強制執行的期限。

於本年度，由於若干合約提前終止導致產生提前終止收益20,000港元，使用權資產減少1,647,000港元並錄得相關租賃負債。

除賬面值為24,177,000港元(二零一八年：24,893,000港元)的租賃土地仍有待辦理土地使用權證外，本集團已就所有租賃土地取得土地使用權證。

於二零一九年十二月三十一日，本集團就若干樓宇訂立尚未開始的新租賃，平均不可撤銷期為3年，不可撤銷期內未來未貼現現金流量總額為901,000港元。

本集團定期就員工宿舍及汽車訂立短期租賃。於二零一九年十二月三十一日，短期租賃組合與短期租賃開支於上文披露的短期租賃組合相若。

租賃負債的租賃期限分析詳情載於附註42。

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

19. PREPAID LEASE PAYMENTS

19. 預付租賃款項

		2018 二零一八年 HK\$'000 千港元
Analysed for reporting purposes as:	就報告而作出的分析：	
Current asset	流動資產	2,425
Non-current asset	非流動資產	100,434
		102,859

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20. INVESTMENT PROPERTIES

The Group leases out warehouses and office properties under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 6 years without extension and termination options.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

20. 投資物業

本集團根據經營租賃出租倉庫及辦公物業，並按月收取租金。租期一般初步為期1至6年，不設延長及終止選擇權。

由於所有租賃均以集團實體各自的功能貨幣計值，故本集團並無因租賃安排而承受外幣風險。租賃合約不包含剩餘價值擔保及／或承租人於租期屆滿時購買物業的選擇權。

		HK\$'000 千港元
COST		
At 1 January 2018	於二零一八年一月一日	82,432
Exchange adjustments	匯兌調整	(2,720)
Transferred to property, plant and equipment	轉撥至物業、廠房及設備	(37,444)
At 31 December 2018	於二零一八年十二月三十一日	42,268
Exchange adjustments	匯兌調整	(772)
Transferred to property, plant and equipment	轉撥至物業、廠房及設備	(721)
At 31 December 2019	於二零一九年十二月三十一日	40,775
DEPRECIATION		
At 1 January 2018	於二零一八年一月一日	25,296
Exchange adjustments	匯兌調整	(977)
Provided for the year	年內撥備	2,017
Transferred to property, plant and equipment	轉撥至物業、廠房及設備	(9,771)
At 31 December 2018	於二零一八年十二月三十一日	16,565
Exchange adjustments	匯兌調整	(328)
Provided for the year	年內撥備	1,891
Transferred to property, plant and equipment	轉撥至物業、廠房及設備	(429)
At 31 December 2019	於二零一九年十二月三十一日	17,699
CARRYING VALUES		
At 31 December 2019	於二零一九年十二月三十一日	23,076
At 31 December 2018	於二零一八年十二月三十一日	25,703

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20. INVESTMENT PROPERTIES (continued)

Investment properties with carrying amount of approximately HK\$292,000 (2018: HK\$27,673,000) have been transferred to property, plant and equipment due to the expiration of lease agreement with a third party. These plants have been self-occupied by the Group since the expiration of lease agreement.

Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties as at 31 December 2019 was HK\$39,861,000 (2018: HK\$47,559,000). The fair value has been arrived at on the basis of a valuation carried out by Roma Appraisals Limited, an independent qualified professional valuer not connected with the Group. Roma Appraisals Limited is member of the Institute of Valuers of Hong Kong.

The fair value of investment properties located in the city of Shenzhen was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair value of investment properties located in the city of Benbu was determined based on depreciated replacement cost approach, which is based on an estimation of the market value for the existing structures less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

20. 投資物業(續)

由於與第三方訂立的租賃協議到期，賬面值約292,000港元(二零一八年：27,673,000港元)的投資物業已轉撥至物業、廠房及設備。自租賃協議到期以來，該等廠房一直由本集團自用。

本集團投資物業的公允價值計量

本集團投資物業於二零一九年十二月三十一日的公允價值為39,861,000港元(二零一八年：47,559,000港元)。公允價值乃根據與本集團概無關連的獨立合資格專業估值師羅馬國際評估有限公司進行的估值而釐定。羅馬國際評估有限公司為香港測量師學會的會員。

位於深圳市的投資物業的公允價值乃根據可反映類似物業的近期交易價的市場比較法釐定。位於蚌埠市的投資物業的公允價值乃根據折舊重置成本法釐定，該方法以現有結構的估計市值為基準，減去物理退化的扣除以及所有相關形式的過時及優化。

於估計物業的公允價值時，物業的最高及最佳使用狀況為其現有的狀況。

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20. INVESTMENT PROPERTIES (continued)

Fair value measurement of the Group's investment properties (continued)

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

20. 投資物業(續)

本集團投資物業的公允價值計量(續)

於報告期末，本集團投資物業以及公允價值層級資料詳情如下：

			Fair value as at 31 December 2019 於二零一九年 十二月三十一日 的公允價值 HK\$'000 千港元	Fair value as at 31 December 2018 於二零一八年 十二月三十一日 的公允價值 HK\$'000 千港元
Properties located in the PRC	位於中國的物業	Level 3 第三層	39,861	47,559

The above investment properties are depreciated on a straight-line basis at the following rates per annum:

Buildings	30 years
樓宇	30年

上述投資物業按以下年率根據直線法折舊：

21. GOODWILL

21. 商譽

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	1,050,965	1,044,293
Arising from acquisition of a subsidiary	因收購一間附屬公司而產生	-	82,300
Impairment loss recognised in the year	年內確認的減值虧損	(15,000)	(48,000)
Exchange adjustments	匯兌調整	(10,470)	(27,628)
At 31 December	於十二月三十一日	1,025,495	1,050,965

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21. GOODWILL (continued)

For the purpose of impairment testing, goodwill has been allocated to six (2018: six) individual cash-generating units (CGUs), comprising four (2018: four) subsidiaries in the printing and manufacturing of cigarette packages and related materials segments, one subsidiary in the manufacturing of laminated paper segment and one subsidiary in the sales of RFID products segment. Goodwill amounted to HK\$80,775,000 (2018: HK\$82,300,000) resulted from acquisition of manufacturing of paper packaging materials of CGU-6, of which HK\$35,541,000 (2018: HK\$36,212,000) was allocated to CGU-1 as CGU-1 is expected to benefit from the synergies of the combination, resulting from cost saving on raw materials supplied by CGU-6. The carrying amounts of goodwill as at 31 December 2019 allocated net of impairment losses recognised to these unites are as follows:

21. 商譽(續)

就減值測試而言，商譽獲分配至六個(二零一八年：六個)個別現金產生單位，包括印刷及製造香煙包裝及相關材料分部的四間(二零一八年：四間)附屬公司、製造複合紙分部的一間附屬公司以及銷售射頻識別產品分部的一間附屬公司。收購現金產生單位-6(製造紙包裝材料)所產生的商譽為80,775,000港元(二零一八年：82,300,000港元)，其中35,541,000港元(二零一八年：36,212,000港元)分配至現金產生單位-1，原因為現金產生單位-6供應原材料可節省成本，預計現金產生單位-1可受惠於合併產生的協同效益。於二零一九年十二月三十一日的商譽賬面值(扣除已確認減值虧損)已獲分配至相關單位如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Printing and manufacturing of cigarette packages and related materials:	印刷及製造香煙包裝及相關材料：		
CGU-1	現金產生單位-1	839,460	846,172
CGU-2	現金產生單位-2	126,342	128,346
CGU-3	現金產生單位-3	2,675	18,352
CGU-6	現金產生單位-6	45,234	46,088
		1,013,711	1,038,958
Manufacturing of laminated paper:	製造複合紙：		
CGU-4	現金產生單位-4	363	370
Sales of RFID products:	銷售射頻識別產品：		
CGU-5	現金產生單位-5	11,421	11,637
At 31 December	於十二月三十一日	1,025,495	1,050,965

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21. GOODWILL (continued)

The recoverable amounts of the CGUs arising from printing and manufacturing of cigarette packages and related materials, manufacturing of laminated paper and sales of RFID products were determined individually based on value in use calculations. The value in use calculations used discounted future cash flow model based on financial budgets approved by management covering a five-year period and a discount rate of 13.25% (2018: 14.77%) for CGUs arising from printing and manufacturing of cigarette packages and related materials and manufacturing of laminated paper, and 14.79% (2018: 15.90%) for CGU arising from sales of RFID products. Cash flows beyond five-year period is extrapolated using a steady growth rate from 3.0% . Cash flow projections for the CGUs are based on the expected terminal growth rate, gross margin and sales growth rate during the budget period, which were determined based on past performance of the Group and the management's expectations for the market development.

CGU-1

During the year ended 31 December 2018, due to the effect of continuous decrease in revenue resulted from the drop in average selling price across various products tiers and market share in Chinese cigarette packaging industry as a consequence of mandatory tendering system in China tobacco industry, and the change of product structure of CGU-1, its value in use is adversely impacted and decreased to HK\$1,768,575,000 as at 31 December 2018. During the year ended 31 December 2019, due to the expansion of market share and the strategic vertical integration into manufacturing of paper package materials which successfully improve the performance of CGU-1, the management of the Group determines that there is no impairment on CGU-1 (2018: HK\$48,000,000). If the discount rate increases by 5% to 13.91% (2018: 15.5%), while other parameters remain constant, an impairment of goodwill of HK\$nil (2018: further impairment of HK\$96,355,000) would be recognised.

21. 商譽(續)

印刷及製造香煙包裝及相關材料、製造複合紙以及銷售射頻識別產品的可收回金額乃個別按使用價值計算方式釐定。該使用價值計算方式使用根據管理層批准涵蓋五年期間的財務預算的現金流預測，印刷及製造香煙包裝及相關材料以及製造複合紙現金產生單位的折現率為13.25%（二零一八年：14.77%），而銷售射頻識別產品現金產生單位的折現率為14.79%（二零一八年：15.90%）。五年期間後的現金流量按穩定增長率3.0%預測。現金產生單位的預算期現金流預測根據預算期內的預期最終增長率、毛利率及銷售增長率釐定。有關比率根據過往經驗及管理層對市場發展的期望而釐定。

現金產生單位-1

截至二零一八年十二月三十一日止年度，中國煙草業實行強制招標制度令不同檔次產品的平均售價及市場份額下跌，繼而導致收益持續減少，加上現金產生單位-1的產品結構有所改變，其使用價值受到不利影響，並於二零一八年十二月三十一日下降至1,768,575,000港元。截至二零一九年十二月三十一日止年度，受惠於市場份額擴大及戰略性垂直整合至紙包裝材料製造，現金產生單位-1的表現有所改善，本集團管理層確定現金產生單位-1並無出現減值（二零一八年：48,000,000港元）。倘折現率增加5%至13.91%（二零一八年：15.5%）而其他參數維持不變，則會確認商譽減值零港元（二零一八年：進一步減值96,355,000港元）。

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21. GOODWILL (continued)

CGU-3

Due to the effect of the drop in average selling price across various products tiers and the change of product structure of CGU-3, its value in use is adversely impacted and decreased to HK\$91,392,000 for the year ended 31 December 2019. The directors of the Company have consequently determined impairment of goodwill directly related to CGU-3 amounting to HK\$15,000,000 (2018: HK\$nil). The impairment loss has been included in profit or loss in the other gains and losses line item.

If the discount rate increases by 5% to 13.9% (2018: 15.5%), while other parameters remain constant, a further impairment of goodwill of HK\$2,675,000 (2018: HK\$nil), an impairment of property, plant and equipment of HK\$1,538,000 (2018: HK\$nil) and an impairment of right-of-use assets of HK\$144,000 (2018: HK\$nil) would be recognised respectively.

Except to CGU-1 and CGU-3 as analysed above, management believes that any reasonably possible changes in any of these assumptions would not cause the aggregate carrying amount of the CGUs to exceed the aggregate recoverable amount of respective CGUs.

21. 商譽(續)

現金產生單位-3

截至二零一九年十二月三十一日止年度，由於各產品類別的平均售價下跌及現金產生單位-3的產品結構有所改變，其使用價值受到不利影響並減少至91,392,000港元。因此，本公司董事已確定與現金產生單位-3直接相關的商譽減值15,000,000港元(二零一八年：零港元)。減值虧損已計入損益項下其他收益及虧損一欄。

倘折現率增加5%至13.9%(二零一八年：15.5%)而其他參數維持不變，則分別確認商譽的進一步減值2,675,000港元(二零一八年：零港元)、物業、廠房及設備的減值1,538,000港元(二零一八年：零港元)以及使用權資產的減值144,000港元(二零一八年：零港元)。

除上文所分析的現金產生單位-1及現金產生單位-3外，管理層相信，任何此等假設的任何合理可能變動不會使現金產生單位的賬面總值超逾各現金產生單位的可收回總額。

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22. INTANGIBLE ASSETS

22. 無形資產

		Customer relationship 客戶關係 HK\$'000 千港元	Licenses and franchises 牌照及特許權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST				
	成本			
At 1 January 2018	於二零一八年一月一日	456,749	9,149	465,898
Acquisition of a subsidiary	收購一間附屬公司	21,305	–	21,305
Exchange adjustments	匯兌調整	(5,966)	(555)	(6,521)
At 31 December 2018	於二零一八年 十二月三十一日	472,088	8,594	480,682
Write off	撇銷	(79,042)	–	(79,042)
Exchange adjustments	匯兌調整	(35)	(150)	(185)
At 31 December 2019	於二零一九年 十二月三十一日	393,011	8,444	401,455
AMORTISATION				
	攤銷			
At 1 January 2018	於二零一八年一月一日	270,979	1,044	272,023
Charge for the year	年內開支	46,314	445	46,759
Exchange adjustments	匯兌調整	(1,708)	(157)	(1,865)
At 31 December 2018	於二零一八年 十二月三十一日	315,585	1,332	316,917
Charge for the year	年內開支	49,756	434	50,190
Write off	撇銷	(79,042)	–	(79,042)
Exchange adjustments	匯兌調整	(10)	(23)	(33)
At 31 December 2019	於二零一九年 十二月三十一日	286,289	1,743	288,032
CARRYING VALUES				
	賬面值			
At 31 December 2019	於二零一九年 十二月三十一日	106,722	6,701	113,423
At 31 December 2018	於二零一八年 十二月三十一日	156,503	7,262	163,765

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

22. INTANGIBLE ASSETS (continued)

For the purpose of impairment testing, customer relationship has been included in two (2018: five) individual CGUs, comprising two (2018: four) subsidiaries in the printing and manufacturing of cigarette packages and related materials segments and none of (2018: one) subsidiary in the manufacturing of laminated paper segment. The carrying amounts of intangible assets as at 31 December 2019 allocated to these unites are as follows:

22. 無形資產(續)

就減值測試而言，客戶關係計入兩個(二零一八年：五個)個別現金產生單位，包括印刷及製造香煙包裝及相關材料分部的兩間(二零一八年：四間)附屬公司以及製造複合紙分部的零間(二零一八年：一間)附屬公司。於二零一九年十二月三十一日的無形資產賬面值已獲分配至相關單位如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Printing and manufacturing of cigarette packages and related materials	印刷及製造香煙包裝及相關材料		
CGU-1	現金產生單位 -1	93,024	134,352
CGU-2	現金產生單位 -2	-	1,367
CGU-3	現金產生單位 -3	-	461
CGU-6	現金產生單位 -6	13,698	20,240
		106,722	156,420
Manufacturing of laminated papers:	製造複合紙：		
CGU-4	現金產生單位 -4	-	83
At 31 December	於十二月三十一日	106,722	156,503

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

22. INTANGIBLE ASSETS (continued)

The above intangible assets have finite useful lives. Except that the intangible asset of CGU-6 is amortised basing on the proportion of estimated revenue for each year to the projected gross revenue from these existing customers, other intangible assets are amortised on a straight-line basis over the following periods:

Customer relationship	10 years
Licenses and franchises	20 years

Included in intangible assets represent customer relationship acquired in the acquisition of 深圳揚豐印刷有限公司 Yangfeng Printing & Packaging Co., Ltd in 2012, which has been absorbed by 深圳科彩印務有限公司 Shenzhen Kecai Printing Com., Ltd (“Kecai”) and the acquisition of 深圳市金升彩包裝材料有限公司 Shenzhen Jinshengcai Package Material Co., Ltd (“Jinshengcai”) in 2018. The acquisition of the customer base has allowed the Group to stabilise the revenue base from packaging and printing business. During the year ended 31 December 2019, the customer relationship acquired in a business combination in 2009 which has been fully amortised was written off.

The revenue and the consumption of economic benefits of the customer relationship of CGU-6 are highly correlated as the fair value of these customer relationship as at acquisition date was determined based on contracts and anticipated contracts with these customers.

22. 無形資產(續)

上述無形資產有固定使用年期。除現金產生單位-6的無形資產根據每年估計收益佔該等現有客戶預計總收益的比例進行攤銷外，其他無形資產於以下期間按直線法攤銷：

客戶關係	10年
牌照及特許權	20年

無形資產包括於二零一二年收購深圳揚豐印刷有限公司(已被深圳科彩印務有限公司(「科彩」)吸納)及於二零一八年收購深圳市金升彩包裝材料有限公司(「金升彩」)時取得的客戶關係。接收客戶基礎有助本集團穩定來自包裝及印刷業務的收益基礎。截至二零一九年十二月三十一日止年度，於二零零九年業務合併時取得的客戶關係已悉數攤銷並撇銷。

現金產生單位-6的收入及客戶關係經濟利益消費高度相關，原因為該等客戶關係於收購日期的公允價值乃根據與該等客戶的合約及預期合約釐定。

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

23. INTERESTS IN ASSOCIATES

23. 於聯營公司的權益

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of investment, unlisted	投資成本，非上市	302,639	332,874
Share of post-acquisition profits and other comprehensive income, net of dividends received	分佔收購後溢利及其他全面收益(扣除已收股息)	125,781	157,258
Disposal of partial equity interest in an associate	出售一間聯營公司部分股權	-	(30,235)
Exchange adjustments	匯兌調整	(5,175)	707
		423,245	460,604

As at 31 December 2019 and 2018, the Group had interests in the following associates:

於二零一九年及二零一八年十二月三十一日，本集團於以下聯營公司擁有權益：

Name of entity 實體名稱	Proportion of ownership interest directly held by the Group 本集團直接持有擁有權益比例		Place and country of establishment/ business 成立/經營地點及國家	Registered capital 註冊股本	Principal activity 主要業務
	2019	2018			
	二零一九年	二零一八年			
常德金鵬印務有限公司 (Changde Jinpeng Printing Co., Ltd.) ("Changde Jinpeng") (「常德金鵬」)	31%	31%	PRC 中國	RMB163,052,000 人民幣163,052,000元	Provision for cigarette printing package services 提供香煙印刷包裝服務
天津榮聯匯智能科技有限公司 (Tianjin Rong Lian Hui Zhi Intelligence Packaging Technology Co., Ltd.) ("Tianjin Rong Lian Hui Zhi") (「天津榮聯匯智」)	40%	40%	PRC 中國	RMB30,000,000 人民幣30,000,000元	Developing for intelligent printing services 發展智能印刷服務

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23. INTERESTS IN ASSOCIATES (continued)

The financial information of the Group's associates are prepared using uniform accounting policies in conformity with the accounting policies adopted by the Group. The associates are accounted for using the equity method in these consolidated financial statements. The summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

Changde Jinpeng

23. 於聯營公司的權益(續)

本集團聯營公司的財務資料使用與本集團採納的會計政策一致的會計政策編製。聯營公司使用權益法於該等綜合財務報表入賬。本集團聯營公司的財務資料概要載列如下。以下財務資料概要指根據香港財務報告準則編製的聯營公司財務報表所示金額。

常德金鵬

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	740,691	860,899
Non-current assets	非流動資產	822,842	914,433
Current liabilities	流動負債	(217,243)	(320,308)
Non-current liabilities	非流動負債	(7,769)	(7,477)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	1,033,110	1,220,729
Profit for the year	年內溢利	145,739	184,927
Dividends received from the associate during the year	年內已收聯營公司的股息	73,228	77,731

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23. INTERESTS IN ASSOCIATES (continued)

Changde Jinpeng (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

23. 於聯營公司的權益(續)

常德金鵬(續)

上述財務資料概要與於綜合財務報表確認於聯營公司權益的賬面值的對賬：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net assets of the associate	聯營公司的資產淨值	1,338,521	1,447,547
Proportion of the Group's ownership interest in the associate	本集團於聯營公司的擁有權權益比例	31%	31%
The Group's share of net assets of the associate	本集團分佔聯營公司的資產淨值	414,942	448,740
Goodwill	商譽	7,657	7,911
Carrying amount of the Group's interest in the associate	本集團於聯營公司的權益的賬面值	422,599	456,651

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23. INTERESTS IN ASSOCIATES (continued) Tianjin Rong Lian Hui Zhi

23. 於聯營公司的權益(續) 天津榮聯匯智

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	5,654	7,480
Non-current assets	非流動資產	2,996	4,968
Current liabilities	流動負債	(7,035)	(2,565)
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	8,623	12,630
Loss for the year	年內虧損	(8,570)	(14,146)
Other comprehensive (expense) income for the year	年內其他全面(開支)收益	(302)	705
Total comprehensive expense for the year	年內全面開支總額	(8,872)	(13,441)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

上述財務資料概要與於綜合財務報表確認於聯營公司權益的賬面值的對賬：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net assets of the associate	聯營公司的資產淨值	1,615	9,883
Proportion of the Group's ownership interest in the associate	本集團於聯營公司的 擁有權權益比例	40%	40%
Carrying amount of the Group's interest in the associate	本集團於聯營公司的 權益的賬面值	646	3,953

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24. INTEREST IN A JOINT VENTURE

Details of the Group's investment in a joint venture is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of investment, unlisted	投資成本，非上市	8,825	8,825
Share of post-acquisition (losses) profits and other comprehensive (expenses) income, net of dividends received	分佔收購後(虧損)溢利及其他全面(開支)收益(扣除已收股息)	(524)	406
Exchange adjustments	匯兌調整	(625)	(476)
		7,676	8,755

As at 31 December 2019 and 2018, the Group had interest in the following joint venture:

Name of entity 實體名稱	Percentage of ownership interest/ voting rights directly held by the Group 本集團直接持有 擁有權益/ 投票權百分比	Place and Country of incorporation/ business 註冊成立/ 經營地點 及國家	Registered capital 註冊股本	Principal activity 主要業務
深圳市科炬互聯網科技有限公司 (Shenzhen Keju Internet Technology Company Limited ("Keju")) (「科炬」)	49% Note 附註	PRC 中國	RMB15,000,000 人民幣 15,000,000 元	Developing 2D Barcodes and O2O solutions 發展二維碼及 O2O 解決方案

Note: The Group hold 49% of ownership interest of Keju. However, under a shareholders' agreement, the Group has the joint control over Keju because the director resolution will be effective only when approved by all directors.

24. 於一間合營企業的權益

本集團於一間合營企業的投資的詳情如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
投資成本，非上市		8,825	8,825
分佔收購後(虧損)溢利及其他全面(開支)收益(扣除已收股息)		(524)	406
匯兌調整		(625)	(476)
		7,676	8,755

於二零一九年及二零一八年十二月三十一日，本集團於以下合營企業擁有權益：

Name of entity 實體名稱	Percentage of ownership interest/ voting rights directly held by the Group 本集團直接持有 擁有權益/ 投票權百分比	Place and Country of incorporation/ business 註冊成立/ 經營地點 及國家	Registered capital 註冊股本	Principal activity 主要業務
深圳市科炬互聯網科技有限公司 (Shenzhen Keju Internet Technology Company Limited ("Keju")) (「科炬」)	49% Note 附註	PRC 中國	RMB15,000,000 人民幣 15,000,000 元	Developing 2D Barcodes and O2O solutions 發展二維碼及 O2O 解決方案

附註：本集團持有科炬 49% 擁有權益。然而，根據股東協議，本集團對科炬有共同控制權，原因為董事決議案須經全體董事批准始會生效。

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24. INTEREST IN A JOINT VENTURE (continued)

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs.

The joint venture is accounted for using the equity method in these consolidated financial statements.

24. 於一間合營企業的權益(續)

本集團合營企業的財務資料概要載列如下。以下財務資料概要指根據香港財務報告準則編製的合營企業財務報表所示金額。

合營企業使用權益法於該等綜合財務報表入賬。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	17,222	20,739
Non-current assets	非流動資產	197	202
Current liabilities	流動負債	(1,753)	(3,074)
The above amounts of assets and liabilities include the following:	上述資產及負債金額包括以下各項：		
Cash and cash equivalents	現金及現金等值項目	15,354	12,711
Current financial liabilities (excluding trade and other payables and provision)	流動金融負債(不包括貿易及其他應付款項以及撥備)	-	(897)

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24. INTEREST IN A JOINT VENTURE (continued)

24. 於一間合營企業的權益(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	5,823	25,044
(Loss) profit for the year	年內(虧損)溢利	(1,898)	1,271
Other comprehensive income for the year	年內其他全面收益	303	927
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	(1,595)	2,198

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Depreciation and amortisation	折舊及攤銷	(38)	(22)
Interest income	利息收入	153	134
Income tax expense	所得稅開支	(48)	(95)

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24. INTEREST IN A JOINT VENTURE (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net assets of the joint venture	合營企業的資產淨值	15,666	17,867
Proportion of the Group's ownership interest in the joint venture	本集團於合營企業的擁有權權益比例	49%	49%
Carrying amount of the Group's interest in the joint venture	本集團於合營企業的權益的賬面值	7,676	8,755

25. INVENTORIES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw materials	原材料	151,272	159,163
Work in progress	在製品	327	453
Finished goods	製成品	9,172	4,150
		160,771	163,766

During the year, there was a decrease in the net realisable value of certain raw materials due to stock surplus. As a result, a recognition of write-down on obsolete inventories of HK\$1,053,000 (2018: HK\$592,000) due to the decrease of net realisable value has been recognised in the current year.

24. 於一間合營企業的權益(續)

上述財務資料概要與於綜合財務報表確認於合營企業權益的賬面值的對賬：

25. 存貨

年內，若干原材料的可變現淨值因庫存出現盈餘而有所減少。因此，本年度確認可變現淨值減少導致確認陳舊存貨撇減1,053,000港元(二零一八年：592,000港元)。

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26. TRADE RECEIVABLES

26. 貿易應收款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables	貿易應收款項		
– third parties	– 第三方	567,355	546,799
– an associate	– 一間聯營公司	4,229	9,827
		571,584	556,626
Less: allowance for credit losses	減：信貸虧損撥備	(13,876)	(11,989)
		557,708	544,637

As at 1 January 2018, trade receivables from contracts with customers amounted to HK\$786,131,000.

於二零一八年一月一日，來自客戶合約的貿易應收款項為786,131,000港元。

The amount due from a related party derived from the company controlled by a director.

應收一名關連方款項來自一名董事所控制的公司。

The Group allows a credit period of 60 days to 90 days to its trade customers. The following is an aged analysis of trade receivables presented based on the date of delivery goods/invoice date at the end of the reporting period, which approximated revenue recognition dates except for receivables arising from printing of cigarette packages and manufacturing of laminated papers which are recognised over time upon application of HKFRS 15.

本集團授予其貿易客戶60日至90日的信貸期。以下為於報告期末按交付貨品日期／發票日期（其與收益確認日期相若，惟於應用香港財務報告準則第15號後隨時間確認的印刷香煙包裝及製造複合紙應收款項除外）呈列貿易應收款項的賬齡分析。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0–90 days	0至90日	502,367	476,933
91–180 days	91至180日	36,188	30,446
181–365 days	181至365日	4,842	17,812
Over 365 days	超過365日	28,187	31,435
		571,584	556,626

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26. TRADE RECEIVABLES (continued)

As at 31 December 2019, total bills received amounting to HK\$21,312,000 (31 December 2018: HK\$10,881,000) are held by the Group for future settlement of trade receivables due from third parties. All bills received by the Group are with a maturity period of less than one year.

Based on the Group's assessment of historical credit loss experience of these debtors, including all available forward looking information and expected settlements, the Group does not consider default has occurred despite the contractual payments are overdue more than 90 days due to these customers are mainly state-owned cigarette companies with strong financial positions. The management of the Group considers default occurred when the debtors get into financial difficulty or the debtors do not repay any trade receivables though the Group has pursued for several times, which indicate the Group may not collect these trade receivables.

As at 31 December 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$57,407,000 (2018: HK\$71,562,000) which are past due as at the reporting date. Out of the past due balances, HK\$21,472,000 (2018: HK\$45,934,000) has been past due 90 days or more.

Other than bill received amounting to HK\$21,312,000 (2018: HK\$10,881,000), the Group does not hold any collateral over these balances.

Details of impairment assessment of trade receivables for the year ended 31 December 2019 and 2018 are set out in note 42.

26. 貿易應收款項(續)

於二零一九年十二月三十一日，本集團持有已收票據總額21,312,000港元(二零一八年十二月三十一日：10,881,000港元)，以供日後結算應收第三方貿易結餘。本集團所有已收票據的到期日均少於一年。

根據本集團對該等應收賬款過往信貸虧損記錄(包括所有可用前瞻性資料及預期結算)的評估，由於該等客戶主要為財務狀況雄厚的國有煙草公司，即使合約付款已逾期超過90日，本集團並無視之為違約。本集團管理層認為，當債務人遇到嚴重財政困難或債務人並無償還任何貿易應收款項(儘管本集團已多次追討)時發生違約，顯示本集團或未能收回該等貿易應收款項。

於二零一九年十二月三十一日，本集團貿易應收款項結餘包括於報告日期已逾期賬面總值為57,407,000港元(二零一八年：71,562,000港元)的應收賬款。在已逾期結餘當中，21,472,000港元(二零一八年：45,934,000港元)已逾期90日或以上。

除為數21,312,000港元(二零一八年：10,881,000港元)的已收票據外，本集團並無就該等結餘持有任何抵押品。

截至二零一九年及二零一八年十二月三十一日止年度的貿易應收款項減值評估詳情載於附註42。

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27. CONTRACT ASSETS

27. 合約資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Contract assets:	合約資產：		
Printing of manufacturing of cigarette packages and related materials	印刷及製造香煙包裝及相關材料	168,760	163,460
Manufacturing of laminated papers	製造複合紙	2,095	2,142
Less: allowance for credit losses	減：信貸虧損撥備	(131)	(217)
		170,724	165,385

As at 1 January 2018, contract assets amounted to HK\$64,829,000.

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in delivering the goods to the customers at the reporting date on provision of printing of cigarette package and manufacturing of laminated papers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers the contract assets to trade receivables when the products are delivered and accepted by the customers.

The increase of contract assets during the year ended 31 December 2018 is mainly due to the customers who had placed more orders to the Group at the year end.

The consideration is payable on the earlier of the delivery and acceptance of the finished goods by customers or notice from the customer to cancel the order. If the customer cancels the order, the Group is immediately entitled to receive payment for work done to date.

Details of impairment assessment of contract assets for the year ended 31 December 2019 and 2018 are set out in note 42.

於二零一八年一月一日，合約資產為64,829,000港元。

合約資產主要與本集團收取已完成而未開單工程相關代價的權利，原因為有關權利須視乎本集團於報告日期向客戶交付提供香煙包裝印刷及製造複合紙所涉及貨品的未來表現而定。當有關權利成為無條件時，合約資產將轉撥至貿易應收款項。本集團通常於交付產品並獲客戶接納時將合約資產轉撥至貿易應收款項。

截至二零一八年十二月三十一日止年度的合約資產有所增加，主要由於客戶於年末向本集團發出更多訂單所致。

代價須於提早交付及製成品獲客戶接納或客戶發出取消訂單通知時支付。倘客戶取消訂單，本集團即時有權收取迄今為止所完成工作的款項。

截至二零一九年及二零一八年十二月三十一日止年度的合約資產減值評估詳情載於附註42。

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28. OTHER RECEIVABLES, PREPAYMENTS AND REFUNDABLE DEPOSITS

28. 其他應收款項、預付款項及可退還訂金

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Receivables from disposal of partial equity interest in an associate	出售一間聯營公司部分股權應收款項	-	21,691
Refundable deposits to suppliers and customers	支付予供應商及客戶的可退還訂金	7,498	9,669
Prepayment for material purchase	購買原材料的預付款項	5,487	10,223
Staff advances	員工墊款	4,086	3,716
Rental, utility and sundry deposits	租金、公用及雜項按金	2,069	2,869
Tax receivables	應收稅項	9,817	6,661
Others	其他	6,979	5,075
		35,936	59,904

Details of impairment assessment of other receivables including refundable deposits to suppliers and customers, staff advance, rental, utility and sundry deposits and others for the year ended 31 December 2019 and 2018 are set out in note 42.

截至二零一九年及二零一八年十二月三十一日止年度的其他應收款項（包括支付予供應商及客戶的可退還訂金、員工墊款、租金、公用及雜項按金以及其他）減值評估詳情載於附註42。

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29. AMOUNTS DUE TO NON-CONTROLLING INTERESTS OF SUBSIDIARIES

The amounts are unsecured, interest-free and repayable on demand.

30. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH/BANK OVERDRAFTS

Bank balances carry interest at market rates which range from 0.001% to 0.30% (2018: 0.001% to 0.35%) per annum. The pledged bank deposits carry fixed interest rates at 0.30% (2018: 0.30% to 0.35%) per annum. Pledged bank deposits represents deposits pledged to banks to secure banking facilities of bills payables granted to the Group. The pledged bank deposits will be released upon the settlement of relevant bills payables.

Bank overdrafts carry interest at market rates which range from 2.82% to 4.77% (2018: 1.88% to 5.68%) per annum.

The Group's pledged bank deposits, bank balances and cash and bank overdrafts that are denominated in currencies other than the functional currency of the respective group entities are stated below:

29. 應付附屬公司非控股權益款項

有關款項為無抵押、免息及須按要求償還。

30. 已抵押銀行存款／銀行結餘及現金／銀行透支

銀行結餘按市場年利率介乎0.001%至0.30%（二零一八年：0.001%至0.35%）計息。已抵押銀行存款按固定年利率0.30%（二零一八年：0.30%至0.35%）計息。已抵押銀行存款指已抵押予銀行以擔保本集團就應付票據所獲授銀行融資的存款。已抵押銀行存款將於償還相關應付票據時解除。

銀行透支按市場年利率介乎2.82%至4.77%（二零一八年：1.88%至5.68%）計息。

以各自集團實體的功能貨幣以外的貨幣計值的本集團已抵押銀行存款、銀行結餘及現金以及銀行透支列示如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
HK\$	港元	6,285	52,039
United States Dollars ("US\$")	美元(「美元」)	30	858

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31. TRADE PAYABLES

31. 貿易應付款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade payables	貿易應付款項	226,288	229,676

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

以下為於報告期末按發票日期呈列貿易應付款項的賬齡分析。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0–30 days	0至30日	118,923	120,043
31–90 days	31至90日	77,417	70,925
91–180 days	91至180日	12,286	19,928
181–365 days	181至365日	4,079	17,095
Over 365 days	超過365日	13,583	1,685
		226,288	229,676

The credit period on purchases of goods ranges from 30 days to 180 days. The Group monitors and maintains a level of cash and cash equivalents sufficient to ensure that all payables are within the credit timeframe.

購買貨物的信貸期介乎於30日至180日之間。本集團監控及維持足夠現金及現金等值項目，以確保所有應付款項於信貸期內支付。

As at 31 December 2019, bills amounting to HK\$5,649,000 (2018: HK\$nil) were transferred to suppliers for settling trade payables.

於二零一九年十二月三十一日，為數5,649,000港元(二零一八年：零港元)的票據已轉撥予供應商以結算貿易應付款項。

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32. OTHER PAYABLES AND ACCRUALS

32. 其他應付款項及應計費用

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other tax payables	其他應付稅項	29,603	32,417
Other payables and accruals	其他應付款項及應計費用	25,135	20,880
Salary payable	應付薪金	26,887	25,529
Construction payables	應付建築款項	7,351	34,594
Government grants	政府補助金	2,319	2,533
Deposits received from suppliers	已收供應商訂金	732	448
Contract liabilities	合約負債	541	144
		92,568	116,545

As at 1 January 2018, contract liabilities amounted to HK\$857,000.

於二零一八年一月一日，合約負債為857,000港元。

33. BANK BORROWINGS

33. 銀行借貸

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank borrowings comprise:	銀行借貸包括：		
Unsecured	無抵押	256,462	620,084
Carrying amount repayable based on scheduled repayment dates:	根據預定還款日期須於		
Within one year	以下時間償還的賬面值：		
More than one year, but not more than two years	一年內	256,462	549,905
	超過一年但於兩年內	-	18,750
		256,462	568,655

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33. BANK BORROWINGS (continued)

33. 銀行借貸(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
The carrying amount of bank borrowings that contain a repayment on demand clauses (shown under current liability) but repayable:	包含按要求償還條款(計入流動負債)但須於以下時間償還的銀行借貸的賬面值：		
Within one year	一年內	-	13,714
More than one year, but not more than two years	超過一年但於兩年內	-	13,714
More than two years, but not more than five years	超過兩年但於五年內	-	24,001
		-	51,429
		256,462	620,084
Less: Amounts due within one year shown under current liabilities	減：於一年內到期並計入流動負債的金額	256,462	601,334
Amounts shown under non-current liabilities	計入非流動負債的金額	-	18,750
Breakdown of the bank borrowings:	銀行借貸分類：		
Fixed-rate borrowings	定息借貸	55,875	41,488
Floating-rate borrowings	浮息借貸	200,587	578,596
		256,462	620,084

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33. BANK BORROWINGS (continued)

The Group's floating-rate borrowings are mainly subject to interest in a range at 100% to 110% of RMB Benchmark Loan Rates issued by the People's Bank of China, Loan Prime Rate issued by the National Interbank Funding Center of the PRC and Hong Kong Interbank Offered Rate ("HIBOR") in a range at HIBOR plus 1.8% to 3.3%. The effective interest rates on the Group's bank borrowings are as follows:

33. 銀行借貸(續)

本集團浮息借貸主要按中國人民銀行頒布的人民幣貸款基準利率範圍100%至110%、中國全國銀行間同業拆借中心頒布的貸款基礎利率及香港銀行同業拆息(「香港銀行同業拆息」)加1.8%至3.3%計息。本集團銀行借貸的實際利率如下：

		2019 二零一九年	2018 二零一八年
Fixed-rate borrowings	定息借貸	4.4% to 至 6.5%	4.6% to 至 6.5%
Floating-rate borrowings	浮息借貸	2.9% to 至 6.5%	2.4% to 至 5.9%

The Group's bank borrowings that are denominated in currency other than the functional currency of the relevant group entities are set out below:

本集團以相關集團實體功能貨幣以外的貨幣計值的銀行借貸如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
HK\$	港元	195,000	527,586
EUR	歐元	-	1,637

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34. LEASE LIABILITIES

34. 租賃負債

		2019 二零一九年 HK\$'000 千港元
Lease liabilities payable:	應付租賃負債：	
Within one year	一年內	4,354
Within a period of more than one year but not more than two years	超過一年但於兩年內	551
		4,905
Less: Amount due for settlement with 12 months shown under current liabilities	減：於12個月內到期償付並 計入流動負債的款項	(4,354)
Amount due for settlement after 12 months shown under non-current liabilities	於12個月後到期償付並計入 非流動負債的款項	551
Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:		
		以相關集團實體功能貨幣以外的貨 幣計值的租賃承擔如下：
		HK\$'000 千港元
As at 31 December 2019	於二零一九年十二月三十一日	4,053

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35. GOVERNMENT GRANTS

35. 政府補助金

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Arising from government grants:	源自政府補助金：		
Current liability (included in other payables and accruals)	流動負債 (計入其他應付款項及 應計費用)	2,319	2,533
Non-current liability	非流動負債	27,297	30,175
		29,616	32,708

The government subsidies received related to the acquisition of property, plant and equipment in the PRC. The amount has been treated as deferred income. The amount is transferred to income on a systematic basis over the estimated useful lives of the related assets. This policy has resulted in a credit to income in the current year of HK\$2,523,000 (2018: HK\$2,634,000). As at 31 December 2019, an amount of HK\$29,616,000 (31 December 2018: HK\$32,708,000) remains to be amortised.

已收政府補助金與收購中國物業、廠房及設備有關。該款項被視為遞延收入。該款項於相關資產估計使用年期內有系統地轉撥至收入。該政策導致本年度確認收入2,523,000港元(二零一八年：2,634,000港元)。於二零一九年十二月三十一日，金額29,616,000港元(二零一八年十二月三十一日：32,708,000港元)有待攤銷。

36. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

36. 遞延稅項資產／負債

就綜合財務狀況報表呈列而言，若干遞延稅項資產及負債已經抵銷。以下為就財務報告而言遞延稅項結餘的分析：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(1,940)	(200)
Deferred tax liabilities	遞延稅項負債	69,518	68,565
		67,578	68,365

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36. DEFERRED TAX ASSETS/LIABILITIES

(continued)

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

36. 遞延稅項資產／負債(續)

以下為於本年度及過往年度的已確認主要遞延稅項負債(資產)以及其變動：

		Intangible assets	Undistributable profits of subsidiaries/ associate 附屬公司/ 聯營公司的 未分派溢利	Government grants	ECL provision	Timing difference on revenue recognition	Inventories provisions/ salary payable	Accelerated tax depreciation	Tax loss	Total
		無形資產	無形資產	政府補助金	預期信貸虧損撥備	收益確認的時間差異	存貨撥備/應付薪金	加速稅項折舊	稅項虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	24,236	36,463	(5,566)	(1,519)	2,553	-	-	-	56,167
Acquisition of a subsidiary	收購一間附屬公司	5,326	-	-	(39)	-	(1,048)	-	-	4,239
(Credit) charge to profit or loss	(計入)扣除損益	(5,652)	14,985	395	(332)	6,698	301	-	-	16,395
Reversal upon payment	於支付後撥回	-	(6,516)	-	-	-	-	-	-	(6,516)
Exchange differences	匯兌差額	-	(2,099)	265	91	(384)	207	-	-	(1,920)
At 31 December 2018	於二零一八年十二月三十一日	23,910	42,833	(4,906)	(1,799)	8,867	(540)	-	-	68,365
(Credit) charge to profit or loss	(計入)扣除損益	(7,020)	22,163	378	(419)	(847)	170	2,726	(674)	16,477
Reversal upon payment	於支付後撥回	-	(16,408)	-	-	-	-	-	-	(16,408)
Exchange differences	匯兌差額	-	(788)	86	121	(152)	(93)	(40)	10	(856)
At 31 December 2019	於二零一九年十二月三十一日	16,890	47,800	(4,442)	(2,097)	7,868	(463)	2,686	(664)	67,578

At the end of the reporting period, the Group has unused tax losses of HK\$6,871,000 (2018: HK\$24,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$4,427,000 (2018: HK\$nil) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$2,444,000 (2018: HK\$24,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$2,444,000 (2018: HK\$24,000) that will expire in 2024.

於報告期末，本集團有未動用稅項虧損6,871,000港元(二零一八年：24,000港元)可供抵銷未來溢利。已就有關虧損4,427,000港元(二零一八年：零港元)確認遞延稅項資產。由於未來溢利來源無法預測，並無就餘下2,444,000港元(二零一八年：24,000港元)確認遞延稅項資產。未確認稅項虧損包括將於二零二四年到期的虧損2,444,000港元(二零一八年：24,000港元)。

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37. SHARE CAPITAL

37. 股本

		Number of shares 股份數目	Nominal value 面值 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.005 each	每股面值0.005港元的普通股		
At 1 January 2018,	於二零一八年一月一日、		
31 December 2018 and	二零一八年十二月		
31 December 2019	三十一日及二零一九年		
	十二月三十一日	10,000,000,000	50,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.005 each	每股面值0.005港元的普通股		
At 1 January 2018,	於二零一八年一月一日、		
31 December 2018 and	二零一八年十二月		
31 December 2019	三十一日及二零一九年		
	十二月三十一日	1,567,884,634	7,839

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38. ACQUISITION OF A SUBSIDIARY/ ADDITIONAL EQUITY INTEREST IN SUBSIDIARY

(a) Acquisition of a subsidiary

On 13 July 2018, the Group acquired 100% equity interests of Jinshengcai for consideration of RMB130,000,000 (equivalent to approximately HK\$148,018,000). This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was HK\$82,300,000. Jinshengcai is engaged in the manufacture of cigarette packages and related materials. Jinshengcai was acquired so as to economise the cost of printing of cigarette packages to cater for increasingly competitive environment of traditional cigarette packaging industry.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

38. 收購一間附屬公司／附屬公司的額外股權

(a) 收購一間附屬公司

於二零一八年七月十三日，本集團收購金升彩100%股權，代價為人民幣130,000,000元（相當於約148,018,000港元）。是次收購已使用購買法入賬。因收購而產生的商譽金額為82,300,000港元。金升彩從事製造香煙包裝及相關材料。收購金升彩旨在節省香煙包裝印刷成本，以迎合傳統香煙包裝行業日益激烈的競爭環境。

於收購日期所收購的資產及所確認的負債如下：

		HK\$'000 千港元
Non-current assets		
Property, plant and equipment	非流動資產 物業、廠房及設備	6,363
Deferred tax assets	遞延稅項資產	1,087
Intangible assets	無形資產	21,305
Current assets		
Inventories	流動資產 存貨	42,163
Trade receivables	貿易應收款項	49,192
Other receivables, prepayments and deposits	其他應收款項、預付款項及按金	518
Bank balances and cash	銀行結餘及現金	3,873
Current liabilities		
Trade payables	流動負債 貿易應付款項	(44,476)
Other payables and accruals	其他應付款項及應計費用	(8,981)
Non-current liabilities		
Deferred tax liabilities	非流動負債 遞延稅項負債	(5,326)
		65,718

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38. ACQUISITION OF A SUBSIDIARY/ ADDITIONAL EQUITY INTEREST IN SUBSIDIARY (continued)

(a) Acquisition of a subsidiary (continued)

The fair value of trade receivables at the date of acquisition amounted to HK\$49,192,000. The gross contractual amounts of those trade receivables acquired amounted to HK\$49,454,000 at the date of acquisition.

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	所轉讓代價	148,018
Less: net assets acquired	減：所收購資產淨值	65,718
Goodwill arising on acquisition	因收購而產生的商譽	82,300

Net cash outflow on acquisition of Jinshengcai

		HK\$'000 千港元
Cash consideration paid	已付現金代價	148,018
Less: cash and cash equivalent balances acquired	減：所收購現金及現金等值 項目結餘	3,873
		144,145

Acquisition-related costs amounting to HK\$493,000 have been excluded from the consideration transferred and have been recognised as an expense during the year ended 31 December 2018, within the “administrative expenses” line item in the consolidated statement of profit or loss and other comprehensive income.

38. 收購一間附屬公司／附屬公司的額外股權(續)

(a) 收購一間附屬公司(續)

貿易應收款項於收購日期的公允價值為49,192,000港元。該等所收購貿易應收款項於收購日期的合約總值為49,454,000港元。

因收購而產生的商譽

收購金升彩的現金流出淨額

收購相關成本493,000港元已從所轉讓代價中扣除，並於截至二零一八年十二月三十一日止年度在綜合損益及其他全面收益報表的「行政開支」項目確認為開支。

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38. ACQUISITION OF A SUBSIDIARY/ ADDITIONAL EQUITY INTEREST IN SUBSIDIARY (continued)

(a) Acquisition of a subsidiary (continued)

Goodwill arose in the acquisition of Jinshencai because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Jinshencai. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Included in the profit for the year ended 31 December 2018 is HK\$7,295,000 attributable to the additional business generated by Jinshengcai. Revenue for the year ended 31 December 2018 includes HK\$61,528,000 generated from Jinshengcai.

Had the acquisition been completed on 1 January 2018, total group revenue for the year ended 31 December 2018 would have been HK\$1,409 million, and profit for the year ended 31 December 2018 would have been HK\$232 million. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2018, nor is it intended to be a projection of future results.

38. 收購一間附屬公司／附屬公司的額外股權(續)

(a) 收購一間附屬公司(續)

由於合併的成本包括控制權溢價，因此收購金升彩產生商譽。此外，就合併支付的代價實際包括有關預期協同效應、收入增長、未來市場發展及金升彩人力團隊利益的金額。該等利益因不符合可識別無形資產的確認標準而未有與商譽獨立確認。該等收購事項產生的商譽預計不能抵扣稅項。

截至二零一八年十二月三十一日止年度的溢利包括金升彩額外業務所產生的7,295,000港元。截至二零一八年十二月三十一日止年度的收益包括金升彩所產生的61,528,000港元。

倘收購於二零一八年一月一日已完成，截至二零一八年十二月三十一日止年度的集團收益總額將為1,409,000,000港元，而截至二零一八年十二月三十一日止年度的溢利則為232,000,000港元。備考資料僅供說明用途，未必反映在有關收購於二零一八年一月一日已完成的情況下，本集團實際達致的收益及經營業績，亦非未來業績的預測。

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38. ACQUISITION OF A SUBSIDIARY/ ADDITIONAL EQUITY INTEREST IN SUBSIDIARY (continued)

(b) Acquisition of additional equity interest in subsidiary

In December 2019, the Group entered into an agreement with a shareholder of Kecai, a non-wholly owned subsidiary of the Company, to acquire the remaining 0.51% equity interest at a consideration of RMB3,190,000 (equivalent to approximately HK\$3,618,000). The consideration on acquisition was paid in cash. An amount of HK\$10,886,000 (being the proportionate share of the carrying amount of the net assets of Kecai) has been transferred from non-controlling interests. The difference of HK\$7,268,000 between the decrease in the non-controlling interests and the consideration paid has been credited/charged to statutory reserves, other reserves, exchange reserve and retained profits.

In August 2018, the Group entered into an agreement with a shareholder of Zhaotong Antong Package Material Co., Ltd. 昭通安通包裝材料有限公司 (“ZTAT”), a non-wholly owned subsidiary of the Company, to acquire the remaining 20% equity interest at a consideration of RMB5,321,000 (equivalent to approximately HK\$6,186,000). The consideration on acquisition was paid in cash. An amount of HK\$6,651,000 (being the proportionate share of the carrying amount of the net assets of ZTAT) has been transferred from non-controlling interests. The difference of HK\$465,000 between the decrease in the non-controlling interests and the consideration paid has been debited to other reserves.

38. 收購一間附屬公司／附屬公司的額外股權(續)

(b) 收購附屬公司的額外股權

於二零一九年十二月，本集團與本公司非全資附屬公司科彩一名股東訂立協議，以代價人民幣3,190,000元(相當於約3,618,000港元)收購餘下0.51%股權。收購代價以現金支付。自非控股權益轉撥為數10,886,000港元(即應佔科彩淨資產賬面值的比例)的款項。非控股權益減少的數額與已付代價兩者間的差額7,268,000港元已計入／扣自法定儲備、其他儲備、匯兌儲備及保留溢利。

於二零一八年八月，本集團與本公司非全資附屬公司昭通安通包裝材料有限公司(「昭通安通」)一名股東訂立協議，以代價人民幣5,321,000元(相當於約6,186,000港元)收購餘下20%股權。收購代價以現金支付。自非控股權益轉撥為數6,651,000港元(即應佔昭通安通淨資產賬面值的比例)的款項。非控股權益減少的數額與已付代價兩者間的差額465,000港元已扣自其他儲備。

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39. DISPOSAL OF SUBSIDIARIES

On 11 January 2018, the Group disposed of its entire 100% equity interest in Empire Sail Limited 帝航有限公司 (together with its subsidiary collectively referred as the “Disposal Group”) to an independent third party at a cash consideration of HK\$295,000,000. The principal assets of the Disposal Group are the property, plant and equipment and investment property.

Analysis of assets and liability over which control was lost:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	86,361
Investment properties	投資物業	118,448
Other receivables	其他應收款項	129
Other payables	其他應付款項	(1,619)
Net assets disposed of	所出售資產淨值	203,319

Gain on disposal of subsidiaries:

		HK\$'000 千港元
Consideration received	已收代價	295,000
Net assets disposed of	所出售資產淨值	203,319
Gain on disposal	出售收益	91,681
Net cash inflow arising on disposal:	出售所產生現金流入淨額：	
Cash consideration	現金代價	295,000

39. 出售附屬公司

於二零一八年一月十一日，本集團以現金代價295,000,000港元向一名獨立第三方出售帝航有限公司(連同其附屬公司統稱「出售集團」)全部100%股權。出售集團的主要資產為物業、廠房及設備以及投資物業。

失去控制權的資產及負債分析：

出售附屬公司的收益：

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40. RETIREMENT BENEFIT PLAN

The Group participates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under control of a trustee. The Group contributes lower of 5% of relevant payroll costs or HK\$1,500 per person to the Scheme, which is matched by employees.

The employees of the Group in the PRC are members of state-managed retirement benefit scheme operated by the PRC government. The Company's subsidiaries are required to contribute a certain percentage of payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the scheme is to make the required contributions under the scheme.

The total expense recognised in profit or loss of HK\$15,094,000 (2018: HK\$14,096,000) represents contributions paid or payable to these plans by the Group at rates specified in the rules of the plans.

40. 退休福利計劃

本集團為香港所有合資格僱員參加強制性公積金計劃。計劃資產與本集團資產分開處理，並由信託人管理的基金持有。本集團向計劃貢獻每人有關薪金成本不超過5%或1,500港元，與僱員作出相等供款。

本集團於中國的僱員為中國政府的國家管理退休福利計劃的成員。本公司附屬公司須貢獻薪金若干百分比至退休福利計劃，以為福利提供資金。本集團涉及計劃的責任僅為為根據計劃作出所需供款。

已於損益確認的總開支15,094,000港元(二零一八年：14,096,000港元)指本集團按計劃規則訂明的比率向此等計劃已作出或須作出的應付供款。

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41. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank borrowings and lease liabilities, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

41. 資本風險管理

本集團管理其資本，以確保本集團的實體可以持續經營，並透過優化債務及權益結餘為權益相關者帶來最大回報。自去年以來，本集團的整體策略維持不變。

本集團的資本架構包括債務淨額（包括銀行借貸及租賃負債，扣除現金及現金等值項目）及本公司擁有人應佔權益（其中包括已發行股本及儲備）。

本公司董事定期審核資本架構。作為此審核的一部分，本公司董事會考慮資本成本及與各類別資本相關的風險。本集團將根據董事的建議，透過支付股息、發行新股以及發行新債券或贖回現有債務來平衡其整體資本架構。

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42. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本列賬的金融資產	789,648	954,415
Financial liabilities	金融負債		
FVTPL	按公允價值計入損益	-	1,626
Amortised cost	攤銷成本	531,891	944,883
		531,891	946,509

b. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables, financial assets at fair value through profit or loss, pledged bank deposits, bank balances and cash, trade payables, other payables, purchase consideration payable for acquisition, amounts due to non-controlling interests of subsidiaries, bank borrowings, bank overdrafts and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

42. 金融工具

a. 金融工具的類別

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本列賬的金融資產	789,648	954,415
Financial liabilities	金融負債		
FVTPL	按公允價值計入損益	-	1,626
Amortised cost	攤銷成本	531,891	944,883
		531,891	946,509

b. 金融風險管理的目標及政策

本集團的主要金融工具包括貿易應收款項、其他應收款項、按公允價值計入損益的金融資產、已抵押銀行存款、銀行結餘及現金、貿易應付款項、其他應付款項、就收購事項所須支付購買代價、應付附屬公司非控股權益款項、銀行借貸、銀行透支及租賃負債。該等金融工具的詳情已於相關附註內披露。該等金融工具相關的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險，而如何減低該等風險的政策載於下文。本集團管理層管理及監控該等風險，以確保能及時有效地採取適當的措施。

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42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk

(i) Currency risk

The functional currency of the Group's principal subsidiaries is RMB. While most of the Group's operations are transacted in the functional currency of the respective group entities, the Group undertakes certain transactions denominated in foreign currencies. The Group currently does not have hedging policy in respect of the foreign currency risk. However, the management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date are as follows:

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

市場風險

(i) 貨幣風險

本集團主要附屬公司的功能貨幣為人民幣。由於本集團大部分業務以各集團實體的功能貨幣進行交易，本集團亦進行若干以外幣計值的交易。本集團目前並無有關外匯風險的對沖政策。然而，管理層密切監測外匯風險，並將於必要時考慮對沖重大外匯風險。

於報告日期結束時，本集團以外幣計值的貨幣資產及貨幣負債賬面值如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Assets	資產		
HK\$	港元	6,536	72,032
US\$	美元	3,886	4,587
Liabilities	負債		
HK\$	港元	201,449	548,900
EUR	歐元	-	1,637

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42 FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to the currency of HK\$.

The following table details the Group's sensitivity to a 2% (2018: 5%) increase and decrease in the RMB against HK\$, respectively. 2% (2018: 5%) sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 2% (2018: 5%) change in foreign currency rates. The sensitivity analysis includes bank balances, receivables or payables, bank overdrafts and borrowings denominated in a currency other than the functional currency. A positive number below indicates an increase in post-tax profit where RMB strengthens against HK\$. For a 2% (2018: 5%) weakening of RMB against the HK\$, there would be an equal and opposite impact on the profit.

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析

本集團主要承受港元貨幣風險。

下表詳列人民幣兌港元升值及貶值2%(二零一八年:5%)的情況下,本集團的敏感度分析。敏感度比率2%(二零一八年:5%)代表管理層對外幣匯率可能變動的合理評估。敏感度分析僅包括以外幣計值的未償還貨幣項目,並於報告期末按2%(二零一八年:5%)外匯匯率變動調整其換算。敏感度分析包括銀行結餘、應收款項或應付款項以及銀行透支及借貸(以功能貨幣以外的貨幣計值)。下列正數表示人民幣兌港元升值時,除稅後溢利將會增加。倘人民幣兌港元貶值2%(二零一八年:5%),將對溢利有等額相反影響。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit for the year HK\$	年度溢利 港元	3,255	17,879

Note: This is mainly attributable to the net exposure to outstanding bank balances, receivables, payables, bank overdrafts and borrowings in HK\$ at end of the reporting period.

附註: 此類風險主要來自報告期末以港元計值的未結清銀行結餘、應收款項、應付款項、銀行透支及借貸。

Notes to the consolidated financial statements

綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank borrowings (see notes 30 and 33 respectively). It is the Group's policy to keep its bank overdrafts and borrowings at floating rate of interests so as to minimise the fair value interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate and RMB Benchmark Loan Rates arising from the Group's HK\$ and RMB denominated bank overdrafts and borrowings.

The Group's fair value interest rate risk relates primarily to its corresponding fixed-rate pledged bank deposits, bank borrowings and lease liabilities (see notes 30, 33 and 34 for details) amounting to HK\$9,476,000 (2018: HK\$11,250,000), HK\$55,875,000 (2018: HK\$41,488,000) and HK\$4,905,000 (2018: HK\$nil) respectively. The management will consider hedging significant interest rate exposure should the need arise.

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

市場風險(續)

(ii) 利率風險

本集團所承擔現金流量利率風險主要與浮息銀行結餘及銀行借貸(分別見附註30及33)有關。本集團的政策為將其銀行透支及借貸利率保持浮動,以盡量降低公允價值利率風險。本集團的現金流量利率風險主要集中於本集團以港元及人民幣計值銀行透支及借貸的香港銀行同業拆息利率及人民幣貸款基準利率波動。

本集團的公允價值利率風險主要與其相應固定息率已抵押銀行存款、銀行借貸及租賃負債(詳情見附註30、33及34),分別為9,476,000港元(二零一八年:11,250,000港元)、55,875,000港元(二零一八年:41,488,000港元)及4,905,000港元(二零一八年:零港元)。管理層將於必要時考慮對沖重大利率風險。

Notes to the consolidated financial statements

綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates on variable-rate bank borrowings. The analysis is prepared assuming the variable-rate bank borrowings outstanding at the end of the reporting period were outstanding for the whole year. As the management considers the exposure to interest rate risk in relation to bank balances is insignificant due to the low level of bank interest rate, bank balances are excluded from sensitivity analysis. A 100 basis points (2018: 100 basis points) increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points (2018: 100 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2019 would have decreased/increased by HK\$1,693,000 (2018: decreased/increased by HK\$4,937,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

敏感度分析

以下敏感度分析乃基於浮息銀行借貸的利率風險釐定。有關分析乃假設於報告期末尚未償還的浮息銀行借貸於整個年度均未償還而編製。由於管理層認為銀行利率處於低水平，銀行結餘所承受利率風險輕微，故有關敏感度分析並不包括銀行結餘。分析採用利率增減100個基點(二零一八年：100個基點)，代表管理層對利率合理可能變動的評估。

倘利率增加／減少100個基點(二零一八年：100個基點)，而所有其他變數維持不變，則本集團截至二零一九年十二月三十一日止年度的除稅後溢利將減少／增加1,693,000港元(二零一八年：減少／增加4,937,000港元)，主要來自本集團浮息銀行借貸所承受利率風險。

Notes to the consolidated financial statements

綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, contract assets, other receivables, bank balances and pledged bank deposits. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with certain trade receivable are backed by bills issued by reputable financial institutions.

The Group performed impairment assessment for financial assets and contract assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk on trade receivables and contract assets, the management of the Group has delegated a team responsible for determination of credit limit, credit approval, and makes periodic collective assessments as well as individual assessment on the recoverability of receivables based on historical settlement records, reasons for extended repayment period and past experience. The Group only accepts bills issued or guaranteed by reputable PRC banks if trade receivables are settled by bills and therefore the management of the Group considers the credit risk arising from the endorsed or discounted bills is insignificant. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估

信貸風險指本集團的對手方違反其合約義務而導致本集團蒙受財務損失的風險。本集團的信貸風險主要源自貿易應收款項、合約資產、其他應收款項、銀行結餘及已抵押銀行存款。本集團並無持有任何抵押品或其他信貸增強措施以保障其金融資產相關的信貸風險，惟與獲信譽良好的金融機構所發行票據支持的若干貿易應收款項有關的信貸風險除外。

本集團根據預期信貸虧損模式對金融資產及合約資產進行減值評估。有關本集團信貸風險管理、最高信貸風險及相關減值評估(如適用)的資料概列如下：

來自客戶合約的貿易應收款項及合約資產

為盡量減低貿易應收款項及合約資產的信貸風險，本集團管理層已委派一支隊伍負責釐定信貸限額、信貸審批及定期進行整體評估，並根據歷史結算記錄、延長還款期的理由及過往經驗對應收款項的可收回性進行個別評估。本集團僅於貿易應收款項以票據結算時方會接納由中國知名銀行發行或擔保的票據，因此，本集團管理層認為背書或貼現票據所產生的信貸風險並不重大。就此而言，本公司董事認為本集團的信貸風險已大大降低。

Notes to the consolidated financial statements

綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade receivables and contract assets arising from contracts with customers (continued)

The Group has concentration of credit risk as 15% (2018: 12%) and 41% (2018: 36%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively within the printing of cigarettes packages segment.

In addition, the Group performs impairment assessment under ECL model on the trade receivables and contract assets individually or based on provisional matrix. Except for debtors with internal credit ratings graded as P4, P5 and P6, which are assessed for impairment individually, the remaining trade receivables and contract assets are grouped under a provision matrix based on shared credit risk characteristics by reference to repayment histories for recurring customers and current past due exposure for the new customers.

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

來自客戶合約的貿易應收款項及合約資產(續)

本集團有信貸集中的風險，原因為貿易應收款項總額的15% (二零一八年：12%)及41% (二零一八年：36%)分別為應收本集團印刷香煙包裝分部最大客戶及五大客戶的款項。

此外，本集團根據預期信貸虧損模式單獨或基於撥備矩陣對貿易應收款項及合約資產進行減值評估。除內部信貸評級為P4、P5及P6的債務人須單獨評估減值外，餘下貿易應收款項及合約資產根據共同信貸風險特徵於撥備矩陣下分組，當中參考現有客戶的還款記錄及新客戶的當前逾期風險。

Notes to the consolidated financial statements

綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Other receivables/bank balances/pledged bank deposits

In order to minimise the credit risk on other receivables, the management of the Group makes periodic individual assessments on the recoverability of receivables based on historical settlement records, past experience and forward-looking information. The Group performs impairment assessment under ECL model on other receivables individually.

The credit risk on bank balances are limited because the counterparties are banks with high credit ratings assigned by PRC credit rating agencies or state-owned banks located in the PRC.

In determining the ECL for bank balances and pledged bank deposits, the management of the Group has taken into account the estimated default loss rates in reference to the international credit rating agency and forward-looking information, as appropriate. There had been no significant increase in credit risk since initial recognition. The management of the Group has estimated the ECL basing on the carrying amounts of bank balances and pledged bank deposits at the end of the reporting period multiplying the estimated default loss rates. The Group has considered the consistently low historical default rate, and concluded that credit risk inherent in the Group's outstanding bank deposits and pledged bank deposits is insignificant.

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

其他應收款項/銀行結餘/已押抵銀行存款

為盡量減低其他應收款項的信貸風險，本集團管理層根據歷史結算記錄、過往經驗及前瞻性資料定期對應收款項的可收回性進行個別評估。本集團根據預期信貸虧損模式對其他應收款項進行個別減值評估。

銀行結餘的信貸風險有限，原因為對手方乃獲中國信貸評級機構列為信貸評級優良的銀行或中國的國有銀行。

在釐定銀行結餘及已抵押銀行存款的預期信貸風險時，本集團管理層已計及參考國際信貸評機構及前瞻性資料(如適用)之估計違約損失率。信貸風險自初步確認以來並無顯著增加。本集團管理層根據於報告期末銀行結餘及已抵押銀行存款之賬面值乘估計違約損失率估計預期信貸風險。本集團已考慮持續較低的歷史違約率，並得出結論認為本集團未償還銀行存款及已抵押銀行存款固有的信貸風險並不重大。

Notes to the consolidated financial statements

綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Other receivables/bank balances/pledged bank deposits (continued)

The Group has concentration of credit risk as 85% (2018: 86%) of the total bank balances was due from the three largest banks.

The Group is also exposed to the concentration on geographic segment of the PRC. At 31 December 2019, approximately 99% (2018: 99%) of the Group's trade and other receivables are arising from counterparties whose principal place of operations is the PRC.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating
內部信貸評級

Description
描述

P1 The counterparty has a low risk of default, refers to state-owned cigarette companies

P1 對手方的違約風險較低，指國有香煙公司

P2 Debtor frequently repays within due dates and has no past due amounts and the length of customer relationship is more than three years with no default history

P2 債務人經常在到期日內償還，並無逾期款項，客戶關係時長超過三年且不曾違約

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

其他應收款項／銀行結餘／已押抵銀行存款(續)

本集團有信貸集中的風險，銀行結餘總額的85%(二零一八年：86%)來自三大銀行。

本集團亦承受地區分部集中在中國的風險。於二零一九年十二月三十一日，本集團約99%(二零一八年：99%)的貿易及其他應收款項來自以中國為主要營業地點的對手方。

本集團的內部信貸風險評級評估包括以下類別：

**Trade receivables/
contract assets**
貿易應收款項／合約資產

Lifetime ECL — not credit-impaired

全期預期信貸虧損 — 未出現信貸減值

Lifetime ECL — not credit-impaired

全期預期信貸虧損 — 未出現信貸減值

Notes to the consolidated financial statements

綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Other receivables/bank balances/pledged bank deposits (continued)

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

其他應收款項/銀行結餘/已押抵銀行存款(續)

Internal
credit rating
內部信貸評級

Description
描述

Trade receivables/
contract assets
貿易應收款項/合約資產

P3	Debtor frequently repays after due dates and has past due amounts, or the length of customer relationship is less than three years	Lifetime ECL — not credit-impaired
P3	債務人經常在到期日後償還並有逾期款項，或客戶關係時長少於三年	全期預期信貸虧損 — 未出現信貸減值
P4	Debtor with significant outstanding past due balances which expects to be fully settled within one year	Lifetime ECL — not credit-impaired
P4	預期將於一年內悉數償付重大未清償逾期結餘的債務人	全期預期信貸虧損 — 未出現信貸減值
P5	Debtor with significant outstanding past due balances which settles from time to time and expect to be fully settled within two years.	Lifetime ECL — not credit-impaired
P5	不時結算並預期將於兩年內悉數償付重大未清償逾期結餘的債務人	全期預期信貸虧損 — 未出現信貸減值
P6	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired
P6	有證據顯示資產出現信貸減值	全期預期信貸虧損 — 出現信貸減值
P7	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off
P7	有證據顯示債務人遇到嚴重財政困難，而本集團無實際期望可收回欠款	款項撇銷

Notes to the consolidated financial statements

綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

The tables below detail the credit risk exposures of the Group's trade receivables, contract assets, pledged bank deposits, bank balances and cash and other receivables which are subject to ECL assessment:

Financial assets at amortised costs

	Notes 附註	External credit rating 外部信貸 評級	Internal credit rating 內部信貸 評級	12-month or lifetime ECL 12個月或全期預期信貸虧損	2019 二零一九年 Gross carrying amount		2018 二零一八年 Gross carrying amount	
					賬面總值		賬面總值	
					HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade receivables 貿易應收款項	26	N/A 不適用	P1	Lifetime ECL (provision matrix)	448,905		355,506	
				全期預期信貸虧損(撥備矩陣)				
			P2	Lifetime ECL (provision matrix)	25,384		55,930	
				全期預期信貸虧損(撥備矩陣)				
			P3	Lifetime ECL (provision matrix)	79,423		91,752	
				全期預期信貸虧損(撥備矩陣)				
			P4	Lifetime ECL (not credit-impaired)	6,812		20,497	
				全期預期信貸虧損(未出現信貸減值)				
			P5	Lifetime ECL (not credit-impaired)	-		28,789	
				全期預期信貸虧損(未出現信貸減值)				
P6	Lifetime ECL (credit-impaired)	11,060	571,584	4,152	556,626			
	全期預期信貸虧損(出現信貸減值)							
Contract assets 合約資產	27	N/A 不適用	P1	Lifetime ECL (provision matrix)	165,719		159,007	
				全期預期信貸虧損(撥備矩陣)				
			P2	Lifetime ECL (provision matrix)	4,131		1,122	
				全期預期信貸虧損(撥備矩陣)				
			P3	Lifetime ECL (provision matrix)	469		5,465	
				全期預期信貸虧損(撥備矩陣)				
			P4	Lifetime ECL (not credit-impaired)	536		-	
				全期預期信貸虧損(未出現信貸減值)				
			P5	Lifetime ECL (not credit-impaired)	-	170,855	8	165,602
全期預期信貸虧損(未出現信貸減值)								
Pledged bank deposits 已抵押銀行存款	30	AAA*	N/A 不適用	12-month ECL 12個月預期信貸虧損	9,476	9,476	11,250	11,250
Bank balances and cash 銀行結餘及現金	30	AAA*	N/A 不適用	12-month ECL 12個月預期信貸虧損	201,168	201,168	355,508	355,508
Other receivables 其他應收款項	28	N/A 不適用	(Note 1) (附註1)	12-month ECL 12個月預期信貸虧損	20,789	20,789	43,277	43,277
Refundable rental deposit 可退還租賃按金		N/A 不適用	(Note 1) (附註1)	12-month ECL 12個月預期信貸虧損	664	664	-	-

* The rating is originated from PRC credit rating agencies.

* 評級來自中國信貸評級機構。

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

下表詳列須進行預期信貸虧損評估的本集團貿易應收款項、合約資產、已抵押銀行存款、銀行結餘及現金以及其他應收款項的信貸風險：

按攤銷成本列賬的金融資產

Notes to the consolidated financial statements

綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Financial assets at amortised costs (continued)

Notes:

1. For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. At 31 December 2019, these amounts are not past due or they have no fixed repayment terms.
2. For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.

Provision matrix – internal credit rating

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on provision matrix as at 31 December 2019 within lifetime ECL (not credit impaired). Debtors with significant outstanding and long aged balances or credit-impaired with gross carrying amounts of HK\$17,872,000 and HK\$nil in aggregate for trade receivables and contract assets as at 31 December 2019 (2018: HK\$53,438,000 and HK\$4,131,000) were assessed individually.

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

按攤銷成本列賬的金融資產(續)

附註：

1. 就內部信貸風險管理而言，本集團利用逾期資料評估信貸風險自初步確認以來有否顯著增加。於二零一九年十二月三十一日，該等金額未逾期或無固定還款期限。
2. 就貿易應收款項及合約資產而言，本集團已應用香港財務報告準則第9號的簡化方法計量全期預期信貸虧損的虧損撥備。

撥備矩陣 – 內部信貸評級

作為本集團信貸風險管理其中一部分，本集團對其客戶應用內部信貸評級。下表載列按於全期預期信貸虧損(未出現信貸減值)內根據二零一九年十二月三十一日的撥備矩陣評估的貿易應收款項及合約資產信貸風險的資料。於二零一九年十二月三十一日涉及貿易應收款項及合約資產賬面總值合共為17,872,000港元及零港元(二零一八年：53,438,000港元及4,131,000港元)具有重大未償還及長賬齡結餘或出現信貸減值的債務人獲進行個別評估。

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綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Provision matrix – internal credit rating (continued)

Gross carrying amount

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

撥備矩陣 – 內部信貸評級(續)

賬面總值

		2019 二零一九年		
Internal credit rating	內部信貸評級	Average loss rate 平均虧損率	Trade receivables 貿易應收款項 HK\$'000 千港元	Contract assets 合約資產 HK\$'000 千港元
P1	P1	0.03%	448,905	165,719
P2	P2	0.77%	25,384	4,131
P3	P3	2.64%	79,423	469
			553,712	170,319
		2018 二零一八年		
Internal credit rating	內部信貸評級	Average loss rate 平均虧損率	Trade receivables 貿易應收款項 HK\$'000 千港元	Contract assets 合約資產 HK\$'000 千港元
P1	P1	0.04%	355,506	159,007
P2	P2	0.78%	55,930	1,122
P3	P3	2.70%	91,752	5,465
			503,188	165,594

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綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Provision matrix — internal credit rating (continued)

Gross carrying amount (continued)

The estimated loss rates are estimated based on historical settlement records, internal credit rating, the external credit rating data and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

During the year ended 31 December 2019, the Group provided HK\$2,141,000 (2018: HK\$2,474,000) net impairment allowance for trade receivables and reversed HK\$84,000 (2018: provided HK\$4,281,000) net impairment allowance for contract assets, based on the provision matrix and assessment by individually for those credit impaired debtors or those debtors with significant outstanding and long aged balances.

The Group assessed the loss allowances for pledged bank deposits, other receivables and bank balances on 12-month ECL basis. The management of the Group considers the bank balances that are deposited with the financial institutions with high credit rating to be low credit risk financial assets. The management of the Group considers bank balances are short-term in nature and the probability of default is negligible on the basis of high-credit-rating issuers, and accordingly, loss allowance was considered as insignificant.

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

撥備矩陣 — 內部信貸評級(續)

賬面總值(續)

估計虧損率乃基於歷史結算記錄、內部信貸評級及外部信貸評級數據估算，並根據毋須付出不必要成本或努力即可獲得的前瞻性資料作出調整。管理層會定期審閱分組方式以確保特定債務人的相關資料予以更新。合約資產具有與同一類型合約的貿易應收款項大致相同的風險特徵。因此，本集團認為貿易應收款項的虧損率與合約資產的虧損率合理相若。

截至二零一九年十二月三十一日止年度，本集團根據撥備矩陣及對該等出現信貸減值的債務人或該等具重大未償還及長賬齡結餘的債務人進行個別評估，分別就貿易應收款項計提減值撥備淨額2,141,000港元(二零一八年：2,474,000港元)及就合約資產撥回減值撥備淨額84,000港元(二零一八年：撥備4,281,000港元)。

本集團按12個月預期信貸虧損基準評估已抵押銀行存款、其他應收款項及銀行結餘的虧損撥備。本集團管理層認為，存放於信貸評級較高的金融機構的銀行結餘屬低信貸風險的金融資產。本集團管理層認為銀行結餘屬短期性質，而在高信貸評級發行人的基礎上可毋須計算違約概率，故虧損撥備被視為微不足道。

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綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Provision matrix — internal credit rating (continued)

Gross carrying amount (continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

撥備矩陣 — 內部信貸評級(續)

賬面總值(續)

下表顯示根據簡化方法就貿易應收款項確認全期預期信貸虧損的變動。

		Lifetime ECL (not credit- impaired) 全期預期信貸 虧損(未出現 信貸減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期信貸 虧損(出現 信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日			
— As restated	— 經重列	10,117	—	10,117
Changes due to financial instruments recognised as at 1 January 2018:	因二零一八年一月一日確認金融工具而出現變動:			
— Transfer to credit impaired	— 轉撥至出現信貸減值	(115)	115	—
— Impairment losses recognised	— 已確認減值虧損	2,152	4,154	6,306
— Impairment losses reversed	— 已撥回減值虧損	(8,927)	—	(8,927)
New financial assets originated	新產生的金融資產	5,095	—	5,095
Exchange adjustment	匯兌調整	(485)	(117)	(602)
As at 31 December 2018	於二零一八年十二月三十一日	7,837	4,152	11,989
Changes due to financial instruments recognised as at 1 January 2019:	因二零一九年一月一日確認金融工具而出現變動:			
— Transfer to credit impaired	— 轉撥至出現信貸減值	(60)	60	—
— Impairment losses recognised	— 已確認減值虧損	—	7,017	7,017
— Impairment losses reversed	— 已撥回減值虧損	(7,294)	—	(7,294)
New financial assets originated	新產生的金融資產	2,418	—	2,418
Exchange adjustment	匯兌調整	(85)	(169)	(254)
As at 31 December 2019	於二零一九年十二月三十一日	2,816	11,060	13,876

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綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Provision matrix — internal credit rating (continued)

Gross carrying amount (continued)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. The Group has taken legal action against the debtors to recover the amount due. None of the trade receivables that have been written off is subject to enforcement activities.

Changes in the loss allowance for trade receivables are mainly due to:

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

撥備矩陣 — 內部信貸評級(續)

賬面總值(續)

當有資料顯示債務人遇到嚴重財政困難及無實際收回可能(例如債務人面臨清盤或進入破產程序)時,本集團將撇銷貿易應收款項。本集團已採取法律行動向債務人追收欠款。概無已撇銷的貿易應收款項牽涉強制執行活動。

貿易應收款項虧損撥備變動主要源自:

		2019 二零一九年 Increase/ (decrease) in lifetime ECL 全期預期信貸虧損 增加/(減少)		2018 二零一八年 Increase/ (decrease) in lifetime ECL 全期預期信貸虧損 增加/(減少)	
		Not credit- impaired 未出現 信貸減值 HK\$'000 千港元	Credit- impaired 出現 信貸減值 HK\$'000 千港元	Not credit- impaired 未出現 信貸減值 HK\$'000 千港元	Credit- impaired 出現 信貸減值 HK\$'000 千港元
One trade debtor with a gross carrying amount of HK\$6,973,000 (2018: HK\$4,152,000) defaulted and transferred to credit-impaired	一項賬面總值 6,973,000 港元 (二零一八年: 4,152,000 港元) 已違約並轉撥至出現信貸減值的貿易應收賬款	(60)	7,077	(115)	115
Settlement of trade debtors graded as P4 and P5 with a gross carrying amount of HK\$42,176,000 (2018: HK\$35,463,000)	償付賬面總值 42,176,000 港元 (二零一八年: 35,463,000 港元) 評級為 P4 及 P5 的貿易應收賬款	(4,392)	-	(1,601)	-
New trade receivables with gross carrying amount of HK\$543,397,000 (2018: HK\$525,191,000)	賬面總值 543,397,000 港元 (二零一八年: 525,191,000 港元) 的新貿易應收款項	2,418	-	5,095	-

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綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Provision matrix — internal credit rating (continued)

Gross carrying amount (continued)

The following table shows reconciliation of loss allowances that has been recognised for contract assets.

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

撥備矩陣 — 內部信貸評級(續)

賬面總值(續)

下表顯示已確認合約資產虧損撥備的對賬。

		Lifetime ECL (not credit- impaired) 全期預期信貸 虧損(未出現 信貸減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期信貸 虧損(出現 信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日			
— As restated	— 經重列	76	—	76
Changes due to financial instruments recognised as at 1 January 2018:	因二零一八年一月一日 確認金融工具 而出現變動:			
— Transfer to credit-impaired	— 轉撥至出現信貸減值	(6)	6	—
— Impairment losses recognised	— 已確認減值虧損	—	4,125	4,125
— Impairment losses reversed	— 已撥回減值虧損	(69)	—	(69)
— Write-offs	— 撇銷	—	(4,131)	(4,131)
New contract assets originated	新產生的合約資產	225	—	225
Exchange adjustment	匯兌調整	(9)	—	(9)
As at 31 December 2018	於二零一八年 十二月三十一日	217	—	217
Changes due to financial instruments recognised as at 1 January 2019:	因二零一九年一月一日 確認金融工具 而出現變動:			
— Impairment losses reversed	— 已撥回減值虧損	(217)	—	(217)
New contract assets originated	新產生的合約資產	133	—	133
Exchange adjustment	匯兌調整	(2)	—	(2)
As at 31 December 2019	於二零一九年 十二月三十一日	131	—	131

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綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

(continued)

Provision matrix — internal credit rating (continued)

Gross carrying amount (continued)

The write off of contract assets is due to a customer who cancelled a sale order and failed to settle the consideration in 2018 and the Group agreed to waive the rights of receipt.

The following table shows reconciliation of loss allowances that has been recognised for other receivables.

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

撥備矩陣 — 內部信貸評級(續)

賬面總值(續)

由於客戶取消銷售訂單及未能於二零一八年償付代價而本集團同意放棄應收款項權利，故將合約資產撇銷。

下表顯示就其他應收款項確認虧損撥備的對賬。

12-month ECL
(not credit-impaired)
12個月
預期信貸虧損
(未出現
信貸減值)
HK\$'000
千港元

As at 1 January 2018 — As restated	於二零一八年一月一日 — 經重列	815
Changes due to financial instruments recognised as at 1 January 2018	因二零一八年一月一日確認金融工具而出現變動	
— Impairment losses reversed	— 已撥回減值虧損	(804)
New financial assets originated	新產生的金融資產	267
Exchange adjustment	匯兌調整	(21)
As at 31 December 2018	於二零一八年十二月三十一日	257
Changes due to financial instruments recognised as at 1 January 2019	因二零一九年一月一日確認金融工具而出現變動	
— Impairment losses reversed	— 已撥回減值虧損	(207)
New financial assets originated	新產生的金融資產	110
Exchange adjustment	匯兌調整	(3)
As at 31 December 2019	於二零一九年十二月三十一日	157

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綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank loans as a significant source of liquidity. As at 31 December 2019, the Group has available unutilised bank borrowings facilities of approximately HK\$621,049,000 (2018: HK\$394,287,000).

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other financial liabilities are based on the agreed repayment dates.

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

流動資金風險

於管理流動資金風險時，本集團會進行監控並將現金及現金等價物維持在管理層認為充足的水平，以為本集團的營運提供資金並減低現金流量波動的影響。管理層會監控銀行借貸的動用情況，並確保遵守貸款契約。

本集團依賴銀行貸款為主要流動資金來源。於二零一九年十二月三十一日，本集團可取得的尚未動用銀行借貸融資約為621,049,000港元(二零一八年：394,287,000港元)。

下表詳列本團金融負債的剩餘合約期限，乃根據以本集團須償還金融負債的最早日期釐定的金融負債未折現現金流量編製。特別是，附帶按要求償還條款的銀行借貸已列入最早時間範圍內，儘管有關銀行有可能選擇行使其權利。其他金融負債的到期日乃根據協定償還日期釐定。

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綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Liquidity tables

		Weighted average interest rate 加權 平均利率 %	On demand or less than 1 year 按要求或 一年內 HK\$'000 千港元	1-2 years 一至兩年 HK\$'000 千港元	over 2 years 超過兩年 HK\$'000 千港元	Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
2019	二零一九年						
Trade payables	貿易應付款項	-	226,288	-	-	226,288	226,288
Other payables	其他應付款項	-	33,218	-	-	33,218	33,218
Bank overdrafts	銀行透支	3.80	2,831	-	-	2,831	2,728
Amounts due to non-controlling interests of subsidiaries	應付附屬公司非控股權益款項	-	8,290	-	-	8,290	8,290
Bank borrowings	銀行借貸						
— floating rate	— 浮動利率	4.46	209,537	-	-	209,537	200,587
— fixed rate	— 固定利率	4.35	58,306	-	-	58,306	55,875
Lease liabilities	租賃負債	4.36	4,440	601	-	5,041	4,905
			542,910	601	-	543,511	531,891
2018	二零一八年						
Trade payables	貿易應付款項	-	229,676	-	-	229,676	229,676
Other payables	其他應付款項	-	55,922	-	-	55,922	55,922
Bank overdrafts	銀行透支	3.78	20,650	-	-	20,650	19,897
Amounts due to non-controlling interests of subsidiaries	應付附屬公司非控股權益款項	-	8,154	-	-	8,154	8,154
Purchase consideration payable for acquisition	就收購事項所須支付購買代價						
— amortised cost	— 攤銷成本	-	11,150	-	-	11,150	11,150
— FVTPL	— 按公允價值計入損益	-	1,626	-	-	1,626	1,626
Bank borrowings	銀行借貸						
— floating rate	— 浮動利率	4.49	585,842	19,593	-	605,435	578,596
— fixed rate	— 固定利率	4.81	43,482	-	-	43,482	41,488
			956,502	19,593	-	976,095	946,509

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

流動資金風險(續)

表格包括利息及本金現金流量。倘利息流為浮動利率，則未折現金額乃按報告期末的利率計算所得。

流動資金表

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42. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity tables (continued)

Bank borrowings with a repayment on demand clause are included in the “on demand or less than 1 month” time band in the above maturity analysis. As at 31 December 2019, the aggregate carrying amounts of these bank borrowings amounted to HK\$nil (31 December 2018: HK\$51,429,000). Details are set out in the table below.

42. 金融工具(續)

b. 金融風險管理的目標及政策(續)

流動資金風險(續)

流動資金表(續)

附帶按要求償還條款的銀行借貸列入上述到期日分析「按要求或一年內」的時間範圍內。於二零一九年十二月三十一日，該等銀行借貸的賬面總值為零港元(二零一八年十二月三十一日：51,429,000港元)。有關詳情載於下表。

		On demand or less than 1 year 按要求或 一年內 HK\$'000 千港元	1-2 years 一至兩年 HK\$'000 千港元	over 2 years 超過兩年 HK\$'000 千港元	Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
31 December 2018	二零一八年 十二月三十一日	14,061	14,061	24,606	52,728	51,429

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42. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurement of financial instruments

Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial liabilities are measured at fair value at 31 December 2018. The following table gives information about how the fair values of these financial liabilities are determined (in particular, the valuation techniques and inputs used).

	Fair value 公允價值	Fair value hierarchy 公允價值層級	Valuation technique and key inputs 估值方法及關鍵輸入數據	Significant unobservable input 重大不可觀察輸入數據
Financial liability 金融負債				
Contingent Consideration payable	As at 31 December 2019: HK\$nil (2018:HK\$1,626,000)	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic that will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate	Probability of achieve performance requirement of 100% Discount rate of 4.75% (Note)
應付或然代價	於二零一九年十二月三十一日：零港元 (二零一八年：1,626,000 港元)	第三層	採用折讓現金流法按適當折讓率掌握將因或然代價而流出本集團的預期未來經濟利益現值	達到表現要求的機率為100% 折現率4.75% (附註)

Note: A slight increase in the discount rate used in isolation would not result in a significant decrease in the fair value measurement of the contingent consideration payable, and vice versa.

The financial liability measured at fair value on Level 3 fair value measurement represents contingent consideration payable relating to acquisition of Jiangsu HY-Link Science & Technology Co., Ltd ("Jiangsu HY"). The change in fair value of financial liability amounting to HK\$1,190,000 in the current year (2018: HK\$482,000) relating to this contingent consideration payable has been recognised in profit or loss.

42. 金融工具(續)

c. 金融工具的公允價值計量

本集團以經常性基準按公允價值計量的金融負債的公允價值

本集團若干金融負債於二零一八年十二月三十一日按公允價值計量。下表提供有關如何釐定該等金融負債的公允價值的資料(尤其是所用估值方法及輸入數據)。

附註：單獨使用的折讓率微升將導致應付或然代價的公允價值計量顯著下跌，反之亦然。

第三層公允價值計量中按公允價值計量的金融負債指收購江蘇聯恒物宇科技有限公司(「江蘇聯恒物宇」)的應付或然對價。本年度涉及此應付或然代價的金融負債公允價值變動1,190,000港元(二零一八年：482,000港元)於損益確認。

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42. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurement of financial instruments (continued)

Reconciliation of Level 3 fair value measurements

42. 金融工具(續)

c. 金融工具的公允價值計量(續)

第三層公允價值計量的對賬

		Structured deposits 結構性存款 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	7,193
Purchase of structured deposits	購入結構性存款	965,470
Net gain on structured deposits	結構性存款的收益淨額	3,379
Redemption of structured deposits	贖回結構性存款	(975,951)
Exchange differences	匯兌差額	(91)
At 31 December 2018	於二零一八年十二月三十一日	-
Purchase of structured deposits	購入結構性存款	1,020,654
Net gain on structured deposits	結構性存款的收益淨額	1,896
Redemption of structured deposits	贖回結構性存款	(1,022,550)
At 31 December 2019	於二零一九年十二月三十一日	-

There were no transfers into or out of Level 3 during this year.

年內沒有轉入或轉出第三層。

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42. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurement of financial instruments (continued)

Reconciliation of Level 3 fair value measurements (continued)

Of the total gains or losses for the period included in profit or loss, HK\$1,896,000 (2018: HK\$3,379,000) relates to structured deposits. Fair value gains or losses on structured deposits are realised and are included in "other gains and losses".

Fair value of financial instruments that are recorded at amortised cost

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis, with most significant inputs being the discount rate that reflects the credit risk of counterparties.

43. OPERATING LEASES

The Group as lessee

As at 31 December 2018, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	5,150
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	2,782
		7,932

42. 金融工具(續)

c. 金融工具的公允價值計量(續)

第三層公允價值計量的對賬(續)

計入損益的期內收益或虧損總額中，1,896,000港元(二零一八年：3,379,000港元)與結構性存款有關。結構性存款的公允價值收益或虧損已變現，並計入「其他收益及虧損」。

按攤銷成本記錄的金融工具的公允價值

本公司董事認為於綜合財務報表按攤銷成本記錄的金融資產及金融負債的賬面值與其公允價值相若。該等公允價值乃根據公認定價模式按折讓現金流分析釐定，最重要的輸入數據為足以反映對手方信貸風險的折讓率。

43. 經營租賃

本集團作為承租人

於二零一八年十二月三十一日，本集團的不可撤銷經營租賃的未來最低應付租賃付款承擔如下：

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43. OPERATING LEASES (continued)

The Group as lessor

All of the properties held for rental purposes have committed lessees for the next 1 and 5 years respectively.

Minimum lease payments receivable on leases are as follows:

		2019 二零一九年 HK\$'000 千港元
Within one year	一年內	2,015
In the second year	第二年	1,341
In the third year	第三年	1,341
In the fourth year	第四年	1,341
In the fifth year	第五年	1,341
After five years	五年後	1,341
		8,720

The Group had contracted with tenants for the following future minimum lease payments:

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	654
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	110
		764

43. 經營租賃(續)

本集團作為出租人

所有持作租賃用途的物業分別於未來1年及5年獲承租人承租。

租賃的最低應收租賃付款如下：

		2019 二零一九年 HK\$'000 千港元
Within one year	一年內	2,015
In the second year	第二年	1,341
In the third year	第三年	1,341
In the fourth year	第四年	1,341
In the fifth year	第五年	1,341
After five years	五年後	1,341
		8,720

本集團已就下列未來最低租賃付款與租戶訂立合約：

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	654
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	110
		764

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

44. CAPITAL COMMITMENTS

44. 資本承擔

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	涉及收購物業、廠房及設備的已訂約惟未於綜合財務報表撥備的資本開支	95,515	67,062

45. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 4 March 2009 for the primary purpose of providing incentives to directors, employees, customer or supplier of goods or services to any member of the Group, consultant, adviser, manager, officer or entity that provide research, development or other technological support to the Group or its members (the "Eligible Participants"), and have expired on 4 March 2019. Under the Scheme, the directors of the Company may grant options to Eligible Participants to subscribe for shares in the Company.

45. 以股份為基礎付款的交易

本公司股本結算購股權計劃

本公司購股權計劃(「計劃」)根據於二零零九年三月四日通過的決議案獲採納，主要目的為向董事、僱員、客戶或提供貨品或服務予本集團任何成員公司的供應商、顧問、諮詢人、經理、行政人員或向本集團或其成員公司提供研發或其他技術支援的實體(「合資格參與者」)作出獎勵，並已於二零一九年三月四日屆滿。根據計劃，本公司董事可向合資格參與者授出購股權，以認購本公司股份。

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綜合財務報表附註

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45. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

Equity-settled share option scheme of the Company

(continued)

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. However, the total maximum number of the shares which may be issued upon exercise of all outstanding share options must not exceed 30% of the issued share capital of the Company from time to time. Options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares as stated in the daily quotation sheets issued by the Stock Exchange at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

Options granted must be taken up within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. Options may be exercised at any time for a period determined by its directors which shall not be later than the day immediately preceding the tenth anniversary of the date of grant. The exercise price of the share options must be at least the highest of (i) the nominal value of an ordinary share on the date of grant; (ii) the closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange on the date of the offer of the share options; and (iii) the average closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange for the five trading days immediately preceding the date of the offer.

For the years ended 31 December 2019 and 2018, no share options had been granted and the Company had no share options outstanding at 31 December 2019 and 2018.

45. 以股份為基礎付款的交易(續)

本公司股本結算購股權計劃(續)

在未經本公司股東事前批准的情況下，根據計劃可能授出的購股權的有關股份總數不得超逾本公司任何時間的已發行股份的10%。然而，悉數行使尚未行使購股權後可能發行的股份最高總數不得超逾本公司不時已發行股本30%。倘向一名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士授出的購股權於任何12個月期間超逾本公司任何時間的已發行股份0.1%及總價值(以聯交所於授出日期發出的每日報價表所報本公司股份收市價為基準)超逾5,000,000港元，須事先於股東大會上取得股東批准。

授出的購股權須於授出日期後28日內接受，承授人須支付名義代價合共1港元。購股權可於董事釐定的期間隨時行使，惟不得遲於緊接授出日期十週年前當日。購股權行使價須為以下最高者：(i) 授出日期普通股的面值；(ii) 於授出購股權日期聯交所每日報價表所報本公司股份的收市價；及(iii) 緊接授出日期前五個交易日聯交所每日報價表所報本公司股份的平均收市價。

截至二零一九年及二零一八年十二月三十一日止年度，概無授出購股權，而本公司於二零一九年及二零一八年十二月三十一日亦無尚未行使購股權。

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46. PLEDGE OF OR RESTRICTIONS ON ASSETS

Pledge of assets

At the end of the reporting period, the carrying amounts of the assets pledged by the Group to secure the bank borrowings granted to the Group are as follow:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank deposits 銀行存款	9,476	11,250

Restrictions on assets

In addition, lease liabilities of approximately HK\$4,905,000 are recognised with related right-of-use assets of approximately HK\$4,853,000 as at 31 December 2019. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

46. 資產抵押或限制

資產抵押

於報告期末，本集團抵押以擔保授予本集團的銀行借貸的資產賬面值如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank deposits 銀行存款	9,476	11,250

資產限制

此外，於二零一九年十二月三十一日，已確認租賃負債約4,905,000港元涉及使用權資產約4,853,000港元。除出租人所持租賃資產的擔保權益外，租賃協議不施加任何契諾，相關租賃資產亦不得用作借貸擔保。

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47. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flow from financing activities.

47. 融資活動所產生負債的對賬

下表詳列本集團就融資活動所產生負債的變動，包括現金及非現金變動。融資活動所產生負債為現金流或未來現金流均在本集團的綜合現金流量表分類為融資活動所產生現金流的負債。

		Amounts due to non-controlling interests of subsidiaries	Bank borrowings	Dividends payable	Purchase consideration payables	Lease liabilities	Interest payable (included in other payable and accruals)	Total
		應付附屬公司非控股權益款項	銀行借貸	應付股息	應付購買代價	租賃負債	應付利息(計入其他應付款項及應計費用)	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	4,983	678,166	-	22,848	-	65	706,062
Financing cash flow (Note)	融資現金流(附註)	3,356	(53,278)	(223,825)	(6,186)	-	-	(279,933)
Finance costs	融資成本	-	-	-	-	-	22,776	22,776
Interest paid	已付利息	-	-	-	-	-	(24,417)	(24,417)
Consideration for acquisition of non-controlling interest of a subsidiary	收購一間附屬公司非控股權益的代價	-	-	-	6,186	-	-	6,186
Consideration for acquisition a subsidiary in previous year	上一年度收購一間附屬公司的代價	-	-	-	(10,244)	-	-	(10,244)
Dividends declared	已宣派股息	-	-	223,825	-	-	-	223,825
Changes in fair value	公允價值變動	-	-	-	482	-	-	482
Exchange difference	匯兌差額	(185)	(4,804)	-	(310)	-	2,765	(2,534)
At 31 December 2018	於二零一八年十二月三十一日	8,154	620,084	-	12,776	-	1,189	642,203
Adjustment upon application of HKFRS 16	應用香港財務報告準則第16號後作出的調整	-	-	-	-	9,880	-	9,880
At 1 January 2019	於二零一九年一月一日	8,154	620,084	-	12,776	9,880	1,189	652,083
Financing cash flow (Note)	融資現金流(附註)	292	(362,342)	(2,574)	(15,033)	(4,152)	-	(383,809)
Consideration for acquisition of non-controlling interest of a subsidiary	收購一間附屬公司非控股權益的代價	-	-	-	3,618	-	-	3,618
Changes in fair value	公允價值變動	-	-	-	(1,190)	-	-	(1,190)
New lease contracts	新租賃合約	-	-	-	-	864	-	864
Early termination of lease contracts	提前終止租賃合約	-	-	-	-	(1,667)	-	(1,667)
Finance costs	融資成本	-	-	-	-	287	19,391	19,678
Interest paid	已付利息	-	-	-	-	(287)	(19,532)	(19,819)
Dividends declared	已宣派股息	-	-	2,574	-	-	-	2,574
Exchange difference	匯兌差額	(156)	(1,280)	-	(171)	(20)	(910)	(2,537)
At 31 December 2019	於二零一九年十二月三十一日	8,290	256,462	-	-	4,905	138	269,795

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47. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

Note: The cash flows represent (i) the proceeds from and repayment of bank borrowings; (ii) payment of dividends; (iii) repayment to non-controlling interests of subsidiaries; (iv) consideration paid for acquisition of additional equity interest in a subsidiary; (v) consideration paid for acquisition of a subsidiary in previous year and (vi) repayments of leases liabilities.

48. MAJOR NON-CASH TRANSACTIONS

During the year, the Group entered into a new lease agreement for the use of leased properties for 3 years. On the lease commencement, the Group recognised HK\$864,000 of right-of-use asset and HK\$864,000 lease liability.

During the year, there were reduction to right-of-use assets of HK\$1,647,000 and lease liabilities of HK\$1,667,000 due to certain contracts were early terminated.

49. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions and balances with related parties:

(a) Transactions with related company

The Group had the following significant transactions with related party during the year:

47. 融資活動所產生負債的對賬(續)

附註：現金流指(i)銀行借貸的所得款項及還款；(ii)派付股息；(iii)附屬公司非控股權益還款；(iv)收購一間附屬公司額外股本權益的已付代價；(v)上一年度收購一間附屬公司的已付代價；及(vi)租賃負債還款。

48. 重大非現金交易

年內，本集團就使用租賃物業訂立為期三年的新租賃協議。於租賃開始時，本集團確認使用權資產864,000港元及租賃負債864,000港元。

年內，由於若干合約提前終止，使用權資產及租賃負債分別減少1,647,000港元及1,667,000港元。

49. 關連方交易

除綜合財務報表其他部分所披露者外，本集團與關連方的交易及結餘如下：

(a) 與關連公司的交易

於本年度內，本集團進行下列重大關連方交易：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Company controlled by a director of the Company:	由本公司一名董事控制的公司：		
Purchase of printing and packing machineries	購買印刷及包裝機器	10,230	3,658
An associate:	一間聯營公司：		
Sales of printing and manufacturing cigarette packages and related materials	銷售印刷及製造香煙包裝及相關材料	56,263	47,083

Notes to the consolidated financial statements

綜合財務報表附註

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

49. RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties are disclosed in the consolidated statement of financial position and in note 29. In addition, deposits amounting to HK\$5,006,000 (2018: HK\$9,422,000) were paid to a related party controlled by a director of the Company for purchase of property, plant and equipment, which is included in “Rental and other deposits paid”.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

49. 關連方交易 (續)

(b) 與關連方的結餘於綜合財務狀況報表及附註29披露。此外，就購買物業、廠房及設備向一名由本公司董事控制的關連方支付的按金5,006,000港元(二零一八年：9,422,000港元)已計入「已付租金及其他按金」。

(c) 主要管理人員酬金

於本年度，董事及其他主要管理人員的酬金如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short-term benefits	短期福利	6,866	6,708
Contribution to retirement benefits schemes	退休福利計劃供款	143	138
		7,009	6,846

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

董事及主要行政人員的酬金由薪酬委員會經考慮個人表現及市場趨勢後釐定。

Notes to the consolidated financial statements

綜合財務報表附註

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

50. CONTINGENT LIABILITIES

During the year ended 31 December 2017, the Group has received a Notice of Arbitration from Shenzhen Court of International Arbitration that Shenzhen Court of International Arbitration has accepted the application (the “Application”) for arbitration filed by an ex-staff of a subsidiary of the Company (the “Claimant”). According to the Application, the Claimant requests for the payment of: (i) a fund raising reward of about HK\$108.9 million and the related overdue interest since April 2008; (ii) a service fee of RMB2.0 million (equivalent to approximately HK\$2,305,000) and the related overdue interest since July 2007; (iii) legal fees incurred of about HK\$47.0 million and RMB0.9 million (equivalent to approximately HK\$1,037,000); and (iv) arbitration fee, in connection with an appointment contract and another agreement entered into between, among other party, a subsidiary of the Company and the Claimant in April 2005.

The directors of the Company consider that all allegations in the Application are unfounded and without merits. In this regard, the Group has categorically defended and challenged all the claims by the Claimant during the judicial process. In the opinion of the directors of the Company, it is not probable that the Group has an obligation to settle the claims based on the legal advice and no provision is considered to be recognised to the consolidated financial statements accordingly.

50. 或然負債

截至二零一七年十二月三十一日止年度，本集團接獲深圳國際仲裁院發出的仲裁通知，表示深圳國際仲裁院已受理本公司旗下一間附屬公司的一名前僱員（「申索人」）提出的仲裁申請（「該申請」）。根據該申請，申索人要求根據由（其中包括）本公司一間附屬公司與申索人於二零零五年四月訂立的聘用合同及另一份協議書獲支付(i)為數約108,900,000港元的集資報酬及自二零零八年四月以來的相關逾期利息；(ii)為數人民幣2,000,000元（相當於約2,305,000港元）的服務費及自二零零七年七月以來的相關逾期利息；(iii)所引致的法律費用約47,000,000港元及人民幣900,000元（相當於約1,037,000港元）；及(iv)仲裁費。

本公司董事認為，該申請的一切指控均無事實根據及缺乏充分理據。就此，本集團已於司法過程中積極抗辯及反對申索人提出的一切申索。本公司董事認為，基於法律意見，本集團不可能須償付申索，故認為毋須在綜合財務報表確認撥備。

Notes to the consolidated financial statements

綜合財務報表附註

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

51. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the Company's subsidiaries at 31 December 2019 and 2018 are as follows:

51. 本公司附屬公司詳情

於二零一九年及二零一八年十二月三十一日，本公司附屬公司詳情如下：

Names of subsidiaries 附屬公司名稱	Places of establishment/ incorporation/ operation 成立/註冊成立/ 營業地點	Proportion of registered capital/issued share capital/equity interests and voting power held by the Company 本公司持有註冊股本/已發行股本/ 股本權益及投票權比例				Issue and fully paid ordinary share capital/ registered capital 已發行及悉數 繳足普通股本/ 註冊股本	Principal activities 主要業務
		Directly 直接		Indirectly 間接			
		2019	2018	2019	2018		
		二零一九年 %	二零一八年 %	二零一九年 %	二零一八年 %		
Brilliant Circle Management Limited (貴聯管理有限公司)	British Virgin Islands 英屬處女群島	100.00	100.00	-	-	US\$200 200美元	Investment holding 投資控股
Brilliant Circle Group Holdings Limited (貴聯集團控股有限公司)	British Virgin Islands 英屬處女群島	-	-	100.00	100.00	US\$1 1美元	Investment holding 投資控股
Brilliant Circle Printing & Packaging Limited (貴聯印刷包裝有限公司)	British Virgin Islands 英屬處女群島	-	-	100.00	100.00	US\$10,000 10,000美元	Investment holding 投資控股
Union Virtue International Limited (同德國際有限公司)	British Virgin Islands 英屬處女群島	-	-	100.00	100.00	US\$1 1美元	Investment holding 投資控股
Brilliant Circle Development Limited (貴聯發展有限公司)	Hong Kong 香港	-	-	100.00	100.00	HK\$2,000,000 2,000,000港元	Investment holding 投資控股
Champion League Investment Holdings Limited (冠連投資控股有限公司)	British Virgin Islands 英屬處女群島	-	-	100.00	100.00	US\$100 100美元	Investment holding 投資控股
Sanbond Investment Limited (協寶投資有限公司)	Hong Kong 香港	-	-	100.00	100.00	HK\$100 100港元	Investment holding 投資控股
蚌埠金黃山凹版印刷有限公司* (Bengbu Jinhuangshan Rotogravure Printing Company Limited)	PRC 中國	-	-	100.00	100.00	US\$12,461,000 12,461,000美元	Printing of cigarette packages printing of packages and decoration matter research and development on printing technology 香煙包裝印刷、包裝裝潢印刷品印刷以及印刷技術研究及開發
深圳貴聯印刷有限公司* (Shenzhen Guilian Printing Limited)	PRC 中國	-	-	100.00	100.00	HK\$9,600,000 9,600,000港元	Investment holding 投資控股

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綜合財務報表附註

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

51. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued) 51. 本公司附屬公司詳情(續)

Names of subsidiaries 附屬公司名稱	Places of establishment/ incorporation/ operation 成立/註冊成立/ 營業地點	Proportion of registered capital/issued share capital/equity interests and voting power held by the Company 本公司持有註冊股本/已發行股本/ 股本權益及投票權比例				Issue and fully paid ordinary share capital/ registered capital 已發行及悉數 繳足普通股本/ 註冊股本	Principal activities 主要業務
		Directly 直接		Indirectly 間接			
		2019	2018	2019	2018		
		二零一九年 %	二零一八年 %	二零一九年 %	二零一八年 %		
Kecai* 科彩*	PRC 中國	-	-	100.00	99.49	RMB194,720,000 人民幣194,720,000元	Printing of cigarette packages printing of packages and decoration matter research and development on printing technology 香煙包裝印刷、包裝裝潢印刷品印刷以及印刷技術研究及開發
襄陽金飛環彩色包裝有限公司* (Xiangyang Jinfeihuan Colour Packing Co., Ltd)	PRC 中國	-	-	100.00	100.00	US\$3,000,000 3,000,000美元	Printing of cigarette packages 印刷香煙包裝
ZTAT 昭通安通	PRC 中國	-	-	100.00	100.00	US\$1,000,000 1,000,000美元	Manufacturing of laminated paper 製造複合紙
Giant Sino Investments Limited (鉅華投資有限公司)	British Virgin Islands 英屬處女群島	60.00	60.00	40.00	40.00	US\$100.00 100.00美元	Investment holding 投資控股
Emperor Great Investments Limited (帝鴻投資有限公司)	British Virgin Islands 英屬處女群島	100.00	100.00	-	-	US\$100.00 100.00美元	Investment holding 投資控股
Fortune Chaser Limited (源順有限公司)	Hong Kong 香港	-	-	100.00	100.00	HK\$100.00 100.00港元	Investment holding 投資控股
Forever Youth limited (青恒有限公司)	British Virgin Islands 英屬處女群島	100.00	100.00	-	-	US\$100.00 100.00美元	Investment holding 投資控股
Right Tech (China) Limited (偉達(中國)有限公司)	Hong Kong 香港	-	-	100.00	100.00	HK\$1 1港元	Investment holding 投資控股
Jiangsu HY* 江蘇聯恒物宇*	PRC 中國	-	-	70.00	70.00	RMB16,800,000 人民幣16,800,000元	Sales of RFID products 銷售射頻識別產品

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綜合財務報表附註

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

51. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued) 51. 本公司附屬公司詳情(續)

Names of subsidiaries 附屬公司名稱	Places of establishment/ incorporation/ operation 成立/註冊成立/ 營業地點	Proportion of registered capital/issued share capital/equity interests and voting power held by the Company 本公司持有註冊股本/已發行股本/ 股本權益及投票權比例				Issue and fully paid ordinary share capital/ registered capital 已發行及悉數 繳足普通股本/ 註冊股本	Principal activities 主要業務
		Directly 直接		Indirectly 間接			
		2019	2018	2019	2018		
		二零一九年 %	二零一八年 %	二零一九年 %	二零一八年 %		
珠海包裝寶投資有限公司* (Zhuhai Baozhuangbao Investment Co., Ltd.)	PRC 中國	-	-	100.00	100.00	RMB50,000,000 人民幣50,000,000元	Investment holding 投資控股
江蘇金訊達物聯科技有限公司* (Jiangsu Jinxunda IOT Technology Co., Ltd.)	PRC 中國	-	-	100.00	100.00	RMB125,000,000 人民幣 125,000,000元	Sales of RFID products 銷售射頻識別產品
Jinshengcai** 金升彩**	PRC 中國	-	-	100.00	100.00	RMB28,350,000 人民幣28,350,000元	Manufacturing of paper packaging materials 製造紙包裝材料
深圳市金聯達智能包裝科技 有限公司** (Shenzhen Jinlianda Intelligent Packaging Technology Co., Ltd.)	PRC 中國	-	-	100.00	-	RMB10,000,000 人民幣10,000,000元	Sales of RFID products 銷售射頻識別產品
深圳市聯微互聯網科技有限公司**	PRC 中國	-	-	100.00	-	RMB840,000 人民幣840,000元	Trading of printing of cigarette packages 香煙包裝印刷貿易

* Company incorporated as a sino-foreign equity.

Company established as foreign invested limited liability company.

** Limited liability company established in the PRC.

* 公司註冊成立為中外合資企業。

公司成立為外商投資有限公司。

** 於中國成立的有限公司。

None of the subsidiaries had issued any debt securities at the end of the reporting period or at any time during the year.

於報告期末或本年度任何時間，概無附屬公司發行任何債務證券。

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綜合財務報表附註

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

52. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

52. 本公司財務狀況及儲備報表

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司的權益	1,174,590	1,197,858
Right-of-use assets	使用權資產	4,001	–
Rental deposit	租賃按金	664	–
		1,179,255	1,197,858
Current assets	流動資產		
Other receivables	其他應收款項	172	843
Amounts due from subsidiaries	應收附屬公司款項	440,486	229,680
Bank balances and cash	銀行結餘及現金	4,657	69,972
		445,315	300,495
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	–	1,240
Amounts due to subsidiaries	應付附屬公司款項	217,918	119,199
Bank borrowings	銀行借貸	195,000	488,837
Bank overdraft	銀行透支	2,728	19,897
Lease liabilities	租賃負債	4,053	–
		419,699	629,173
Net current liabilities	流動負債淨額	25,616	(328,678)
Total assets less current liabilities	資產總值減流動負債	1,204,871	869,180
Non-current liability	非流動負債		
Bank borrowings	銀行借貸	–	18,750
Net assets	資產淨值	1,204,871	850,430
Capital and reserves	資本及儲備		
Share capital	股本	7,839	7,839
Reserves	儲備	1,197,032	842,591
		1,204,871	850,430

Notes to the consolidated financial statements

綜合財務報表附註

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

52. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY (continued)

Movement in the Company's reserves

52. 本公司財務狀況及儲備報表(續)

本公司儲備變動

		Dividend reserve	Share premium	Other reserves	Exchange reserves	Retained profits	Total
		股息儲備	股份溢價	其他儲備	匯兌儲備	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年 一月一日	-	4,936,913	(4,185,977)	(23,161)	336,326	1,064,101
Profit and total comprehensive income for the year	年度溢利及全面 收益總額	-	-	-	(47,305)	25,700	(21,605)
Dividends recognised as distribution	確認為分派的股息	-	-	-	-	(199,905)	(199,905)
At 31 December 2018	於二零一八年 十二月三十一日	-	4,936,913	(4,185,977)	(70,466)	162,121	842,591
Profit and total comprehensive income for the year	年度溢利及 全面收益總額	-	-	-	(19,451)	373,892	354,441
Final dividends for 2019 proposed (note 16)	二零一九年建議末期 股息(附註16)	299,936	-	-	-	(299,936)	-
At 31 December 2019	於二零一九年 十二月三十一日	299,936	4,936,913	(4,185,977)	(89,917)	236,077	1,197,032

Note: The Company has applied HKFRS 16 since 1 January 2019 in accordance with transitional provision stated in note 2. Lease liabilities amounted to HK\$7,950,000 were recognised on initial application of HKFRS 16, of which HK\$7,950,000 recognised as right-of-use assets for own use.

附註：本公司自二零一九年一月一日起根據附註2所述過渡條文應用香港財務報告準則第16號。於首次應用香港財務報告準則第16號時確認租賃負債7,950,000港元，其中7,950,000港元確認為自用使用權資產。

Notes to the consolidated financial statements

綜合財務報表附註

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

53. EVENT AFTER THE REPORTING PERIOD

The outbreak of a novel coronavirus (“COVID-19”) in mainland China and the subsequent quarantine measures imposed by the mainland Chinese government in early 2020 have certain impact on the business operations of the Group and its associates, as the main operations of the Group and its associates are located in mainland China. The Group’s major subsidiaries and one of the associates had to stop their manufacturing activities since early February 2020 due to mandatory government quarantine measures in an effort to contain the spread of the COVID-19. The Group’s major subsidiaries and the associate have resumed the normal business operation at the middle of February 2020.

The Group is taking actions to minimise the impact of the COVID-19 outbreak to its business operation. The Group adopted precautionary measures to protect its workplace from COVID-19. Besides, the Group is also closely communicating with the business partners including the Group’s customers and suppliers in order to manage the schedules on the planning of sales and purchases. As the situation remains fluid as at the date these financial statements are authorised for issue, the directors of the Company considered that the financial effects of the COVID-19 on the Group’s consolidated financial statements cannot be reasonably estimated. The actual financial effects will be reflected in the Group’s future financial statements.

53. 報告期後事項

由於本集團及其聯營公司主要於中國內地經營業務，中國內地爆發新型冠狀病毒（「COVID-19」）及中國內地政府隨後於二零二零年初實施檢疫措施對本集團及其聯營公司的業務營運構成一定影響。隨著政府採取強制檢疫措施以遏制COVID-19擴散，本集團主要附屬公司及其中一間聯營公司旗下製造業務自二零二零年二月初起停工。本集團主要附屬公司及相關聯營公司已於二零二零年二月中旬恢復正常業務運作。

本集團現正採取行動，務求盡量減少COVID-19疫情對其業務營運的影響。本集團已採取預防措施以保護其工作場所免受COVID-19的侵害。此外，本集團亦與包括本集團客戶及供應商在內的業務夥伴緊密溝通，以管理買賣計劃的時間表。由於截至此等財務報表獲批准發布之日，情況仍然不穩定，本公司董事認為無法合理估計COVID-19對本集團綜合財務報表所造成的財務影響。實際財務影響將於本集團未來財務報表內反映。

Five year financial summary

五年財務概要

(A) RESULTS

(A) 業績

		For the year ended 31 December				2019
		截至十二月三十一日止年度				二零一九年
		2015	2016	2017	2018	二零一九年
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
			(Restated)			
			(經重列)			
Revenue	收益	1,494,961	1,407,209	1,265,515	1,366,753	1,495,833
Operating profit	經營溢利	297,851	270,508	145,770	77,389	191,866
Gain on disposal of subsidiaries	出售附屬公司的收益	-	-	-	91,681	-
Share of profit of associates	分佔聯營公司溢利	178,625	86,429	47,334	51,669	41,751
Share of profit (loss) of a joint venture	分佔一間合營企業溢利(虧損)	-	57	(274)	623	(930)
Profit before taxation	除稅前溢利	476,476	356,994	192,830	221,362	232,687
Taxation	稅項	(79,796)	(69,760)	(50,023)	(46,930)	(55,801)
Profit for the year from continuing operations	持續經營業務的年度溢利	396,680	287,234	142,807	174,432	176,886
Loss for the year from discontinued operations	已終止經營業務的年度虧損	(6,078)	-	-	-	-
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	386,372	285,827	138,025	169,383	175,886
Non-controlling interests	非控股權益	4,230	1,407	4,782	5,049	1,000
		390,602	287,234	142,807	174,432	176,886

Five year financial summary

五年財務概要

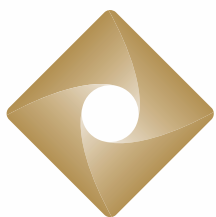
(B) ASSETS AND LIABILITIES

(B) 資產及負債

		At 31 December 於十二月三十一日				2019
		2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	二零一九年 HK\$'000 千港元
TOTAL ASSETS	資產總值	4,368,408	4,158,124	4,198,506	3,934,962	3,647,153
TOTAL LIABILITIES	負債總額	(1,385,294)	(1,282,964)	(1,217,996)	(1,136,361)	(720,977)
		2,983,114	2,875,160	2,980,510	2,798,601	2,926,176
EQUITY ATTRIBUTABLE TO:	以下人士應佔權益：					
Owners of the Company	本公司擁有人	2,930,460	2,828,968	2,917,632	2,763,663	2,904,301
Non-controlling interests	非控股權益	52,654	46,192	62,878	34,938	21,875
		2,983,114	2,875,160	2,980,510	2,798,601	2,926,176

Note: The comparative figures are not restated on application of HKFRS 9, HKFRS 15 for the first time in the year ended 31 December 2018 and HKFRS 16 for the first time in the current year.

附註：概無於應用香港財務報告準則第9號、截至二零一八年十二月三十一日止年度首次應用香港財務報告準則第15號及本年度首次應用香港財務報告準則第16號時重列比較數字。



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

